

## 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 NATCHEZ, MISSISSIPPI  
ANNUAL FINANCIAL STATEMENTS  
AS OF SEPTEMBER 30, 2023  
AND FOR THE YEAR THEN ENDED  
WITH  
INDEPENDENT AUDITOR'S REPORT



**SILAS SIMMONS** LLP  
CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS



CITY OF NATCHEZ, MISSISSIPPI

Annual Financial Statements  
As of and for the Year Ended September 30, 2023  
With Supplementary Information Schedules

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## INDEPENDENT AUDITOR'S REPORT

Mayor and Members of the Board of Aldermen  
City of Natchez  
Natchez, Mississippi

### Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Natchez, Mississippi (the City) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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, 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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'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. We did not audit the financial statements of the Natchez Convention Promotion Commission (the Commission), a discretely presented component unit which represents 76%, 77%, and 79%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units column. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included in the aggregate discretely presented component units, is based solely upon the reports of other auditors. 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's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

## Other Matters

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Budgetary Comparison Schedules, the Schedule of Funding Progress - MMRS, the Schedule of Changes In Net Pension Liability and Related Ratios - PERS, and the Schedule of Employer Contributions - PERS, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

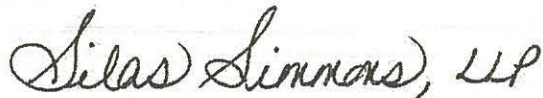
#### *Other Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Other Supplementary Information, as described in the accompanying table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Other Supplementary Information is the responsibility of management and is derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Other Supplementary Information is 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 August 21, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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's internal control over financial reporting and compliance.



Natchez, Mississippi  
August 21, 2024

## BASIC FINANCIAL STATEMENTS

## CITY OF NATCHEZ, MISSISSIPPI

## STATEMENT OF NET POSITION

SEPTEMBER 30, 2023

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 12,934,924	\$ 6,774,358	\$ 19,709,282	\$ 2,265,672
Investments and other deposits	12,471,005	-	12,471,005	-
Receivables	413,496	940,379	1,353,875	8,640
Property tax receivable	5,232,100	-	5,232,100	-
Due from other governmental agencies	1,288,464	-	1,288,464	230,911
Inventories	-	230,073	230,073	-
Prepaid expenses	-	18,320	18,320	3,600
Restricted assets:				
Cash and cash equivalents	-	461,993	461,993	137,913
Investments and other deposits	-	-	-	450,000
Capital assets, net	72,555,707	22,308,052	94,863,759	194,519
Intangible right-to-use leased area, net	-	-	-	188,328
Total assets	<u>\$ 104,895,696</u>	<u>\$ 30,733,175</u>	<u>\$ 135,628,871</u>	<u>\$ 3,479,583</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 4,917,953</u>	<u>\$ 2,863,478</u>	<u>\$ 7,781,431</u>	<u>\$ 248,367</u>
<b>LIABILITIES</b>				
Bank overdrafts	\$ 356,908	\$ -	\$ 356,908	\$ -
Accounts payable and accrued expenses	2,069,199	24,474	2,093,673	108,218
Due to other governmental agencies	180,666	98,095	278,761	-
Due to outside entities	176,242	-	176,242	386,088
Deferred revenue - ad valorem taxes	5,232,100	-	5,232,100	-
Deferred revenue - other	-	-	-	791,413
Long-term liabilities:				
Due within one year:				
Bonds, capital leases, and contracts	1,636,114	126,768	1,762,882	63,840
Accrued interest	-	-	-	-
Compensated absences	518,000	190,394	708,394	-
Other liabilities	152,246	457,457	609,703	-
Due in more than one year:				
Bonds, capital leases, and contracts	16,127,078	1,529,300	17,656,378	122,360
Compensated absences	-	-	-	-
Net pension liability	29,032,584	7,466,169	36,498,753	1,650,680
Total liabilities	<u>\$ 55,481,137</u>	<u>\$ 9,892,657</u>	<u>\$ 65,373,794</u>	<u>\$ 3,122,599</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>\$ -</u>	<u>\$ 580,886</u>	<u>\$ 580,886</u>	<u>\$ 4,671</u>
<b>NET POSITION</b>				
Net investment in capital assets	\$ 54,792,515	\$ 20,651,984	\$ 75,444,499	\$ 194,519
Restricted for:				
Debt service	402,711	-	402,711	-
Capital projects	14,103,560	-	14,103,560	-
Other purposes	5,961,414	-	5,961,414	675,742
Unrestricted	(20,927,684)	2,471,126	(18,456,558)	(269,581)
Total net position	<u>\$ 54,332,516</u>	<u>\$ 23,123,110</u>	<u>\$ 77,455,626</u>	<u>\$ 600,680</u>

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

## CITY OF NATCHEZ, MISSISSIPPI

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Assets			Component Units
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Primary Government:								
Governmental activities:								
General government	\$ 4,951,784	\$ 108,516	\$ 1,013,165	\$ 4,504,357	\$ 674,254	\$ -	\$ 674,254	
Public safety	8,079,203	327,776	-	-	(7,751,427)	-	(7,751,427)	
Public works	4,444,349	2,053,384	-	-	(2,390,965)	-	(2,390,965)	
Culture and recreation	4,917,237	-	-	-	(4,917,237)	-	(4,917,237)	
Economic development	450,265	-	-	-	(450,265)	-	(450,265)	
Miscellaneous	690,450	-	-	-	(690,450)	-	(690,450)	
Interest on long-term debt	881,061	-	-	-	(881,061)	-	(881,061)	
Total governmental activities	\$ 24,414,349	\$ 2,489,676	\$ 1,013,165	\$ 4,504,357	\$ (16,407,151)	\$ -	\$ (16,407,151)	
Business-Type Activities:								
Water Works	\$ 6,045,422	\$ 5,852,912	\$ 139,623	\$ -	\$ -	\$ (52,887)	\$ (52,887)	
Total business-type activities	\$ 6,045,422	\$ 5,852,912	\$ 139,623	\$ -	\$ -	\$ (52,887)	\$ (52,887)	
Total primary government	\$ 30,459,771	\$ 8,342,588	\$ 1,152,788	\$ 4,504,357	\$ (16,407,151)	\$ (52,887)	\$ (16,460,038)	
Component Units:								
Judge George Armstrong Library	\$ 624,187	\$ 11,335	\$ 116,318	\$ -				\$ (496,534)
Natchez Convention Promotion								
Commission	\$ 1,789,727	\$ -	\$ -	\$ -				\$ (1,789,727)
Total	\$ 2,413,914	\$ 11,335	\$ 116,318	\$ -				\$ (2,286,261)
General Revenue:								
Taxes:								
Property taxes, levied for general purposes					\$ 5,752,986	\$ -	\$ 5,752,986	\$ -
Property taxes, levied for specific purposes					369,933		369,933	
Gaming taxes					990,902	-	990,902	-
Franchise fees					561,216	-	561,216	-
Sales taxes					6,381,557	-	6,381,557	1,698,687
Unrestricted investment earnings					316,315	78,883	395,198	2,922
Miscellaneous					4,958,029	-	4,958,029	-
Transfers from City of Natchez, Mississippi					-	-	-	-
Transfers					-	-	-	333,419
Total general revenues and transfers					\$ 19,330,938	\$ 78,883	\$ 19,409,821	\$ 2,035,028
Change in net position					\$ 2,923,787	\$ 25,996	\$ 2,949,783	\$ (251,233)
Net position - beginning					\$ 50,574,067	\$ 23,097,114	\$ 73,671,181	\$ 851,913
Prior period adjustments, net					\$ 834,662	\$ -	\$ 834,662	\$ -
Net position - beginning - as adjusted					\$ 51,408,729	\$ 23,097,114	\$ 74,505,843	\$ 851,913
Net position - ending					\$ 54,332,516	\$ 23,123,110	\$ 77,455,626	\$ 600,680

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

## CITY OF NATCHEZ, MISSISSIPPI

BALANCE SHEET  
GOVERNMENTAL FUNDS

SEPTEMBER 30, 2023

	General Fund	Pension Trust Fund	Casino Annual Lease Payment	Natchez - Transit - Senior Citizens	American Rescue Plan Act	2022 G.O Bond Road Improvements	2022 S.O Bond Convention Center Bond	Bond and Interest	Aggregate Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS:</b>										
Cash and cash equivalents	\$ 3,810,300	\$ 1,058,300	\$ 1,030,565	\$ 170,378	\$ 2,071,279	\$ -	\$ -	\$ 635,204	\$ 4,158,898	\$ 12,934,924
Investments	-	-	-	-	-	5,905,713	5,183,297	-	1,381,995	12,471,005
Receivables, net of allowance										
Property taxes receivable	3,762,266	437,212	-	-	-	-	-	100,895	931,726	5,232,099
Other receivables	-	-	393,900	-	-	-	-	-	19,629	413,529
Due from other funds	499,030	1,257	-	13,265	-	-	-	1,129	2,426,499	2,941,180
Due from other governments	685,014	-	-	291,634	-	-	-	9,326	302,490	1,288,464
Prepaid items	-	-	-	-	-	-	-	-	-	-
Advances to other funds	464,976	-	-	135,637	-	-	-	-	534,147	1,134,760
Total assets	\$ 9,221,586	\$ 1,496,769	\$ 1,424,465	\$ 610,914	\$ 2,071,279	\$ 5,905,713	\$ 5,183,297	\$ 746,554	\$ 9,755,384	\$ 36,415,961
<b>LIABILITIES AND FUND BALANCES:</b>										
<b>Liabilities:</b>										
Bank overdrafts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,052	\$ 106,685	\$ -	\$ 235,171	\$ 356,908
Accounts payable	1,567,310	-	44	114,520	-	186,908	-	-	200,449	2,069,231
Due to other funds	420,038	-	-	188,350	-	3,605	-	315,653	2,013,534	2,941,180
Due to other governments	30,653	-	-	-	-	-	-	-	150,013	180,666
Due to outside entities	-	-	-	-	-	-	-	-	176,240	176,240
Other liabilities	152,244	-	-	-	-	-	-	-	-	152,244
Advances from other funds	269,556	-	-	151,282	-	-	-	-	713,922	1,134,760
Total liabilities	\$ 2,439,801	\$ -	\$ 44	\$ 454,152	\$ -	\$ 205,565	\$ 106,685	\$ 315,653	\$ 3,489,329	\$ 7,011,229
<b>Deferred inflows of resource:</b>										
Deferred property taxes	\$ 3,762,266	437,212	\$ -	\$ -	\$ -	\$ -	\$ -	100,895	\$ 931,726	\$ 5,232,099
<b>Fund balances:</b>										
Reserved for:										
Nonspendable:										
Advances	\$ 269,556	\$ -	\$ -	\$ 151,282	\$ -	\$ -	\$ -	\$ -	\$ 534,147	\$ 954,985
Restricted:										
Debt service	-	-	-	-	-	-	-	330,006	72,705	402,711
Assigned:										
Capital projects	-	-	-	-	-	5,700,148	5,076,612	-	3,326,800	14,103,560
Special revenue funds	-	1,059,557	1,424,421	5,480	2,071,279	-	-	-	1,400,677	5,961,414
Unassigned	2,749,963	-	-	-	-	-	-	-	-	2,749,963
Total fund balances	\$ 3,019,519	\$ 1,059,557	\$ 1,424,421	\$ 156,762	\$ 2,071,279	\$ 5,700,148	\$ 5,076,612	\$ 330,006	\$ 5,334,329	\$ 24,172,633
<b>Total liabilities and fund balances</b>	\$ 9,221,586	\$ 1,496,769	\$ 1,424,465	\$ 610,914	\$ 2,071,279	\$ 5,905,713	\$ 5,183,297	\$ 746,554	\$ 9,755,384	\$ 36,415,961

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

## FUND FINANCIAL STATEMENTS

**GOVERNMENTAL FUNDS**

## CITY OF NATCHEZ, MISSISSIPPI

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION

SEPTEMBER 30, 2023

Fund Balances, Total Governmental Funds (Schedule C)		\$ 24,172,633
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		72,555,707
Deferred outflows and inflows are not financial resources or currently payable.		
Deferred outflows	\$ 4,917,953	
Deferred inflows	<u>-</u>	4,917,953
Other items, including net pension liabilities, are not due and payable in the current period and, therefore, are either deferred or not reported in the funds.		(29,032,584)
Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Bonds and notes payable	\$ (17,763,192)	
Compensated absences payable	<u>(518,000)</u>	<u>(18,281,192)</u>
Net Position of Governmental Activities		<u>\$ 54,332,517</u>

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

## CITY OF NATCHEZ, MISSISSIPPI

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	General Fund	Pension Trust Fund	Casino Annual Lease Payment	Transportation - Senior Citizens	American Rescue Plan Act	2022 G.O Bond Road Improvements	2022 S.O Bond Convention Center Improvements	Bond and Interest	Aggregate Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>										
Ad valorem taxes	\$ 4,289,539	\$ 469,905	-	-	-	-	-	\$ 107,255	\$ 1,256,219	\$ 6,122,918
Licenses and permits	73,808	-	-	-	-	-	-	-	34,708	108,516
Intergovernmental:										
Sales taxes	5,841,801	-	-	-	-	-	-	-	539,756	6,381,557
Gaming taxes	990,902	-	-	-	-	-	-	-	-	990,902
State and federal grant revenue	2,731,725	-	-	1,308,714	-	-	-	-	400,463	4,440,902
Other	653,603	-	-	-	-	-	-	-	343,761	997,364
Charges for services	1,445,094	-	-	178,672	-	-	-	-	429,618	2,053,384
Fees and fines	327,776	-	-	-	-	-	-	-	212	327,988
Franchise fees	561,216	-	-	-	-	-	-	-	-	561,216
Investment earnings	9,743	2,983	3,564	416	2,027	114,555	119,588	2,690	60,533	316,099
Rents and royalties	-	-	1,190,956	-	-	-	-	-	23,693	1,214,649
Miscellaneous	2,625,462	-	-	15,477	-	-	-	-	595,982	3,236,921
Total revenues	\$ 19,550,669	\$ 472,888	\$ 1,194,520	\$ 1,503,279	\$ 2,027	\$ 114,555	\$ 119,588	\$ 109,945	\$ 3,684,945	\$ 26,752,416
<b>EXPENDITURES:</b>										
Current:										
General government	\$ 4,596,615	\$ -	\$ -	\$ -	\$ 20,500	\$ -	\$ -	\$ -	\$ 133,414	\$ 4,750,529
Public safety	7,061,814	-	-	-	-	-	-	-	119,769	7,181,583
Public works	3,274,418	-	-	-	175	-	-	-	244,765	3,519,358
Culture and recreation	722,937	-	-	1,718,699	-	-	-	-	2,103,773	4,545,409
Economic development	348,900	-	-	-	-	-	-	-	101,578	450,478
Miscellaneous	129,891	-	-	-	11,599	87,363	-	-	259,661	488,514
Debt service:										
Principal	360,001	-	-	-	-	-	2,695,000	1,422,000	393,231	4,870,232
Interest and other charges	45,750	-	-	-	-	-	113,868	607,388	39,765	806,771
Debt origination costs	-	-	-	-	-	-	225,666	-	-	225,666
Capital outlay	123,762	-	-	-	-	245,314	270,185	-	1,980,189	2,619,450
Total expenditures	\$ 16,664,088	\$ -	\$ -	\$ 1,718,699	\$ 32,274	\$ 332,677	\$ 3,304,719	\$ 2,029,388	\$ 5,376,145	\$ 29,457,990
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	\$ 2,886,581	\$ 472,888	\$ 1,194,520	\$ (215,420)	\$ (30,247)	\$ (218,122)	\$ (3,185,131)	\$ (1,919,443)	\$ (1,691,200)	\$ (2,705,574)
<b>OTHER FINANCIAL SOURCES (USES)</b>										
Proceeds from long-term debt and capital leases, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,587,000	\$ 8,102,028	\$ -	\$ 15,689,028
Other financing sources	-	-	-	-	-	-	674,743	-	-	674,743
Other uses - transfers to other governments	(225,861)	-	-	-	-	-	-	-	-	(225,861)
Transfers in	1,772,279	-	-	192,190	-	5,918,270	-	2,246,027	5,145,720	15,274,486
Transfers out	(1,928,415)	-	(1,075,000)	(39,857)	(1,227,285)	-	-	(9,399,561)	(1,604,369)	(15,274,487)
Total other financing sources (uses)	\$ (381,997)	\$ -	\$ (1,075,000)	\$ 152,333	\$ (1,227,285)	\$ 5,918,270	\$ 8,261,743	\$ 948,494	\$ 3,541,351	\$ 16,137,909
Net change in fund balances	\$ 2,504,584	\$ 472,888	\$ 119,520	\$ (63,087)	\$ (1,257,532)	\$ 5,700,148	\$ 5,076,612	\$ (970,949)	\$ 1,850,151	\$ 13,432,335
Fund balances - beginning	\$ 602,683	\$ 586,669	\$ 1,304,901	\$ 243,734	\$ 3,328,811	\$ -	\$ -	\$ 1,300,955	\$ 3,216,686	\$ 10,584,439
Prior period adjustments	\$ (87,748)	\$ -	\$ -	\$ (23,885)	\$ -	\$ -	\$ -	\$ -	\$ 267,492	\$ 155,859
Fund balances - beginning, as adjusted	\$ 514,935	\$ 586,669	\$ 1,304,901	\$ 219,849	\$ 3,328,811	\$ -	\$ -	\$ 1,300,955	\$ 3,484,178	\$ 10,740,298
Fund balances - ending	\$ 3,019,519	\$ 1,059,557	\$ 1,424,421	\$ 156,762	\$ 2,071,279	\$ 5,700,148	\$ 5,076,612	\$ 330,006	\$ 5,334,329	\$ 24,172,633

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

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## CITY OF NATCHEZ, MISSISSIPPI

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2023

Net Changes in Fund Balances, Total Governmental Funds (Statement E) \$ 13,432,335

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

Governmental funds report capital assets as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives. Thus, the change in net position differs from the change in fund balances by which capital outlays exceeded depreciation in the period:

Capital outlay	\$ 2,619,451	
Depreciation expense	<u>(1,511,919)</u>	1,107,532

Repayment of debt principal is an expenditure in the governmental funds, and borrowing is an income item, but the repayment reduces long-term liabilities in the Statement of Net Position. Thus, the change in net position differs from the change in fund balances by the amount of debt repayments and debt issued.

Repayment of debt principal		4,870,234
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Net pension expense is reported in governmental funds as expenditures as they are paid; however, in the Statement of Activities, the net pension expense is reported according to estimates required by GASB 68:

Pension expenses paid	\$ -	
Pension expenses per GASB 68	<u>(886,024)</u>	(886,024)

Some items reported in the Statement of Activities do not provide or require the use of current financial resources and, therefore, are not reported as revenues/expenditures in governmental funds. These activities include changes in deferrals related to pensions.

Governmental funds report bond proceeds and other debt as current financial resources.		
In contrast, the Statement of Activities treats such debt as a liability.		(15,751,667)

Current year debt issuance costs		225,666
Amortization of original issue discount, gain on refunding and debt origination costs		<u>(74,289)</u>

Change in Net Position of Governmental Activities		<u><u>\$ 2,923,787</u></u>
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The accompanying notes are an integral part of this financial statement.

## PROPRIETARY FUNDS

## CITY OF NATCHEZ, MISSISSIPPI

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS

SEPTEMBER 30, 2023

	Business-Type Activities	
	Water Works	Total Enterprise Funds
<b><u>ASSETS</u></b>		
Unrestricted current assets:		
Cash and cash equivalents	\$ 6,774,358	\$ 6,774,358
Accounts receivable, net	882,031	882,031
Other receivables	58,348	58,348
Inventories	230,073	230,073
Prepaid expenses	18,320	18,320
Total unrestricted current assets	<u>\$ 7,963,130</u>	<u>\$ 7,963,130</u>
Restricted current assets:		
Cash and cash equivalents	\$ 461,993	\$ 461,993
Total restricted current assets	<u>\$ 461,993</u>	<u>\$ 461,993</u>
Total current assets	<u>\$ 8,425,123</u>	<u>\$ 8,425,123</u>
Noncurrent assets:		
Capital assets:		
Land and improvements	\$ 379,580	\$ 379,580
Buildings, equipment, and distribution systems	45,777,655	45,777,655
Less accumulated depreciation	(23,849,183)	(23,849,183)
Total capital assets	<u>\$ 22,308,052</u>	<u>\$ 22,308,052</u>
Total noncurrent assets	<u>\$ 22,308,052</u>	<u>\$ 22,308,052</u>
Total assets	<u>\$ 30,733,175</u>	<u>\$ 30,733,175</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>		
Deferred outflows - pension	<u>\$ 2,863,478</u>	<u>\$ 2,863,478</u>

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

## CITY OF NATCHEZ, MISSISSIPPI

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS

SEPTEMBER 30, 2023

	Business-Type Activities	
	Water Works	Total Enterprise Funds
<b><u>LIABILITIES</u></b>		
Current liabilities:		
Accounts payable	\$ 7,646	\$ 7,646
Accrued payroll	16,828	16,828
Compensated absences	190,394	190,394
Due to general fund	98,095	98,095
Total current liabilities	<u>\$ 312,963</u>	<u>\$ 312,963</u>
Current liabilities payable from restricted assets:		
Customer deposits payable	\$ 457,457	\$ 457,457
Bonds, notes, and loans payable - current portion	126,768	126,768
Total current liabilities payable from restricted assets	<u>\$ 584,225</u>	<u>\$ 584,225</u>
Noncurrent liabilities:		
Bonds, notes payable, and capital leases	\$ 1,529,300	\$ 1,529,300
Net pension liability	7,466,169	7,466,169
Total noncurrent liabilities	<u>\$ 8,995,469</u>	<u>\$ 8,995,469</u>
Total liabilities	<u>\$ 9,892,657</u>	<u>\$ 9,892,657</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>		
Deferred inflows - pension	<u>\$ 580,886</u>	<u>\$ 580,886</u>
<b><u>NET POSITION</u></b>		
Net investment in capital assets	\$ 20,651,984	\$ 20,651,984
Unrestricted	2,471,126	2,471,126
Total net position	<u>\$ 23,123,110</u>	<u>\$ 23,123,110</u>

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

## CITY OF NATCHEZ, MISSISSIPPI

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Business-Type Activities	
	Water Works	Total Enterprise Funds
<b><u>OPERATING REVENUES</u></b>		
Charges for services	\$ 5,852,912	\$ 5,852,912
Total operating revenues	<u>\$ 5,852,912</u>	<u>\$ 5,852,912</u>
<b><u>OPERATING EXPENSES</u></b>		
Cost of sales and services	\$ 3,189,849	\$ 3,189,849
Administrative	1,436,566	1,436,566
Depreciation	1,280,844	1,280,844
Total operating expenses	<u>\$ 5,907,259</u>	<u>\$ 5,907,259</u>
Operating income (loss)	<u>\$ (54,347)</u>	<u>\$ (54,347)</u>
<b>Nonoperating income (expense)</b>		
Interest and investment revenue	\$ 78,883	\$ 78,883
Interest expense	(31,885)	(31,885)
Grant revenue	139,623	139,623
Grant expenditures	(106,278)	(106,278)
Total nonoperating income (expense)	<u>\$ 80,343</u>	<u>\$ 80,343</u>
Income (loss) before contributions and transfers	<u>\$ 25,996</u>	<u>\$ 25,996</u>
Change in net position	\$ 25,996	\$ 25,996
Total net position - beginning	<u>23,097,114</u>	<u>23,097,114</u>
Total net position - ending	<u><u>\$ 23,123,110</u></u>	<u><u>\$ 23,123,110</u></u>

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

## CITY OF NATCHEZ, MISSISSIPPI

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Business-Type Activities	
	Water Works	Total Enterprise Funds
<b>Cash flows from operating activities:</b>		
Cash received from customers, including cash deposits	\$ 5,944,515	\$ 5,944,515
Cash paid to suppliers	(2,658,733)	(2,658,733)
Cash paid to employees	(2,207,503)	(2,207,503)
Net cash provided by operating activities	<u>\$ 1,078,279</u>	<u>\$ 1,078,279</u>
<b>Cash flows from capital and related financing activities:</b>		
Principal payments - revenue bonds	\$ (124,488)	\$ (124,488)
Interest paid - revenue bonds	(31,885)	(31,885)
Acquisition and construction of capital assets	(626,643)	(626,643)
Grant proceeds	139,623	139,623
Grant expenditures	(245,901)	(245,901)
Net cash used for capital and related financing activities	<u>\$ (889,294)</u>	<u>\$ (889,294)</u>
<b>Cash flows from investing activities:</b>		
Proceeds from maturities of investments	\$ 2,278,187	\$ 2,278,187
Purchase of investments	(2,214,746)	(2,214,746)
Interest received	(31,976)	(31,976)
Net cash provided by investment activities	<u>\$ 31,465</u>	<u>\$ 31,465</u>
Net decrease in cash and cash equivalents	\$ 220,450	\$ 220,450
Cash and cash equivalents, beginning of year	<u>4,616,532</u>	<u>4,616,532</u>
Cash and cash equivalents, end of year	<u><u>\$ 4,836,982</u></u>	<u><u>\$ 4,836,982</u></u>

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

## CITY OF NATCHEZ, MISSISSIPPI

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Business-Type Activities	
		Total
	Water Works	Enterprise Funds
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ (54,347)	\$ (54,347)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation expense	\$ 1,280,844	\$ 1,280,844
(Increase) decrease in accounts receivable	87,749	87,749
(Increase) decrease in prepaid insurance	17,133	17,133
(Increase) decrease in inventory	6,621	6,621
(Increase) decrease in deferred outflows of resources	(981,766)	(981,766)
Increase (decrease) in accounts payable	2,754	2,754
Increase (decrease) in due to general fund	22,220	22,220
Increase (decrease) in accrued interest payable	463	463
Increase (decrease) in accrued payroll	(12,276)	(12,276)
Increase (decrease) in compensated absences payable	(5,375)	(5,375)
Increase (decrease) in customer deposits	3,854	3,854
Increase (decrease) in net pension liability	1,000,848	1,000,848
Increase (decrease) in deferred inflows of resources	(290,443)	(290,443)
Total adjustments	\$ 1,132,626	\$ 1,132,626
Net cash provided by operating activities	\$ 1,078,279	\$ 1,078,279

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

## NOTES TO THE FINANCIAL STATEMENTS

CITY OF NATCHEZ, MISSISSIPPI  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

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

City of Natchez, Mississippi (the City) was incorporated January 28, 1846. The City operates under a Mayor-Aldermen form of government and provides the following services as authorized by its charter: public safety, highways and streets, sanitation, health and social services, culture-recreation, education, public improvements, planning and zoning, and general administrative services.

The accounting policies of the City conform to generally accepted accounting principles as applicable to governments.

The following is a summary of certain significant accounting policies:

**A. Reporting Entity**

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in generally accepted accounting principles (GAAP). The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of this ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Component units are reported in the City's financial statements as follows:

- **Blended Component Unit**

Natchez Water Works The Natchez Water Works' Board of Commissioners is appointed by the City's Board of Aldermen. The rates for user charges and bond issuance authorizations are approved by the City, and the legal liability for the general obligation portion of the Natchez Water Works debt remains with the City of Natchez. Complete financial statements may be obtained from Natchez Water Works.

- **Discretely Presented Component Units**

Judge George Armstrong Library (the Library Service) The Library Service's Board of Directors is appointed by the City's Board of Aldermen. The City provides over 50% of the operating budget of the Library Service. Complete financial statements may be obtained from the Library Service.

Natchez Convention Promotion Commission (the Commission) The Commission's Board of Directors is appointed by the City's Mayor and Board of Aldermen and serves at their discretion. The City provides an annual appropriation and in-kind revenues to the Commission and also provides other services as specified in a management agreement. Complete financial statements can be obtained from the Commission.

CITY OF NATCHEZ, MISSISSIPPI  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Reporting Entity (continued)

- Related Organization

The Natchez Housing Authority (the Authority) The Authority is a related organization of the City. All five of its board members are appointed by the City. However, the City is not able to impose its will upon the Authority's Board, and there is no financial benefit burden relationship.

B. Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund types (the total of all funds of a particular type). Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business-type. In the Government-Wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reflected on a full accrual, economic resource basis, which incorporates long-term assets and receivables, as well as long-term debt and obligations. The City generally first uses restricted assets for expenses incurred for which both restricted and unrestricted assets are available. The City may defer the use of restricted assets based on a review of the specific transaction. The Government-Wide Statement of Activities reflects both the gross and net cost per functional category (public safety, public works, health and welfare, etc.), which are otherwise being supported by general government revenues (property, sales, and use taxes; certain intergovernmental revenues; fines, permits, and charges; etc.). The Government-Wide Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function or a business-type activity. The City does not allocate indirect expenses. The operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants. The governmental funds statements in the fund financial statements are presented on a current financial resource and modified accrual basis of accounting. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented, which briefly explains the adjustment necessary to reconcile funds based on financial statements with the governmental column of the government-wide presentation. Each presentation provides valuable information that can be analyzed and compared (between years and between governments) to enhance the usefulness of the information. In the fund financial statements, financial transactions and accounts of the City are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and other financial resources together with all related liabilities and residual equities or balances, and changing therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the financial statements in this report into two broad fund categories and six generic fund types as follows:

## CITY OF NATCHEZ, MISSISSIPPI

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

## B. Government-Wide and Fund Financial Statements (continued)

- **Governmental Funds**

General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

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

Debt Service Funds – Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. The primary revenue source is local property taxes levied specifically for debt service.

Capital Projects Funds – Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

- **Proprietary Funds**

Enterprise Funds – Natchez Water Works, a component unit of the City, accounts for the majority of operations of the Enterprise Fund. Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises—where the intent of the governing body is that the costs and expenses of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges—or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The financial statements of the Enterprise Fund have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental entities. They apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict Governmental Accounting Standards Board (GASB) pronouncements, in which case, GASB prevails. Proprietary funds distinguish operating revenues and expenses from nonoperating 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. Operating expenses for enterprise 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 nonoperating revenues and expenses.

CITY OF NATCHEZ, MISSISSIPPI  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Government-Wide and Fund Financial Statements (continued)

The emphasis for the fund financial statements is on major funds within the governmental and propriety fund types. The general fund is always to be reported as a major fund. Other major funds are determined annually based on the following criteria:

Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and

Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5% of the corresponding total for all governmental and enterprise funds combined.

For the current year, the City reports the following major governmental funds:

General Fund – to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Pension Trust Fund – to account for resources held for payments to the Disability and Relief Municipal Retirement System Plan.

Casino Annual Lease Payment – to account for rents paid to the City and the subsequent use of those resources.

Transportation – Senior Citizens – to account for federal and state funds used to operate the City's public transportation system.

American Rescue Plan Act – to account for federal funding received and expended under the American Rescue Plan Act.

2022 General Obligation Bond – Road Improvements – to account for bond proceeds and capital outlay related to highway and street improvements within the City.

2022 Special Obligation Bond – Convention Center Improvements – to account for bond proceeds, debt service, and capital outlay for improvements to the Natchez Convention Center.

Bond and Interest Fund – to account for resources reserved for the repayment of City debt.

For the current year, the City reports the following major enterprise fund:

Natchez Water Works – to account for the provisions for water and sewer services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and debt-related service, and billing and collections.

All nonmajor funds are reported in the aggregate on the fund financial statements.

The City's Fiduciary Fund activities are insignificant and are not reported in these financial statements.

CITY OF NATCHEZ, MISSISSIPPI  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**C. Fixed Assets and Long-Term Liabilities**

Capital outlays are recorded as expenditures in the governmental fund financial statements and as assets in the government-wide financial statements to the extent the City's capitalization thresholds are met. Depreciation is recorded on general fixed assets on a government-wide basis. Capital outlays of the proprietary funds are recorded as capital assets and depreciated over their estimated useful lives on a straight-line basis on both the funds basis and the government-wide basis. All fixed assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated fixed assets are valued at their estimated fair market value on the date donated. The retroactive infrastructure capitalized amount was estimated using current replacement cost for a similar asset and deflating this cost through the use of price indices to the acquisition year. The City does not capitalize historical treasures or works of art. The City maintains many items and buildings of historical significance. The City does not require that the proceeds from the sale of historical treasures or works of art be used to acquire items for the collection.

Maintenance, repairs, and minor equipment are charged to operations when incurred. Expenditures that materially change capacities or extend useful lives are capitalized. Upon sale or retirement of land, buildings, and equipment, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts, and any resulting gain or loss is included in the results of operations.

In the government-wide financial statements, debt principal payments of both governmental and business-type activities are reported as decreases in the balance of the liability on the Statement of Net Position. In the fund financial statements, however, debt principal payments of governmental funds are recognized as expenditures when paid. The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets.

Their reported fund balance (net of current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Noncurrent portions of long-term receivables due to governmental funds are reported on their balance sheets, in spite of their spending measurement focus. Special reporting treatments are used to indicate, however, that they should not be considered "available spendable resources" since they do not represent net current assets. Recognition of governmental fund type revenues represented by noncurrent receivables is deferred until they become current receivables.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net position.

**CITY OF NATCHEZ, MISSISSIPPI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. Fixed Assets and Long-Term Liabilities (continued)**

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. In accordance with GASB Statement 34, depreciation is calculated and allocated by function on the Government-Wide Statement of Net Position. Accumulated depreciation is reported on the Government-Wide Statement of Net Position and the Statement of Net Position for proprietary funds. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings	33 1/3–80 years
Machinery and equipment	5–10 years
Vehicles	5 years
Improvements	8 years
Water and sewer lines	40–80 years
Streets and other infrastructure	80 years

**D. Basis of Accounting**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available.

Taxpayer-assessed income, gross receipts, and sales tax are considered “measurable when in the hands of intermediary collecting governments and are recognized as revenue at that time.” Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Those revenues susceptible to accrual are property taxes, franchise taxes, licenses, interest revenue, charges for services, and federal programs on which the revenue is recognized when the expenditure has been incurred. Fines and permits are not susceptible to accrual because generally they are not recognized until received in cash.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except principal and interest on general long-term debt, which is recognized when due.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

**E. Budgets and Budgetary Accounting**

In accordance with Mississippi State Law, the City budgets for the upcoming year on a modified cash basis, which includes liabilities that will be paid within 30 days of the fiscal year-end. The City follows these procedures in establishing the budgetary data reflected in the financial statements:

CITY OF NATCHEZ, MISSISSIPPI  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

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

**E. Budgets and Budgetary Accounting (continued)**

1. Prior to September 1, the City Clerk submits to the Mayor and Board of Aldermen a proposed operating budget for the fiscal year commencing the following October 1.
2. Public hearings are conducted at City Hall to obtain taxpayer comments.
3. The budget, as submitted, is reviewed by the Mayor and Board of Aldermen, and necessary revisions are made to the budget. Then the budget is approved prior to September 15.
4. The budget is formally revised during July of each year or anytime a deficit is indicated.
5. Budgetary comparisons are employed by management as a management control device during the year. The budget and actual comparisons are formally presented to the Mayor and Board of Aldermen throughout the year.
6. The budgets adopted are on a modified cash (non-GAAP) basis. Revenues are recognized when receipted (cash basis) from October 1 through September 30. Expenditures are recognized when legally budgeted and disbursed throughout the fiscal year or within 30 days thereafter. However, expenditures for uncompleted improvements in progress of construction may be charged to the budget at any time.
7. All budgetary appropriations lapse at the end of each fiscal year.

**F. Encumbrance System**

An encumbrance system is not maintained to account for commitments resulting from approved purchase orders, work orders, and contracts.

**G. Cash and Investments**

The City deposits funds in financial institutions selected by the Board of Aldermen in accordance with state statutes. Furthermore, the City invests excess funds in various investment instruments that are allowed by statutes.

Various restrictions on deposits and investments are imposed by statutes. These restrictions are summarized below.

- Cash - All deposits with financial institutions insured by the Federal Deposit Insurance Corporation (FDIC) must be collateralized in an amount equal to 105% of the uninsured amount.
- Investments - The City is allowed, by statute, to invest excess funds in any bonds or other direct obligations of the United States of America or the State of Mississippi, or of any county or municipality of this state when such county or municipal bonds have been properly approved, or interest-bearing time certificates of deposit or interest-bearing accounts with any financial institution approved for the deposit of state funds.

Investments are stated at cost or amortized cost.

For the Statement of Cash Flows - Proprietary Funds, the City considers cash to be cash on hand and cash in demand deposit accounts, including restricted accounts, to be cash.

CITY OF NATCHEZ, MISSISSIPPI  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

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

**H. Advances to/from Other Funds**

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds" or "advances to/from other funds," representing current and long-term portions of the interfund loans, respectively.

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.

**I. Prepaid Expenses**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**J. Inventory**

Inventories of the Enterprise Fund are valued at cost using the first-in/first-out (FIFO) method. The costs of inventory items are recorded as expenditures when consumed rather than when purchased.

**K. Restricted Assets**

Certain proceeds of the Enterprise Fund, as well as certain resources set aside for their repayment, are classified as restricted assets on the Statement of Net Position because their use is limited. Cash and investments are set aside to refund customer meter deposits only in the event the customer ceases to be a user of the water system. No interest is paid on these deposits.

**L. Deferred Charge**

In governmental fund types, bond issuance costs are recognized in the current period. Bond issuance costs for the government-wide statements and propriety fund types are deferred and amortized over the life of the bond issue.

**M. Deferred Income**

Deferred investment income is recorded and amortized over the life of the investment.

CITY OF NATCHEZ, MISSISSIPPI  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Compensated Absences

Employees of the City accumulate annual and sick leave as designated in the personnel policies adopted by the City. The City is responsible for up to 30 days of accumulated annual leave for each employee. The City does not provide for the payment of accumulated sick leave. Vested or accumulated annual leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated annual leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts. Vested or accumulated annual leave of the Enterprise Fund is recorded as an expense and liability of those funds as the benefits accrue to employees. Unused personal leave in excess of 30 days and unused sick leave may be counted as creditable service for the purpose of the retirement system.

O. Fund Equity

- Government-Wide Statements

Equity is classified as net position and displayed in three components:

1. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted net position – Consists of net assets with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws or (b) laws through constitutional provisions or enabling legislation.
3. Unrestricted net position – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

- Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unassigned, with reserved further defined as nonspendable, restricted, assigned, and committed. Proprietary fund equity is classified the same as in the government-wide statements. The following are the classifications of reserves used by the City for governmental funds:

1. Nonspendable – Fund balances not in a spendable form, such as prepaid items or inventory, or that cannot legally be spent or contractually required to remain intact.
2. Restricted – Amounts that are restricted by donors, creditors, or other outside third parties, or by enabling legislation.
3. Assigned – Amounts that are constrained by the nature of the City’s intent for use but not restricted or committed in any formal manner.

CITY OF NATCHEZ, MISSISSIPPI  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Fund Equity (continued)

- Fund Statements (continued)

4. Committed - Amounts that can only be used for specific purposes pursuant to formal actions taken by the highest level of authority.
5. Unassigned - The residual fund balance.

P. Concentrations of Credit Risk

All accounts receivable of the City are deemed collectible. However, financial instruments which potentially subject the Enterprise Fund to concentrations of credit risk consist of billed accounts receivable and unbilled costs. Billed accounts receivable and unbilled amounts due on services result primarily from customer services provided for water sales, sewer charges, and garbage collection. Customer services are disconnected and their consumer deposit surrendered once two months of nonpayment occurs to limit the Enterprise Fund's credit risk to a minimal level. Historically, neither the City nor the Enterprise Fund has incurred any significant credit related losses.

Q. Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the Statement of Activities, interfund transfers have been eliminated to the extent possible.

NOTE 2 - CASH, OTHER DEPOSITS, AND INVESTMENTS

Cash and Other Deposits

*Custodial Credit Risk* - 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 those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the FDIC.

The carrying amount of the City's deposits with financial institutions was \$19,352,374, and the bank balance was \$18,704,800.

CITY OF NATCHEZ, MISSISSIPPI  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

**NOTE 3 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The following is a summary of interfund transactions:

	<u>Due From</u>	<u>Due To</u>
Governmental funds:		
General fund	\$ 499,030	\$ 420,038
Pension trust fund	1,257	-
2022 GO bond - road improvements	-	3,605
Bond and interest fund	1,129	315,653
Transportation - Senior Citizens	13,265	188,350
Aggregate nonmajor funds:		
Special revenue	378,771	1,147,387
Capital projects	1,808,726	425,801
Debt service funds	239,002	440,346
Total due to/ due from	<u>\$ 2,941,180</u>	<u>\$ 2,941,180</u>

	<u>Advances To</u>	<u>Advances From</u>
Governmental funds:		
General fund	\$ 464,976	\$ 269,556
Transportation - Senior Citizens	135,637	151,282
Aggregate nonmajor funds:		
Special revenue	377,490	280,669
Capital projects	156,657	433,253
Total advances to/ from	<u>\$ 1,134,760</u>	<u>\$ 1,134,760</u>

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental funds:		
General fund	\$ 1,772,279	\$ 1,928,415
Casino annual lease payment	-	1,075,000
American Rescue Plan Act:		
2022 GO bond - road improvements	5,918,270	1,227,285
Bond and interest	2,246,027	9,399,561
Transportation - Senior Citizens	192,190	39,857
Aggregate nonmajor funds:		
Special revenues	1,733,984	1,302,266
Capital projects	3,411,736	302,103
Total transfers in/out	<u>\$ 15,274,486</u>	<u>\$ 15,274,487</u>

CITY OF NATCHEZ, MISSISSIPPI  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

**NOTE 4 - GENERAL AND PROPRIETARY FUND CAPITAL ASSETS**

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

**Primary Government**

	Balance 10/1/2022	Additions	Reductions	Balance 9/30/2023
<b>Governmental Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 9,897,863	\$ -	\$ -	\$ 9,897,863
Construction in progress	<u>29,711,372</u>	<u>1,150,425</u>	<u>(29,711,372)</u>	<u>1,150,425</u>
	<u>\$ 39,609,235</u>	<u>\$ 1,150,425</u>	<u>\$ (29,711,372)</u>	<u>\$ 11,048,288</u>
Capital assets, being depreciated:				
Buildings	\$ 23,404,332	\$ 2,624,115	\$ -	\$ 26,028,447
Equipment and furniture	12,889,356	-	-	12,889,356
Streets and infrastructure	<u>143,279,732</u>	<u>28,556,284</u>	<u>-</u>	<u>171,836,016</u>
	<u>\$ 179,573,420</u>	<u>\$ 31,180,399</u>	<u>\$ -</u>	<u>\$ 210,753,819</u>
Less accumulated depreciation for:				
Buildings	\$ (7,004,861)	\$ (368,596)	\$ -	\$ (7,373,457)
Equipment and furniture	(10,392,163)	(271,585)	-	(10,663,748)
Streets and infrastructure	<u>(130,337,457)</u>	<u>(872,008)</u>	<u>-</u>	<u>(131,209,465)</u>
	<u>\$ (147,734,481)</u>	<u>\$ (1,512,189)</u>	<u>\$ -</u>	<u>\$ (149,246,670)</u>
Total capital assets being depreciated, net	<u>\$ 31,838,939</u>	<u>\$ 29,668,210</u>	<u>\$ -</u>	<u>\$ 61,507,149</u>
Governmental activities capital assets, net	<u>\$ 71,448,174</u>	<u>\$ 30,818,635</u>	<u>\$ (29,711,372)</u>	<u>\$ 72,555,437</u>
<b>Business-Type Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 379,580	\$ -	\$ -	\$ 379,580
Construction in progress	<u>12,720</u>	<u>-</u>	<u>-</u>	<u>12,720</u>
	<u>\$ 392,300</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 392,300</u>
Capital assets, being depreciated:				
Building, equipment, and distribution system	\$ 45,165,878	\$ 626,643	\$ (27,585)	\$ 45,764,936
Total accumulated depreciation	<u>(22,595,925)</u>	<u>(1,280,844)</u>	<u>27,585</u>	<u>(23,849,184)</u>
Total capital assets being depreciated, net	<u>\$ 22,569,953</u>	<u>\$ (654,201)</u>	<u>\$ -</u>	<u>\$ 21,915,752</u>
Business-type activities capital assets, net	<u>\$ 22,962,253</u>	<u>\$ (654,201)</u>	<u>\$ -</u>	<u>\$ 22,308,052</u>

CITY OF NATCHEZ, MISSISSIPPI  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 4 - GENERAL AND PROPRIETARY FUND CAPITAL ASSETS (continued)

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

Governmental activities:	
General government	\$ 33,108
Public safety	183,854
Public works, including depreciation of general infrastructure assets	923,397
Culture and recreation	<u>371,829</u>
Total depreciation expense – governmental activities	\$ <u>1,512,188</u>
Business-type activities:	
Natchez Water Works	\$ <u>1,280,844</u>

Discretely Presented Component Units

Activity for the Judge George Armstrong Library for the year ended September 30, 2023, was as follows:

	Balance 10/1/2022	Additions	Reductions	Balance 9/30/2023
Capital assets, not being depreciated:				
Construction in progress	\$ 98,019	\$ -	\$ -	\$ 98,019
Total capital assets, not being depreciated	\$ 98,019	\$ -	\$ -	\$ 98,019
Capital assets being depreciated:				
Furniture, fixtures, and equipment	\$ 264,485	\$ -	\$ -	\$ 264,485
Computers	160,951	9,528	-	170,479
Central air/heat system	151,445	-	-	151,445
Automation	190,365	-	-	190,365
Inexhaustible collections and books:				
Books	1,480,119	12,221	-	1,492,340
Periodicals	87,622	-	-	87,622
Audio/visual	54,373	-	-	54,373
Total capital assets being depreciated	\$ 2,389,360	\$ 21,749	\$ -	\$ 2,411,109
Less accumulated depreciation for:				
Furniture, fixtures, and equipment	\$ (228,363)	\$ (7,626)	\$ -	\$ (235,989)
Computers	(138,083)	(8,619)	-	(146,702)
Central air/heat system	(151,445)	-	-	(151,445)
Library remodel	(2,672)	(3,189)	-	(5,861)
Automation	(193,873)	-	-	(193,873)
Inexhaustible collections and books:				
Books	(1,438,353)	(15,885)	-	(1,454,238)
Periodicals	(81,910)	(1,973)	-	(83,883)
Audio/visual	(54,373)	-	-	(54,373)
Total accumulated depreciation	\$ (2,289,072)	\$ (37,292)	\$ -	\$ (2,326,364)
Total capital assets being depreciated, net	\$ 198,307	\$ (15,543)	\$ -	\$ 182,764

CITY OF NATCHEZ, MISSISSIPPI  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 5 - LONG-TERM DEBT

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

<u>Description and Purpose</u>	<u>Amount Outstanding</u>	<u>Interest Rates</u>	<u>Final Maturity Date</u>
General Obligation Bonds:			
Parks Project, Series 2021	\$ 1,855,000	1.50% - 2.13%	08/01/2041
Capital Improvements, Series 2022	1,700,000		
Road Construction, Series 2022	5,465,000		
	<u>\$ 9,020,000</u>		
Special Obligation Bonds:			
Refunding Bonds 2006, Series 2022A			
Convention Center Improvements, Series 2022B	<u>\$ 7,175,000</u>	3.50% - 4.30%	07/01/2037
Limited Obligation Bonds:			
Tax Increment Limited, Series 2014	<u>\$ 120,000</u>	3.95%	09/01/2026
<u>Description and Purpose</u>	<u>Amount Outstanding</u>	<u>Interest Rates</u>	<u>Final Maturity Date</u>
Notes payable			
Fire truck	\$ 553,270	2.00 - 4.19%	09/13/2029
Police car	1,005	3.94%	10/17/2023
Schneider Fund	1,119,623	3.50%	09/30/2034
Miscellaneous	23,214	3.15%	10/09/2023
	<u>\$ 1,697,112</u>		
Business-Type Activities:			
Government Loans:			
American Recovery and Reinvestment Act	\$ 219,722	1.75%	03/01/2031
Mississippi Department of Environmental Quality	598,553	1.75%	06/01/2033
Mississippi Department of Health	837,793	1.95%	09/30/2041
	<u>\$ 1,656,068</u>		

On April 18, 2006, the City issued \$9,695,000 of Special Obligation Refunding Bonds with an average interest rate of 4.20% to advance refund \$7,440,000 of outstanding Special Obligation Bonds for the Convention Center. The net proceeds of \$9,537,093 (after payment of \$270,651 in underwriting fees, insurance, and other issuance costs) were used to purchase \$9,265,350 in U.S. Government Securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the Convention Center bonds. As a result, the Special Obligation Bonds for the Convention Center are considered deferred and the liability for those bonds has been removed from the Government-Wide Statement of Net Position. A portion of those bonds totaling \$3,785,000 was not refunded.

CITY OF NATCHEZ, MISSISSIPPI  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 5 – LONG-TERM DEBT (continued)

Tax Increment Financing – Limited Obligation Bonds

On April 1, 2009, the City issued \$2,595,000 of Tax Increment Financing Limited Obligation Bonds due in annual installments of \$110,000 to \$265,000, payable June 1, 2010 through June 1, 2023; and interest of 7.000%, payable on June 1 and December 1 of each year beginning with June 1, 2009 and ending with June 1, 2023. The bonds are funded by ad valorem taxes collected annually on the incremental increase in the value of real and personal property and any increase in sales tax revenues located within the specified benefiting area. In accordance with a tax pledge agreement between the City and Adams County, Mississippi, the County has pledged its incremental increase in value of ad valorem tax collections on benefiting property, under the terms of the Regional Economic Development Agreement (REDA) adopted by the City and the County on October 5, 2006.

On October 28, 2014, the City issued \$400,000 of Tax Incremental Financing Limited Obligation Bonds due in annual installments of \$25,000 to \$40,000, payable September 1, 2015 through September 1, 2026; and interest of 3.950%, payable annually on September 1 beginning with September 1, 2015 and ending with September 1, 2026. The bonds are funded by ad valorem taxes collected annually on the incremental increase in the value of real and personal property. In accordance with a tax pledge agreement between the City and Adams County, Mississippi, the County has pledged 50% of its incremental increase in value of ad valorem tax collections on benefiting property, under the terms of REDA.

Government Loans

On September 22, 2009, Natchez Water Works entered into an agreement with the Mississippi Water Pollution Control Revolving Fund to receive \$5,080,000 in both American Recovery & Reinvestment Act (ARRA) funds (\$4,318,000) and loan monies (\$762,000). The agreement was for the installation of a fine screen, replacement of return-activated sludge pumps, removal and land application of biosolids, construction of a sludge dewatering facility, and construction of solar drying chambers and related appurtenances. The project was completed during the fiscal year ended September 30, 2011, and only \$527,537 in loan monies was borrowed. The loan is currently in repayment and has an interest rate of 1.75%.

On April 26, 2011, Natchez Water Works entered into an agreement with the Mississippi Water Pollution Control Revolving Fund to receive \$1,364,140 in both grant funds (\$272,828) and loan proceeds (\$1,091,312). The agreement was for the installation of a diffuser system and four 50-horsepower blowers along with a new control system in the aeration basin, the installation of a diffuser system and refurbishing the three existing blowers in the digesters, a new lighting system in the basements at the clarifiers and digesters, and a new 1,800-square-foot storage building and related appurtenances. The project was completed during the fiscal year ended September 30, 2013, and \$14,663 in interest expense was added to the loan balance, totaling \$1,115,122. The loan is currently in repayment and has an interest rate of 1.75%.

## CITY OF NATCHEZ, MISSISSIPPI

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED SEPTEMBER 30, 2023

## NOTE 5 – LONG-TERM DEBT (continued)

On August 30, 2019, the Natchez Water Works entered into an agreement with the Mississippi Drinking Water Systems Improvements Revolving Loan Fund to receive \$1,919,980 in loan proceeds. The agreement was for improvements at two pumping plants and wells and the installation of new water mains. The project was completed during the fiscal year ended September 30, 2021, for \$1,405,409 in both principal forgiveness (\$500,000) and loan proceeds (\$905,409). As of September 30, 2021, the loan proceeds that were recorded totaled \$748,378 and the project was not yet finished.

Annual debt service requirements to maturity for the following debt reported as governmental activities are as follows:

Year Ending September 30	General Obligation Bonds	Interest
2024	\$ 1,005,000	\$ 348,542
2025	1,045,000	306,578
2026	1,075,000	262,994
2027	1,115,000	218,012
2028	690,000	171,584
2029-2033	3,125,000	413,729
2034-2038	575,000	74,324
2039-2041	390,000	16,632
Total	<u>\$ 9,020,000</u>	<u>\$ 1,812,395</u>

Year Ending September 30	Limited Obligation Bonds	Interest
2024	\$ 40,000	\$ 4,740
2025	40,000	3,160
2026	40,000	1,580
Total	<u>\$ 120,000</u>	<u>\$ 9,480</u>

CITY OF NATCHEZ, MISSISSIPPI  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 5 - LONG-TERM DEBT (continued)

Year Ending September 30	Notes Payable	Interest
2024	\$ 198,114	\$ 77,362
2025	198,395	69,883
2026	197,146	62,369
2027	204,927	54,587
2028	213,068	46,458
2029-2033	866,587	193,218
2034-2038	316,870	28,525
Total	<u>\$ 1,777,112</u>	<u>\$ 431,357</u>

Annual debt service requirements to maturity, including interest of \$246,762, for the following debt reported in the Enterprise Fund are as follows:

Year Ending September 30	
2024	\$ 143,341
2025	156,373
2026	156,373
2027	156,373
2028	156,373
2029-2033	691,698
2034-2038	289,703
2039-2041	120,709
	<u>\$ 1,870,943</u>

The following changes occurred in liabilities reported at year-end:

	Balance 10/1/2022	Additions	Reductions	Balance 9/30/2023
Governmental activities:				
General obligation bonds	\$ 1,930,000	\$ 8,102,028	\$ (3,107,100)	\$ 6,924,028
Special obligation bonds	2,695,000	7,587,000	(1,010,000)	9,272,000
Less deferred amounts:				
For issuance discounts / costs	(249,111)	(225,666)	74,289	(400,488)
Limited obligation bonds	420,000	-	(300,000)	120,000
Notes payable	2,167,707	-	(390,594)	1,498,546
Capital leases	62,640	-	(62,640)	-
Compensated absences	518,000	-	-	518,000
	<u>\$ 7,741,630</u>	<u>\$</u>	<u>\$</u>	<u>\$ 17,415,086</u>
Business-type activities:				
Loans	\$ 1,780,556	\$ -	\$ (124,488)	\$ 1,656,068
	<u>\$ 1,780,556</u>	<u>\$ -</u>	<u>\$ (124,488)</u>	<u>\$ 1,656,068</u>

CITY OF NATCHEZ, MISSISSIPPI  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 5 - LONG-TERM DEBT (continued)

Limitations and Restrictions

There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions.

The following is a schedule of limitation of the bonded indebtedness of the City at September 30, 2023:

Assessed valuation for fiscal year ended September 30, 2023	\$ 150,035,336
Percent limitation	<u>15.00%</u>
Authorized debt limit	\$ 22,505,300
 Present debt service subject to 15% limitation	 <u>16,197,028</u>
 Margin for further indebtedness under 15% limitation	 <u>\$ 6,308,272</u>

NOTE 6 - OBLIGATIONS UNDER CAPITAL LEASES

The City has adopted the policy of acquiring certain fixed assets through the use of lease-purchase agreements. For the lease-purchases backed by full faith and credit of the City, debt service is accounted for as a governmental activity. No such lease obligations existed as of September 30, 2023.

## CITY OF NATCHEZ, MISSISSIPPI

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED SEPTEMBER 30, 2023

## NOTE 7 - PROPERTY TAX

Property taxes attach as an enforceable lien on property as of January 1 each year. Taxes are levied in September and payable on or before February 1. All property taxes are collected and remitted to the City by the county tax collector. The millage rate for the City for the period beginning October 1, 2022 and ending September 30, 2023, was 46.732 mills, broken down as follows:

General Fund	33.56
Bond and Interest Retirement Fund	0.9
Parks and Recreation Fund	2.0
Pension Fund	3.9
Armstrong Library Fund	2.575
Natchez Economic Development Authority Fund	0.813
Capital Improvement	1.250
Public Properties	1.734
	<u>46.732</u>

Restrictions associated with property tax levies are established by state law which provides that the tax levy for general purposes shall produce no more than 110% of the amount which resulted from those levies' assessments of the previous year.

## NOTE 8 - LEASE COMMITMENT

Operating lease and rental expenditures for the year ended September 30, 2023, amounted to \$0.

## NOTE 9 - RETIREMENT PLANS

The City participates in two retirement systems administered by the Public Employees Retirement System of Mississippi (PERS). Both systems are defined benefit plans and include a multi-employer, cost-sharing plan and an agent-multiple pension plan as described below. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to Public Employee Retirement System, PERS Building, 429 Mississippi Street, Jackson, Mississippi 39201-1005 or by calling (601) 359-3589 or 1-800-444-PERS.

## A. Disability and Relief Municipal Retirement Systems Plan

*Plan Description* - The Disability and Relief Fund for Firemen and Policemen was established in the manner provided by the act of the Legislature of the State of Mississippi. Beginning July 1, 1987, administration of the above system was transferred to PERS. Only Natchez policemen and firemen whose employment commenced prior to July 1, 1976, are eligible for coverage under this plan. Participation of those eligible is voluntary, and participants may withdraw upon request.

CITY OF NATCHEZ, MISSISSIPPI  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

**NOTE 9 - RETIREMENT PLANS (continued)**

**A. Disability and Relief Municipal Retirement Systems Plan (continued)**

*Benefits Provided: Service Retirement* - A retirement allowance is payable to any member who retires and has completed at least 20 years of creditable service, regardless of age. Any general employee member who has attained age 70 and any fireman or policeman who has attained age 65 shall be retired forthwith. The annual retirement allowance payable to a retired member is equal to:

1. 50% of average compensation, plus
2. 1.7% of average compensation for each year of credited service over 20.

The aggregate amount of (1) and (2) above shall not exceed 66 2/3% of average compensation regardless of service.

*Benefits Provided: Disability Retirement* - A retirement allowance is payable to any member who is not eligible for a service retirement benefit but who becomes totally and permanently disabled, either physically or mentally, regardless of creditable service, if the disability is due to causes in the performance of duty. If the disability is not in the performance of duty, the member must have completed at least five years of creditable service to be eligible for retirement. The annual disability retirement allowance payable is equal to 50% of his salary at the time of retirement if the disability is due to causes in the performance of duty. If the disability is not in the performance of duty, the allowance is equal to 2.5% times credited service, not to exceed 20 times his salary at the time of retirement for firemen and policemen, and average compensation for general employees.

*Death Benefits* - A benefit is payable upon the death of a member under the following conditions.

- a. The member has retired,
- b. The member is eligible to retire,
- c. The death is in the line of duty, or
- d. The death is not in the line of duty but occurs after the member has 5 years of credited service.

The benefit is payable to the surviving spouse and to children under age 18, to dependent children through age 23 when full-time students, and to dependent children of any age if handicapped. The annual benefit payable under all conditions in the case of firemen and policemen and under other than condition (c) above in the case of general employees is equal to 2.5% of average compensation for each year of credited service up to 20 and 1.7% of average compensation for each year over 20, with a maximum benefit of 66 2/3% of average compensation. For general employee members under condition (c) above, the annual benefit payable is equal to 50% of salary at the time of death.

*Refund of Contributions* - Upon a member's termination of employment for any reason before retirement, his accumulated contributions are refunded. Upon the death of a member who is not eligible for any other death benefit, his or her accumulated contributions, together with regular interest thereon, are paid to his or her beneficiary.

*Post Retirement Adjustments in Allowances* - The allowance of service retirees only is adjusted annually by a cost-of-living adjustment (COLA) on the basis of the annual percentage change in each fiscal year of the Consumer Price Index to a maximum of 2.5% per year (not to exceed 10%). This adjustment has been included in System liabilities.

At June 30, 2023 (measurement date), the following City employees were covered by the plan:

Active	-
Retired participants and beneficiaries currently receiving benefits	34
Inactive participants	-
Total	<u>34</u>

CITY OF NATCHEZ, MISSISSIPPI  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

**NOTE 9 - RETIREMENT PLANS (continued)**

**A. Disability and Relief Municipal Retirement Systems Plan (continued)**

**Actuarial Assumptions:**

Valuation date	June 30, 2023
Actuarial cost method	Ultimate asset reserve
Amortization method	N/A
Remaining amortization period	N/A
Asset valuation method	Market value of assets
Investment rate of return	7.55%, net of pension plan investment expense, including inflation
Salary increases	3.25-4.75%, including inflation
Inflation	2.40%

*Interest Rate* - 7.00% per annum, compounded annually (net after investment expenses) for prior funding policy rate determination and GASB disclosure. 5.50% per annum, compounded annually (net after investment expenses) for current funding policy rate determination.

*Death After Retirement* - The mortality table, for post-retirement mortality, used in evaluating allowances to be paid is the RP-2014 Healthy Annuitant Blue Collar Table projected with Scale BB to 2022 with males rates set forward one year. The RP-2014 Disabled Retiree Table set forward five years for males and four years for females was used for the period after disability retirement. This assumption is used to measure the probabilities of each benefit payment being made after retirement. Mortality improvement is anticipated under this assumption.

*Marriage Assumption* - 85% married with the husband three years older than his wife.

*Valuation Method* - Unfunded employer liabilities are amortized over a closed 30-year period from September 30, 1990, as a level percent of the municipality's assessed property valuation.

*Assessed Property Value Rate of Increase* - 2.0% per annum, compounded annually used in determining the millage rate under the prior funding policy.

*Expense Load* - 2.0% of employer contributions.

*Asset Valuation Method* - The actuarial value of assets recognizes a portion of the difference between the market value of assets and the expected actuarial value of assets, based on the assumed valuation rate of return. The amount recognized each year is 20% of the difference between market value and expected actuarial value. Actuarial assets were allocated to individual cities in the same proportion that their market value of assets was to the total market value of assets for all cities.

**Basis of Accounting**

MMRS uses the accrual basis of accounting and the economics resources measurement focus. Employee and employer contributions are recognized as revenue in the period in which employees' services are performed. Investment income is recognized when earned.

CITY OF NATCHEZ, MISSISSIPPI  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

**NOTE 9 – RETIREMENT PLANS (continued)**

**A. Disability and Relief Municipal Retirement Systems Plan (continued)**

**Basis of Accounting (continued)**

Expenses, including benefits and refunds paid, are recognized when incurred. Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Corporate bonds are valued based on yields currently available on comparable securities from issuers of similar credit ratings.

Mortgage securities are valued on the basis of future principal and interest payments and discounted at prevailing interest rates for similar instruments. Short-term investments are reported at market value when published prices are available, or at cost plus accrued interest, which approximates fair value. For individual investments where no readily ascertainable market value exists, PERS, in consultation with its investment advisors and custodial bank, has determined the fair values.

*Funding Policy* – This plan is funded through participant contributions equal to 10% of gross wages and ad valorem taxes. In order to meet current benefit payments and payments upon participants' withdrawal, if necessary, the General Fund contributes an additional amount.

**Changes in Net Pension Liability**

Changes in the City's net pension liability for the MMRS Plan for the year ended September 30, 2023, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability(Asset) (a)-(b)
Balance at June 30, 2022	\$ 5,061,889	\$ 1,458,456	\$ 3,603,433
Charges for the year:			
Service costs	\$ -	\$ -	\$ -
Interest	360,872	-	360,872
Changes of assumptions	187,763	-	187,763
Difference between expected and actual experience	(61,515)	-	(61,515)
Contributions – employer	-	39,000	(39,000)
Contributions – employee	-	-	-
Net investment income	-	70,464	(70,464)
Benefits payments, including refunds of employee contributions	(564,259)	(564,259)	-
Administrative expense	-	(780)	780
Other charges	-	-	-
Net changes	\$ (77,139)	\$ (455,575)	\$ 378,436
Balance at June 30, 2023	\$ 4,984,750	\$ 1,002,881	\$ 3,981,869

CITY OF NATCHEZ, MISSISSIPPI  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

**NOTE 9 - RETIREMENT PLANS (continued)**

**A. Disability and Relief Municipal Retirement Systems Plan (continued)**

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the MMRS Plan's (the Plan) net position liability calculated using the discount rate of 7.00%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Plan's Net Pension Liability (Asset)	\$ 4,362,544	\$ 3,981,869	\$ 3,650,489

In the year ended September 30, 2023, the City's tax levy to fund the Plan was 0.9 mills. The City paid \$0 to the Plan during the year ended September 30, 2023.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual results	\$ -	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on Plan	60,963	-
Changes in proportion and differences between City contributions and proportionate share of contributions	-	-
City contributions subsequent to the measurement date	-	-
<b>Total</b>	<b>\$ 60,963</b>	<b>\$ -</b>

**Deferred Outflows (Deferred Inflows) Aging:**

Year ended September 30:

2024	\$ 7,560
2025	(9,277)
2026	58,721
2027	3,959
Thereafter	-

*Plan Fiduciary Net Position* - Detailed information about the Plan's fiduciary net position is available in the separately issued MMRS of Mississippi's financial report.

**B. Public Employees Retirement System**

*Plan Description* - The City contributes to the Public Employees Retirement System of Mississippi (PERS), a cost-sharing, multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state law and may be amended only by the State of Mississippi Legislature.

## CITY OF NATCHEZ, MISSISSIPPI

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED SEPTEMBER 30, 2023

## NOTE 9 – RETIREMENT PLANS (continued)

## B. Public Employees Retirement System (continued)

*Benefits Provided* - Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi (the State), state universities, community and junior colleges, and teachers and employees of the public school districts. For those persons employed by political subdivisions and instrumentalities of the State, membership is contingent upon approval of the entity's participation in PERS by the PERS' Board of Trustees. If approved, membership for the entity's employees is a condition of employment and eligibility is granted to those who qualify upon hiring. Members and employers are statutorily required to contribute certain percentages of salaries and wages as specified by the Board of Trustees. 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% 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% 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 service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. 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% 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% compounded for each fiscal year thereafter.

*Funding Policy* - PERS members are required to contribute 9.00% of their annual covered salary, beginning in July 2010, and the City is required to contribute at an actuarially determined rate. The rate in effect for this fiscal year was 17.4%. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The City's contributions to PERS for the year ended September 30, 2023, were \$1,933,483, equal to the required contributions for the year.

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

At September 30, 2023, the City reported a liability of \$25,050,715 for its proportionate share of the PERS net pension liability. The PERS net pension liability was measured as of June 30, 2023, and the total PERS pension liability used to calculate the PERS net pension liability was determined by an actuarial valuation as of that date.

The City's proportion of the PERS net pension liability was based on a projection of the City's long-term share of contributions to the PERS pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2023, the City's proportion was 0.100251%, which was a negligible decrease from its proportion measured as of June 30, 2023.

CITY OF NATCHEZ, MISSISSIPPI  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 9 - RETIREMENT PLANS (continued)

B. Public Employees Retirement System (continued)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to PERS (continued)

For the year ended September 30, 2023, the City recognized pension expense related to PERS of \$2,201,347. At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual results	\$ 627,233	\$ -
Changes in assumptions	2,941,514	-
Net difference between projected and actual earnings on Plan	980,098	-
Changes in proportion and differences between City contributions and proportionate share of contributions	-	-
City contributions subsequent to the measurement date	308,146	-
Total	<u>\$ 4,856,991</u>	<u>\$ -</u>

The \$308,146 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Deferred Outflows (Deferred Inflows) Aging:

Year ended September 30:

2024	\$ 1,190,090
2025	1,190,090
2026	1,190,090
2027	978,546
	<u>\$ 4,548,816</u>

*Actuarial Assumptions* - The collective total pension liability was determined by an actuarial valuation as of June 30, 2022 and a measurement date determined of June 30, 2023 using standard Rollforward techniques, using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	2.40%
Salary increases	2.65-17.90%, including inflation
Investment rate of return	7.00%, net of Plan investment expense, including inflation.

CITY OF NATCHEZ, MISSISSIPPI  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE 9 – RETIREMENT PLANS (continued)

B. Public Employees Retirement System (continued)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to PERS (continued)

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

The actuarial assumptions are based on the experience investigation for the four-year period ending June 30, 2023.

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

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2023, 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	27.00%	4.60%
International Equity	22.00%	4.50%
Global Equity	12.00%	4.80%
Debt Securities	20.00%	(0.25%)
Real Estate	10.00%	3.75%
Private Equity	8.00%	6.00%
Cash and Cash Equivalents	1.00%	(1.00%)
Total	100.00%	

*Discount Rate* – The discount rate used to measure the total pension liability was 7.55%, net of pension plan investment expense. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at the current employer contribution rate. 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 NATCHEZ, MISSISSIPPI  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

**NOTE 9 - RETIREMENT PLANS (continued)**

**B. Public Employees Retirement System (continued)**

**Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to PERS (continued)**

*Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate* - The following table presents the net pension liability of the cost-sharing plan, calculated using the discount rate of 7.55%, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
City's Proportionate Share of the Net Pension Liability (Asset)	\$ 32,303,532	\$ 25,050,715	\$ 19,098,972

*Plan Fiduciary Net Position* - Detailed information about the Plan's fiduciary net position is available in the separately issued Public Employees' Retirement System of Mississippi's financial report.

**NOTE 10 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES**

Generally accepted accounting principles require disclosure of certain information concerning individual funds including:

**Deficit Fund Balance - Individual Funds**

Special Revenue Funds:

Public Properties	\$ 167,697
Parks and Recreation	122,085
Visitor Center Operations	218,880
Armstrong Library	39,478
Natchez-Adams EDA	41,701
Humana Foundation Grant	1,466

Capital Improvement Funds:

Yazoo & Mississippi Valley Railroad	\$ 135,665
2021 GO Bond - Recreation Improvements	253,486
Brownfield Assistance Grant	28,569

CITY OF NATCHEZ, MISSISSIPPI  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

**NOTE 11 – SEGMENT INFORMATION FOR NATCHEZ WATER WORKS**

Natchez Water Works, a component unit of the City, provides water and sewer utility services. The following is a summary of disclosures required by GASB Statements 34 and 37:

	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Administration</u>	<u>Total</u>
Operating revenues	\$ 2,727,849	\$ 2,897,473	\$ 227,590	\$ 5,852,912
Operating expenses	(1,733,271)	(1,456,578)	(1,436,566)	(4,626,415)
Depreciation	(596,959)	(634,079)	(49,806)	(1,280,844)
Operating income (loss)	<u>\$ 397,619</u>	<u>\$ 806,816</u>	<u>\$ 1,258,782</u>	<u>\$ (54,347)</u>
Interest income				78,883
Grant revenue				139,623
Interest expense				(31,885)
Grant expense				<u>(106,278)</u>
Net income				<u>\$ 25,996</u>

**NOTE 12 – RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance for these risks. Settled claims resulting from these insured risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**NOTE 13 – SUBSEQUENT EVENTS**

Events that occur after the Statement of Net Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes.

Management of City of Natchez, Mississippi evaluated the activity of the City through June 28, 2024, the date the financial statements were available to be issued, and determined that there were no subsequent events that occurred requiring disclosure in the notes to the financial statements.

## REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NATCHEZ, MISSISSIPPI  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Ad valorem taxes	\$ 4,642,551	\$ 4,646,860	\$ 4,289,539	\$ (357,321)
Licenses and permits	146,000	86,000	73,808	(12,192)
Intergovernmental:				
Sales taxes	5,850,000	5,450,000	5,865,912	415,912
Gaming taxes	990,000	976,800	990,902	14,102
State and federal grant revenue	972,977	314,911	2,731,725	2,416,814
Other	927,700	653,603	599,167	(54,436)
Charges for services	1,429,122	1,418,000	1,445,094	27,094
Fees and fines	325,000	325,000	327,776	2,776
Franchise fees	600,000	600,000	561,216	(38,784)
Investment earnings	2,400	7,700	8,516	816
Rents and royalties	22,500	44,775	-	(44,775)
Miscellaneous	968,500	1,631,550	2,226,855	595,305
	<u>\$ 16,876,750</u>	<u>\$ 16,155,199</u>	<u>\$ 19,120,510</u>	<u>\$ 2,965,311</u>
<b>EXPENDITURES:</b>				
Current:				
General government	\$ 3,820,066	\$ 4,506,481	\$ 4,596,615	\$ (90,134)
Public safety	7,830,606	7,488,855	7,061,814	427,041
Public works	3,783,460	3,684,137	3,274,418	409,719
Culture and recreation	968,936	925,727	722,937	202,790
Economic development	348,000	348,000	348,900	(900)
Debt service:				
Principal	1,540,240	224,700	283,202	(58,502)
Interest and other charges	4,000	-	45,750	(45,750)
Capital outlay	870,563	175,269	123,762	51,507
Total expenditures	<u>\$ 19,165,871</u>	<u>\$ 17,353,169</u>	<u>\$ 16,457,398</u>	<u>\$ 895,771</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ (2,289,121)</u>	<u>\$ (1,197,970)</u>	<u>\$ 2,663,112</u>	<u>\$ 3,861,082</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from long-term debt	\$ 1,350,000	\$ 422,000	\$ -	\$ (422,000)
Other financing uses	(262,500)	(259,650)	(225,861)	33,789
Transfers in	1,030,000	1,048,036	1,989,663	941,627
Transfers out	(1,362,000)	(730,245)	(2,885,880)	(2,155,635)
Total other financing sources (uses)	<u>\$ 755,500</u>	<u>\$ 480,141</u>	<u>\$ (1,122,078)</u>	<u>\$ (1,602,219)</u>
 Net change in fund balance	 <u>\$ (1,533,621)</u>	 <u>\$ (717,829)</u>	 <u>\$ 1,541,034</u>	 <u>\$ 2,258,863</u>
			<u>\$ -</u>	
			<u>\$ 1,541,034</u>	

See Independent Auditor's Report.

## CITY OF NATCHEZ, MISSISSIPPI

BUDGETARY COMPARISON SCHEDULE  
TRANSPORTATION - SENIOR CITIZENS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b><u>REVENUES:</u></b>				
Intergovernmental:				
State and federal grant funding	\$ 2,131,656	\$ 2,131,656	\$ 1,521,587	\$ (610,069)
Charges for services	200,000	200,000	178,672	(21,328)
Investment earnings	500	500	416	(84)
Miscellaneous	10,000	10,000	15,477	5,477
Total revenues	<u>\$ 2,342,156</u>	<u>\$ 2,342,156</u>	<u>\$ 1,716,152</u>	<u>\$ (626,004)</u>
<b><u>EXPENDITURES:</u></b>				
Current:				
Culture and recreation	\$ 1,874,300	\$ 1,784,081	\$ 1,701,916	\$ (82,165)
Capital outlay	40,000	42,301	-	(42,301)
Total expenditures	<u>\$ 1,914,300</u>	<u>\$ 1,826,382</u>	<u>\$ 1,701,916</u>	<u>\$ (124,466)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>				
	<u>\$ 427,856</u>	<u>\$ 515,774</u>	<u>\$ 14,236</u>	<u>\$ (501,538)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	\$ 190,000	\$ 190,000	\$ 192,190	\$ 2,190
Transfers out	-	(39,857)	(39,857)	-
Total other financing sources (uses)	<u>\$ 190,000</u>	<u>\$ 150,143</u>	<u>\$ 152,333</u>	<u>\$ 2,190</u>
Net change in fund balance	<u>\$ 617,856</u>	<u>\$ 665,917</u>	<u>\$ 166,569</u>	<u>\$ (499,348)</u>
			<u>-</u>	
			<u>\$ 166,569</u>	

See Independent Auditor's Report.

## CITY OF NATCHEZ, MISSISSIPPI

BUDGETARY COMPARISON SCHEDULE  
CASINO ANNUAL LEASE PAYMENT

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Investment earnings	\$ 4,000	\$ 3,600	\$ 3,563	\$ (37)
Rents and royalties	1,074,300	1,163,800	1,066,224	(97,576)
Total revenues	<u>\$ 1,078,300</u>	<u>\$ 1,167,400</u>	<u>\$ 1,069,787</u>	<u>\$ (97,613)</u>
<b>EXPENDITURES:</b>				
Current:				
Economic development	\$ -	\$ -	\$ -	\$ -
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ 1,078,300</u>	<u>\$ 1,167,400</u>	<u>\$ 1,069,787</u>	<u>\$ (97,613)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	\$ (1,075,000)	\$ (1,075,000)	\$ (1,075,000)	\$ -
Total other financing uses	<u>\$ (1,075,000)</u>	<u>\$ (1,075,000)</u>	<u>\$ (1,075,000)</u>	<u>\$ -</u>
Net change in fund balance	<u>\$ 3,300</u>	<u>\$ 92,400</u>	<u>\$ (5,213)</u>	<u>\$ (97,613)</u>
			<u>1,064,770</u>	
			<u>\$ 1,059,557</u>	

See Independent Auditor's Report.

## CITY OF NATCHEZ, MISSISSIPPI

BUDGETARY COMPARISON SCHEDULE  
PENSION TRUST FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 275,600	\$ 347,365	\$ 469,905	\$ 122,540
Investment earnings	300	2,800	2,983	183
Total revenues	<u>\$ 275,900</u>	<u>\$ 350,165</u>	<u>\$ 472,888</u>	<u>\$ 122,723</u>
<b>EXPENDITURES:</b>				
Current:				
Miscellaneous	\$ 468,000	\$ -	\$ -	\$ -
Total expenditures	<u>\$ 468,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ (192,100)</u>	<u>\$ 350,165</u>	<u>\$ 472,888</u>	<u>\$ 122,723</u>
Net change in fund balance	<u>\$ (192,100)</u>	<u>\$ 350,165</u>	<u>\$ 472,888</u>	<u>\$ 122,723</u>
Fund balance - beginning of year			<u>586,669</u>	
Fund balance - end of year			<u><u>\$ 1,059,557</u></u>	

See Independent Auditor's Report.

## CITY OF NATCHEZ, MISSISSIPPI

BUDGETARY COMPARISON SCHEDULE  
AMERICAN RESCUE PLAN ACT

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental				
Federal & state grant funding	\$ 2,460,000	\$ -	\$ -	\$ -
Other - Adams County, Mississippi	560,000	-	-	-
Investment earnings	900	1,050	2,027	977
Total revenues	<u>\$ 3,020,900</u>	<u>\$ 1,050</u>	<u>\$ 2,027</u>	<u>\$ 977</u>
<b>EXPENDITURES:</b>				
Current:				
General government	\$ 29,400	\$ 849	\$ 20,500	\$ (19,651)
Public safety	1,530,015	1,530,015	175	1,529,840
Miscellaneous	-	-	11,599	(11,599)
Capital Outlay	4,606,205	10,925	-	10,925
Total expenditures	<u>\$ 6,165,620</u>	<u>\$ 1,541,789</u>	<u>\$ 32,274</u>	<u>\$ 1,509,515</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ (3,144,720)</u>	<u>\$ (1,540,739)</u>	<u>\$ (30,247)</u>	<u>\$ 1,510,492</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	\$ -	\$ -	\$ (1,227,285)	\$ (1,227,285)
Total other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,227,285)</u>	<u>\$ (1,227,285)</u>
Net change in fund balance	<u>\$ (3,144,720)</u>	<u>\$ (1,540,739)</u>	<u>\$ (1,257,532)</u>	<u>\$ 283,207</u>
Fund balance - beginning of year			<u>3,328,811</u>	
Fund balance - end of year			<u>\$ 2,071,279</u>	

See Independent Auditor's Report.

## CITY OF NATCHEZ, MISSISSIPPI

**BUDGETARY COMPARISON SCHEDULE**  
**2022 GENERAL OBLIGATION BOND - ROAD IMPROVEMENTS**

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Favorable (Unfavorable)
<b><u>REVENUES:</u></b>				
Investment earnings	\$ -	\$ -	\$ 114,555	\$ 114,555
Total revenues	\$ -	\$ -	\$ 114,555	\$ 114,555
<b><u>EXPENDITURES:</u></b>				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Capital outlay	5,564,559	136,068	145,768	(9,700)
Total expenditures	\$ 5,564,559	\$ 136,068	\$ 145,768	\$ (9,700)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	\$ (5,564,559)	\$ (136,068)	\$ (31,213)	\$ 104,855
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Proceeds from long-term debt	\$ 6,000,000	\$ 6,002,028	\$ -	\$ (6,002,028)
Transfers in	-	-	5,918,270	5,918,270
Transfers out	-	-	-	-
Total other financing uses	\$ 6,000,000	\$ 6,002,028	\$ 5,918,270	\$ (83,758)
Net change in fund balance	\$ 435,441	\$ 5,865,960	\$ 5,887,057	\$ 21,097
Fund balance - beginning of year			-	
Fund balance - end of year			\$ 5,887,057	

See Independent Auditor's Report.

## CITY OF NATCHEZ, MISSISSIPPI

**BUDGETARY COMPARISON SCHEDULE**  
**2022 SPECIAL OBLIGATION BOND - CONVENTION CENTER**

**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Budgeted Amounts		Actual	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Favorable (Unfavorable)
<b><u>REVENUES:</u></b>				
Investment earnings	\$ -	\$ -	\$ 119,588	\$ 119,588
Total revenues	\$ -	\$ -	\$ 119,588	\$ 119,588
<b><u>EXPENDITURES:</u></b>				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Debt service:				
Principal	-	-	2,695,000	(2,695,000)
Interest and other charges	-	-	339,534	(339,534)
Capital outlay	5,350,000	268,037	83,276	184,761
Total expenditures	\$ 5,350,000	\$ 268,037	\$ 3,117,810	\$ (2,849,773)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	\$ (5,350,000)	\$ (268,037)	\$ (2,998,222)	\$ (2,730,185)
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Proceeds from long-term debt	\$ 8,000,000	\$ 5,428,270	\$ 7,587,000	\$ 2,158,730
Other financing sources	-	-	674,743	\$ 674,743
Transfers in	-	-	-	-
Transfers out	(1,084,343)	-	-	-
Total other financing uses	\$ 6,915,657	\$ 5,428,270	\$ 7,587,000	\$ 2,158,730
Net change in fund balance	\$ 1,565,657	\$ 5,160,233	\$ 4,588,778	\$ (571,455)
Fund balance - beginning of year			-	
Fund balance - end of year			\$ 4,588,778	

See Independent Auditor's Report.

## CITY OF NATCHEZ, MISSISSIPPI

BUDGETARY COMPARISON SCHEDULE  
BOND AND INTEREST FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 109,752	\$ 110,574	\$ 107,255	\$ (3,319)
Investment earnings	4,000	2,645	2,690	45
Total revenues	<u>\$ 113,752</u>	<u>\$ 113,219</u>	<u>\$ 109,945</u>	<u>\$ (3,274)</u>
<b>EXPENDITURES:</b>				
Miscellaneous	\$ -	\$ 274,719	\$ -	\$ 274,719
Debt service:				
Principal	2,275,000	1,422,000	1,422,000	-
Interest and other charges	37,901	574,028	607,388	(33,360)
Total expenditures	<u>\$ 2,312,901</u>	<u>\$ 2,270,747</u>	<u>\$ 2,029,388</u>	<u>\$ 241,359</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ (2,199,149)</u>	<u>\$ (2,157,528)</u>	<u>\$ (1,919,443)</u>	<u>\$ 238,085</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from long-term debt	\$ -	\$ 9,311,223	\$ 8,102,028	\$ (1,209,195)
Transfers in	1,712,500	2,332,408	2,246,027	(86,381)
Transfers out	-	(10,614,335)	(9,399,561)	1,214,774
Total other financing uses	<u>\$ 1,712,500</u>	<u>\$ 1,029,296</u>	<u>\$ 948,494</u>	<u>\$ (80,802)</u>
Net change in fund balance	<u>\$ (486,649)</u>	<u>\$ (1,128,232)</u>	<u>\$ (970,949)</u>	<u>\$ 157,283</u>
Fund balance - beginning of year			<u>1,291,629</u>	
Fund balance - end of year			<u>\$ 320,680</u>	

See Independent Auditor's Report.

**CITY OF NATCHEZ, MISSISSIPPI**

**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY - MMRS**

**YEAR ENDED SEPTEMBER 30, 2023**

	2023	2022	2021	2020	2019	2018	2017	2016
<b>Total pension liability</b>								
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	360,872	383,189	429,032	439,740	497,749	526,976	536,049	575,620
Changes of benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(61,515)	(100,982)	(219,783)	57,415	(565,058)	(187,585)	65,267	(321,817)
Changes of assumptions	187,763	-	(62,671)	-	(9,472)	-	23,672	-
Benefit payments	(564,259)	(591,325)	(622,928)	(647,714)	(695,743)	(737,275)	(746,855)	(781,925)
Net change in total pension liability	\$ (77,139)	\$ (309,118)	\$ (476,350)	\$ (150,559)	\$ (772,524)	\$ (397,884)	\$ (121,867)	\$ (528,122)
Total pension liability - beginning	5,061,889	5,371,007	5,847,357	5,997,916	6,770,440	7,168,324	7,290,191	7,818,313
Total pension liability - ending (a)	<u>\$ 4,984,750</u>	<u>\$ 5,061,889</u>	<u>\$ 5,371,007</u>	<u>\$ 5,847,357</u>	<u>\$ 5,997,916</u>	<u>\$ 6,770,440</u>	<u>\$ 7,168,324</u>	<u>\$ 7,290,191</u>
<b>Plan fiduciary net position</b>								
Contributions - employer	\$ 39,000	\$ 312,000	\$ 351,000	\$ 468,000	\$ 546,000	\$ 351,000	\$ 468,000	\$ 468,000
Contributions - member	-	-	-	-	-	-	-	-
Net investment income	70,464	(142,179)	461,225	51,226	125,738	146,673	271,127	4,777
Benefit payments	(564,259)	(591,325)	(622,928)	(647,714)	(695,743)	(737,275)	(746,855)	(781,925)
Administrative expense	(780)	(6,240)	(7,020)	(9,360)	(10,920)	(7,020)	(9,360)	(9,360)
Other	-	-	-	-	750	(196)	(1,619)	49,678
Net change in plan fiduciary net position	\$ (455,575)	\$ (427,744)	\$ 182,277	\$ (137,848)	\$ (34,175)	\$ (246,818)	\$ (18,707)	\$ (268,830)
Plan net position - beginning	1,458,456	1,886,200	1,703,923	1,841,771	1,875,771	2,122,764	2,141,471	2,410,301
Plan net position - ending (b)	<u>\$ 1,002,881</u>	<u>\$ 1,458,456</u>	<u>\$ 1,886,200</u>	<u>\$ 1,703,923</u>	<u>\$ 1,841,596</u>	<u>\$ 1,875,946</u>	<u>\$ 2,122,764</u>	<u>\$ 2,141,471</u>
Net pension liability (asset) - ending (a)-(b)	<u>\$ 3,981,869</u>	<u>\$ 3,603,433</u>	<u>\$ 3,484,807</u>	<u>\$ 4,143,434</u>	<u>\$ 4,156,320</u>	<u>\$ 4,894,494</u>	<u>\$ 5,045,560</u>	<u>\$ 5,148,720</u>
<b>Plan fiduciary net position as a percentage of total pension liability</b>	30.83%	28.81%	35.12%	29.14%	30.71%	27.71%	29.61%	29.37%
Covered payroll *	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability (asset) as a percentage of covered payroll *	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

\*Payroll-related information not provided because plan is closed to new entrants, there are very few remaining active members, and many municipalities have no remaining active members.

•This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

CITY OF NATCHEZ, MISSISSIPPI

SCHEDULE OF EMPLOYER CONTRIBUTIONS - MMRS

YEAR ENDED SEPTEMBER 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 355,712	\$ 408,016	\$ 269,100	\$ 468,000	\$ 449,400	\$ 315,000	\$ 438,750	\$ 468,000
Contributions in relation to the actuarially determined contribution	38,220	305,760	351,000	468,000	546,000	351,000	468,000	468,000
Contribution deficiency (excess)	<u>\$ 317,492</u>	<u>\$ 102,256</u>	<u>\$ (81,900)</u>	<u>\$ -</u>	<u>\$ (96,600)</u>	<u>\$ (36,000)</u>	<u>\$ (29,250)</u>	<u>\$ -</u>
Covered payroll *	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

\* Payroll-related information is not provided because plan is closed to new entrants, there are very few remaining active members, and many municipalities have no remaining active members.

Notes to Schedule

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported. Contributions for the fiscal year ending September 30, 2023, were based on the June 30, 2021 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Ultimate Asset Reserve
Amortization method	N/A
Remaining amortization period	N/A
Asset valuation method	Market value of assets
Inflation	2.40%
Salary increases	N/A
Investment rate of return	6.05%, net of pension plan investment expense, including inflation

## CITY OF NATCHEZ, MISSISSIPPI

## SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS - PERS

YEAR ENDED SEPTEMBER 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016
City's proportionate share of the collective net pension liability	\$ 25,050,715	\$ 20,645,390	\$ 14,159,659	\$ 19,107,173	\$ 18,735,451	\$ 18,329,534	\$ 18,717,942	\$ 20,757,829
City's proportion of the collective net pension liability	0.099586%	0.100251%	0.095820%	0.098562%	0.106545%	0.110248%	0.112563%	0.116209%
City's covered-employee payroll	\$ 7,338,884	\$ 7,000,262	\$ 6,469,966	\$ 6,403,669	\$ 6,815,649	\$ 7,038,710	\$ 7,038,710	\$ 7,413,225
City's proportionate share of the collective net pension liability as a percentage of its covered employee payroll	341.34%	294.92%	218.85%	298.38%	274.89%	260.41%	265.93%	280.01%
Plan fiduciary net position as a percentage of the total pension liability	55.69%	59.93%	0.00%	58.97%	61.59%	61.49%	57.47%	57.47%

## CITY OF NATCHEZ, MISSISSIPPI

## SCHEDULE OF EMPLOYER CONTRIBUTIONS - PERS

YEAR ENDED SEPTEMBER 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 1,284,479	\$ 1,200,877	\$ 1,132,058	\$ 1,143,008	\$ 1,092,889	\$ 1,081,826	\$ 1,120,609	\$ 1,096,190
Contributions in relation to the contractually required contributions	1,276,966	1,200,877	1,174,710	1,120,307	1,111,410	1,107,106	1,108,597	1,167,583
Contribution deficiency (excess)	\$ 7,513	\$ -	\$ (42,652)	\$ 22,701	\$ (18,521)	\$ (25,280)	\$ 12,012	\$ (71,393)
City's covered-employee payroll	\$ 7,338,884	\$ 6,901,591	\$ 6,469,966	\$ 6,403,669	\$ 6,815,649	\$ 6,868,736	\$ 7,289,682	\$ 7,413,225
Contributions as a percentage of covered-employee payroll	17.40%	17.40%	18.16%	17.49%	16.31%	16.12%	15.21%	15.75%

## OTHER SUPPLEMENTARY INFORMATION

CITY OF NATCHEZ, MISSISSIPPI  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED SEPTEMBER 30, 2023

Budgetary Comparison Schedule

1. Basis of Presentation

The Budgetary Comparison Schedule presents the original legally adopted budget, the final legally adopted budget, the actual data on the cash basis, and variances between the final budget and the actual data.

2. Budget Adoption and Amendments

Preliminary budgets for the ensuing year are prepared by the City Clerk prior to September 30 of each fiscal year. The availability of the proposed budgets for public inspection and the date of the public hearing on the proposed budgets are advertised in public notices. During its September meeting, the Board of Aldermen holds a public hearing on the proposed budgets in order to receive comments from residents of the City. Changes are made to the proposed budgets based on the public hearing and the desires of the Board of Aldermen. The budgets are then adopted during the Board of Aldermen's regular September meeting.

During regular meetings, the Board of Aldermen reviews any proposed amendments, makes changes as it deems necessary, and formally adopts the amendments. The adoption of the amendments is included in the Board of Aldermen meeting minutes and published in public notices.

Appropriations lapse at year-end and must be appropriated for the following year to be expended. All changes in the budgets must be approved by the Board and the grantor agencies.

3. Budget/GAAP Reconciliation

The major differences between the budgetary basis and the GAAP basis are:

- a. Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP).
- b. Expenditures are recorded when paid in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

The following schedule reconciles net change in fund balances on the budgetary basis schedules to the GAAP basis financial statements for the General Fund and each major Governmental Fund.

**COMBINING SCHEDULE OF  
NONMAJOR GOVERNMENTAL FUNDS**

## CITY OF NATCHEZ, MISSISSIPPI

## COMBINING BALANCE SHEET

SEPTEMBER 30, 2023

	Total Special Revenue Funds	Total Debt Service Funds	Total Capital Projects Funds	Aggregate Nonmajor Governmental Funds
<b><u>ASSETS:</u></b>				
Cash and cash equivalents	\$ 2,408,606	\$ 430,693	\$ 1,319,599	\$ 4,158,898
Investments	11,421	-	1,370,574	1,381,995
Receivables, net of allowance				
Property taxes receivable	791,594	-	140,132	931,726
Other receivables	-	19,596	33	19,629
Due from other funds	378,771	239,002	1,808,726	2,426,499
Due from other governments	300,463	-	2,027	302,490
Prepaid items	-	-	-	-
Advances to other funds	377,490	-	156,657	534,147
Total assets	<u>\$ 4,268,345</u>	<u>\$ 689,291</u>	<u>\$ 4,797,748</u>	<u>\$ 9,755,384</u>
<b><u>LIABILITIES &amp; FUND BALANCE:</u></b>				
Liabilities:				
Bank overdrafts	\$ 798	\$ -	\$ 234,373	\$ 235,171
Accounts payable	119,717	-	80,732	200,449
Due to other funds	1,147,387	440,346	425,801	2,013,534
Due to other governments	150,013	-	-	150,013
Due to outside entities	-	176,240	-	176,240
Other liabilities	-	-	-	-
Advances from other funds	280,669	-	433,253	713,922
Total liabilities	<u>\$ 1,698,584</u>	<u>\$ 616,586</u>	<u>\$ 1,174,159</u>	<u>\$ 3,489,329</u>
Deferred inflows of resource:				
Deferred property taxes	<u>\$ 791,594</u>	<u>\$ -</u>	<u>\$ 140,132</u>	<u>\$ 931,726</u>
Fund balances:				
Reserved for:				
Nonspendable:				
Advances	\$ 377,490	\$ -	\$ 156,657	\$ 534,147
Restricted:				
Debt service	-	72,705	-	72,705
Assigned:				
Capital projects	-	-	3,326,800	3,326,800
Special revenue funds	1,400,677	-	-	1,400,677
Unassigned	-	-	-	-
Total fund balances	<u>\$ 1,778,167</u>	<u>\$ 72,705</u>	<u>\$ 3,483,457</u>	<u>\$ 5,334,329</u>
Total liabilities and fund balances	<u>\$ 4,268,345</u>	<u>\$ 689,291</u>	<u>\$ 4,797,748</u>	<u>\$ 9,755,384</u>

See Independent Auditor's Report.

## CITY OF NATCHEZ, MISSISSIPPI

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Total Special Revenue Funds	Total Debt Service Funds	Total Capital Projects Funds	Aggregate Nonmajor Governmental Funds
<b>REVENUES:</b>				
Ad valorem taxes	\$ 842,930	\$ 262,678	\$ 150,611	\$ 1,256,219
Licenses and permits	34,708	-	-	34,708
Intergovernmental:				-
Sales taxes	471,714	68,042	-	539,756
Gaming taxes	-	-	-	-
State and federal grant funding	328,180	-	72,283	400,463
Other	343,761	-	-	343,761
Charges for services	429,618	-	-	429,618
Fees and fines	212	-	-	212
Franchise fees	-	-	-	-
Investment earnings	14,450	1,684	44,399	60,533
Rents and royalties	23,693	-	-	23,693
Miscellaneous	351,287	-	244,695	595,982
	<u>2,840,553</u>	<u>332,404</u>	<u>511,988</u>	<u>3,684,945</u>
<b>EXPENDITURES:</b>				
Current:				
General government	\$ -	\$ -	\$ 133,414	\$ 133,414
Public safety	119,769	-	-	119,769
Public works	196,550	-	48,215	244,765
Culture and recreation	2,103,773	-	-	2,103,773
Economic development	101,578	-	-	101,578
Miscellaneous	52,045	22,679	184,937	259,661
Debt service:				
Principal	93,231	300,000	-	393,231
Interest & other charges	15,093	24,672	-	39,765
Capital outlay	-	-	1,980,189	1,980,189
Total expenditures	<u>\$ 2,682,039</u>	<u>\$ 347,351</u>	<u>\$ 2,346,755</u>	<u>\$ 5,376,145</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ 158,514</u>	<u>\$ (14,947)</u>	<u>\$ (1,834,767)</u>	<u>\$ (1,691,200)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from long-term debt, net	\$ -	\$ -	\$ -	\$ -
Other financing sources	-	-	-	-
Transfers in	1,733,984	-	3,411,736	5,145,720
Transfers out	(1,302,266)	-	(302,103)	(1,604,369)
Total other financial sources (uses)	<u>\$ 431,718</u>	<u>\$ -</u>	<u>\$ 3,109,633</u>	<u>\$ 3,541,351</u>
Net change in fund balances	<u>\$ 590,232</u>	<u>\$ (14,947)</u>	<u>\$ 1,274,866</u>	<u>\$ 1,850,151</u>
Fund balances - beginning	<u>\$ 1,187,935</u>	<u>\$ 87,652</u>	<u>\$ 1,941,099</u>	<u>\$ 3,216,686</u>
Prior period adjustments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 267,492</u>	<u>\$ 267,492</u>
Fund balances - beginning, as adjusted	<u>\$ 1,187,935</u>	<u>\$ 87,652</u>	<u>\$ 2,208,591</u>	<u>\$ 3,484,178</u>
Fund balances - ending	<u>\$ 1,778,167</u>	<u>\$ 72,705</u>	<u>\$ 3,483,457</u>	<u>\$ 5,334,329</u>

See Independent Auditor's Report.

## COMPONENT UNITS

## COMPONENT UNITS

Judge George Armstrong Library operates one public library in Southwest Mississippi.

## CITY OF NATCHEZ, MISSISSIPPI

COMBINING STATEMENT OF NET POSITION  
COMPONENT UNITS

SEPTEMBER 30, 2023

	Natchez Convention Promotion Commission	Judge George Armstrong Library	Total
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 2,170,512	\$ 95,160	\$ 2,265,672
Investments	-	-	-
Receivables, net of allowance			
Property taxes receivable	-	-	-
Other receivables	-	8,640	8,640
Due from other governmental agencies	230,911	-	230,911
Inventories	-	-	-
Prepaid expenses	-	3,600	3,600
Restricted asset:			
Cash and cash equivalents - restricted	137,913	-	137,913
Investments	-	450,000	450,000
Capital assets, net	11,755	182,764	194,519
Intangible right-to-use leased area, net	188,328	-	188,328
Total assets	<u>\$ 2,739,419</u>	<u>\$ 740,164</u>	<u>\$ 3,479,583</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Deferred outflows - pensions	\$ 108,762	\$ 139,605	\$ 248,367
<b><u>LIABILITIES</u></b>			
Bank overdrafts	\$ -	\$ -	\$ -
Accounts payable and other accrued liabilities	85,671	17,631	103,302
Accrued payroll liabilities	-	4,916	4,916
Due to other governmental agencies	386,088	-	386,088
Due to outside entities	-	-	-
Deferred revenues	791,413	-	791,413
Long-term liabilities:			
Current portion:			
Bonds, notes payable, and capital leases	63,840	-	63,840
Accrued interest	-	-	-
Compensated absences	-	-	-
Long-term portion:			
Bonds, notes payable, and capital leases	122,360	-	122,360
Net pension liability	930,598	720,082	1,650,680
Total liabilities	<u>\$ 2,379,970</u>	<u>\$ 742,629</u>	<u>\$ 3,122,599</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Deferred inflows - pensions	\$ 4,671	\$ -	\$ 4,671
<b><u>NET POSITION:</u></b>			
Invested in capital assets	\$ 11,755	\$ 182,764	\$ 194,519
Restricted	130,934	544,808	675,742
Unrestricted (deficit)	320,851	(590,432)	(269,581)
Total net position	<u>\$ 463,540</u>	<u>\$ 137,140</u>	<u>\$ 600,680</u>

See Independent Auditor's Report.

## CITY OF NATCHEZ, MISSISSIPPI

COMBINING STATEMENT OF ACTIVITIES  
COMPONENT UNITS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Natchez Convention Promotion Commission	Judge George Armstrong Library	Total
<b>Expenses</b>			
Governmental activities:			
Culture and recreation	\$ 1,293,951	\$ 624,187	\$ 1,918,138
Economic development	-	-	-
Miscellaneous	495,776	-	495,776
Total expenses	<u>\$ 1,789,727</u>	<u>\$ 624,187</u>	<u>\$ 2,413,914</u>
<b>Program revenues</b>			
Charges for services	\$ -	\$ 11,335	\$ 11,335
Operating grants and contributions	-	116,318	116,318
Total program revenues	<u>\$ -</u>	<u>\$ 127,653</u>	<u>\$ 127,653</u>
<b>Net (expenses) revenue</b>	<u>\$ (1,789,727)</u>	<u>\$ (496,534)</u>	<u>\$ (2,286,261)</u>
<b>General revenues</b>			
Public service taxes	\$ 1,698,687	\$ -	\$ 1,698,687
Transfers in	-	333,419	333,419
Investment earnings	993	1,929	2,922
Total general revenues	<u>\$ 1,699,680</u>	<u>\$ 335,348</u>	<u>\$ 2,035,028</u>
<b>Change in net position</b>	<u>\$ (90,047)</u>	<u>\$ (161,186)</u>	<u>\$ (251,233)</u>
Net position, beginning of year	<u>\$ 553,587</u>	<u>\$ 298,326</u>	<u>\$ 851,913</u>
Net position, end of year	<u>\$ 463,540</u>	<u>\$ 137,140</u>	<u>\$ 600,680</u>

See Independent Auditor's Report.

**COMBINING AND INDIVIDUAL FUND FINANCIAL  
STATEMENTS AND SCHEDULES**

## NON-MAJOR SPECIAL REVENUE FUNDS

Public Properties – to account for maintenance and improvements to public properties owned by the City. Financing is provided by insurance proceeds from the loss of a City-owned building.

Auburn Maintenance Fund – to segregate funds collected from antebellum home Auburn used specifically for maintenance.

Food and Lodging Tax II – to account for the tax assessed in addition to the general sales tax for food and lodging.

Special Fire Fund – to account for money received from the State's "Municipal Fire Protection Fund."

Senior Citizens Fund – to account for expenditures for a recreational program for senior citizens. Financing is provided by federal grants and local resources.

Police Grant Fund – to account for expenditures incurred in providing two additional police officers. Financing is provided by federal grants and local matching of funds.

Parks and Recreation – to account for the operation and maintenance of all City-owned parks and recreational facilities. Financing is provided by a specific annual property tax levy to the extent charges for use of the facilities are not sufficient to provide such financing.

Recreation Department – Donations – to account for private donations for recreational uses.

Visitors Center Operations – to account for revenues and expenditures associated with operating the Visitor's Reception and Intermodal Transportation Center.

City Auditorium Maintenance – to account for funds related to the maintenance of the City Auditorium.

Special Fire Fund #2 – second fund established to track monies related to the fire department but not available for general purposes.

Tricentennial Donations – to account for donated funds received in support of activities throughout 2016 in celebration of Natchez's tricentennial.

Recycling Fund – to account for funds used to establish a recycling program in the City, including the cost of purchasing appropriate receptacles for collection.

Armstrong Library Fund – to account for tax monies allocated for the maintenance and support of the George W. Armstrong Library, Natchez branch.

Natchez Economic Development Authority – to account for tax monies levied in direct support of the Natchez EDA.

Road and Bridge Tax – to further segregate tax receipts specifically identified by Adams County as road and bridge collections.

SNAP 2014 – to account for the funding received under this program.

**NON-MAJOR SPECIAL REVENUE FUNDS (continued)**

Humana Foundation Grant – to account for funds received from a grant encouraging healthy lifestyles through nutrition and exercise.

Traffic Fund/MDOT Intersections – to account for funds related to a specific maintenance project in conjunction with MDOT.

## CITY OF NATCHEZ, MISSISSIPPI

COMBINING BALANCE SHEET  
SPECIAL REVENUE FUNDS

SEPTEMBER 30, 2023

	Tricentennial Donations	Recycling Fund	Public Properties	City Auditorium Maintenance Fund	Auburn Maintenance Fund	Food and Lodging Tax II	Special Fire Fund I	Senior Citizens Fund	Police Grant Fund	Special Fire Fund II
<b>Assets</b>										
Cash and cash equivalents	\$ 29,047	\$ 14,182	\$ 107,956	\$ 5,310	\$ 23,763	\$ 18,696	\$ 272,234	\$ 275,664	\$ 31,377	\$ 29,885
Investments	-	-	-	-	-	-	-	11,421	-	-
Receivables, net of allowance										
Property taxes receivable	-	-	194,391	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	4,900	300	-	-	22,500	-	188,961	4,370	-
Due from other governments	-	-	-	-	-	270,836	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-	-	-
Advances to other funds	-	-	103,236	-	-	-	130,476	138,778	-	-
<b>Total assets</b>	<b>\$ 29,047</b>	<b>\$ 19,082</b>	<b>\$ 405,883</b>	<b>\$ 5,310</b>	<b>\$ 23,763</b>	<b>\$ 312,032</b>	<b>\$ 402,710</b>	<b>\$ 614,824</b>	<b>\$ 35,747</b>	<b>\$ 29,885</b>
<b>Liabilities and Fund Balances</b>										
<b>Liabilities:</b>										
Bank overdrafts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	14,843	-	200	-	8,689	14,009	-	-
Due to other funds	-	-	233,839	5,000	11,500	65,608	360,279	12,448	-	-
Due to other governments	-	-	-	-	-	68,526	-	-	-	-
Due to outside entities	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-
Advances from other funds	-	-	27,271	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 275,953</b>	<b>\$ 5,000</b>	<b>\$ 11,700</b>	<b>\$ 134,134</b>	<b>\$ 368,968</b>	<b>\$ 26,457</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Deferred inflows of resource:</b>										
Deferred property taxes	\$ -	\$ -	\$ 194,391	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Fund balances:</b>										
Reserved for:										
Nonspendable:										
Advances	\$ -	\$ -	\$ 103,236	\$ -	\$ -	\$ -	\$ 130,476	\$ 138,778	\$ -	\$ -
Restricted:										
Debt service	-	-	-	-	-	-	-	-	-	-
Assigned:										
Capital projects	-	-	-	-	-	-	-	-	-	-
Special revenue funds	29,047	19,082	(167,697)	310	12,063	177,898	(96,734)	449,589	35,747	29,885
Unassigned	-	-	-	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b>\$ 29,047</b>	<b>\$ 19,082</b>	<b>\$ (64,461)</b>	<b>\$ 310</b>	<b>\$ 12,063</b>	<b>\$ 177,898</b>	<b>\$ 33,742</b>	<b>\$ 588,367</b>	<b>\$ 35,747</b>	<b>\$ 29,885</b>
<b>Total liabilities and fund balances</b>	<b>\$ 29,047</b>	<b>\$ 19,082</b>	<b>\$ 405,883</b>	<b>\$ 5,310</b>	<b>\$ 23,763</b>	<b>\$ 312,032</b>	<b>\$ 402,710</b>	<b>\$ 614,824</b>	<b>\$ 35,747</b>	<b>\$ 29,885</b>

## CITY OF NATCHEZ, MISSISSIPPI

COMBINING BALANCE SHEET  
SPECIAL REVENUE FUNDS

SEPTEMBER 30, 2023

	Parks and Recreation	Recreation Department - Donations	Visitors Center Operations	Armstrong Library Fund	Natchez EDA Fund	Road and Bridge Tax	Traffic Fund/MDOT Intersections	SNAP 2014	Humana Foundation Grant	Total
<b>Assets</b>										
Cash and cash equivalents	\$ 370,579	\$ 7,131	\$ -	\$ 30,829	\$ 10,306	\$ 921,184	\$ 246,760	\$ 13,703	\$ -	\$ 2,408,606
Investments	-	-	-	-	-	-	-	-	-	11,421
Receivables, net of allowance										
Property taxes receivable	217,389	-	-	288,672	91,142	-	-	-	-	791,594
Other receivables	-	-	-	-	-	-	-	-	-	-
Due from other funds	225	37,223	-	850	-	45,000	74,442	-	-	378,771
Due from other governments	3,244	-	24,955	-	1,428	-	-	-	-	300,463
Prepaid items	-	-	-	-	-	-	-	-	-	-
Advances to other funds	5,000	-	-	-	-	-	-	-	-	377,490
<b>Total assets</b>	<b>\$ 596,437</b>	<b>\$ 44,354</b>	<b>\$ 24,955</b>	<b>\$ 320,351</b>	<b>\$ 102,876</b>	<b>\$ 966,184</b>	<b>\$ 321,202</b>	<b>\$ 13,703</b>	<b>\$ -</b>	<b>\$ 4,268,345</b>
<b>Liabilities and Fund Balances</b>										
<b>Liabilities:</b>										
Bank overdrafts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	798	\$ 798
Accounts payable	62,820	600	5,663	7,407	2,239	2,925	321	-	1	119,717
Due to other funds	284,815	6,500	139,685	-	27,046	-	-	-	667	1,147,387
Due to other governments	-	-	81,487	-	-	-	-	-	-	150,013
Due to outside entities	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-
Advances from other funds	148,498	-	17,000	63,750	24,150	-	-	-	-	280,669
<b>Total liabilities</b>	<b>\$ 496,133</b>	<b>\$ 7,100</b>	<b>\$ 243,835</b>	<b>\$ 71,157</b>	<b>\$ 53,435</b>	<b>\$ 2,925</b>	<b>\$ 321</b>	<b>\$ -</b>	<b>\$ 1,466</b>	<b>\$ 1,698,584</b>
<b>Deferred inflows of resource:</b>										
Deferred property taxes	\$ 217,389	\$ -	\$ -	\$ 288,672	\$ 91,142	\$ -	\$ -	\$ -	\$ -	\$ 791,594
<b>Fund balances:</b>										
Reserved for:										
Nonspendable:										
Advances	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 377,490
Restricted:										
Debt service	-	-	-	-	-	-	-	-	-	-
Assigned:										
Capital projects	-	-	-	-	-	-	-	-	-	-
Special revenue funds	(122,085)	37,254	(218,880)	(39,478)	(41,701)	963,259	320,881	13,703	(1,466)	\$ 1,400,677
Unassigned	-	-	-	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b>\$ (117,085)</b>	<b>\$ 37,254</b>	<b>\$ (218,880)</b>	<b>\$ (39,478)</b>	<b>\$ (41,701)</b>	<b>\$ 963,259</b>	<b>\$ 320,881</b>	<b>\$ 13,703</b>	<b>\$ (1,466)</b>	<b>\$ 1,778,167</b>
<b>Total liabilities and fund balances</b>	<b>\$ 596,437</b>	<b>\$ 44,354</b>	<b>\$ 24,955</b>	<b>\$ 320,351</b>	<b>\$ 102,876</b>	<b>\$ 966,184</b>	<b>\$ 321,202</b>	<b>\$ 13,703</b>	<b>\$ -</b>	<b>\$ 4,268,345</b>

CITY OF NATCHEZ, MISSISSIPPI

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Tricentennial Donations	Recycling Fund	Public Properties	City Auditorium Maintenance Fund	Auburn Maintenance Fund	Food and Lodging Tax II	Special Fire Fund I	Senior Citizens Fund	Police Grant Fund	Special Fire Fund II
<b>Revenues</b>										
Ad valorem taxes	\$ -	\$ -	\$ 204,716	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-	-	-
Intergovernmental:										
Sales taxes	-	-	-	-	-	471,714	-	-	-	-
Gaming taxes	-	-	-	-	-	-	-	-	-	-
Federal and state grant revenue	-	24,548	-	-	-	-	-	302,432	-	-
Other	-	-	-	-	-	-	-	54,534	-	-
Charges for services	-	-	-	-	-	-	-	14,706	-	-
Fees and fines	6	-	-	-	-	-	-	-	101	105
Franchise fees	-	-	-	-	-	-	-	-	-	-
Investment earnings	-	-	730	18	80	312	9,046	782	-	-
Rents and royalties	-	-	4,543	15,050	-	-	-	3,900	-	-
Miscellaneous	7,393	7,819	10,508	967	25,213	-	65,837	13,058	2,248	60
Total revenues	\$ 7,399	\$ 32,367	\$ 220,497	\$ 16,035	\$ 25,293	\$ 472,026	\$ 74,883	\$ 389,412	\$ 2,349	\$ 165
<b>Expenditures</b>										
Current:										
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	119,769	-	-	-	-	-	-	-
Public works	-	11,000	-	-	-	-	-	-	-	-
Culture and recreation	-	930	198,803	16,680	7,020	-	-	356,748	-	-
Economic development	-	-	-	-	9,800	-	-	-	-	-
Miscellaneous	-	-	21,448	500	-	1	2,995	23,832	-	-
Debt service:										
Principal	-	-	3,997	-	-	-	89,234	-	-	-
Interest & other charges	-	-	52	-	-	-	15,041	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-
Total expenditures	\$ -	\$ 11,930	\$ 344,069	\$ 17,180	\$ 16,820	\$ 1	\$ 107,270	\$ 380,580	\$ -	\$ -
<b>Excess (deficiency) of revenues over expenditures</b>	\$ 7,399	\$ 20,437	\$ (123,572)	\$ (1,145)	\$ 8,473	\$ 472,025	\$ (32,387)	\$ 8,832	\$ 2,349	\$ 165
<b>Other financing sources (uses)</b>										
Proceeds from long-term debt & capital leases, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other financing sources	-	-	-	-	-	-	-	-	-	-
Transfers in	-	3,000	-	-	-	-	-	163,858	-	-
Transfers out	-	-	-	-	-	(402,731)	-	(123,000)	-	-
Total other financial sources (uses)	\$ -	\$ 3,000	\$ -	\$ -	\$ -	\$ (402,731)	\$ -	\$ 40,858	\$ -	\$ -
<b>Net change in fund balances</b>	\$ 7,399	\$ 23,437	\$ (123,572)	\$ (1,145)	\$ 8,473	\$ 69,294	\$ (32,387)	\$ 49,690	\$ 2,349	\$ 165
<b>Fund balances - beginning</b>	\$ 21,648	\$ (4,355)	\$ 59,111	\$ 1,455	\$ 3,590	\$ 108,604	\$ 66,129	\$ 538,677	\$ 33,398	\$ 29,720
<b>Fund balances - ending</b>	\$ 29,047	\$ 19,082	\$ (64,461)	\$ 310	\$ 12,063	\$ 177,898	\$ 33,742	\$ 588,367	\$ 35,747	\$ 29,885

See Independent Auditor's Report.

## CITY OF NATCHEZ, MISSISSIPPI

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Parks and Recreation	Recreation Department - Donations	Visitors Center Operations	Armstrong Library Fund	Natchez EDA Fund	Road and Bridge Tax	Traffic Fund/MDOT Intersections	SNAP 2014	Humana Foundation Grant	Total
<b>Revenues</b>										
Ad valorem taxes	\$ 235,560	\$ -	\$ -	\$ 322,652	\$ 80,002	\$ -	\$ -	\$ -	\$ -	\$ 842,930
Licenses and permits	-	-	-	-	-	34,708	-	-	-	34,708
Intergovernmental:										
Sales taxes	-	-	-	-	-	-	-	-	-	471,714
Gaming taxes	-	-	-	-	-	-	-	-	-	-
Federal and state grant revenue	-	-	-	-	-	-	-	1,200	-	328,180
Other	289,227	-	-	-	-	-	-	-	-	343,761
Charges for services	414,912	-	-	-	-	-	-	-	-	429,618
Fees and fines	-	-	-	-	-	-	-	-	-	212
Franchise fees	-	-	-	-	-	-	-	-	-	-
Investment earnings	887	29	108	178	48	1,394	838	-	-	14,450
Rents and royalties	200	-	-	-	-	-	-	-	-	23,693
Miscellaneous	22,544	26,605	-	-	-	151,538	17,497	-	-	351,287
Total revenues	\$ 963,330	\$ 26,634	\$ 108	\$ 322,830	\$ 80,050	\$ 187,640	\$ 18,335	\$ 1,200	\$ -	\$ 2,840,553
<b>Expenditures</b>										
Current:										
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-	-	-	-	-	119,769
Public works	-	-	-	-	-	185,276	274	-	-	196,550
Culture and recreation	1,163,189	23,518	-	336,610	-	-	-	275	-	2,103,773
Economic development	-	-	-	-	91,778	-	-	-	-	101,578
Miscellaneous	2,768	-	-	501	-	-	-	-	-	52,045
Debt service:										
Principal	-	-	-	-	-	-	-	-	-	93,231
Interest & other charges	-	-	-	-	-	-	-	-	-	15,093
Capital outlay	-	-	-	-	-	-	-	-	-	-
Total expenditures	\$ 1,165,957	\$ 23,518	\$ -	\$ 337,111	\$ 91,778	\$ 185,276	\$ 274	\$ 275	\$ -	\$ 2,682,039
Excess (deficiency) of revenues over expenditures	\$ (202,627)	\$ 3,116	\$ 108	\$ (14,281)	\$ (11,728)	\$ 2,364	\$ 18,061	\$ 925	\$ -	\$ 158,514
<b>Other financing sources (uses)</b>										
Proceeds from long-term debt & capital leases, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other financing sources	-	-	-	-	-	-	-	-	-	-
Transfers in	247,176	-	-	-	-	1,319,950	-	-	-	1,733,984
Transfers out	-	-	(17,682)	-	-	(747,789)	-	-	(11,064)	(1,302,266)
Total other financial sources (uses)	\$ 247,176	\$ -	\$ (17,682)	\$ -	\$ -	\$ 572,161	\$ -	\$ -	\$ (11,064)	\$ 431,718
Net change in fund balances	\$ 44,549	\$ 3,116	\$ (17,574)	\$ (14,281)	\$ (11,728)	\$ 574,525	\$ 18,061	\$ 925	\$ (11,064)	\$ 590,232
Fund balances - beginning	\$ (161,634)	\$ 34,138	\$ (201,306)	\$ (25,197)	\$ (29,973)	\$ 388,734	\$ 302,820	\$ 12,778	\$ 9,598	\$ 1,187,935
Fund balances - ending	\$ (117,085)	\$ 37,254	\$ (218,880)	\$ (39,478)	\$ (41,701)	\$ 963,259	\$ 320,881	\$ 13,703	\$ (1,466)	\$ 1,778,167

See Independent Auditor's Report.

## NON-MAJOR DEBT SERVICE FUNDS

TIF Bond Series 2008 – to accumulate monies for payment of limited obligation tax increment financing bond for improvements around Convention Center Hotel.

TIF Bond Series 2014 – to accumulate monies for payment of limited obligation tax increment financing bond for improvements around the Holiday Inn Express.

## CITY OF NATCHEZ, MISSISSIPPI

COMBINING BALANCE SHEET  
DEBT SERVICE FUNDS

SEPTEMBER 30, 2023

	TIF Bond Series 2008	TIF Bond Series 2014	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 430,264	\$ 429	\$ 430,693
Investments	-	-	-
Receivables, net of allowance			
Property taxes receivable	-	-	-
Other receivables	19,596	-	19,596
Due from other funds	85,180	153,822	239,002
Due from other governments	-	-	-
Prepaid items	-	-	-
Advances to other funds	-	-	-
Total assets	<u>\$ 535,040</u>	<u>\$ 154,251</u>	<u>\$ 689,291</u>
<b>Liabilities and fund balances</b>			
<b>Liabilities:</b>			
Bank overdrafts	\$ -	\$ -	\$ -
Accounts payable	-	-	-
Due to other funds	416,146	24,200	440,346
Due to other governments	-	-	-
Due to outside entities	150,261	25,979	176,240
Other liabilities	-	-	-
Advances from other funds	-	-	-
Total liabilities	<u>\$ 566,407</u>	<u>\$ 50,179</u>	<u>\$ 616,586</u>
<b>Deferred inflows of resource:</b>			
Deferred property taxes	\$ -	\$ -	\$ -
<b>Fund balances:</b>			
Reserved for:			
Nonspendable:			
Advances	\$ -	\$ -	\$ -
Restricted:			
Debt service	(31,367)	104,072	72,705
Assigned:			
Capital projects	-	-	-
Special revenue funds	-	-	-
Unassigned	-	-	-
Total fund balances	<u>\$ (31,367)</u>	<u>\$ 104,072</u>	<u>\$ 72,705</u>
<b>Total liabilities and fund balances</b>	<u>\$ 535,040</u>	<u>\$ 154,251</u>	<u>\$ 689,291</u>

See Independent Auditor's Report.

## CITY OF NATCHEZ, MISSISSIPPI

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
DEBT SERVICE FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

	TIF Bond Series 2008	TIF Bond Series 2014	Total
<b>Revenues</b>			
Ad valorem taxes	\$ 195,815	\$ 66,863	\$ 262,678
Licenses and permits	-	-	-
Intergovernmental:			
Sales taxes	68,042	-	68,042
Gaming taxes	-	-	-
State and federal grant revenue	-	-	-
Other	-	-	-
Charges for services	-	-	-
Fees and fines	-	-	-
Franchise fees	-	-	-
Investment earnings	1,663	21	1,684
Rents and royalties	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>\$ 265,520</u>	<u>\$ 66,884</u>	<u>\$ 332,404</u>
<b>Expenditures</b>			
Current:			
General government	\$ -	\$ -	\$ -
Public safety	-	-	-
Public works	-	-	-
Culture and recreation	-	-	-
Economic development	-	-	-
Miscellaneous	22,679	-	22,679
Debt service:			
Principal	265,000	35,000	300,000
Interest and other charges	18,550	6,122	24,672
Capital outlay	-	-	-
Total expenditures	<u>\$ 306,229</u>	<u>\$ 41,122</u>	<u>\$ 347,351</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>\$ (40,709)</u>	<u>\$ 25,762</u>	<u>\$ (14,947)</u>
<b>Other financing sources</b>			
Proceeds from long-term debt, net	\$ -	\$ -	\$ -
Other financing sources	-	-	-
Transfers in	-	34,122	34,122
Transfers out	(34,122)	-	(34,122)
Total other financing sources (uses)	<u>\$ (34,122)</u>	<u>\$ 34,122</u>	<u>\$ -</u>
<b>Net change in fund balances</b>	<u>\$ (74,831)</u>	<u>\$ 59,884</u>	<u>\$ (14,947)</u>
<b>Fund balances - beginning</b>	<u>43,464</u>	<u>44,188</u>	<u>87,652</u>
<b>Fund balances - ending</b>	<u>\$ (31,367)</u>	<u>\$ 104,072</u>	<u>\$ 72,705</u>

See Independent Auditor's Report.

## CAPITAL PROJECTS FUNDS

Capital Improvements Fund – to account for the expenditures incurred for capital improvements in the City. Financing is provided by a specific annual tax levy.

Yazoo and MS Valley Railroad Depot – to account for grants received and expended to renovate and restore the Yazoo and MS Valley Railroad Depot.

Casino Community Development – to account for receipts received related to future development of recreation facilities and other community projects.

TIGER Fund – to account for funding and expenditures incurred for the rehabilitation and upgrade of five structurally deficient railroad truss bridges along the Natchez railway.

North Natchez Drainage – to account for expenditures incurred for the repair and reconstruction of the drainage system in the northern section of the City.

Bridge Lighting Project – to account for funding and expenditures incurred for repairs to lighting on the Mississippi River bridge.

2022 General Obligation Bond, Recreation Improvements – to account for bond proceeds and expenditures relating to various improvements to the City's recreation facilities and infrastructure.

2022 General Obligation Bond, Capital Improvements – to account for bond proceeds and expenditures relating to various capital projects and improvements.

Brownfield Assistance Grant – to account for funding and expenditures incurred for clean up and reuse of environmentally contaminated properties within the City.

## CITY OF NATCHEZ, MISSISSIPPI

COMBINING BALANCE SHEET  
CAPITAL PROJECTS FUNDS

SEPTEMBER 30, 2023

	Capital Improvements Fund	Casino Community Development	BP SB2002 EWP Match	TIGER 8 Project	Yazoo & Mississippi Valley Railroad	North Natchez Drainage	Bridge Lighting Project	2021 GO Bond Recreation Improvements	2022 GO Bond Capital Improvements	Browfield Assistance Grant	Total
<b>Assets</b>											
Cash and cash equivalents	\$ 217,536	\$ 480,822	\$ -	\$ -	\$ -	\$ 125,238	\$ 494,600	\$ -	\$ 1,403	\$ -	\$ 1,319,599
Investments	-	-	-	-	-	-	-	-	1,370,574	-	1,370,574
Receivables, net of allowance											
Property taxes receivable	140,132	-	-	-	-	-	-	-	-	-	140,132
Other receivables	-	-	-	-	-	33	-	-	-	-	33
Due from other funds	337,275	1,208,314	263,137	-	-	-	-	-	-	-	1,808,726
Due from other governments	2,027	-	-	-	-	-	-	-	-	-	2,027
Prepaid items	-	-	-	-	-	-	-	-	-	-	-
Advances to other funds	-	156,657	-	-	-	-	-	-	-	-	156,657
Total assets	<u>\$ 696,970</u>	<u>\$ 1,845,793</u>	<u>\$ 263,137</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 125,271</u>	<u>\$ 494,600</u>	<u>\$ -</u>	<u>\$ 1,371,977</u>	<u>\$ -</u>	<u>\$ 4,797,748</u>
<b>Liabilities and fund balances</b>											
<b>Liabilities:</b>											
Bank overdrafts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 233,091	\$ -	\$ 1,282	\$ 234,373
Accounts payable	-	-	-	33	-	-	9,396	20,395	23,621	27,287	80,732
Due to other funds	290,136	-	-	-	135,665	-	-	-	-	-	425,801
Due to other governments	-	-	-	-	-	-	-	-	-	-	-
Due to outside entities	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-	-
Advances from other funds	251,986	181,267	-	-	-	-	-	-	-	-	433,253
Total liabilities	<u>\$ 542,122</u>	<u>\$ 181,267</u>	<u>\$ -</u>	<u>\$ 33</u>	<u>\$ 135,665</u>	<u>\$ -</u>	<u>\$ 9,396</u>	<u>\$ 253,486</u>	<u>\$ 23,621</u>	<u>\$ 28,569</u>	<u>\$ 1,174,159</u>
<b>Deferred inflows of resource:</b>											
Deferred property taxes	\$ 140,132	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 140,132
<b>Fund balances:</b>											
Reserved for:											
Nonspendable:											
Advances	\$ -	\$ 156,657	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 156,657
Restricted:											
Debt service	-	-	-	-	-	-	-	-	-	-	-
Assigned:											
Capital projects	14,716	1,507,869	263,137	(33)	(135,665)	125,271	485,204	(253,486)	1,348,356	(28,569)	3,326,800
Special revenue funds	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-	-
Total fund balances	<u>\$ 14,716</u>	<u>\$ 1,664,526</u>	<u>\$ 263,137</u>	<u>\$ (33)</u>	<u>\$ (135,665)</u>	<u>\$ 125,271</u>	<u>\$ 485,204</u>	<u>\$ (253,486)</u>	<u>\$ 1,348,356</u>	<u>\$ (28,569)</u>	<u>\$ 3,483,457</u>
<b>Total liabilities and fund balances</b>	<u>\$ 696,970</u>	<u>\$ 1,845,793</u>	<u>\$ 263,137</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 125,271</u>	<u>\$ 494,600</u>	<u>\$ -</u>	<u>\$ 1,371,977</u>	<u>\$ -</u>	<u>\$ 4,797,748</u>

See Independent Auditor's Report.

## CITY OF NATCHEZ, MISSISSIPPI

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
CAPITAL PROJECTS FUNDS

SEPTEMBER 30, 2023

	Capital Improvements Fund	Casino Community Development	BP SB2002 EWP Match	TIGER 8 Project	Yazoo & Mississippi Valley Railroad	North Natchez Drainage	Bridge Lighting Project	2021 GO Bond Recreation Improvements	2022 GO Bond Capital Improvements	Browfield Assistance Grant	Total
<b>Revenues</b>											
Ad valorem taxes	\$ 150,611	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,611
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental:											
Sales taxes	-	-	-	-	-	-	-	-	-	-	-
Gaming taxes	-	-	-	-	-	-	-	-	-	-	-
State and federal grant funding	-	-	-	-	-	-	-	-	-	72,283	72,283
Other	-	-	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-	-
Fees and fines	-	-	-	-	-	-	-	-	-	-	-
Franchise fees	-	-	-	-	-	-	-	-	-	-	-
Investment earnings	697	1,958	-	-	-	625	1,140	61	39,918	-	44,399
Rents and royalties	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	244,695	-	-	-	-	-	-	-	-	244,695
Total revenues	\$ 151,308	\$ 246,653	\$ -	\$ -	\$ -	\$ 625	\$ 1,140	\$ 61	\$ 39,918	\$ 72,283	\$ 511,988
<b>Expenditures</b>											
Current:											
General government	\$ -	\$ 21,797	\$ -	\$ -	\$ -	\$ -	\$ 10,186	\$ -	\$ 101,431	\$ -	\$ 133,414
Public safety	-	-	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	47,196	1,019	48,215
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	69,037	-	-	-	-	-	-	-	-	115,900	184,937
Debt service:											
Principal	-	-	-	-	-	-	-	-	-	-	-
Interest & other charges	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	138,083	-	1,211,377	630,729	-	1,980,189
Total expenditures	\$ 69,037	\$ 21,797	\$ -	\$ -	\$ -	\$ 138,083	\$ 10,186	\$ 1,211,377	\$ 779,356	\$ 116,919	\$ 2,346,755
<b>Excess (deficiency) of revenues over expenditures</b>	\$ 82,271	\$ 224,856	\$ -	\$ -	\$ -	\$ (137,458)	\$ (9,046)	\$ (1,211,316)	\$ (739,438)	\$ (44,636)	\$ (1,834,767)
<b>Other financing sources (uses)</b>											
Proceeds from long-term debt & capital leases, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other financing sources	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	1,304,212	2,089,842	17,682	3,411,736
Transfers out	-	(265,000)	-	(7,852)	(27,203)	-	-	-	(2,048)	-	(302,103)
Total other financial sources (uses)	\$ -	\$ (265,000)	\$ -	\$ (7,852)	\$ (27,203)	\$ -	\$ -	\$ 1,304,212	\$ 2,087,794	\$ 17,682	\$ 3,109,633
<b>Net change in fund balances</b>	\$ 82,271	\$ (40,144)	\$ -	\$ (7,852)	\$ (27,203)	\$ (137,458)	\$ (9,046)	\$ 92,896	\$ 1,348,356	\$ (26,954)	\$ 1,274,866
<b>Fund balances - beginning</b>	\$ (67,555)	\$ 1,704,670	\$ 263,137	\$ 7,819	\$ (108,462)	\$ 262,729	\$ 494,250	\$ (613,874)	\$ -	\$ (1,615)	\$ 1,941,099
<b>Prior period adjustments</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 267,492	\$ -	\$ -	\$ 267,492
<b>Fund balances - beginning, as adjusted</b>	\$ (67,555)	\$ 1,704,670	\$ 263,137	\$ 7,819	\$ (108,462)	\$ 262,729	\$ 494,250	\$ (346,382)	\$ -	\$ (1,615)	\$ 2,208,591
<b>Fund balances - ending</b>	\$ 14,716	\$ 1,664,526	\$ 263,137	\$ (33)	\$ (135,665)	\$ 125,271	\$ 485,204	\$ (253,486)	\$ 1,348,356	\$ (28,569)	\$ 3,483,457

## CITY OF NATCHEZ, MISSISSIPPI

## SCHEDULE OF CERTIFICATES OF DEPOSIT - ALL FUNDS

SEPTEMBER 30, 2023

## PROPRIETARY FUNDS:

Certificates of Deposit - Unrestricted:

Concordia Bank & Trust Co., dated January 10, 2023, maturity January 10, 2034, rate 4.06%	\$ 1,959,726
Total assets	\$ 1,959,726

Certificates of Deposit - Restricted:

Home Bank, dated September 18, 2023, maturity August 18, 2024, rate 5.27%	\$ 250,000
Concordia Bank & Trust Co., dated January 10, 2023, maturity January 10, 2024, rate 4.07%	50,020
	\$ 300,020
Total Certificates of Deposit - Proprietary Funds	\$ 2,259,746

See Independent Auditor's Report.

## CITY OF NATCHEZ, MISSISSIPPI

## SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS

SEPTEMBER 30, 2023

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Amount</u>	<u>Term</u>
Dan M. Gibson	Mayor	Western Surety	\$ 100,000	7-2021 to Current
Megan McKenzie	City Clerk	Western Surety	\$ 50,000	11-2022 to 11-2023
Denise Bell	Deputy City Clerk	Western Surety	\$ 50,000	11-2022 to 11-2023
Lisa Jordan Dale	City Judge	Western Surety	\$ 50,000	7-2020 to Current
Valencia Marie Hall	Alderman	Western Surety	\$ 100,000	7-2020 to Current
Billie Joe Frazier	Alderman	Western Surety	\$ 100,000	7-2020 to Current
Sarah Carter Smith	Alderman	Western Surety	\$ 100,000	7-2020 to Current
Felicia Irving	Alderman	Western Surety	\$ 100,000	7-2020 to Current
Benjamin Davis	Alderman	Western Surety	\$ 100,000	7-2020 to Current
Daniel Dillard	Alderman	FCCI Insurance Group	\$ 100,000	7-2020 to 4-2023
Curtis Moroney	Alderman	Western Surety	\$ 100,000	5-2023 to Current

CITY OF NATCHEZ, MISSISSIPPI  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass-Through Grantor's Number	Federal Expenditures
<u><b>U.S. Army Corps of Engineers</b></u>			
Section 592 Project			
North Natchez Drainage Phase II-D	12.124	PCA 20APR2005	\$ 119,873
<u><b>U.S. Department of Transportation</b></u>			
Passed through Mississippi Department of Transportation:			
Federal Transit Formula Grants	20.509	MDOT #502043	\$ 1,176,380
<u><b>Natural Resource Conservation Service</b></u>			
Emergency Watershed Program (EWP)	10.923	NR204423XXXXC090	\$ 99,610
<u><b>Environmental Protection Agency</b></u>			
2021 Brownfields Coalition Assessment Grant	66.818	BF02D07921	\$ 94,000
<u><b>United States Treasury</b></u>			
American Rescue Plan Act	21.027	ARPS-0174-6826AG (MS DFA) 576-2-SW-5.6	\$ 1,259,559 10,250
Total United States Treasury			\$ 1,269,809
<u><b>National Park Service</b></u>			
Lower MS Delta Initiative Local Heritage Grants	15.014	P21AC11809	\$ 25,000
Total Federal Financial Assistance - Governmental Activities			\$ 2,784,672

**Notes to Schedule:**

1. This schedule was prepared using the same basis of accounting and the same significant accounting policies, as applicable, used for the fund financial statements.

## REPORTS ON INTERNAL CONTROLS AND COMPLIANCE



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

Mayor and Board of Aldermen  
City of Natchez, Mississippi  
Natchez, 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 City of Natchez, Mississippi (the City) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 28, 2024.

**Internal Control over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as Items 2023-1, 2023-2, 2023-3, and 2023-4, that we consider to be material weaknesses.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed 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 questioned costs as Items 2023-5, and 2023-7.

### City of Natchez, Mississippi's Response to Findings

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### 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.

A handwritten signature in cursive script that reads "Silas Simmons, LLP".

Natchez, Mississippi  
June 28, 2024



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**INDEPENDENT AUDITOR'S REPORT  
ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Mayor and Board of Alderman  
City of Natchez, Mississippi  
Natchez, Mississippi

**Report on Compliance with Requirements for Each Major Federal Program**

**Opinion on Each Major Federal Program**

We have audited the City of Natchez, Mississippi's (the City) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2023. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

**Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

**Responsibility of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

**Auditor's Responsibility for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about where material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, or the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.

Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major program.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

#### Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as Item 2023-5. Our opinion on each major federal program is not modified with respect to these matters.

The City's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance.

#### **Report on Internal Control Over Compliance**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Silas Simmons, CPA*

Natchez, Mississippi  
June 28, 2024

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

CITY OF NATCHEZ, MISSISSIPPI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

**SECTION 1: SUMMARY OF AUDITOR'S RESULTS**

Financial Statements:

- |    |   |             |
|----|---|-------------|
| 1. | Type of auditor's report issued on the basic financial statements:                        | Unqualified |
| 2. | Internal control over financial reporting:  |             |
|    | a. Material weakness(es) identified?  | Yes         |
|    | b. Significant deficiencies identified that are not considered to be material weaknesses? | No          |
| 3. | Material noncompliance relating to the basic financial statements?                        | Yes         |

Federal Awards:

- |     |   |                           |
|-----|---|---------------------------|
| 4.  | Type of auditor's report issued on compliance for major federal programs:   | Unqualified               |
| 5.  | Internal control over major programs:   |                           |
|     | a. Material weakness(es) identified?  | No                        |
|     | b. Significant deficiency(ies) identified that are not considered to be material weaknesses?  | No                        |
| 6.  | Any audit finding(s) reported as required by U.S. Code of Fed. Reg Part 200, Uniform Guidance?  | Yes                       |
| 7.  | Federal program identified as a major program:<br>U.S. Department of Transportation<br>CDFA #20.509 Federal Transit Formula Grants<br><br>U.S. Treasury<br>CDFA #21.027 American Rescue Plan Act  |                           |
| 8.  | The dollar threshold used to distinguish between Type A and Type B programs:  | \$750,000                 |
| 9.  | Auditee qualified as a low-risk auditee?  | No                        |
| 10. | Prior fiscal year audit finding(s) and questioned costs relative to federal awards which would require the auditee to prepare a summary schedule of prior audit findings as discussed in Section __.315(b) of OMB Circular A-133 and/or the Uniform Guidance? | See accompanying schedule |

CITY OF NATCHEZ, MISSISSIPPI  
STATUS OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

<u>Reference No.</u>	<u>Description of Finding</u>	<u>Status</u>
Section I – Internal Control and Compliance Material to the Financial Statements:		
2022-1	<u>Bank Reconciliations</u> Bank reconciliations are not being properly reconciled to the general ledger or in a timely manner.	Not Resolved
2022-2	<u>Accounting Records and Financial Statement Preparation</u> Transactions are not being recorded to the City's general ledger in a timely manner.	Not Resolved
2022-3	<u>Interfund Transfers, Due To/From, and Advances</u> Interfund transactions are not being recorded timely or accurately.	Partially Resolved
2022-4	<u>Segregation of Duties</u> During the process of obtaining an understanding of internal control in planning the audit, assessing control risk, and assessing fraud risk, a lack of segregation of duties was noted.	Not Resolved
2022-5	<u>Compliance with Reporting Requirements of OMB - Single Audit</u> The City's Single Audit was not filed with the Federal Audit Clearinghouse by June 30, 2024.	Not Resolved
2022-7	<u>Documentation of Adjusting Journal Entries</u> Adjusting journal entries posted to the general ledger lack a proper and adequate documentation.	Not Resolved

Section III – Management Letter:

No management letter issued.

CITY OF NATCHEZ, MISSISSIPPI  
CURRENT YEAR FINDINGS, RECOMMENDATIONS, AND CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Section I – Internal Control and Compliance Material to the Financial Statements:

**2023-1 Bank Reconciliations (Internal Control Deficiency)**

**Condition**

Some City bank accounts are not being properly reconciled to the general ledger accurately or in a timely manner. This internal control deficiency is causing the City's general ledger balances to be incorrect throughout the year. When accounts are not reconciled, it increases the likelihood that a misstatement will occur and not be prevented, or detected and corrected, on a timely basis.

**Criteria**

Timely reconciliation of bank accounts to the general ledger is a key component of any adequate system of internal control. Reconciliations should be prepared to ensure that (1) all cash receipts, disbursements, and transfers are recorded; (2) checks are clearing the bank in a reasonable time; (3) reconciling items are appropriate and are being recorded; and (4) the reconciled cash balance agrees to the general ledger cash balance.

**Cause of Condition**

Limited accounting staff and accounting staff with limited training and experience.

**Effect of Condition**

Material weakness in internal controls; financial statements and financial data relied upon by the Board of Aldermen and City management for decision making is not accurate or current.

**Recommendation**

We recommend that all bank accounts, including payroll clearing accounts, be reconciled to the general ledger on a monthly basis. The City Clerk should receive monthly bank statements unopened from the bank and review them for unusual deposits or disbursement activity. Within 15 days of the date of the statement, a reconciliation of each account should be performed by an adequately trained staff member that has no authorization to sign checks, receive or deposit cash, or authorize disbursements. The reconciliation should be initialed and dated by the responsible staff member. The City Clerk should review, initial, and date each reconciliation promptly after completion. Furthermore, we recommend that copies of the completed and reviewed reconciliations be included in the board packet for the first Board of Aldermen meeting subsequent to completion of the bank reconciliations. The Board of Aldermen should carefully review the reconciliations included in the board packet to ensure that this internal control procedure is being performed accurately and timely.

**Response**

The City Clerk will ensure that all bank reconciliations are prepared on a monthly basis and reviewed by management.

## CITY OF NATCHEZ, MISSISSIPPI

CURRENT YEAR FINDINGS, RECOMMENDATIONS, AND CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

2023-2 Accounting Records and Financial Statement Preparation (Internal Control Deficiency)Condition

In some instances, transactions are not being recorded to the City's general ledger in a timely manner. In some instances, transactions recording and other accounting errors are not identified in a timely manner.

Criteria

Transactions should be recorded to the City's general ledger at the time of initiation. General ledger account balances and general ledger transaction detail should be reviewed on a timely and ongoing basis.

Cause of Condition

Limited accounting staff and accounting staff with limited training and experience.

Effect of Condition

Material weakness in internal controls; financial data that is derived from the City's general ledger and relied upon by the Board of Aldermen and City management for decision making is not accurate or current.

Response

The City Clerk will ensure that all transactions are recorded and prepared on a monthly basis and reviewed by management.

2023-3 Interfund Transfers, Due To/Due From, and Advances (Internal Control Deficiency)Condition

A subsidiary record of all interfund transfers, interfund loans, and interfund advances not maintained by the City's accounting department.

Criteria

An accurate schedule of all of interfund activity that reconciles to the general ledger is necessary for City management and the Board of Aldermen to know the financial resources available for each fund.

Cause of Condition

The City regularly has cash deficits in certain funds. To ensure that these funds have the necessary cash to cover immediate expenditures, interfund activity in the form of cash transfers, cash advances, or interfund loans are necessary. Correctly and timely recording these interfund transactions has consistently been difficult for the City due to limited accounting staff and accounting staff with limited training and experience.

## CITY OF NATCHEZ, MISSISSIPPI

## CURRENT YEAR FINDINGS, RECOMMENDATIONS, AND CORRECTIVE ACTION PLAN

FOR THE YEAR ENDED SEPTEMBER 30, 2023

2023-3 Interfund Transfers, Due To/Due From, and Advances (Internal Control Deficiency) (continued)Effect of Condition

Material weakness in internal controls; financial data that is derived from the City's general ledger and relied upon by the Board of Aldermen and City management for decision making is not accurate or current.

Recommendation

In regard to all interfund activity, we recommend the following -

- (1) All interfund balances and transactions should be recorded on a subsidiary schedule or ledger.
- (2) On a monthly basis, the subsidiary schedule of transfers, due to/due from balances, and advance balances should be reconciled to the general ledger by a designated member of the accounting staff.
- (3) The City Clerk should review, initial, and date the reconciled schedule promptly after completion.
- (4) Furthermore, we recommend that the reconciled and reviewed subsidiary schedule should be included in the board packet for the first Board of Aldermen meeting subsequent to completion.

Response

The City Clerk will ensure that all interfund transfers or loans are approved by the Board. The interfund loans and transfers will be recorded in a timely manner and approved by management.

2023-4 Segregation of Duties (Internal Control Deficiency)Condition

During the process of obtaining an understanding of internal control in planning the audit, assessing control risk, and assessing fraud risk, a lack of segregation of duties was noted. Specifically, it was noted that the City Clerk was responsible for initiating, recording, authorizing, and reconciling cash transactions pertaining to the fiscal year.

Criteria

Segregation of duties is a key component of any internal control environment, with the primary objective being the prevention of fraud and errors. The objective is achieved through the separation of the functional responsibilities of a financial transaction among different individuals. Ideally, no single individual should be able to initiate, record, authorize, and reconcile any one transaction.

Cause of Condition

Turnover in accounting staff, limited accounting staff, and accounting staff with limited training and experience.

## CITY OF NATCHEZ, MISSISSIPPI

## CURRENT YEAR FINDINGS, RECOMMENDATIONS, AND CORRECTIVE ACTION PLAN

FOR THE YEAR ENDED SEPTEMBER 30, 2023

2023-4 Segregation of Duties (Internal Control Deficiency) (continued)Effect of Condition

Material weakness in internal controls.

Recommendation

We recommend that the City hire additional accounting staff or train existing staff to allow the functional responsibilities of recording and processing transactions to be adequately segregated.

Response

The City Clerk will ensure that the separation of duties exists; the accountant will review, record, and prepare transactions; and the City Clerk or Deputy Clerk will review and sign documents.

The City Clerk has filled all positions, and training will be provided by Springbrook Accounting Consultants.

2023-5 Compliance with Reporting Requirements of OMB - Single Audit (Compliance Finding)Condition

The City's Single Audit was not filed with the Federal Audit Clearinghouse by June 30, 2024.

Criteria

In general, OMB Circular A-133 requires any nonfederal entity that expends \$750,000 or more in federal awards in a fiscal year to have a Single Audit. The Single Audit must be completed and submitted to the Federal Audit Clearinghouse within nine months of the end of the entity's fiscal year. In addition to the Single Audit requirement, OMB Circular A-133 requires an audit of the entity's financial statements for the same fiscal year as the Single Audit.

Cause of Condition

City management was unable to provide a complete and reconciled set of books to the external auditor in time for the external auditor to complete the financial statement audit by the June 30, 2023 due date.

Effect of Condition

The City was not in compliance with the reporting requirements of OMB Circular A-133, putting it at risk for loss of future federal funding and being considered a high risk for future audits.

Recommendation

We recommend that City management be diligent in ensuring that future financial statement audits can be completed by the external auditor in a timely manner. To that end, we recommend that City management provide the City's external auditor with a complete and balanced set of books within 30 days of fiscal year-end.

Response

The City Clerk will ensure that the external auditor is engaged prior to the commencement of financials. All required documentation will be submitted in a timely manner.

## CITY OF NATCHEZ, MISSISSIPPI

**CURRENT YEAR FINDINGS, RECOMMENDATIONS, AND CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**2023-6 Documentation of Adjusting Journal Entries (Internal Control Deficiency)****Condition**

We noted instances of adjusting journal entries recorded in the City's accounting records that lacked an adequate description and proper documentation. Further, the City does not have a formal set of policies and procedures in place to track and account for adjusting journal entries.

**Criteria**

Adjusting journal entries are prepared for transactions that have not been recorded in the accounting records through another process or to correctly restate an account balance or previously recorded transaction. Policies and procedures specific to adjusting journal entries are necessary to ensure that any journal entries posted to the City's general ledger are properly prepared, documented, reviewed, approved, and recorded.

**Cause of Condition**

Lack of formal accounting policies and procedures, turnover in accounting staff, limited accounting staff, and accounting staff with limited training and experience.

**Effect of Condition**

Material weakness in internal controls.

**Recommendation**

In regard to adjusting journal entries, we recommend the City take the following steps:

- (1) Develop and implement a set of policies and procedures that are specific to the accounting for adjusting journal entries. At a minimum, the policy should require the following:
  - a. Review and approval of any adjusting journal entry by an individual not responsible for its preparation and posting.
  - b. All journal entries should have supporting documentation as well as a brief description and reference number included in the journal entry's line item on the City's detailed general ledger report.
  - c. The supporting documentation should be maintained in an accessible file for review by management or external auditors, whenever necessary.
- (2) Implement a formal documentation system, such as use of a Journal Entry Form, to be maintained separately and apart from the City's Springbrook accounting platform and general ledger report. The documentation form should be completed for each journal entry posted, and at a minimum include the following information -
  - a. Approval and posting date
  - b. General Ledger effective date
  - c. Applicable fund(s) and department(s)
  - d. Applicable General Ledger account numbers
  - e. Amounts debited and credited to each General Ledger account
  - f. An adequate description of purpose of the entry
  - g. Name of individual who initiated and posted
  - h. Name of individual who reviewed and approved

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



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

Mayor and Board of Aldermen  
City of Natchez, Mississippi  
Natchez, Mississippi

We were engaged to audit the basic financial statements of City of Natchez, Mississippi as of and for the year ended September 30, 2023, and have issued our report dated June 28, 2024. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*.

We were engaged to audit the accompanying financial statements 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 and, accordingly, included such tests of the accounting records and other auditing procedures as we considered necessary in the circumstances.

Item specifically noted as findings as they relate to items required to be tested by the State of Mississippi are as follows:

1. Inventory was not taken as prescribed for the year ended September 30, 2023.

This report is intended solely for the information and use of the Board of Aldermen, management, and federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

*Silas Simmons, LLP*

Natchez, Mississippi  
June 28, 2024

CITY OF NATCHEZ, MISSISSIPPI  
MANAGEMENT'S CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

The City of Natchez, Mississippi respectfully submits the following corrective action plan for the year ended September 30, 2023:

Independent Public Accounting Firm: Silas Simmons, LLP  
209 N. Commerce Street  
Natchez, Mississippi 39120

Audit Period: October 1, 2022 through September 30, 2023

**2023-1 Bank Reconciliations**

Management's response: The City Clerk will ensure that all bank reconciliations are prepared on a monthly basis and reviewed by management.

Megan McKenzie  
August

**2023-2 Accounting Records and Financial Statement Preparation**

Management's response: The City Clerk will ensure that all transactions are recorded and prepared on a monthly basis and reviewed by management.

Megan McKenzie  
June 28, 2024

**2023-3 Interfund Transfers, Due To/Due From, and Advances**

Management's response: The City Clerk will ensure that all interfund transfers and loans are approved by the Board. The interfund loans and transfers will be recorded in a timely manner and approved by management.

Megan McKenzie  
June 28, 2024

**2023-4 Segregation of Duties**

Management's response: The City Clerk will ensure that segregation of duties exist: the accountant will review, record, and prepare transactions; and the City Clerk or Deputy Clerk will review and sign documents.

Megan McKenzie  
June 28, 2024

CITY OF NATCHEZ, MISSISSIPPI  
MANAGEMENT'S CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED SEPTEMBER 30, 2021

**2023-5 Compliance with Reporting Requirements of OMB - Single Audit**

Management's response: The City Clerk will ensure that the external auditor be engaged prior to the commencement of financials. All required documentation will be submitted in a timely manner.

Megan McKenzie  
June 28, 2024

**2023-6 Documentation of Adjusting Journal Entries (Internal Control Deficiency)**

Management's response: The City Clerk will work to implement policies and procedures relating to the review and approval of adjusting journal entries.

Megan Makenzie  
June 28, 2024