

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 POPLARVILLE, MISSISSIPPI

**AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

Year Ended September 30, 2023

CITY OF POPLARVILLE, MISSISSIPPI

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CITY OF POPLARVILLE, MISSISSIPPI

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INTRODUCTORY SECTION

**CITY OF POPLARVILLE, MISSISSIPPI
LIST OF CITY OFFICIALS
SEPTEMBER 30, 2023**

ELECTED OFFICIALS

Mayor
Aldersperson
Aldersperson
Aldersperson
Aldersperson
Aldersperson

Louise Smith
Anne Gendusa Smith
Daniel H. Brown
Kevin L. Tillman, Sr.
Bobby Nestle
Byron L. Wells

APPOINTED OFFICIALS

City Clerk and Tax Collector
Police Chief
Fire Chief
Superintendent
City Attorney
Municipal Court Clerk

Marnie Ready
Chad Dorn
Jason Bannister
Heath Smith
Greg Holcomb
Christina Dunston

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the
Board of Alderpersons
Poplarville, Mississippi

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

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To the Honorable Mayor and Members of the
Board of Alderpersons
Poplarville, Mississippi

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and GAS, we:

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

To the Honorable Mayor and Members of the
Board of Alderpersons
Poplarville, Mississippi

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Poplarville, Mississippi's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, on pages 6 through 13, and Schedules 1 through 4, including related notes, on pages 66 through 81, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Poplarville, Mississippi's basic financial statements. Schedules 5 and 6 (supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.


To the Honorable Mayor and Members of the
Board of Alderpersons
Poplarville, Mississippi

Other Information

Management is responsible for the other information. The other information is comprised of the List of City Officials but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2024, on our consideration of the City of Poplarville, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Poplarville, Mississippi's internal control over financial reporting and compliance.


Hattiesburg Mississippi
November 21, 2024

FINANCIAL SECTION

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS **Year Ended September 30, 2023**

Introduction

The following Management's Discussion and Analysis of the City of Poplarville, Mississippi's (the "City") activities and financial performance provides an introduction to the financial statements of the City for the fiscal year ended September 30, 2023. The information contained in the Management's Discussion and Analysis has been prepared by management and should be considered in conjunction with the financial statements and the notes thereto, which follow this section.

The components of the annual financial report include:

- Management's Discussion and Analysis (MD&A)
- Basic Financial Statements
- Required Supplementary Information (RSI)
- Supplementary Information

The MD&A, a component of RSI, introduces the basic financial statements and provides an analytical overview of the City's financial activities.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at September 30, 2023 by \$5,811,200.
- The total net position increased by \$236,289. Of this amount, an increase of \$334,468 was associated with governmental activities, with a decrease of \$98,179 from business-type activities.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$4,511,247, an increase of \$334,468 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the governmental funds was \$4,115,399, which would cover approximately six months of expenditures.

Overview of the Financial Statements

The City's basic financial statements are comprised of the following elements:

Government-wide Financial Statements

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, court, public safety, highways and streets, public works and culture and recreation. The business-type activities of the City are comprised of water operations.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting not only to ensure and demonstrate compliance with finance-related legal requirements, but also to help control and manage money for particular purposes or to show it is meeting legal responsibilities for using certain taxes, grants, and other money. All of the funds of the City can be divided into two categories:

Governmental Funds

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

The City maintains three major individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Mississippi Infrastructure Modernization Act Fund, and the American Rescue Plan Act Fund, which are all considered to be major funds.

Proprietary Funds

The City maintains one type of proprietary fund for water operations. Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Information for this fund is presented in the statement of net position; the statement of revenues, expenses and changes in net position; and the statement of cash flows.

Notes to the Financial Statements

Notes to the financial statements provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements.

Refer to Note 1 in the financial statements for more detailed information on the elements of the financial statements.

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Government-wide Financial Analysis

Table 1 below presents the City's condensed statements of net position as of September 30, 2023 and 2022, derived from the government-wide statements of net position.

**TABLE 1
CONDENSED STATEMENTS OF NET POSITION
SEPTEMBER 30, 2023 AND 2022**

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
ASSETS						
Current and other assets	\$ 7,814,403	\$ 5,309,499	\$ 1,514,144	\$ 1,553,736	\$ 9,328,547	\$ 6,863,235
Capital assets, net	4,678,148	4,421,651	1,023,752	1,063,616	5,701,900	5,485,267
Total assets	<u>12,492,551</u>	<u>9,731,150</u>	<u>2,537,896</u>	<u>2,617,352</u>	<u>15,030,447</u>	<u>12,348,502</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pensions	903,493	392,884	134,051	58,292	1,037,544	451,176
LIABILITIES						
Other liabilities	1,846,023	144,464	151,601	189,981	1,997,624	334,445
Long-term liabilities	5,982,642	5,335,343	1,220,393	1,087,531	7,203,035	6,422,874
Total liabilities	<u>7,828,665</u>	<u>5,479,807</u>	<u>1,371,994</u>	<u>1,277,512</u>	<u>9,200,659</u>	<u>6,757,319</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred revenue - property taxes	1,056,132	467,448	-	-	1,056,132	467,448
Total deferred inflows of resources	<u>1,056,132</u>	<u>467,448</u>	<u>-</u>	<u>-</u>	<u>1,056,132</u>	<u>467,448</u>
NET POSITION						
Net investment in capital assets	2,921,893	2,520,615	638,529	690,065	3,560,422	3,210,680
Restricted	746,016	1,176,687	10,608	10,608	756,624	1,187,295
Unrestricted	843,338	479,477	650,816	697,459	1,494,154	1,176,936
Total net position	<u>\$ 4,511,247</u>	<u>\$ 4,176,779</u>	<u>\$ 1,299,953</u>	<u>\$ 1,398,132</u>	<u>\$ 5,811,200</u>	<u>\$ 5,574,911</u>

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At September 30, 2023 and 2022, the City's assets and deferred outflows exceeded liabilities and deferred inflows by \$5,811,200 and \$5,574,911, respectively. By far, the largest portion of the City's net position reflects its investment in capital assets, less any related debt used to acquire or construct those assets. The City uses these capital assets to provide services to the citizens and businesses in the City; consequently, these net positions are not available for future spending. A portion of the net position is restricted to comply with debt covenants on water and sewer revenue bonds, funds set aside for general governmental expenditures, public safety, economic development, unemployment claims against the City, and debt service. The remaining portion of net position is unrestricted, which can be used to finance government operations.

Total liabilities increased by \$2,443,340 due largely to the change in unearned revenue in the Mississippi Infrastructure Modernization Act Fund, American Rescue Act Fund and Local Improvements Fund.

Governmental activities reflect an unrestricted net position of \$843,338 at September 30, 2023, an increase of \$363,861 over prior year's balance in unrestricted net position of \$479,477.

Business-type activities reflect an unrestricted net position of \$650,816 at September 30, 2023, a decrease of \$46,643 over prior year's unrestricted net position of \$697,459.

Table 2 on the next page presents the City's condensed statements of activities for the fiscal years ended September 30, 2023 and 2022, as derived from the government-wide statements of activities.

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TABLE 2
CONDENSED STATEMENTS OF ACTIVITIES
YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	Governmental Activities	
	2023	2022
REVENUES		
Program revenues:		
Fees, fines and charges for services	\$ 397,751	\$ 294,119
Operating grants and contributions	143,088	114,108
Capital grants and contributions	76,634	503,644
<i>Total program revenues</i>	617,473	911,871
General revenues:		
Property taxes	1,118,756	1,044,884
Sales taxes	1,413,183	1,311,965
Franchise taxes	204,848	195,987
Grants and contributions not restricted to specific programs	48,916	51,204
Unrestricted investment earnings	260,980	40,005
Other	105,485	43,660
Gain (loss) on sale of assets	(19,612)	43,187
<i>Total general revenues</i>	3,132,556	2,730,892
Total revenues	3,750,029	3,642,763
PROGRAM EXPENSES		
General government	1,088,179	898,676
Court	95,518	85,462
Public safety	1,571,362	1,157,066
Highways and streets	382,949	407,011
Public works	238,481	198,890
Culture and recreation	53,938	55,435
Economic development	1,600	14,316
Miscellaneous	-	36,346
Interest on long-term debt	47,552	98,616
Water	-	-
<i>Total program expenses</i>	3,479,579	2,951,818
Changes in net position before transfers	270,450	690,945
Transfers	64,018	(24,865)
Change in net position after transfers	334,468	666,080
Net position - beginning	4,176,779	3,510,699
Net position - ending	\$ 4,511,247	\$ 4,176,779

Governmental Activities

Governmental activities increased the City's net position by \$334,468 due to an increase in total revenues that exceeded the increase in total expenses.

Business-type Activities

Business-type activities decreased the City's net position by \$98,179.

Business-Type Activities		Totals	
2023	2022	2023	2022
\$ 639,417	\$ 672,198	\$ 1,037,168	\$ 966,317
-	-	143,088	114,108
-	-	76,634	503,644
639,417	672,198	1,256,890	1,584,069
-	-	1,118,756	1,044,884
-	-	1,413,183	1,311,965
-	-	204,848	195,987
-	-	48,916	51,204
26	551	261,006	40,556
-	18,810	105,485	62,470
(42,368)	(430)	(61,980)	42,757
(42,342)	18,931	3,090,214	2,749,823
597,075	691,129	4,347,104	4,333,892
-	-	1,088,179	898,676
-	-	95,518	85,462
-	-	1,571,362	1,157,066
-	-	382,949	407,011
-	-	238,481	198,890
-	-	53,938	55,435
-	-	1,600	14,316
-	-	-	36,346
11,502	11,808	59,054	110,424
619,734	589,725	619,734	589,725
631,236	601,533	4,110,815	3,553,351
(34,161)	89,596	236,289	780,541
(64,018)	24,865	-	-
(98,179)	114,461	236,289	780,541
1,398,132	1,283,671	5,574,911	4,794,370
\$ 1,299,953	\$ 1,398,132	\$ 5,811,200	\$ 5,574,911

Financial Analysis of the City's Funds

Governmental Funds

As of the close of the fiscal year, the City's governmental funds reported a combined ending fund balance of \$4,912,248.

General Fund - Fund balance at September 30, 2023 totaled \$4,354,724, an increase of \$277,419 during the fiscal year in comparison to a \$1,116,190 increase in fiscal year 2022. Significant changes in revenues and expenses in comparison to fiscal year 2022 are as follows:

- General Fund revenues remained fairly consistent with the prior year.
- In total, general fund expenditures increased by \$1,034,576 (42.70%) from \$2,423,142 in fiscal year 2022 to \$3,457,718 in fiscal year 2023, primarily due to an increase in capital outlay and public safety expenditures.

Mississippi Infrastructure Modernization Act Fund - The fund had a fund balance of \$161,186 at September 30, 2023. This fund was established to capture the proceeds and expenses for all allowable activities associated with the Mississippi Infrastructure Modernization Act.

American Rescue Plan Act Capital Projects Fund - The capital projects fund had a fund balance of \$390,390 at September 30, 2023. This fund was established to capture the proceeds and expenses for all allowable activities associated with the American Rescue Plan Act.

Proprietary Fund

The City's proprietary fund, the Water Fund, reported net position of \$1,299,953 a decrease of \$98,179 during this fiscal year in comparison to a \$114,461 increase in the prior fiscal year.

Budget Variances in the General Fund

Budget amendments are primarily related to capital outlays. All significant differences in the original budget and the final amended budget are summarized as follows:

- The Police Department incurred additional expenditures of \$88,875 related to capital outlay.
- The Fire Department incurred additional expenditures of \$557,485 related to capital outlay.
- The Highway and Streets Department had a reduction in expenditures in the amount of \$80,269 for personnel services and \$83,936 for capital outlay.

The City ended the year with an overall positive variance between the budget and actual by \$138,753 due to responsible budget management and an increase in revenues above forecast.

Capital Asset and Long-Term Debt Activity

Capital Asset Activity

At September 30, 2023, the City reported \$4,678,148 in net capital assets for governmental activities and \$1,023,752 in capital assets for business-type activities. Major capital asset events during the year included the following:

- The City financed the purchase of a backhoe in the amount of \$112,262.
- The City incurred expenditures of \$53,813 to purchase an advanced monitor defibrillator.
- The City incurred expenditures of \$497,927 to purchase a fire truck.
- The City incurred expenditures of \$131,748 for the purchase of three trucks, including two Dodge Durango's and one Ford F-250.

Additional information on the City's capital assets can be found in Note 4 to the financial statements.

Long-Term Debt Activity

At the end of the current fiscal year, the City had \$1,744,397 in outstanding governmental debt and \$384,724 in outstanding proprietary debt. Refer to Note 6 to the financial statements for additional information on the City's long-term debt and other liabilities.

Pursuant to the provisions of Governmental Accounting Standards Board Statement No. 68 - *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*, the City recorded approximately \$5 million in pension liabilities for the defined benefit plan administered by the State of Mississippi's Public Employees' Retirement System for fiscal year ended September 30, 2023. The \$5 million is the City's proportionate share of the total net pension liability of the State of Mississippi's Public Employees' Retirement System. See Note 9 to the financial statements for further information.

Economic Conditions and Outlook

Assessed values of properties increased in 2023, and therefore, the City expects a slight increase in property tax revenue.

Sales tax revenue increased in 2023, and therefore, the City expects a continued increase in sales tax revenue.

At the end of September 2023, the City had a restricted fund balance of \$70,644 that can be used for future economic development projects.

The City continues to pursue grant funding and other funding sources which will be used to fund City projects as allowable by the grant agreements.

Contact the City's Financial Management

This financial report is designed to provide a general overview of the City of Poplarville for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City Clerk at 200 Highway 26 East, Poplarville, Mississippi 39470.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

EXHIBIT A
PAGE 1 OF 2

CITY OF POPLARVILLE, MISSISSIPPI

**STATEMENT OF NET POSITION
SEPTEMBER 30, 2023**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 3,822,116	\$ 1,212,442	\$ 5,034,558
Accounts receivable, net	417,634	193,234	610,868
Property tax receivable	1,056,132	-	1,056,132
Prepaid expenses	50,833	8,310	59,143
Restricted assets:			
Cash and cash equivalents	2,467,688	100,158	2,567,846
Capital assets			
Land, improvements, and construction in progress	626,387	24,010	650,397
Other capital assets, net of accumulated depreciation	4,051,761	999,742	5,051,503
Total capital assets	<u>4,678,148</u>	<u>1,023,752</u>	<u>5,701,900</u>
Total assets	<u>12,492,551</u>	<u>2,537,896</u>	<u>15,030,447</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pension	<u>903,493</u>	<u>134,051</u>	<u>1,037,544</u>

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

EXHIBIT A
PAGE 2 OF 2

CITY OF POPLARVILLE, MISSISSIPPI

**STATEMENT OF NET POSITION
SEPTEMBER 30, 2023**

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts payable	\$ 61,543	\$ 10,004	\$ 71,547
Accrued liabilities	40,115	5,167	45,282
Other liabilities	122,569	-	122,569
Unearned revenue	1,607,073		1,607,073
Due to other governmental agencies	-	51,869	51,869
Internal balances	4,989	(4,989)	-
Customer deposits	-	89,550	89,550
Cash bonds payable	9,734	-	9,734
Long-term liabilities:			
Due within one year:			
General obligation bonds, TIF and notes payable	219,951	40,920	260,871
Accrued interest	11,858	499	12,357
Compensated absences	26,439	4,854	31,293
Due in more than one year:			
General obligation bonds, TIF and notes payable	1,524,446	343,804	1,868,250
Net pension liability	4,199,948	830,316	5,030,264
Total liabilities	7,828,665	1,371,994	9,200,659
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - property taxes	1,056,132	-	1,056,132
NET POSITION			
Net investment in capital assets	2,921,893	638,529	3,560,422
Restricted for:			
General government	587,800	-	587,800
Public safety	8,440	-	8,440
Economic development	70,644	-	70,644
Unemployment compensation fund	11,247	-	11,247
Debt service	67,885	-	67,885
Bond covenants	-	10,608	10,608
Unrestricted	843,338	650,816	1,494,154
Total net position	\$ 4,511,247	\$ 1,299,953	\$ 5,811,200

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

EXHIBIT B

CITY OF POPLARVILLE, MISSISSIPPI

STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General government	\$ 1,088,179	\$ 22,837	\$ 116,254	\$ -	\$ (949,088)		\$ (949,088)
Court	95,518	1,879	-	-	(93,639)		(93,639)
Public safety	1,571,362	145,929	26,834	-	(1,398,599)		(1,398,599)
Highways and streets	382,949	-	-	76,634	(306,315)		(306,315)
Public works	238,481	227,106	-	-	(11,375)		(11,375)
Culture and recreation	53,938	-	-	-	(53,938)		(53,938)
Economic development	1,600	-	-	-	(1,600)		(1,600)
Interest on long-term debt	47,552	-	-	-	(47,552)		(47,552)
Total governmental activities	<u>3,479,579</u>	<u>397,751</u>	<u>143,088</u>	<u>76,634</u>	<u>(2,862,106)</u>		<u>(2,862,106)</u>
Business-Type Activities:							
Water	619,734	639,417	-	-	-	\$ 19,683	19,683
Interest on long-term debt	11,502	-	-	-	-	(11,502)	(11,502)
Total business-type activities	<u>631,236</u>	<u>639,417</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,181</u>	<u>8,181</u>
Total	<u>\$ 4,110,815</u>	<u>\$ 1,037,168</u>	<u>\$ 143,088</u>	<u>\$ 76,634</u>	<u>(2,862,106)</u>	<u>8,181</u>	<u>(2,853,925)</u>
GENERAL REVENUES:							
Taxes:							
Property taxes, levied for general purposes					1,118,756	-	1,118,756
Sales taxes					1,413,183	-	1,413,183
Franchise taxes					204,848	-	204,848
Road and bridge privilege taxes					48,916	-	48,916
Unrestricted investment earnings					260,980	26	261,006
Miscellaneous					105,485	-	105,485
Loss on sale of assets					(19,612)	(42,368)	(61,980)
TRANSFERS:							
Transfers, net					64,018	(64,018)	-
Total general revenues and transfers					<u>3,196,574</u>	<u>(106,360)</u>	<u>3,090,214</u>
CHANGE IN NET POSITION					334,468	(98,179)	236,289
NET POSITION - BEGINNING					<u>4,176,779</u>	<u>1,398,132</u>	<u>5,574,911</u>
NET POSITION - ENDING					<u>\$ 4,511,247</u>	<u>\$ 1,299,953</u>	<u>\$ 5,811,200</u>

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

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS FINANCIAL STATEMENTS

EXHIBIT C

CITY OF POPLARVILLE, MISSISSIPPI

**BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023**

	<u>General Fund</u>	<u>Mississippi Infrastructure Modernization Act Fund</u>
ASSETS		
Cash and cash equivalents	\$ 3,822,116	\$ -
Accounts receivable, net	417,634	-
Property tax receivable	1,056,132	-
Due from other funds	72,294	-
Prepaid expenses	50,833	-
Restricted assets:		
Cash and cash equivalents	55,323	584,823
Total assets	<u>\$ 5,474,332</u>	<u>\$ 584,823</u>
LIABILITIES		
Accounts payable	\$ 13,525	\$ 48,018
Due to other funds	102	-
Unearned revenue	-	375,619
Cash bonds payable	9,734	-
Accrued liabilities	40,115	-
Other liabilities	-	-
Total liabilities	<u>63,476</u>	<u>423,637</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	<u>1,056,132</u>	<u>-</u>
FUND BALANCES		
Nonspendable:		
Prepays	50,833	-
Restricted for:		
General government	36,224	161,186
Public safety	4,050	-
Economic development	-	-
Unemployment compensation fund	11,247	-
Debt service	-	-
Unassigned	<u>4,252,370</u>	
Total fund balances	<u>4,354,724</u>	<u>161,186</u>
Total liabilities and fund balances	<u>\$ 5,474,332</u>	<u>\$ 584,823</u>

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

American Rescue Plan Act Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 3,822,116
-	-	417,634
-	-	1,056,132
-	19,884	92,178
-	-	50,833
<u>704,507</u>	<u>1,123,035</u>	<u>2,467,688</u>
<u>\$ 704,507</u>	<u>\$ 1,142,919</u>	<u>\$ 7,906,581</u>
\$ -	\$ -	\$ 61,543
82,663	14,402	97,167
231,454	1,000,000	1,607,073
-	-	9,734
-	-	40,115
<u>-</u>	<u>122,569</u>	<u>122,569</u>
<u>314,117</u>	<u>1,136,971</u>	<u>1,938,201</u>
<u>-</u>	<u>-</u>	<u>1,056,132</u>
-	-	50,833
390,390	-	587,800
-	4,390	8,440
-	70,644	70,644
-	-	11,247
-	67,885	67,885
-	(136,971)	4,115,399
<u>390,390</u>	<u>5,948</u>	<u>4,912,248</u>
<u>\$ 704,507</u>	<u>\$ 1,142,919</u>	<u>\$ 7,906,581</u>

EXHIBIT C.1

CITY OF POPLARVILLE, MISSISSIPPI

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2023**

Total fund balances for governmental funds (Exhibit C)	\$ 4,912,248
 Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets are used in governmental activities but are not financial resources and therefore are not reported in the funds, net of accumulated depreciation of \$3,519,064.	4,678,148
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Notes payable	(1,744,397)
Compensated absences	(26,439)
Net pension liability	(4,199,948)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(11,858)
Deferred amounts for pension-related items are reported in the Statement of Net Position as deferred outflows or deferred inflows of resources but are not reported in the funds:	
Deferred outflows related to pension	<u>903,493</u>
Total net position of governmental activities (Exhibit A)	<u><u>\$ 4,511,247</u></u>

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

EXHIBIT D
PAGE 1 OF 2

CITY OF POPLARVILLE, MISSISSIPPI

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2023**

	General Fund	Mississippi Infrastructure Moderization Act Fund
REVENUES		
Property taxes	\$ 1,147,789	\$ -
Sales and miscellaneous taxes	1,413,183	-
Franchise taxes	204,848	-
Fees and fines	140,532	-
Licenses and permits	22,837	-
Intergovernmental	49,110	76,634
Charges for services	227,106	-
Investment earnings	199,789	20,136
Miscellaneous	165,926	-
Total revenues	3,571,120	96,770
EXPENDITURES		
Current:		
General government	510,032	48,018
Court	83,756	-
Public safety	1,444,704	-
Highways and streets	388,048	28,616
Public works	238,481	-
Culture and recreation	53,938	-
Capital outlay	611,523	-
Debt service:		
Principal payments	104,756	-
Interest and other charges	22,480	-
Total expenditures	3,457,718	76,634
Excess (deficiency) of revenues over expenditures	113,402	20,136

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

American Rescue Plan Act Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 1,147,789
-	-	1,413,183
-	-	204,848
-	-	140,532
-	-	22,837
43,968	19,884	189,596
-	-	227,106
30,585	7,315	257,825
-	-	165,926
<u>74,553</u>	<u>27,199</u>	<u>3,769,642</u>
-	-	558,050
-	-	83,756
-	4,358	1,449,062
-	-	416,664
-	-	238,481
-	-	53,938
1,600	-	613,123
-	95,000	199,756
-	41,320	63,800
<u>1,600</u>	<u>140,678</u>	<u>3,676,630</u>
<u>72,953</u>	<u>(113,479)</u>	<u>93,012</u>

CITY OF POPLARVILLE, MISSISSIPPI

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2023**

	General Fund	Mississippi Infrastructure Moderization Act Fund
<i>OTHER FINANCING SOURCES (USES)</i>		
Proceeds from sale of assets	\$ 1,500	\$ -
Long-term capital debt issued	56,131	-
Transfers in	106,386	-
Transfers out	-	-
<i>Total other financing sources (uses)</i>	164,017	-
<i>NET CHANGE IN FUND BALANCES</i>	277,419	20,136
<i>FUND BALANCES - BEGINNING</i>	4,077,305	141,050
<i>FUND BALANCES - ENDING</i>	\$ 4,354,724	\$ 161,186

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

American Rescue Plan Act Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 1,500
-	-	56,131
-	-	106,386
<u>(42,368)</u>	<u>-</u>	<u>(42,368)</u>
<u>(42,368)</u>	<u>-</u>	<u>121,649</u>
30,585	(113,479)	214,661
<u>359,805</u>	<u>119,427</u>	<u>4,697,587</u>
<u>\$ 390,390</u>	<u>\$ 5,948</u>	<u>\$ 4,912,248</u>

CITY OF POPLARVILLE, MISSISSIPPI

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2023**

Net change in *fund balances* - total governmental funds (Exhibit D) \$ 214,661

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

Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Thus, the change in net position differs from the change in fund balances by the amount by which depreciation of \$457,211 exceeded capital outlays of \$734,820 in the current period. 277,609

Governmental funds report the entire net sales price (proceeds) from sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports only the gain or loss on the sale of net assets. Thus, the change in net position differs from the change in fund balance by the cost of the asset sold. (21,112)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Thus, the change in net position differs from the change in fund balances by the amount of debt repayments. This is the amount by which repayments \$199,756 exceeded proceeds \$56,131. 143,625

Pension expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. Also, governmental funds report current pension contribution expenses, whereas these amounts are deferred and amortized in the Statement of Activities as follows:

Recognition of pension expense for the current period (474,503)
Recognition of contributions made during the year 192,125

CITY OF POPLARVILLE, MISSISSIPPI

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2023**

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However, in the Statement of Activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is recognized under the modified accrual basis of accounting when due, rather than as it accrues. Thus, the change in net position differs from the change in fund balances by the following:

Change in compensated absences	\$ 907
Change in accrued interest payable	<u>1,156</u>
Change in <i>net position</i> of governmental activities (Exhibit B)	<u><u>\$ 334,468</u></u>

PROPRIETARY FUND FINANCIAL STATEMENTS

EXHIBIT E
PAGE 1 OF 2

CITY OF POPLARVILLE, MISSISSIPPI

**STATEMENT OF NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2023**

	<u>Water Fund</u>
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 1,212,442
Accounts receivable, net	193,234
Due from other funds	4,989
Prepaid expenses	8,310
Total current assets	<u>1,418,975</u>
Non-Current Assets:	
Restricted assets:	
Cash and cash equivalents	100,158
Capital Assets:	
Land	24,010
Buildings and improvements	2,780,238
Machinery, equipment and vehicles	577,681
Less: accumulated depreciation	<u>(2,358,177)</u>
Total capital assets	<u>1,023,752</u>
Total non-current assets	<u>1,123,910</u>
Total assets	<u>2,542,885</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	<u>134,051</u>
LIABILITIES	
Current Liabilities:	
Accounts payable	10,004
Accrued liabilities	5,167
Accrued interest payable	499
Due to other governmental agencies	51,869
Compensated absences	4,854
Bonds and notes payable	40,920
Payable from restricted assets:	
Customer deposits	<u>89,550</u>
Total current liabilities	<u>202,863</u>

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

CITY OF POPLARVILLE, MISSISSIPPI

**STATEMENT OF NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2023**

	<u>Water Fund</u>
<i>LIABILITIES (Cont.)</i>	
Non-Current Liabilities:	
Bonds and notes payable	\$ 343,804
Net pension liability	830,316
Total non-current liabilities	<u>1,174,120</u>
<i>Total liabilities</i>	<u>1,376,983</u>
<i>NET POSITION</i>	
Net investment in capital assets	638,529
Restricted for bond covenants	10,608
Unrestricted	<u>650,816</u>
<i>Total net position</i>	<u><u>\$ 1,299,953</u></u>

EXHIBIT F

CITY OF POPLARVILLE, MISSISSIPPI

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
YEAR ENDED SEPTEMBER 30, 2023**

	<u>Water Fund</u>
OPERATING REVENUES	
Charges for services	\$ 639,419
Total operating revenues	<u>639,419</u>
OPERATING EXPENSES	
Personnel services	250,172
Supplies	75,315
Materials	53,350
Utilities	44,188
Depreciation and amortization	95,995
Other operating expenses	100,657
Total operating expenses	<u>619,677</u>
OPERATING INCOME	<u>19,742</u>
NON-OPERATING REVENUES (EXPENSES)	
Interest and investment earnings	26
Miscellaneous	(59)
Loss on asset disposal	(42,368)
Interest expense	(11,502)
Total non-operating revenues (expenses)	<u>(53,903)</u>
INCOME BEFORE TRANSFERS	(34,161)
Transfers out	<u>(64,018)</u>
CHANGE IN NET POSITION	(98,179)
NET POSITION - BEGINNING	<u>1,398,132</u>
NET POSITION - ENDING	<u>\$ 1,299,953</u>

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

EXHIBIT G
PAGE 1 OF 2

CITY OF POPLARVILLE, MISSISSIPPI

**STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED SEPTEMBER 30, 2023**

	<u>Water Fund</u>
<i>CASH FLOWS FROM OPERATING ACTIVITIES:</i>	
Receipts from customers	\$ 642,517
Payments to suppliers	(318,016)
Payments to employees	(203,140)
Net cash provided by operating activities	<u>121,361</u>
<i>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</i>	
Transfers to other funds	(64,018)
Net cash used by noncapital financing activities	<u>(64,018)</u>
<i>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</i>	
Purchases and construction of capital assets	(98,499)
Proceeds from issuance of long- term debt	56,131
Principal paid on capital debt	(44,437)
Interest paid on capital debt	(11,524)
Other payments	(59)
Net cash used by capital and related financing activities	<u>(98,388)</u>
<i>CASH FLOWS FROM INVESTING ACTIVITIES</i>	
Interest received	26
Net cash provided by investing activities	<u>26</u>
<i>NET DECREASE IN CASH AND CASH EQUIVALENTS</i>	(41,019)
<i>BALANCES - BEGINNING OF THE YEAR</i>	<u>1,353,619</u>
<i>BALANCES - END OF THE YEAR</i>	<u>\$ 1,312,600</u>
<i>RECONCILIATION TO STATEMENT OF NET POSITION</i>	
Cash and cash equivalents - unrestricted	\$ 1,212,442
Cash and cash equivalents - restricted	100,158
Total cash and cash equivalents	<u>\$ 1,312,600</u>

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

CITY OF POPLARVILLE, MISSISSIPPI

**STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED SEPTEMBER 30, 2023**

	<u>Water Fund</u>
<i>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</i>	
Operating income	\$ 19,742
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization expense	95,995
Bad debt expense	(5,123)
Decrease (increase) in assets:	
Accounts receivable	5,498
Due from other funds	5,988
Prepaid expenses	(1,802)
Deferred outflows related to pension	(75,759)
Increase (decrease) in liabilities:	
Accounts payable	(36,544)
Accrued liabilities	1,601
Due to other governments	(6,160)
Compensated absences	641
Customer deposits	(3,265)
Net pension liability	120,549
	<hr/>
<i>Net cash provided by operating activities</i>	<i>\$ 121,361</i> <hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS

CITY OF POPLARVILLE, MISSISSIPPI

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2023**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Introduction

The City of Poplarville, Mississippi (City), incorporated in 1876 under the laws of the State of Mississippi and situated in Pearl River County, operates under the Mayor-Board form of government and provides the following services as authorized by its charter: Public Safety (Police, Fire, and Inspection), Street Maintenance, Garbage Collection, Water Services, Culture and Recreational, Public Improvements, Planning and Zoning, and General Administrative Services.

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this Note. The remainder of the notes are organized to provide explanations, including required disclosures, of the City's financial activities for the fiscal year ended September 30, 2023.

B. Financial Reporting Entity

The City's basic financial statements include the accounts of all City operations. The criteria for including organizations as component units of the City consist of oversight responsibility, special financing relationships and scope of public services. Oversight responsibility is determined by the extent of financial interdependency, control over the selection of the governing authority and management, ability to significantly influence operations, and accountability for fiscal matters. Based on these criteria, the City has no component units. However, see Note 8 for information describing related organizations not included in the City's reporting entity.

C. Government-wide and Fund Financial Statements

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities display information concerning the City as a whole. The statements include all nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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CITY OF POPLARVILLE, MISSISSIPPI

NOTES TO THE FINANCIAL STATEMENTS

PAGE TWO

YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

The Statement of Net Position presents the financial condition of the governmental activities and the business-type activities of the City at year-end. The Government-wide Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

Fund financial statements of the City are organized by funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows, liabilities, deferred inflows, fund balances, revenues and expenditures. Funds are organized into governmental, proprietary and fiduciary. Major individual Governmental Funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column as Other Governmental Funds.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is

CITY OF POPLARVILLE, MISSISSIPPI

NOTES TO THE FINANCIAL STATEMENTS

PAGE THREE

YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Amounts reported as program revenue include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

The proprietary fund distinguishes 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. The principal operating revenues of the water and sewer system enterprise fund are charges to customers for sales and services. The water and sewer system also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for proprietary 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.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, as appropriate, and then unrestricted resources as they are needed.

Governmental Funds

General Fund - The general fund is the primary operating fund of the City. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Mississippi Infrastructure Modernization Act Fund - The Mississippi Infrastructure Modernization Act Fund (MIMA) accounts for all allowable activities associated with MIMA, including repairing, maintaining and reconstructing roads, streets and bridges.

CITY OF POPLARVILLE, MISSISSIPPI

NOTES TO THE FINANCIAL STATEMENTS

PAGE FOUR

YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

American Rescue Plan Act Fund - The American Rescue Plan Act Fund accounts for all allowable activities associated with the American Rescue Plan Act, including building maintenance, bridge replacements and other capital projects.

Proprietary Fund

Water Fund - The water fund accounts for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing water services to the general public on a continuing basis be financed or recovered primarily through user charges.

E. Assets, Liabilities, and Net Position/Fund Balance

Cash and Cash Equivalents

The City's cash and cash equivalents are primarily considered to be cash on hand and amounts held in demand deposits. For purposes of the statement of cash flows, short-term investments held in the proprietary fund with a maturity date within three months of the date acquired by the City, if any, are considered to be cash equivalents.

State statutes authorize the City to invest in (1) direct obligations of the United States government to the payment of which the full faith and credit of the United States government is pledged, (2) certificates of deposit when insured or secured by acceptable collateral, and (3) obligations of the State of Mississippi, or any county, municipality or school district of the State of Mississippi which have been approved by a reputable bond attorney and have been validated by decree of the chancery court. Investments are recorded at cost, which approximates fair value.

Interfund Transactions and Balances

Transactions between funds that are representative of short-term lending/borrowing arrangements and transactions that have not resulted in the actual transfer of cash at the end of the fiscal year are referred to as "due to/from other funds". Noncurrent portions of interfund receivables and payables are reported as "advances to/from other funds". Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in the General Fund to indicate that they are not available for appropriation and are not expendable available financial resources. Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any outstanding balances between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

CITY OF POPLARVILLE, MISSISSIPPI

NOTES TO THE FINANCIAL STATEMENTS

PAGE FIVE

YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Receivables

An allowance has been provided in the water enterprise fund and general fund for estimated uncollectible charges. The allowance is based on historical collection experience and other relevant circumstances.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond September 30, 2023, are recorded as prepaid items. In governmental funds, reported prepaid items are equally offset by nonspendable fund balance amounts, which indicate they do not constitute "available spendable resources" even though they are a component of net current assets. The net change in nonspendable fund balances is not presented because the combined statements of revenues, expenditures, and changes in fund balances reflects the changes in total fund balances rather than just the spendable and nonspendable fund balances.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are externally imposed by creditors, grantors, or laws. Restricted assets in the enterprise fund represent utility customer deposits subject to refund and amounts restricted per bond covenants. When both restricted and nonrestricted assets are available for use, the policy is to use restricted assets first.

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CITY OF POPLARVILLE, MISSISSIPPI

NOTES TO THE FINANCIAL STATEMENTS

PAGE SIX

YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Capital Assets

Capital assets, which include property, plant, equipment, and current infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), net of depreciation, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. However, infrastructure assets acquired or constructed prior to October 1, 2003 are not reported in the basic financial statements, as allowed by the Governmental Accounting Standards Board. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is expensed as incurred.

Estimated useful lives of capital assets are used to report capital assets in government-wide activities and proprietary fund statements. Depreciation is calculated on the straight-line basis for all depreciable assets. Amortization of leased capital assets is included with depreciation. The following schedule details those estimated useful lives:

Buildings and improvements	5 - 50 years
Machinery and equipment	3 - 40 years
Vehicles	5 - 20 years

Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then.

Deferred outflows related to pension - This amount represents the City's proportionate share of the deferred outflows of resources reported by the pension plan in which the City participates. See Note 9 for additional details.

CITY OF POPLARVILLE, MISSISSIPPI

NOTES TO THE FINANCIAL STATEMENTS

PAGE SEVEN

YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Deferred revenue - property taxes/unavailable revenue - property taxes - Deferred inflows of resources should be reported when resources associated with imposed nonexchange revenue transactions are received or reported as a receivable before the period for which property taxes are levied.

Pension

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

Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are capitalized and amortized over the terms of the respective bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs, other than prepaid insurance costs, are recognized as expenses in the period incurred. Prepaid insurance costs are reported as an asset and are recognized as expenses over the duration of the related debt.

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

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CITY OF POPLARVILLE, MISSISSIPPI

NOTES TO THE FINANCIAL STATEMENTS

PAGE EIGHT

YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Compensated Absences

The City's policy on vacation leave allows employees to accrue an unlimited amount of vacation time once that employee has had one year of continuous service for the City. There are no restrictions on when the employees are allowed to take their vacation time. However, only two weeks may be taken at a time. Retiring and terminated employees are paid for unused vacation up to 20 days. It is the City's policy that all unused sick leave is forfeited upon termination, retirement, or layoff. There is no liability for unpaid accumulated sick leave since sick pay is not paid upon termination of employment. Employees can only accrue up to 40 hours of compensatory time per year; however, all compensatory time accrued may be rolled over to the next year. Retiring and terminated employees are paid for unused compensatory time up to 40 hours. All vacation and compensatory pay is accrued when incurred in the government-wide and proprietary fund financial statements. In the fund financial statements, a liability for these amounts is reported only if they have matured, for example, as a result of employee resignations and retirements or use of vacation time.

The compensated absences liability was computed using the specific identification method whereby the actual number of vacation and compensatory hours is multiplied by the employee's hourly rate at September 30, 2023. The resulting liability is then increased to include social security and retirement contributions that the City is required to pay upon liquidation of the liability.

Fund Equity

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

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

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

Unrestricted net position - All other assets that do not meet the definition of "restricted" or "net investment in capital assets".

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CITY OF POPLARVILLE, MISSISSIPPI

NOTES TO THE FINANCIAL STATEMENTS

PAGE NINE

YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

Nonspendable - Includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

Restricted - Includes fund balance amounts that are constrained for specific purposes which are externally imposed by their providers (such as creditors, grantors, bondholders and higher levels of government) or amounts constrained due to constitutional provisions or enabling legislation.

Unassigned - Includes the residual balance of the General Fund that has not been assigned to other funds and that has not been restricted or assigned to specific purposes.

As discussed previously in this note, restricted funds are used first as appropriate. Decreases to fund balance first reduces restricted fund balance; in the event that restricted fund balance becomes zero, then unassigned fund balances are used.

F. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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

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CITY OF POPLARVILLE, MISSISSIPPI

NOTES TO THE FINANCIAL STATEMENTS

PAGE TEN

YEAR ENDED SEPTEMBER 30, 2023

NOTE 2 - CASH AND CASH EQUIVALENTS

A summary of cash and cash equivalents as of September 30, 2023, follows:

	<u>Cash on Hand</u>	<u>Cash Deposits</u>	<u>Total</u>
Governmental Activities			
General fund	\$ 375	\$ 3,877,064	\$ 3,877,439
Mississippi Infrastructure Modernization Act fund	-	584,823	584,823
American Rescue Plan Act fund	-	704,507	704,507
Other governmental funds	1,000	1,122,035	1,123,035
	<u>1,375</u>	<u>6,288,429</u>	<u>6,289,804</u>
Business-Type Activities			
Enterprise fund			
Water fund	600	1,312,000	1,312,600
	<u>600</u>	<u>1,312,000</u>	<u>1,312,600</u>
Total cash and cash equivalents	<u>\$ 1,975</u>	<u>\$ 7,600,429</u>	<u>\$ 7,602,404</u>

The City maintained the following restricted assets as of September 30, 2023:

Governmental Activities	
Cash and cash equivalents	
Restricted for unemployment claims	\$ 11,247
Restricted for public safety use	1,010,745
Restricted for police forfeiture	4,390
Restricted for cemetery perpetual care	36,224
Restricted for debt service	48,001
Restricted for economic development	1,357,081
Total restricted assets - governmental activities	<u>2,467,688</u>
Business-Type Activities	
Cash and cash equivalents	
Restricted for utility customer deposits	89,550
Restricted for bond covenants	10,608
Total restricted assets - business-type activities	<u>100,158</u>
Total restricted assets - government-wide	<u>\$ 2,567,846</u>

CITY OF POPLARVILLE, MISSISSIPPI

NOTES TO THE FINANCIAL STATEMENTS

PAGE ELEVEN

YEAR ENDED SEPTEMBER 30, 2023

NOTE 2 - CASH AND CASH EQUIVALENTS (Cont.)

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

At September 30, 2023, deposits (including restricted deposits and cash on hand) were as follows:

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Cash and cash equivalents	\$ 7,573,226	\$ 7,600,429

NOTE 3 - RECEIVABLES

Receivables at September 30, 2023, consisted of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
	<u>General Fund</u>	<u>Water Fund</u>	<u>Total</u>
Property taxes	\$ 1,056,132	\$ -	\$ 1,056,132
Sales taxes	254,610	-	254,610
Franchise taxes	69,027	-	69,027
Court fines	852,860	-	852,860
Accounts	-	296,620	296,620
Other	38,810	-	38,810
Total receivables, gross	<u>2,271,439</u>	<u>296,620</u>	<u>2,568,059</u>
Less allowance for doubtful accounts	<u>(797,673)</u>	<u>(103,386)</u>	<u>(901,059)</u>
Total receivables, net	<u>\$ 1,473,766</u>	<u>\$ 193,234</u>	<u>\$ 1,667,000</u>

CITY OF POPLARVILLE, MISSISSIPPI

NOTES TO THE FINANCIAL STATEMENTS

PAGE TWELVE

YEAR ENDED SEPTEMBER 30, 2023

NOTE 3 - RECEIVABLES (Cont.)

Property Taxes - The City levies a tax on real and personal property based on the assessed value of property as compiled by the Pearl River County tax assessor from information extracted from the County assessment tax rolls. The taxes on real property become due and payable on January 1st becoming delinquent on February 1st at which time an enforceable lien is attached to the property. Taxes on motor vehicles and mobile homes become a lien and are due in the month that coincides with the month of original purchase. Taxes on real and personal property are levied by the Board at the first regular meeting in September. The City's tax assessment roll is then approved by the Board after a series of public hearings to receive citizens' objections. Pearl River County bills and collects real, personal property, auto ad valorem and mobile home taxes for the City. These taxes are remitted by the County monthly to the City. In addition, the County also remits to the City a prorata share of road and bridge taxes they collect.

In accordance with *Mississippi Code of 1972 Annotated*, as amended for code section 27-39-321, the Board may levy taxes in any amount for general revenue purposes and general improvements. However, taxes collected for the current year are limited to an increase of not more than 10.00% over receipts for any one of the preceding three years. For purposes of the computation, taxes collected in the current year resulting from property added to the tax assessment roll are excluded from the computation.

The rates are expressed in terms of mills (i.e., ten mills equal one cent). The combined tax rate to finance general governmental services, including the payment of principal and interest on long-term debt and other purposes for the year ended September 30, 2023, was 59.50 mills or \$59.50 per \$1,000 of assessed valuation. A summary of the assessed valuations and tax levies of the City for the year ended September 30, 2023, have been provided below.

The assessed valuations of the City for the year ended September 30, 2023, were as follows:

Real property	\$ 12,085,493
Personal property	3,145,521
Public utilities	1,940,020
Automobiles and mobile homes	<u>2,210,484</u>
Total assessed valuations	<u><u>\$ 19,381,518</u></u>

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CITY OF POPLARVILLE, MISSISSIPPI

NOTES TO THE FINANCIAL STATEMENTS

PAGE THIRTEEN

YEAR ENDED SEPTEMBER 30, 2023

NOTE 3 - RECEIVABLES (Cont.)

The tax levies for the City for the years ended September 30, 2023, 2022 and 2021, were as follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
General Fund	<u>59.50</u>	<u>54.50</u>	<u>54.50</u>
Total levy	<u><u>59.50</u></u>	<u><u>54.50</u></u>	<u><u>54.50</u></u>

Sales Taxes - The State levies a 7.00% sales tax on retail sales and remits 18.50% of the amount collected (within the corporate boundaries of the City of Poplarville) back to the City monthly. Sales tax revenue reported in the general fund was \$1,413,183. Sales taxes receivable consists of taxes collected by the State for August and September 2023 and not received by the City until October and November 2023.

Pearl River County Utility Authority - The City transferred its entire sewer and wastewater system to the Pearl River County Utility Authority (Authority). Under the terms of the agreement with the Authority, the City shall provide for the billing and collection of sewer rates, fees, charges and other assessments based upon the sewer rates, charges and assessments established by the Authority, at no expense to the Authority.

In order to manage the billing and collection services for the Authority, the City records total receivables billed on behalf of the Authority as an asset with an offsetting payable due to the Authority in the Statement of Net Position. As of September 30, 2023, \$51,869, included in due to other governmental agencies in the Statement of Net Position, is due to the Authority and represents the current year-end monthly settlement balance due to the Authority.

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CITY OF POPLARVILLE, MISSISSIPPI

**NOTES TO THE FINANCIAL STATEMENTS
PAGE FOURTEEN
YEAR ENDED SEPTEMBER 30, 2023**

NOTE 4 - CAPITAL ASSETS

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

	Balance October 1, 2022
Governmental Activities:	
Capital assets not being depreciated:	
Land	\$ 626,387
Construction in progress	9,915
Total capital assets not being depreciated	<u>636,302</u>
Capital assets being depreciated:	
Buildings and improvements	5,687,312
Machinery and equipment	673,076
Vehicles	645,048
Total capital assets being depreciated	<u>7,005,436</u>
Less accumulated depreciation for:	
Buildings and improvements	(2,274,546)
Machinery and equipment	(510,196)
Vehicles	(435,345)
Total accumulated depreciation	<u>(3,220,087)</u>
Total capital assets being depreciated, net	<u>3,785,349</u>
Total governmental activities capital assets, net	<u><u>\$ 4,421,651</u></u>

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<u>Additions</u>	<u>Disposals</u>	<u>Balance September 30, 2023</u>
\$ -	\$ -	\$ 626,387
-	(9,915)	-
<u>-</u>	<u>(9,915)</u>	<u>626,387</u>
-	(4,953)	5,682,359
157,427	(92,084)	738,419
587,308	(82,309)	1,150,047
<u>744,735</u>	<u>(179,346)</u>	<u>7,570,825</u>
(285,719)	3,633	(2,556,632)
(81,105)	75,397	(515,904)
(90,387)	79,204	(446,528)
<u>(457,211)</u>	<u>158,234</u>	<u>(3,519,064)</u>
<u>287,524</u>	<u>(21,112)</u>	<u>4,051,761</u>
<u>\$ 287,524</u>	<u>\$ (31,027)</u>	<u>\$ 4,678,148</u>

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CITY OF POPLARVILLE, MISSISSIPPI

NOTES TO THE FINANCIAL STATEMENTS

PAGE FIFTEEN

YEAR ENDED SEPTEMBER 30, 2023

NOTE 4 - CAPITAL ASSETS (Cont.)

	Balance October 1, 2022
Business-Type Activities:	
Capital assets not being depreciated:	
Land	\$ 24,010
Total capital assets not being depreciated	<u>24,010</u>
Capital assets being depreciated:	
Buildings and improvements	2,780,238
Machinery and equipment	330,886
Vehicles	190,664
Total capital assets being depreciated	<u>3,301,788</u>
Less accumulated depreciation for:	
Buildings and improvements	(1,905,305)
Machinery and equipment	(197,113)
Vehicles	(159,764)
Total accumulated depreciation	<u>(2,262,182)</u>
Total capital assets being depreciated, net	<u>1,039,606</u>
Total business-type activities capital assets, net	<u>\$ 1,063,616</u>

<u>Additions</u>	<u>Disposals</u>	<u>Balance September 30, 2023</u>
\$ -	\$ -	\$ 24,010
<u>-</u>	<u>-</u>	<u>24,010</u>
-	-	2,780,238
56,131	-	387,017
<u>42,368</u>	<u>(42,368)</u>	<u>190,664</u>
<u>98,499</u>	<u>(42,368)</u>	<u>3,357,919</u>
(66,131)	-	(1,971,436)
(23,901)	-	(221,014)
<u>(5,963)</u>	<u>-</u>	<u>(165,727)</u>
<u>(95,995)</u>	<u>-</u>	<u>(2,358,177)</u>
<u>2,504</u>	<u>(42,368)</u>	<u>999,742</u>
<u>\$ 2,504</u>	<u>\$ (42,368)</u>	<u>\$ 1,023,752</u>

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CITY OF POPLARVILLE, MISSISSIPPI

NOTES TO THE FINANCIAL STATEMENTS

PAGE SIXTEEN

YEAR ENDED SEPTEMBER 30, 2023

NOTE 4 - CAPITAL ASSETS (Cont.)

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

Governmental Activities	
General government	\$ 17,379
Culture and recreation	33,792
Public safety	150,941
Public works	<u>255,099</u>
Total governmental activities depreciation expense	<u>\$ 457,211</u>
 Business-Type Activities	
Water	<u>\$ 95,995</u>

NOTE 5 - INTERFUND TRANSFERS

The composition of interfund transfers for the year ended September 30, 2023, is as follows:

Transfers Out	Transfers In General Fund
American Rescue Plan Act Fund	\$ 42,368
Water Fund	<u>64,018</u>
Total	<u>\$ 106,386</u>

The principal purpose of the interfund transfers was to provide funds to pay for capital outlay and debt service. All interfund transfers were routine and consistent with the activities of the fund making the transfer.

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CITY OF POPLARVILLE, MISSISSIPPI

**NOTES TO THE FINANCIAL STATEMENTS
PAGE SEVENTEEN
YEAR ENDED SEPTEMBER 30, 2023**

NOTE 6 - LONG-TERM LIABILITIES

Changes in long-term liabilities during the year ended September 30, 2023, are as follows:

	Balance	
	October 1, 2022	Additions
Governmental Activities:		
General obligation bonds	\$ 1,030,000	\$ -
Limited obligation TIF bonds	548,788	-
Notes payable	309,234	56,131
Compensated absences	27,346	-
Net pension liability	3,406,961	792,987
	<u>5,322,329</u>	<u>849,118</u>
Total governmental activities	\$ 5,322,329	\$ 849,118
Business-Type Activities:		
Revenue bonds payable	\$ 131,909	\$ -
Notes payable	241,121	56,131
Compensated absences	4,213	641
Net pension liability	709,767	120,549
	<u>1,087,010</u>	<u>177,321</u>
Total business-type activities	\$ 1,087,010	\$ 177,321

Compensated absences will be paid from the fund from which the employees' salaries were paid, which is generally the General Fund and the Water Fund. General obligation bonds and notes for both governmental and business-type activities are considered direct borrowing/direct placement debts.

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Principal Payments / Reductions	Balance September 30, 2023	Due Within One Year
\$ (95,000)	\$ 935,000	\$ 100,000
(48,753)	500,035	51,435
(56,003)	309,362	68,516
(907)	26,439	-
-	4,199,948	-
<u>\$ (200,663)</u>	<u>\$ 5,970,784</u>	<u>\$ 219,951</u>
\$ (4,763)	\$ 127,146	\$ 4,976
(39,674)	257,578	35,944
-	4,854	-
-	830,316	-
<u>\$ (44,437)</u>	<u>\$ 1,219,894</u>	<u>\$ 40,920</u>

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CITY OF POPLARVILLE, MISSISSIPPI

NOTES TO THE FINANCIAL STATEMENTS

PAGE EIGHTEEN

YEAR ENDED SEPTEMBER 30, 2023

NOTE 6 - LONG-TERM LIABILITIES (Cont.)

(A) Notes Payable - At September 30, 2023, the City's outstanding notes payable were as follows:

	<u>Date Issued</u>	<u>Maturity Date</u>
Governmental Activities:		
State of Mississippi (MDA)	7/1/2019	6/1/2039
Street Sweeper	1/22/2020	1/22/2025
Bank Plus	1/24/2022	1/4/2025
John Deere Backhoe	6/21/2023	6/21/2028
Total governmental activities		
Business-Type Activities:		
State of Mississippi	10/27/2014	8/1/2025
State of Mississippi (MDA)	7/1/2019	6/1/2039
First National Bank of Picayune	3/8/2019	3/1/2024
John Deere Backhoe	6/21/2023	6/21/2028
Total business-type activities		
Total notes payable at year-end		

- A. These notes are subject to acceleration clauses per the loan agreements. Upon default, the notes become immediately due in full and may be paid by forfeiture of sales tax allocation and/or homestead exemption reimbursement.
- B. The note is secured by equipment and is subject to an acceleration clause. Upon default, the note becomes immediately due in full.

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<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance September 30, 2023</u>
2.00%	\$ 219,531	\$ 179,224 A
3.47%	167,880	50,557 B
1.75%	38,592	25,944 B
4.90%	<u>56,131</u>	<u>53,637 A</u>
	<u>482,134</u>	<u>309,362</u>
3.00%	96,183	19,589 A
2.00%	219,531	179,228 A
4.00%	57,049	5,124 B
4.90%	<u>56,131</u>	<u>53,637 A</u>
	<u>428,894</u>	<u>257,578</u>
	<u>\$ 911,028</u>	<u>\$ 566,940</u>

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CITY OF POPLARVILLE, MISSISSIPPI

**NOTES TO THE FINANCIAL STATEMENTS
PAGE NINETEEN
YEAR ENDED SEPTEMBER 30, 2023**

NOTE 6 - LONG-TERM LIABILITIES (Cont.)

Principal and interest maturities will be as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 68,516	\$ 7,346	\$ 35,944	\$ 6,381
2025	48,933	5,493	29,714	5,295
2026	21,574	4,433	21,574	4,433
2027	22,349	3,658	22,349	3,658
2028	20,789	2,864	20,789	2,864
2029-2033	56,586	10,048	56,586	10,048
2034-2038	61,910	4,102	62,533	4,102
2039	8,705	65	8,089	65
Total payments	\$ 309,362	\$ 38,009	\$ 257,578	\$ 36,846

(B) General Obligation Bonds Payable - At September 30, 2023, the City's outstanding general obligation bonds payable were as follows:

	<u>Date Issued</u>	<u>Original Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance September 30, 2023</u>
Governmental Activities:					
General obligation bond	4/1/2019	<u>\$ 1,300,000</u>	4/2/2031	Variable A	<u>\$ 935,000</u>
Business-Type Activities:					
Revenue bond (acquired by USDA)	11/16/2006	<u>\$ 185,185</u>	2/16/2041	4.38%	<u>\$ 127,146</u> B

A. Variable rate between 2.25% and 3.00%.

B. These bonds are secured by the revenue of the Water System.

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CITY OF POPLARVILLE, MISSISSIPPI

NOTES TO THE FINANCIAL STATEMENTS

PAGE TWENTY

YEAR ENDED SEPTEMBER 30, 2023

NOTE 6 - LONG-TERM LIABILITIES (Cont.)

The annual bonded debt service requirements to maturity for the revenue bonds are as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 100,000	\$ 25,021	\$ 4,976	\$ 5,464
2025	105,000	22,291	5,198	5,242
2026	110,000	19,361	5,430	5,010
2027	115,000	16,239	5,672	4,768
2028	120,000	12,949	5,925	4,515
2029-2033	385,000	17,359	33,838	18,362
2034-2038	-	-	42,095	10,105
2039-2041	-	-	24,012	1,340
Total payments	\$ 935,000	\$ 113,220	\$ 127,146	\$ 54,806

The City's Water and Sewer Revenue Bond dated November 16, 2006, requires the establishment of certain funds (accounts) and periodic transfers of money to these funds as follows:

- Water and Sewer System Bond Cushion Fund - Into which shall be deposited \$44 per month until the funds and investments shall equal \$5,304.
- Waterworks and Sewer System Depreciation Fund - Into which shall be deposited \$22 per month until the funds and investments shall equal \$2,652.
- Waterworks and Sewer System Contingent Fund - Into which shall be deposited \$22 per month until the funds and investments shall equal \$2,652.

These monies are not separate funds but are restricted accounts within the water fund.

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CITY OF POPLARVILLE, MISSISSIPPI

**NOTES TO THE FINANCIAL STATEMENTS
PAGE TWENTY-ONE
YEAR ENDED SEPTEMBER 30, 2023**

NOTE 6 - LONG-TERM LIABILITIES (Cont.)

At September 30, 2023, the balances in the restricted accounts required by the bond covenants were as follows:

	<u>Required Balance</u>	<u>Balance September 30, 2023</u>	<u>(Under) Over Funded</u>
Bond cushion fund	\$ 5,304	\$ 5,304	\$ -
Depreciation fund	2,652	2,652	-
Contingent fund	<u>2,652</u>	<u>2,652</u>	<u>-</u>
Totals	<u>\$ 10,608</u>	<u>\$ 10,608</u>	<u>\$ -</u>

(C) Limited Obligation TIF Bond - The tax increment financing (TIF) bond was issued by the City to provide funds for the acquisition and construction of infrastructure and related improvements in conjunction with commercial development projects. Bonds are generally issued as serial bonds with essentially level principal and interest payments with maturities that range from 10 to 20 years. These bonds are secured by the payment of the incremental increase in City property taxes from the project's TIF taxing district as authorized under the TIF plan document approved by the governing authorities. This bond may also be secured by Pearl River County participation as authorized by executed interlocal agreements pledging incremental increase in county property taxes in the TIF taxing district. The City's obligation is limited to the increase in taxes provided by improvements in the taxing district.

Limited obligation TIF bond outstanding at September 30, 2023 is as follows:

	<u>Sale Date</u>	<u>Original Borrowing</u>	<u>Interest Rate to Maturity</u>	<u>Final Maturity</u>	<u>Balance September 30, 2023</u>
Governmental Activities:					
Limited obligation TIF bond	2020	<u>\$ 595,000</u>	5.50%	2030	<u>\$ 500,035</u>

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CITY OF POPLARVILLE, MISSISSIPPI

**NOTES TO THE FINANCIAL STATEMENTS
PAGE TWENTY-TWO
YEAR ENDED SEPTEMBER 30, 2023**

NOTE 6 - LONG-TERM LIABILITIES (Cont.)

Principal and interest maturities will be as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 51,435	\$ 26,087
2025	54,264	23,181
2026	57,249	20,114
2027	60,398	16,879
2028	63,720	13,465
2029-2031	212,969	17,988
Total payments	\$ 500,035	\$ 117,714

(D) Legal Debt Margin - The City's margin for additional general obligation bonded indebtedness is calculated at \$1,972,228 (15% test) and \$2,941,304 (20% test) pursuant to Section 21-33-303. *Mississippi Code of 1972 Annotated*, depending upon the purpose of additional bonds.

NOTE 7 - RESTRICTED NET POSITIONS

Governmental Activities

General Government - The City maintains a portion of the proceeds of the sale of cemetery lots for perpetual cemetery care and maintenance pursuant to the terms of cemetery lot purchases. The City is also required to spend American Rescue Plan Act funds for allowable activities associated with the American Rescue Plan Act. As of September 30, 2023, the City had \$587,800 restricted for these purposes.

Public Safety - The City periodically receives community contributions for the police and fire departments, and cash from court judgments where the defendant is ordered to forfeit cash seized in the arrest. The use of these funds by the City is restricted to enhancing public safety efforts. At September 30, 2023, the City had \$8,440 restricted for these purposes.

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CITY OF POPLARVILLE, MISSISSIPPI

**NOTES TO THE FINANCIAL STATEMENTS
PAGE TWENTY-THREE
YEAR ENDED SEPTEMBER 30, 2023**

NOTE 7 - RESTRICTED NET POSITIONS (Cont.)

Economic Development - The City is required to expend bond proceeds on projects allowed in the Series 2019 Bond Agreement and the TIF Bond 2020 Bond Agreement, and to spend MIMA and Local Improvement funds for repairs of infrastructure. As of September 30, 2023, the City had \$70,644 restricted for capital projects.

Unemployment Compensation Fund - The City is required by Mississippi Code Section 71-5-359 to set aside funds in excess of 2.00% of the prior year's covered wages (i.e., the first \$14,000 of wages paid to an employee) to pay future unemployment compensation claims. As of September 30, 2023, the City had \$11,247 in its unemployment compensation fund.

Debt Service - The City's TIF Bond requires a debt reserve fund to be maintained in the event that there are insufficient funds to cover debt service payments. At September 30, 2023, the City had set aside \$67,855 for debt service as required by the TIF Bond Agreement.

Therefore, restricted net position totaled \$746,016 at September 30, 2023.

Business-type Activities

The City's bond covenants, as more fully explained in Note 6, require certain restricted deposits to be maintained. Such restricted assets exceeding recorded liabilities against such restricted assets represent restrictions of the water fund's net position.

The restricted portions were as follows:

Restricted Assets

Customer deposits	\$	89,550
Revenue bond cushion fund account		5,304
Revenue bond depreciation fund account		2,652
Revenue bond contingent fund account		2,652
Total restricted accounts		<u>100,158</u>

Liabilities Payable from Restricted Assets

Customer deposits		<u>89,550</u>
Restricted net position	\$	<u>10,608</u>

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CITY OF POPLARVILLE, MISSISSIPPI

NOTES TO THE FINANCIAL STATEMENTS

PAGE TWENTY-FOUR

YEAR ENDED SEPTEMBER 30, 2023

NOTE 8 - JOINT VENTURES

Poplarville - Pearl River County Airport - The Poplarville - Pearl River County Airport (Airport) is a joint venture, authorized by Section 61-3-5, *Mississippi Code of 1972 Annotated*, between the City and Pearl River County. The joint venture was created to provide airport service to the area. The airport is governed by a five-member board of commissioners appointed as follows: Poplarville, two; Pearl River County, two; jointly, one. The City and Pearl River County jointly lease the land and own the buildings of the Poplarville - Pearl River County Airport. The City provides liability insurance in support of the Airport, which totaled \$282 for the year ended September 30, 2023, and is included in miscellaneous expenses on the statement of activities. Any potential future financial benefit or burden to the City resulting from the Airport is not determinable at this time. Complete financial statements on the Poplarville - Pearl River County Airport can be obtained from Highway 53 South, Poplarville, Mississippi 39470.

Poplarville Public Library - The Pearl River County Library System is a joint venture, authorized by Section 39-3-8, *Mississippi Code of 1972 Annotated*, among the Cities of Picayune and Poplarville and Pearl River County. The library system was created to provide free library services to all the people of the County and is governed by a board of trustees consisting of ten members. Poplarville appoints one member, Pearl River County appoints five, and Picayune appoints four. The City owns the Poplarville Public Library land and building which are recorded in the City's governmental capital assets as follows: Land, \$40,000; Building and improvements, \$250,530, with accumulated depreciation of \$174,398. The City also provided \$25,000 in support and \$19,119 for the liability insurance policy during the year ended September 30, 2023, which is all included in culture and recreation expenses on the statement of activities. The Pearl River County Library System's financial information is reported independently. Complete financial statements can be obtained from the Margaret Reed Crosby Memorial Library located at 900 Goodyear Boulevard, Picayune, Mississippi 39466.

NOTE 9 - RETIREMENT PLANS

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

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CITY OF POPLARVILLE, MISSISSIPPI

NOTES TO THE FINANCIAL STATEMENTS

PAGE TWENTY-FIVE

YEAR ENDED SEPTEMBER 30, 2023

NOTE 9 - RETIREMENT PLANS (Cont.)

Benefits Provided - Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi, state universities, community and junior colleges, and teachers and employees of the public school districts. For those persons employed by political subdivisions and instrumentalities of the State of Mississippi, membership is contingent upon approval of the entity's participation in PERS by the PERS' Board of Trustees. If approved, membership for the entity's employees is a condition of employment and eligibility is granted to those who qualify upon hiring. Participating members who are vested and retire at or after age 60 or those who retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.00% 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 2.50% for each additional year of creditable service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age that the member is below 65, whichever is less. Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. A Cost-of-Living Adjustment (COLA) payment is made to eligible retirees and beneficiaries. The COLA is equal to 3.00% 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 3.00% compounded for each fiscal year thereafter. Plan provisions are established and may be amended only by the State of Mississippi Legislature.

Contributions - At September 30, 2023, PERS members were required to contribute 9.00% of their annual covered salary, and the City is required to contribute at an actuarially determined rate. The employer's rate at September 30, 2023 was 17.40% of annual covered payroll. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. The City's contributions (employer share only) to PERS for the years ended September 30, 2023, 2022 and 2021 were \$217,735, \$195,897, and \$178,739, respectively, equal to the required contributions for each year.

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CITY OF POPLARVILLE, MISSISSIPPI

NOTES TO THE FINANCIAL STATEMENTS

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YEAR ENDED SEPTEMBER 30, 2023

NOTE 9 - RETIREMENT PLANS (Cont.)

Pensions, Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions - At September 30, 2023, the City reported a liability of \$5,030,264 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. The City's proportionate share used to calculate the September 30, 2023 net pension liability was 0.015674%, which was based on a measurement date of June 30, 2023. This was an increase of 0.000142% from its proportionate share used to calculate the September 30, 2022 net pension liability, which was based on a measurement date of June 30, 2022.

For the year ended September 30, 2023, the City recognized pension expense of \$544,903. At September 30, 2023, the City reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 90,866
Net difference between projected and actual earnings on pension plan investments	157,446
Changes of assumptions	426,121
Changes in the proportion and differences between the City's contributions and proportionate share of contributions	307,756
City contributions subsequent to the measurement date	55,355
Totals	\$ 1,037,544

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CITY OF POPLARVILLE, MISSISSIPPI

**NOTES TO THE FINANCIAL STATEMENTS
PAGE TWENTY-SEVEN
YEAR ENDED SEPTEMBER 30, 2023**

NOTE 9 - RETIREMENT PLANS (Cont.)

\$55,355 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2024. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2024	\$ 324,697
2025	324,697
2026	242,854
2027	89,941
Total	\$ 982,189

No deferred inflows related to pensions were reported in the year ended September 30, 2023.

Actuarial Assumptions - The total pension liability as of June 30, 2023 was determined by an actuarial valuation prepared as of June 30, 2022, and by the investment experience for the fiscal year ending June 30, 2023. The following actuarial assumptions are applied to all periods in the measurement:

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

Mortality rates were based on the PubS.H-2010(B) Retiree Table with the following adjustments: For males, 95.00% of male rates up to age 60, 110.00% for ages 61 to 75 and 101.00% for ages above 77. For females, 84.00% of female rates up to age 72 and 100.00% for ages above 76. Mortality rates for disability retirees were based on the PubG.H-2010 Disabled Table adjusted 134.00% for males and 121.00% for females. Mortality rates for Contingent Annuitants were based on the PubS.H-2010(B) Contingent Annuitant Table, adjusted 97.00% for males and 110.00% for females. Mortality rates will be projected generationally using the MP-2020 projection scale to account for future improvements in life expectancy.

The actuarial assumptions used for the purposes of determining the total pension liability were based on the results of an actuarial experience study for the four-year period from July 1, 2018 to June 30, 2022. The experience report is dated April 21, 2023.

CITY OF POPLARVILLE, MISSISSIPPI

**NOTES TO THE FINANCIAL STATEMENTS
PAGE TWENTY-EIGHT
YEAR ENDED SEPTEMBER 30, 2023**

NOTE 9 - RETIREMENT PLANS (Cont.)

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

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

Discount Rate - The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00%) and that employer contributions will be phased in to 22.40% over three years (17.40% for FYE 2024, 19.40% for FYE 2025, 21.40% for FYE 2026, and 22.40% for FYE 2027). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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CITY OF POPLARVILLE, MISSISSIPPI

**NOTES TO THE FINANCIAL STATEMENTS
PAGE TWENTY-NINE
YEAR ENDED SEPTEMBER 30, 2023**

NOTE 9 - RETIREMENT PLANS (Cont.)

Sensitivity to the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
City's proportionate share of the net pension liability	\$ 6,486,653	\$ 5,030,264	\$ 3,835,135

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

Deferred Compensation Plan - The City, through PERS, offers its employees a voluntary deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

The assets of the plan are held in trust for the exclusive benefit of participants and their beneficiaries. The requirements of Internal Revenue Code Section 457(g) prescribes that the City does not own the amounts deferred by employees, including the related income on those amounts. Additionally, the City does not have fiduciary accountability for the plan. Accordingly, the assets and the liability for compensation deferred by plan participants, including earnings on plan assets, are not included in the City's financial statements.

NOTE 10 - COMMITMENTS AND CONTINGENCIES

Litigation - The City is party to various legal proceedings which normally occur in governmental operations. Although the outcome of these proceedings is not presently determinable, in the opinion of the City's legal counsel the resolution of these matters will not have a material adverse effect on the financial condition of the City.

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CITY OF POPLARVILLE, MISSISSIPPI

NOTES TO THE FINANCIAL STATEMENTS

PAGE THIRTY

YEAR ENDED SEPTEMBER 30, 2023

NOTE 10 - COMMITMENTS AND CONTINGENCIES (Cont.)

Grants and Awards - Amounts received or receivable from grantor agencies are subject to audit and adjustment by the grantor agencies, principally federal and state governments. Any disallowed expenses, including amounts already collected, might constitute a liability of the applicable funds. The City does not believe any contingent liabilities are material.

Water Tank Maintenance Contract - The City entered into a ten-year contract with Tank Pro, Inc. on March 5, 2013 for the annual inspection, maintenance, and repair of the City's water tank. The City paid Tank Pro, Inc. \$14,842 during the year ended September 30, 2023, which is included in the water expenses on the statement of activities. The City extended their contract with Tank Pro, Inc. on April 7, 2022 for an additional ten-year term. Annual payments are required by the City in the amount of \$14,842 for fiscal years 2024 through 2026; \$16,326 for fiscal years 2027 through 2029; \$18,040 for fiscal years 2030 through 2032; and a final payment of \$19,934 in fiscal year 2033. The City has the option to cancel the agreement only if intent to cancel is received by Tank Pro, Inc. ninety days prior to the anniversary date.

Garbage Collection Contract - The City extended their contract with Waste Management of Mississippi, Inc. on June 1, 2023. The term of the contract runs from June 1, 2023 through May 31, 2026. Waste Management collects and disposes of garbage from residential and light commercial businesses at a monthly cost of \$24.50 per location effective June 1, 2023. Pursuant to the contract, the cost per location is adjusted annually to reflect changes in the Consumer Price Index. For the year ended September 30, 2023, the City paid Waste Management \$195,906 for garbage collection which is included in public works expenses on the statement of activities.

NOTE 11 - RISK MANAGEMENT AND UNCERTAINTIES

Insurance:

The City is covered for significant losses through commercial insurance carriers except for the following, which are covered through self-insurance risk pools.

Self-Insurance - Workers Compensation Fund - The City is a member in the Mississippi Municipal Workers' Compensation Group, Inc. This non-profit corporation is a self-insurance worker's compensation fund organized under the non-profit laws of the State of Mississippi. The group is self-insured under statutory workers compensation protection up to \$500,000. Members are jointly and severally liable for the obligations of the group. The possibility of additional liability exists, but that amount, if any, cannot be determined.

CITY OF POPLARVILLE, MISSISSIPPI

NOTES TO THE FINANCIAL STATEMENTS

PAGE THIRTY-ONE

YEAR ENDED SEPTEMBER 30, 2023

NOTE 11 - RISK MANAGEMENT AND UNCERTAINTIES (Cont.)

Self-Insurance - Liability Fund - The City is a member in the Mississippi Municipal Liability Plan. The plan is a private non-profit corporation organized under the laws of the State of Mississippi. The plan provides liability and tort claims insurance for its members up to \$1,000,000 per occurrence, respectively. The plan is totally self-insured with claims and expenses paid out of the premiums and the members are jointly and severally liable for any claims and expenditures beyond the premium base. The possibility of additional liability exists, but that amount, if any, cannot be determined.

NOTE 12 - DEFICIT FUND BALANCES OF INDIVIDUAL FUNDS

At September 30, 2023, the City's Debt Service Fund reported a deficit fund balance of \$136,971.

NOTE 13 - SUBSEQUENT EVENT

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 have evaluated the activity of The City through November 21, 2024 (the date the financial statements were available to be issued), and determined that no subsequent events have occurred requiring disclosure in the notes to the financial statements.

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REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE 1
PAGE 1 OF 3

CITY OF POPLARVILLE, MISSISSIPPI

**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL (NON-GAAP BASIS)
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>
REVENUES		
Taxes		
Property	\$ 1,049,987	\$ 1,085,937
Sales	1,276,000	1,408,709
Licenses and permits	213,218	221,839
Intergovernmental revenues and grants	113,448	163,083
Charges for services	3,200	4,345
Interest	11,000	192,673
Fines and forfeitures	17,500	50,332
Waste disposal	203,800	222,761
Miscellaneous	38,100	58,514
Total revenues	<u>2,926,253</u>	<u>3,408,193</u>
EXPENDITURES		
Current:		
Mayor & Board		
Personnel services	96,102	95,847
Supplies	500	507
Contractual services	12,200	12,531
Capital outlay	1,600	2,220
Total mayor & board	<u>110,402</u>	<u>111,105</u>
General Administration		
Personnel services	191,937	167,649
Supplies	6,800	5,819
Contractual services	142,883	163,339
Capital outlay	15,018	7,037
Debt service	-	-
Total general administration	<u>356,638</u>	<u>343,844</u>
Court		
Personnel services	78,376	73,816
Supplies	1,200	1,189
Contractual services	6,300	8,274
Total court	<u>85,876</u>	<u>83,279</u>
Police Department		
Personnel services	591,919	583,160
Supplies	67,200	55,683
Contractual services	116,477	109,595
Capital outlay	7,398	96,273
Debt service	16,524	19,725
Total police department	<u>799,518</u>	<u>864,436</u>

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

<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
\$ 1,033,551	\$ (52,386)
1,408,709	-
221,839	-
169,190	6,107
4,345	-
192,673	-
50,332	-
222,761	-
243,819	185,305
<u>3,547,219</u>	<u>139,026</u>
95,847	-
507	-
12,531	-
2,220	-
<u>111,105</u>	<u>-</u>
167,649	-
5,819	-
163,339	-
7,037	-
63,846	(63,846)
<u>407,690</u>	<u>(63,846)</u>
73,816	-
1,189	-
8,286	(12)
<u>83,291</u>	<u>(12)</u>
583,160	-
55,683	-
109,595	-
96,273	-
19,725	-
<u>864,436</u>	<u>-</u>

CITY OF POPLARVILLE, MISSISSIPPI

**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL (NON-GAAP BASIS)
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>
EXPENDITURES (Cont.)		
Animal Control		
Contractual services	\$ 500	\$ -
Total animal control	<u>500</u>	<u>-</u>
Fire Department		
Personnel services	413,424	418,507
Supplies	54,915	66,349
Contractual services	55,632	57,004
Capital outlay	56,933	614,418
Total fire department	<u>580,904</u>	<u>1,156,278</u>
Highways and Streets		
Personnel services	243,272	163,003
Supplies	70,000	49,504
Contractual services	104,295	127,655
Capital outlay	100,868	16,932
Debt service	52,926	45,786
Total highways and streets	<u>571,361</u>	<u>402,880</u>
Building and Code Enforcement		
Personnel services	15,643	15,644
Supplies	50	-
Contractual services	1,250	53
Total building and code enforcement	<u>16,943</u>	<u>15,697</u>
Public Works		
Contractual services	205,670	238,481
Total public works	<u>205,670</u>	<u>238,481</u>
Culture and Recreation		
Supplies	8,300	1,183
Contractual services	53,702	52,753
Capital outlay	21,694	-
Total culture and recreation	<u>83,696</u>	<u>53,936</u>
Cemetery		
Supplies	800	-
Contractual services	21,200	8,923
Total cemetery	<u>22,000</u>	<u>8,923</u>

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

<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
\$ -	\$ -
-	-
418,507	-
66,349	-
56,993	11
614,690	(272)
<u>1,156,539</u>	<u>(261)</u>
163,003	-
49,504	-
127,655	-
14,819	2,113
47,899	(2,113)
<u>402,880</u>	<u>-</u>
15,644	-
-	-
53	-
<u>15,697</u>	<u>-</u>
238,481	-
<u>238,481</u>	<u>-</u>
1,183	-
52,753	-
-	-
<u>53,936</u>	<u>-</u>
-	-
8,923	-
<u>8,923</u>	<u>-</u>

CITY OF POPLARVILLE, MISSISSIPPI

**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL (NON-GAAP BASIS)
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>
EXPENDITURES (Cont.)		
Airport		
Contractual services	\$ 11,700	\$ 632
Total airport	<u>11,700</u>	<u>632</u>
Transfers out to other funds	<u>185,813</u>	<u>63,846</u>
Total expenditures	<u>3,031,021</u>	<u>3,343,337</u>
Excess (deficiency) of revenues over expenditures	(104,768)	64,856
OTHER FINANCING SOURCES (USES)		
Rent/lease proceeds	3,900	3,828
Proceeds from debt	100,868	112,262
Total other financing sources (uses)	<u>104,768</u>	<u>116,090</u>
NET CHANGE IN FUND BALANCES	-	180,946
Fund balances - beginning (Budgetary Basis)	<u>3,191,266</u>	<u>4,091,106</u>
Fund balances - ending (Budgetary Basis)	<u>\$ 3,191,266</u>	<u>\$ 4,272,052</u>
RECONCILIATION TO GAAP BASIS:		
Cumulative difference between GAAP basis fund balance and budget basis fund balance at beginning of the year		
Fund balances - ending (GAAP Basis)		

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

<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
\$ 632	\$ -
<u>632</u>	<u>-</u>
-	63,846
3,343,610	(273)
203,609	138,753
3,828	-
112,262	-
<u>116,090</u>	<u>-</u>
319,699	<u>\$ 138,753</u>
<u>4,091,106</u>	
4,410,805	
<u>(56,081)</u>	
<u>\$ 4,354,724</u>	

SCHEDULE 2

CITY OF POPLARVILLE, MISSISSIPPI

**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL (NON-GAAP BASIS)
AMERICAN RESCUE PLAN ACT FUND
YEAR ENDED SEPTEMBER 30, 2023**

	Original Budget	Final Budget
REVENUES		
Interest	\$ -	\$ 30,585
Total revenues	<u>-</u>	<u>30,585</u>
EXPENDITURES		
Current:		
Highways and Streets		
Capital outlay	716,541	43,968
Total expenditures	<u>716,541</u>	<u>43,968</u>
Excess (deficiency) of revenues over expenditures	(716,541)	(13,383)
NET CHANGE IN FUND BALANCES	(716,541)	(13,383)
Fund balances - beginning (Budgetary Basis)	716,541	717,890
Fund balances - ending (Budgetary Basis)	<u>\$ -</u>	<u>\$ 704,507</u>
RECONCILIATION TO GAAP BASIS:		
Cumulative difference between GAAP basis fund balance and budget basis fund balance at beginning of the year		
Fund balances - ending (GAAP Basis)		

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

<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
\$ 30,585	\$ -
<u>30,585</u>	<u>-</u>
43,968	-
<u>43,968</u>	<u>-</u>
(13,383)	-
(13,383)	-
<u>717,890</u>	<u>-</u>
<u>\$ 704,507</u>	<u>\$ -</u>
<u>(314,117)</u>	
<u>\$ 390,390</u>	

SCHEDULE 3

CITY OF POPLARVILLE, MISSISSIPPI

**SCHEDULE OF CITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
MISSISSIPPI PUBLIC EMPLOYEES' RETIREMENT SYSTEM PLAN
LAST 10 FISCAL YEARS* - UNAUDITED**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
City's proportion of the net pension liability (asset)	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%
City's proportionate share of the net pension liability (asset)	\$ 5,030,264	\$ 4,116,728	\$ 2,956,087	\$ 3,871,768	\$ 3,518,395	\$ 3,326,594	\$ 3,324,679	\$ 3,572,499	\$ 3,091,606	\$ 2,427,634
Covered payroll	\$ 1,161,885	\$ 1,069,247	\$ 1,017,874	\$ 1,053,948	\$ 1,120,914	\$ 1,120,273	\$ 1,105,638	\$ 1,050,190	\$ 1,020,533	\$ 1,076,724
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	432.94%	385.01%	290.42%	367.36%	313.89%	296.94%	300.70%	340.18%	302.94%	228.41%
Plan fiduciary net position as a percentage of the total pension liability	55.70%	59.93%	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%	67.21%

* The amounts presented for each fiscal year were determined as of the twelve months ended at the measurement date of June 30 of the fiscal year presented.

SCHEDULE 4

CITY OF POPLARVILLE, MISSISSIPPI

**SCHEDULE OF CITY'S CONTRIBUTIONS
MISSISSIPPI PUBLIC EMPLOYEES' RETIREMENT SYSTEM PLAN
LAST 10 FISCAL YEARS - UNAUDITED**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 205,385	\$ 195,897	\$ 178,739	\$ 179,669	\$ 181,668	\$ 176,369	\$ 169,588	\$ 165,382	\$ 160,670	\$ 165,848
Contributions in relation to the contractually required contribution	<u>(205,385)</u>	<u>(195,897)</u>	<u>(178,739)</u>	<u>(179,669)</u>	<u>(181,668)</u>	<u>(176,369)</u>	<u>(169,588)</u>	<u>(165,382)</u>	<u>(160,670)</u>	<u>(165,848)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,180,374	\$ 1,125,845	\$ 1,027,236	\$ 1,032,580	\$ 1,126,803	\$ 1,119,803	\$ 1,076,749	\$ 1,050,044	\$ 1,020,127	\$ 1,053,003
Contributions as a percentage of covered payroll	17.40%	17.40%	17.40%	17.40%	16.12%	15.75%	15.75%	15.75%	15.75%	15.75%

Note A - The 2019 contributions as a percentage of covered payroll will be an average of the former contribution rate of 15.75% and the 2019 contribution rate of 17.40%.

CITY OF POPLARVILLE, MISSISSIPPI

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 - BUDGETARY COMPARISON SCHEDULE

A. Budgetary Data

The procedures used by the City in establishing the budgetary data are as follows:

1. The City Clerk's office prepares estimates of available revenue.
2. Department directors submit proposed expenditure budgets to the City Clerk by June 1st each year.
3. The Mayor and the department directors review expenditure budgets and necessary revisions are made.
4. Budgeted revenues and expenditures are balanced, and a summary budget is prepared and presented to the Mayor.
5. The City Clerk submits the proposed budget to the Board by August 1st.
6. Public hearings are conducted to obtain taxpayer comments.
7. The final budget is approved by September 15th and must be published in a local newspaper on or before September 30th.
8. The budget is formally amended at the first meeting in July each year, if necessary. However, budget revisions are made throughout the year (prior to July) as reallocations of funds are necessary, a budget deficit is indicated, or circumstances change which dictate the need for a budget amendment.
9. Formal budgetary integration is employed as a management control device for all governmental and proprietary fund types. Budgets for the Governmental Funds are adopted in accordance with provisions of the State Auditor's Office and not on a basis consistent with accounting principles generally accepted in the United States of America. For budgetary purposes, certain revenues from property taxes, interest on investments, and certain other sources are recognized when received in cash and unexpended appropriations lapse thirty days after the end of the fiscal year.

The legal level of control for all budgets adopted is at the fund level with the exception of the General Fund, which is appropriated at the department level. Administrative control for all budgets is maintained through the establishment of more detailed line-item budgets.

The City Clerk's office exercises budgetary monitoring throughout the fiscal year. An adopted budget may not exceed its appropriated level without Board approval. Budgetary controls are implemented through the City Clerk's office through the use of budget to actual reports. Any purchase requisition that will cause a line item to exceed its budget will be disallowed by the City Clerk. The department head will then be required to make an inter-department budget transfer or request a budget amendment.

CITY OF POPLARVILLE, MISSISSIPPI

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

PAGE TWO

YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 - BUDGETARY COMPARISON SCHEDULE (Cont.)

A. Budgetary Data (Cont.)

The Budgetary Comparison Schedule presents the original legally adopted budget, the final legally adopted budget, the actual amounts on the budgetary cash basis, and variances between the final budget and the actual amounts. The Schedule is presented in the Mississippi State Department of Audit's prescribed form.

B. Budget/GAAP Reconciliation

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

1. Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

The budget to GAAP reconciliation is shown at the bottom of Schedule 1 and 2.

NOTE 2 - PENSION SCHEDULES

A. Changes of Assumptions:

2015

The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Table projected to 2016 using Scale BB rather than the RP-2000 Mortality Table, which was used prior to 2015.

The expectation of disabled mortality was changed to the RP-2014 Disabled Retiree Table, rather than the RP-2000 Disabled Mortality Table, which was used prior to 2015.

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

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CITY OF POPLARVILLE, MISSISSIPPI

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
PAGE THREE
YEAR ENDED SEPTEMBER 30, 2023**

NOTE 2 - PENSION SCHEDULES (Cont.)

A. Changes of Assumptions (Cont.)

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

The price inflation and investment rate of return assumptions were changed from 3.50% to 3.00% and 8.00% to 7.75%, respectively.

2016

The assumed rate of interest credited to employee contributions was changed from 3.50% to 2.00%.

2017

The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Mortality Table projected with Scale BB to 2022. Small adjustments were also made to the Mortality Table for disabled lives.

The wage inflation assumptions was reduced from 3.75% to 3.25%.

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

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

2019

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

- For males, 112.00% of male rates from ages 18 to 75 scaled down to 105.00% for ages 80 to 119.
- For females, 85.00% of the female rates from ages 18 to 65 scaled up to 102.00% for ages 75 to 119.
- Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.

CITY OF POPLARVILLE, MISSISSIPPI

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

PAGE FOUR

YEAR ENDED SEPTEMBER 30, 2023

NOTE 2 - PENSION SCHEDULES (Cont.)

A. Changes of Assumptions (Cont.)

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

- For males, 137.00% of male rates at all ages.
- For females, 115.00% of female rates at all ages.
- Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.

The price inflation assumption was reduced from 3.00% to 2.75%.

The wage inflation assumption was reduced from 3.25% to 3.00%.

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

The percentage of active member disabilities assumed to be in the line of duty was increased from 7.00% to 9.00%.

2021

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

- For males, 95.00% of male rates up to age 60, 110.00% for ages 61 to 75, and 101.00% for ages above 77.
- For females, 84.00% of female rates up to age 72, 100.00% for ages above 76.
- Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

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

- For males, 134.00% of male rates at all ages.
- For females, 121.00% of female rates at all ages.
- Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

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CITY OF POPLARVILLE, MISSISSIPPI

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

PAGE FIVE

YEAR ENDED SEPTEMBER 30, 2023

NOTE 2 - PENSION SCHEDULES (Cont.)

A. Changes of Assumptions (Cont.)

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

- For males, 97.00% of male rates at all ages.
- For females, 110.00% of female rate at all ages.
- Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

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

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

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

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

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

The percentage of active member disabilities assumed to be in the line of duty was increased from 9.00% to 12.00%.

The percentage of active member deaths assumed to be in the line of duty was decrease from 6.00% to 4.00%.

2023

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

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

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

The percentage of participants assumed to receive a deferred benefit upon attaining the eligibility requirements for retirement was increased from 60.00% to 65.00%.

CITY OF POPLARVILLE, MISSISSIPPI

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

PAGE SIX

YEAR ENDED SEPTEMBER 30, 2023

NOTE 2 - PENSION SCHEDULES (Cont.)

A. Changes of Assumptions (Cont.)

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

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

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

B. Changes in Benefit Provisions:

2016

Effective July 1, 2016, the interest rate on employee contributions shall be calculated based on the money market rate as published by the Wall Street Journal on December 31 of each preceding year with a minimum rate of one percent and a maximum rate of five percent.

C. Method and assumptions used in calculations of actuarially determined contributions

The actuarially determined contribution rates in the schedule of employer contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported (June 30, 2021 valuation for the June 30, 2023 fiscal year end). The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in the schedule:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	26.7 years
Asset valuation method	5-year smoothed market
Price inflation	2.40%
Salary increase	2.65% to 17.90%, including inflation
Investment rate of return	7.55%, net of pension plan investment expense, including inflation

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SUPPLEMENTARY INFORMATION

SCHEDULE 5

CITY OF POPLARVILLE, MISSISSIPPI

**SCHEDULE RECONCILING ORIGINAL AD VALOREM TAX ROLLS TO FUND COLLECTIONS
YEAR ENDED SEPTEMBER 30, 2023**

<u>ADJUSTED ASSESSED VALUATION</u>	<u>ASSESSED VALUE</u>	<u>TAX</u>	
Realty	\$ 12,085,493	\$ 719,087	
Personal - other than auto	3,145,521	187,158	
Public utilities	1,940,020	115,431	
Personal - auto and mobile home	2,210,484	131,524	
Total City of Poplarville at 59.5 mills	<u>19,381,518</u>	<u>1,153,200</u>	
Less: Homestead exemption allowed	<u>1,381,711</u>	<u>82,212</u>	
Total City of Poplarville	<u>\$ 17,999,807</u>	<u>1,070,988</u>	
Add: Actual homestead reimbursement		44,465	
County road taxes		48,916	
Prior year collections		736	
Penalties and interest on delinquent taxes		6,535	
In-lieu of taxes		3,411	
Deduct: Unpaid realty, personal and utility taxes		<u>(6,330)</u>	
Total to be accounted for		<u>\$ 1,168,721</u>	
<u>COLLECTIONS</u>	<u>TAXES</u>	<u>HOMESTEAD REIMBURSEMENT</u>	<u>TOTAL</u>
Collections allocated to fund:			
General fund	<u>\$ 1,107,165</u>	<u>\$ 44,465</u>	<u>\$ 1,151,630</u>
Total collections	<u>\$ 1,107,165</u>	<u>\$ 44,465</u>	1,151,630
		Unaccounted for	<u>17,092</u>
Total			<u>\$ 1,168,722</u>

See independent auditor's report.

SCHEDULE 6

CITY OF POPLARVILLE, MISSISSIPPI

**SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS
SEPTEMBER 30, 2023**

Name	Position	Surety Company	Amount
Louise Smith	Mayor	Old Republic	\$ 50,000
Anne Gendusa Smith	Aldersperson	Old Republic	\$ 50,000
Robert Nestle	Aldersperson	RLI Insurance Company	\$ 50,000
Byron L. Wells	Aldersperson	Old Republic	\$ 50,000
Daniel H. Brown	Aldersperson	RLI Insurance Company	\$ 50,000
Kevin L. Tillman Sr.	Aldersperson	NGM Insurance Company	\$ 50,000
Marnie Ready	City Clerk	NGM Insurance Company	\$ 50,000
Chad Dorn	Chief of Police	NGM Insurance Company	\$ 50,000
Erica S. Busby	Deputy Clerk	NGM Insurance Company	\$ 50,000
Allison Hall	Deputy Clerk	RLI Insurance Company	\$ 50,000
Brittney Creel	Deputy Clerk	RLI Insurance Company	\$ 50,000
Emalyn M. Shockey	Deputy Clerk	RLI Insurance Company	\$ 50,000
Emily L. Dedeaux	Deputy Clerk	NGM Insurance Company	\$ 50,000
Christina Dunston	Court Clerk	NGM Insurance Company	\$ 50,000

See independent auditor's report.

SPECIAL REPORTS

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

To the Honorable Mayor and Members of the
Board of Alderpersons
Poplarville, Mississippi

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Poplarville, Mississippi as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Poplarville, Mississippi’s basic financial statements, and have issued our report thereon dated November 21, 2024.

Report on Internal Control over Financial Reporting

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



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Gulfport, MS 39502

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To the Honorable Mayor and Members of the
Board of Alderpersons
Poplarville, Mississippi

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

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 City of Poplarville, Mississippi'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 City of Poplarville, Mississippi's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.



Hattiesburg, Mississippi
November 21, 2024

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

To the Honorable Mayor and Members of the
Board of Alderpersons
Poplarville, Mississippi

We have audited the basic financial statements of the City of Poplarville, Mississippi as of and for the year ended September 30, 2023, and have issued our report dated November 21, 2024. We have conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*.

As required by the state legal compliance audit program prescribed by the Office of the State Auditor, we have also performed procedures to test compliance with certain state laws and regulations. However, providing an opinion on compliance with state laws and regulations was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of those procedures and our audit of the general purpose financial statements disclosed no material instances of noncompliance with state laws and regulations.

This report is intended for the information of the City of Poplarville, Mississippi's management, Honorable Mayor, Board of Alderpersons, and the Office of the State Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.



Hattiesburg, Mississippi
November 21, 2024



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SCHEDULE OF FINDINGS AND RESPONSES

CITY OF POPLARVILLE, MISSISSIPPI

**SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2023**

SECTION 1: SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

- | | | |
|----|--|---------------|
| 1. | Type of auditor's report issued on the financial statements: | |
| | Governmental activities | Unmodified |
| | Business-type activities | Unmodified |
| | General Fund | Unmodified |
| | Mississippi Infrastructure Modernization Act Fund | Unmodified |
| | American Rescue Plan Act Fund | Unmodified |
| | Water Fund | Unmodified |
| | Aggregate remaining fund information | Unmodified |
| 2. | Internal control over financial reporting: | |
| | A. Material weakness identified? | No |
| | B. Significant deficiency identified? | None reported |
| 3. | Noncompliance material to the financial statements noted? | No |

SECTION 2: FINANCIAL STATEMENT FINDINGS

No matters were reported.

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