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**CITY OF RIPLEY, MISSISSIPPI**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

FOR THE YEAR ENDED SEPTEMBER 30, 2023

**CITY OF RIPLEY, MISSISSIPPI**

**Comprehensive Annual Financial Report**  
For the Year Ended September 30, 2023

**Elected Officials**

Jon Grisham  
Joey Bryant  
Kenneth Walker  
Jackie McKenzie  
Stephen Freeman  
Barry Cook

Mayor  
Ward 1  
Ward 2  
Ward 3  
Mayor Pro-Tem, Ward 4  
At Large

# **CITY OF RIPLEY, MISSISSIPPI**

## **Comprehensive Annual Financial Report For the Year Ended September 30, 2023**

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# **LINDSEY, DAVIS AND ASSOCIATES**

**CERTIFIED PUBLIC ACCOUNTANTS**

**STOCKHOLDERS**  
**DEAN CAVINESS, CPA**  
**STEPHANIE CLIFTON, CPA**  
**SHONDA DAVIS**

**POST OFFICE BOX 146**  
**1122 CITY AVE. NORTH**  
**RIPLEY, MS 38663**  
**TELEPHONE 662-837-3295**  
**FAX # 662-837-0174**

**MEMBER**  
**AMERICAN INSTITUTE OF**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**MISSISSIPPI SOCIETY OF**  
**CERTIFIED PUBLIC ACCOUNTANTS**

## **INDEPENDENT AUDITOR'S REPORT**

To the Mayor and Board of Aldermen  
City of Ripley, Mississippi  
Ripley, MS 38663

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

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Ripley, 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 Ripley, Mississippi's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the business-type activities of the City of Ripley, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Ripley, Mississippi and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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

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

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

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

- Exercise professional judgement 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 Ripley, Mississippi's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Ripley, Mississippi's ability to continue as a going concern for a reasonable period of time.

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

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 46 and 47 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 Ripley's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

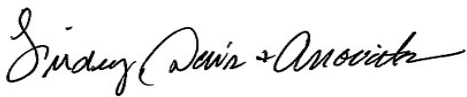
## **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections 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 October 21, 2024, on our consideration of the City of Ripley, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Ripley, Mississippi's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Ripley, Mississippi's internal control over financial reporting and compliance.



Lindsey, Davis and Associates  
Certified Public Accountants

Ripley, Mississippi  
October 21, 2024

CITY OF RIPLEY, MISSISSIPPI  
Management's Discussion and Analysis  
For the Year Ended September 30, 2023

As management of the City of Ripley, Mississippi, we offer readers of the City's Comprehensive Annual Financial Report this narrative and analysis of the financial activities of the City for the fiscal year ended September 30, 2023.

### **Financial Highlights**

- The assets of the City exceeded its liabilities at the close of the 2023 fiscal year by \$30,222,101. Of this amount, \$5,363,976 may be used to meet the City of Ripley's ongoing obligations to citizens and creditors.
- The City's total debt is \$11,088,856.

### **Overview of the Basic Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements.

**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 enterprise.

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 result in cash flows in future fiscal periods.

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from those functions that are mainly supported through charges to the consumer (*business-type activities*). The City's gas, water, and sewer utilities are business-type activities.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

In the fund financial statements, each of the City's major funds is presented in a separate column. The distinction between governmental type activities and proprietary type activities is maintained through the presentation of separate statements for these two types of funds. The major governmental fund presented is the City's General Fund. The City's Gas Fund, Water Fund and Sewer Fund are presented as major funds in the Statement of Net Position - Proprietary Funds, the Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds, and the Statement of Cash Flows - Proprietary Funds.



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

Because the focus of governmental funds is more narrow than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Proprietary Funds include Enterprise Funds and Internal Service Funds. Enterprise Funds are used for those activities which are financed, primarily, by charges to users and customers.

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

### Government-wide Financial Analysis

#### Condensed Data - Governmental and Business-type Activities

<u>City of Ripley, Mississippi</u> <u>Net Position</u> September 30, 2023				
	Governmental Activities	Business-type Activities	2023 Total	2022 Total
Current and Other Assets	\$ 4,343,053	\$ 7,826,626	\$ 12,169,679	\$ 10,935,701
Capital Assets, Net	11,069,480	24,877,501	35,946,981	36,011,720
Deferred Outflows of Resources	1,397,366	627,801	2,025,167	1,710,293
<b>Total Assets</b>	<b>16,809,899</b>	<b>33,331,928</b>	<b>50,141,827</b>	<b>48,657,714</b>
Current and Other Liabilities	443,469	1,448,685	1,892,154	2,100,170
Long-term Liabilities	5,634,924	12,392,648	18,027,572	17,720,881
<b>Total Liabilities</b>	<b>6,078,393</b>	<b>13,841,333</b>	<b>19,919,726</b>	<b>19,821,051</b>
Invested in Capital Assets	10,399,480	14,458,645	24,858,125	24,370,579
Unrestricted	332,026	5,031,950	5,363,976	4,466,084
<b>Total Net Position</b>	<b>\$ 10,731,506</b>	<b>\$ 19,490,595</b>	<b>\$ 30,222,101</b>	<b>\$ 28,836,663</b>

Capital assets include the depreciated cost of the City's buildings, land, infrastructure (streets, drainage, lighting and signals), vehicles, equipment and furnishings. Capital assets, net of the outstanding debt incurred to acquire them, comprise 82% of the City's total net position. The remaining, unrestricted net assets may be used by the governing authority to provide future services.

City of Ripley, Mississippi  
Changes in Net Position  
For the Year Ended September 30, 2023

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>2023 Total</u>	<u>2022 Total</u>
Revenues:				
Program Revenues:				
Charges for Services	\$ 810,845	\$ 12,128,622	\$ 12,939,467	\$ 14,140,115
Operating Grants and Contr.	101,763		101,763	158,608
Capital Grants and Contr.	1,370,205	448,130	1,818,335	1,702,738
General Revenues:				
Property Taxes	530,522		530,522	467,996
Sales Tax	1,783,491		1,783,491	1,712,161
Tourism Tax	450,698		450,698	427,961
Franchise Taxes	196,397		196,397	185,049
Road Tax	104,621		104,621	113,401
Other Taxes	5,549		5,549	5,528
Interest	11,939	26,540	38,479	15,919
Transfer	257,061	(257,061)		
Gain on Sale of Asset	13,256		13,256	
Other	82,085		82,085	39,066
<b>Total Revenues</b>	<u>5,718,432</u>	<u>12,346,231</u>	<u>18,064,663</u>	<u>18,968,542</u>
Expenses:				
General Government	1,197,106		1,197,106	582,228
Public Safety	1,478,753		1,478,753	1,383,112
Public Works	1,584,831		1,584,831	1,472,462
Parks and Recreation	654,429		654,429	582,220
Water Service		1,703,510	1,703,510	1,433,844
Sewer Service		1,464,588	1,464,588	1,333,062
Gas Service		8,233,429	8,233,429	9,376,054
<b>Total Expenses</b>	<u>4,915,119</u>	<u>11,401,527</u>	<u>16,316,646</u>	<u>16,162,982</u>
Increase (Decrease) in Net Position	803,313	944,704	1,748,017	2,805,560
Net Position - Beginning of Year	<u>9,928,193</u>	<u>18,545,891</u>	<u>28,474,084</u>	<u>26,031,103</u>
Net Position - End of Year	<u><u>\$ 10,731,506</u></u>	<u><u>\$ 19,490,595</u></u>	<u><u>\$ 30,222,101</u></u>	<u><u>\$ 28,836,663</u></u>

### **Governmental Activities**

The largest funding sources for the City's governmental activities, as a percent of total revenues, are sales tax (31%) and capital grants and contributions (24%).

The largest expense categories for the City's governmental activities are public works (32%) and public safety (30%).

Table 1 presents the revenues of the City's governmental activities, and Table 2 presents the cost of each of the functions of the City's governmental activities. Table 3 presents the revenues of the City's business-type activities.

Table 1  
Revenues by Source - Governmental Activities

	<u>2023</u>	<u>%</u>	<u>2022</u>	<u>%</u>
Charges for Services	\$ 810,845	14.8%	\$ 822,293	14.8%
Grants and Contributions	1,471,968	27.0%	1,759,476	31.9%
Property Taxes	530,522	9.7%	467,996	8.5%
Road Tax	104,621	1.9%	113,401	2.0%
Sales Tax	1,783,491	32.7%	1,712,161	30.9%
Tourism Tax	450,698	8.3%	427,961	7.7%
Franchise Taxes	196,397	3.6%	185,049	3.3%
Other Taxes	5,549	0.1%	5,528	0.1%
Interest	11,939	0.2%	5,013	0.1%
Gain on Sale of Asset	13,256	0.2%		0.0%
Other	82,085	1.5%	39,066	0.7%
	<u>\$ 5,461,371</u>	<u>100.0%</u>	<u>\$ 5,537,944</u>	<u>100.0%</u>

Table 2  
Expenses by Function - Governmental Activities

	<u>2023</u>	<u>%</u>	<u>2022</u>	<u>%</u>
General Government	\$ 1,197,106	24.4%	\$ 582,228	14.5%
Public Safety	1,478,753	30.1%	1,383,112	34.4%
Public Works	1,584,831	32.2%	1,472,462	36.6%
Parks and Recreation	654,429	13.3%	582,220	14.5%
	<u>\$ 4,915,119</u>	<u>100.0%</u>	<u>\$ 4,020,022</u>	<u>100.0%</u>

Table 3  
Revenues by Source - Business-type Activities

	<u>2023</u>	<u>%</u>	<u>2022</u>	<u>%</u>
Gas Charges for Services	\$ 8,829,997	70.0%	\$ 10,282,189	77.7%
Water Charges for Services	1,854,886	14.7%	1,730,040	13.1%
Sewer Charges for Services	1,443,739	11.5%	1,102,389	8.3%
Grants and Contributions	448,130	3.6%	101,870	0.8%
Interest	26,540	0.2%	10,906	0.1%
	<u>\$ 12,603,292</u>	<u>100.0%</u>	<u>\$ 13,227,394</u>	<u>100.0%</u>

## **Business-type Activities**

Business-type activities increased the City's net position by \$944,704. Charges for services are the major revenue categories for the enterprise funds. Total business-type revenues, as a percentage of total revenue, are comprised of \$8,829,997 (70%) for gas, \$1,854,886 (15%) for water and \$1,443,739 (12%) for sewer.

## **Capital Asset and Debt Administration**

**Capital assets.** In accordance with GASB Statement No. 34, the City has recorded depreciation expense associated with all of its capital assets. The Statement encourages, but does not require, phase three governments to report infrastructure retroactively. Therefore, due to cost constraints, the management of the City decided not to retroactively report infrastructure. Beginning with the fiscal year ended September 30, 2004, the City has reported newly acquired or constructed general infrastructure assets in the Statement of Net Position.

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2023, amount to \$35,946,981, net of accumulated depreciation of \$22,866,548. This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, infrastructure and construction in progress. For additional information concerning capital asset activity, see Detail Note IV - E.

**Long-term debt.** At year-end, the City had \$11,088,856 in bonds and notes outstanding. For additional information concerning long-term debt, see Detail Note IV - F.

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

The City considered current year operational expenses and estimated increases based on economic factors when establishing the fiscal year 2024 budget. The total budgeted appropriations for the City operations in the governmental activities is \$4,454,256.

## **Contact Information**

This financial report is designed to provide a general overview of the City of Ripley, Mississippi's finances for all those with an interest in the City's finances. Questions concerning any information provided in this report or requests for additional information should be addressed to the City of Ripley, 500 South Main Street, Ripley, MS, 38663, telephone number (662) 837-8578.

CITY OF RIPLEY, MISSISSIPPI  
Statement of Net Position  
September 30, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b><u>Assets</u></b>			
<b><u>Current Assets</u></b>			
Cash and Cash Equivalents	\$ 985,376	\$ 4,901,589	\$ 5,886,965
Investments		372,767	372,767
Receivables:			
Accounts (Net)	60,873	582,528	643,401
Franchise Fees	43,531		43,531
Sales Tax	378,379		378,379
Taxes	7,630		7,630
Other Receivables		28,029	28,029
Internal Balances		607,789	607,789
Inventory of Supplies, at Cost		91,170	91,170
Inventory of Natural Gas, at Cost		740,935	740,935
Prepaid Expenses		28,572	28,572
Total Current Assets	<u>1,475,789</u>	<u>7,353,379</u>	<u>8,829,168</u>
<b><u>Restricted Assets</u></b>			
Cash and Cash Equivalents	<u>2,867,264</u>	<u>473,247</u>	<u>3,340,511</u>
Total Restricted Assets	<u>2,867,264</u>	<u>473,247</u>	<u>3,340,511</u>
<b><u>Capital Assets</u></b>			
Land	546,060	145,065	691,125
Buildings	1,695,315	42,238	1,737,553
Improvements other than Buildings	2,461,375		2,461,375
Utility Systems		36,309,335	36,309,335
Furniture, Vehicles and Equipment	3,550,840	2,329,862	5,880,702
Infrastructure	5,663,231		5,663,231
City Park	5,130,082		5,130,082
Construction in Progress		940,126	940,126
Accumulated Depreciation	<u>(7,977,423)</u>	<u>(14,889,125)</u>	<u>(22,866,548)</u>
Total Capital Assets	<u>11,069,480</u>	<u>24,877,501</u>	<u>35,946,981</u>
<b><u>Deferred Outflows of Resources</u></b>			
Pension Plan	<u>1,397,366</u>	<u>627,801</u>	<u>2,025,167</u>
Total Deferred Outflows of Resources	<u>1,397,366</u>	<u>627,801</u>	<u>2,025,167</u>
<b>Total Assets</b>	<u>16,809,899</u>	<u>33,331,928</u>	<u>50,141,827</u>
<b><u>Liabilities</u></b>			
<b><u>Current Liabilities</u></b>			
Accounts Payable	207,197	286,284	493,481
Internal Balances	21,272	586,517	607,789
Current Portion of Long-term Debt	215,000	353,420	568,420
<b><u>Current Liabilities Payable from Restricted Assets</u></b>			
Customer Meter Deposits		222,464	222,464
Total Current Liabilities	<u>443,469</u>	<u>1,448,685</u>	<u>1,892,154</u>
<b><u>Long-term Liabilities, Net of Current Portion</u></b>			
Long-term Debt	455,000	10,065,436	10,520,436
Pension Liability	4,685,691	2,105,165	6,790,856
Deferred Inflows - Pension Plan	494,233	222,047	716,280
Total Long-term Liabilities	<u>5,634,924</u>	<u>12,392,648</u>	<u>18,027,572</u>
<b>Total Liabilities</b>	<u>6,078,393</u>	<u>13,841,333</u>	<u>19,919,726</u>
<b><u>Net Position</u></b>			
Invested in Capital Assets, Net of Related Debt	10,399,480	14,458,645	24,858,125
Unrestricted	<u>332,026</u>	<u>5,031,950</u>	<u>5,363,976</u>
<b>Total Net Position</b>	<u>\$ 10,731,506</u>	<u>\$ 19,490,595</u>	<u>\$ 30,222,101</u>

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

CITY OF RIPLEY, MISSISSIPPI  
Statement of Activities  
For the Year Ended September 30, 2023

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government:				
Governmental Activities:				
General Government	\$ 1,197,106	\$ 63,557	\$ 41,938	\$ 919,336
Public Safety	1,478,753	280,627	59,825	190,000
Public Works	1,584,831	366,211		260,869
Parks and Recreation	654,429	100,450		
<b>Total Governmental Activities</b>	<u>4,915,119</u>	<u>810,845</u>	<u>101,763</u>	<u>1,370,205</u>
Business-type Activities:				
Water	1,703,510	1,854,886		
Sewer	1,464,588	1,443,739		448,130
Gas	8,233,429	8,829,997		
<b>Total Business-type Activities</b>	<u>11,401,527</u>	<u>12,128,622</u>		<u>448,130</u>
<b>Total Primary Government</b>	<u>\$ 16,316,646</u>	<u>\$ 12,939,467</u>	<u>\$ 101,763</u>	<u>\$ 1,818,335</u>

Property Taxes  
Sales Tax  
Tourism Tax  
Franchise Taxes  
Road Tax  
Other Taxes  
Interest  
Transfers  
Gain on Sale of Asset  
Other  
Total General Revenues

Change in Net Position

Net Position - Beginning of Year

Net Position - End of Year

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

Net (Revenue) Expenses and Changes in  
Net Position

Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (172,275)	\$	\$ (172,275)
(948,301)		(948,301)
(957,751)		(957,751)
(553,979)		(553,979)
<u>(2,632,306)</u>		<u>(2,632,306)</u>
	151,376	151,376
	427,281	427,281
	<u>596,568</u>	<u>596,568</u>
	1,175,225	1,175,225
<u>(2,632,306)</u>	<u>1,175,225</u>	<u>(1,457,081)</u>
530,522		530,522
1,783,491		1,783,491
450,698		450,698
196,397		196,397
104,621		104,621
5,549		5,549
11,939	26,540	38,479
257,061	(257,061)	
13,256		13,256
82,085		82,085
<u>3,435,619</u>	<u>(230,521)</u>	<u>3,205,098</u>
803,313	944,704	1,748,017
<u>9,928,193</u>	<u>18,545,891</u>	<u>28,474,084</u>
<u>\$ 10,731,506</u>	<u>\$ 19,490,595</u>	<u>\$ 30,222,101</u>

CITY OF RIPLEY, MISSISSIPPI

Balance Sheet

Governmental Funds

September 30, 2023

	<u>General</u>	<u>Total Governmental Funds</u>
<b><u>Assets</u></b>		
Cash and Cash Equivalents - Unrestricted	\$ 985,376	\$ 985,376
Cash and Cash Equivalents - Restricted	2,867,264	2,867,264
Receivables (Net):		
Accounts	60,873	60,873
Franchise Fees	43,531	43,531
Sales Tax	378,379	378,379
Taxes	7,630	7,630
<b>Total Assets</b>	<b><u>\$ 4,343,053</u></b>	<b><u>\$ 4,343,053</u></b>
<b><u>Liabilities and Fund Balances</u></b>		
<b>Liabilities:</b>		
Accounts Payable & Accrued Liabilities	\$ 207,197	\$ 207,197
Due to Other Funds	21,272	21,272
<b>Total Liabilities</b>	<b><u>228,469</u></b>	<b><u>228,469</u></b>
<b>Fund Balances:</b>		
Unassigned	4,114,584	4,114,584
<b>Total Fund Balances</b>	<b><u>4,114,584</u></b>	<b><u>4,114,584</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 4,343,053</u></b>	

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental fund balance sheet.

11,069,480

Pension liabilities, including related deferred outflows and inflows are not payable in the current year and are, therefore, not reported in governmental funds.

(3,782,558)

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds:  
    Bonds Payable

(670,000)

Net position of governmental activities

\$ 10,731,506

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



CITY OF RIPLEY, MISSISSIPPI  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended September 30, 2023

	<u>General</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>		
General Property Taxes		
Current Ad Valorem	\$ 480,277	\$ 480,277
Prior Year Ad Valorem	4,810	4,810
Penalties and Interest on		
Delinquent Taxes	1,946	1,946
In Lieu of Taxes/Franchise Tax	196,397	196,397
Intergovernmental Revenues		
State Shared Revenues:		
Homestead Exemption	43,489	43,489
Sales Tax	1,783,491	1,783,491
Tourism Tax	450,698	450,698
Fire Protection Refund	36,567	36,567
State Gasoline Tax	5,549	5,549
General Municipal Aid	2,730	2,730
Collection from County:		
Road Tax	104,621	104,621
Fire Protection Refund	20,000	20,000
Fines and Forfeitures	127,374	127,374
Privilege Tax	33,738	33,738
Building Fees, Permits and Inspections	27,679	27,679
Park Revenue	100,450	100,450
Charges for Services:		
Sanitation	366,211	366,211
Grant Revenue	919,449	919,449
Transfer In	257,061	257,061
Miscellaneous	742,689	742,689
Interest	11,939	11,939
<b>Total Revenues</b>	<u>5,717,165</u>	<u>5,717,165</u>

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

CITY OF RIPLEY, MISSISSIPPI  
Statement of Revenues, Expenditures and Changes in Fund Balances - Continued  
Governmental Funds  
For the Year Ended September 30, 2023

	<u>General</u>	<u>Total Governmental Funds</u>
<b>Expenditures:</b>		
Current:		
General Government	522,164	522,164
Public Safety	1,254,785	1,254,785
Public Works	1,218,482	1,218,482
Parks and Recreation	448,404	448,404
Capital Outlay	126,175	126,175
Capital Projects	930,409	930,409
Grant Expense	468,580	468,580
Principal Payments	210,000	210,000
Interest Expense	25,606	25,606
<b>Total Expenditures</b>	<u>5,204,605</u>	<u>5,204,605</u>
Excess (Deficiency) of Revenues		
Over (Under) Expenditures	<u>512,560</u>	<u>512,560</u>
<b>Net Change in Fund Balances</b>	512,560	512,560
<b>Fund Balances, October 1</b>	<u>3,602,024</u>	
<b>Fund Balances, September 30</b>	<u><u>\$ 4,114,584</u></u>	

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

The acquisition of capital assets is reported in the governmental funds as expenditures. However, for governmental activities those costs are shown as capital assets in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital asset purchases exceeded depreciation expense in the current period.	416,826
In the statement of activities, only the gain on the sale of the asset is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the asset sold.	(2,907)
The excess of pension expense recognized in accordance with GASB 68 in excess of amounts requiring the use of current financial resources are not reported as expenditures in the governmental funds.	(333,166)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to government funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	<u>210,000</u>
Change in net position of governmental activities	<u><u>\$ 803,313</u></u>

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

## CITY OF RIPLEY, MISSISSIPPI

## Statement of Net Position

## Proprietary Funds

September 30, 2023

	Business-type Activities Enterprise Funds			
	Water	Sewer	Gas	Total
<b><u>Assets</u></b>				
<b>Current Assets:</b>				
Cash and Cash Equivalents	\$ 1,430,910	\$ 173,536	\$ 3,297,143	\$ 4,901,589
Investments	12,144		360,623	372,767
Receivables:				
Accounts (Net)	237,440	165,109	179,979	582,528
Other Receivables	899	23,950	3,180	28,029
Due from Other Funds	530,618		77,171	607,789
Prepaid Expense	19,522	3,829	5,221	28,572
Inventory of Supplies, at Cost	35,832	15,356	39,982	91,170
Inventory of Natural Gas, at Cost			740,935	740,935
<b>Total Current Assets</b>	<b>2,267,365</b>	<b>381,780</b>	<b>4,704,234</b>	<b>7,353,379</b>
<b>Non-current Assets:</b>				
Restricted Assets:				
Cash	57,565	68,465	36,182	162,212
Investments	101,885	13,000	196,150	311,035
Total Restricted Assets	159,450	81,465	232,332	473,247
Capital Assets:				
Land	95,896	39,169	10,000	145,065
Buildings and Improvements	14,783	6,336	21,119	42,238
Physical System	12,694,369	17,166,224	6,448,742	36,309,335
Furniture, Vehicles & Equipment	1,008,972	421,020	899,870	2,329,862
Construction in Progress		940,126		940,126
Accumulated Depreciation	(7,221,827)	(4,153,731)	(3,513,567)	(14,889,125)
Total Capital Assets Net of Accumulated Depreciation	6,592,193	14,419,144	3,866,164	24,877,501
<b>Total Non-current Assets</b>	<b>6,751,643</b>	<b>14,500,609</b>	<b>4,098,496</b>	<b>25,350,748</b>
<b><u>Deferred Outflows of Resources</u></b>				
Pension Plan	222,768	40,503	364,530	627,801
<b>Total Assets</b>	<b>\$ 9,241,776</b>	<b>\$ 14,922,892</b>	<b>\$ 9,167,260</b>	<b>\$ 33,331,928</b>

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

CITY OF RIPLEY, MISSISSIPPI  
Statement of Net Position - Continued  
Proprietary Funds  
September 30, 2023

	Business-type Activities Enterprise Funds			
	Water	Sewer	Gas	Total
<b><u>Liabilities</u></b>				
<b>Current Liabilities:</b>				
Accounts Payable	\$ 85,500	\$ 102,632	\$ 98,152	\$ 286,284
Due to Other Funds		586,517		586,517
Current Portion of Revenue Bond	70,350	248,420	34,650	353,420
<b>Total Current Liabilities</b>	<u>155,850</u>	<u>937,569</u>	<u>132,802</u>	<u>1,226,221</u>
<b>Current Liabilities Payable from     Restricted Assets:</b>				
Meter Deposits	67,339		155,125	222,464
<b>Total Current Liabilities Payable from     Restricted Assets</b>	<u>67,339</u>		<u>155,125</u>	<u>222,464</u>
<b>Non-current Liabilities:</b>				
Revenue Bonds (Net Current Portion)	402,000	9,465,436	198,000	10,065,436
Pension Liability	746,994	135,817	1,222,354	2,105,165
Deferred Inflow - Pension Plan	78,791	14,326	128,930	222,047
<b>Total Non-current Liabilities</b>	<u>1,227,785</u>	<u>9,615,579</u>	<u>1,549,284</u>	<u>12,392,648</u>
<b>Total Liabilities</b>	<u>1,450,974</u>	<u>10,553,148</u>	<u>1,837,211</u>	<u>13,841,333</u>
<b><u>Net Position</u></b>				
Invested in Capital Assets, Net of Related Debt	6,119,843	4,705,288	3,633,514	14,458,645
Unrestricted	1,670,959	(335,544)	3,696,535	5,031,950
<b>Total Net Position</b>	<u>\$ 7,790,802</u>	<u>\$ 4,369,744</u>	<u>\$ 7,330,049</u>	<u>\$ 19,490,595</u>

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

CITY OF RIPLEY, MISSISSIPPI  
Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Funds  
For the Year Ended September 30, 2023

	Business-type Activities Enterprise Funds			
	Water	Sewer	Gas	Total
<b>Operating Revenues:</b>				
Water Sales	\$ 1,796,822	\$	\$	\$ 1,796,822
Sewer Services		1,442,136		1,442,136
Gas Sales			8,769,576	8,769,576
Cut-On/Cut-Off Charges	10,875		8,275	19,150
Connection Fees	18,089		16,401	34,490
Meter Fees	19,008		21,435	40,443
Refunds and Miscellaneous	10,092	1,603	14,310	26,005
<b>Total Operating Revenues</b>	<b>1,854,886</b>	<b>1,443,739</b>	<b>8,829,997</b>	<b>12,128,622</b>
<b>Operating Expenses:</b>				
Operating Salaries	412,864	71,619	606,164	1,090,647
Social Security and Retirement Benefits	96,706	19,747	269,960	386,413
Gas Purchases			5,850,659	5,850,659
Gas Transportation Fees			613,089	613,089
Depreciation Expense	386,895	452,380	207,463	1,046,738
Materials and Supplies	225,135	42,755	209,753	477,643
Utilities Purchased	206,306	117,565	11,401	335,272
Repairs and Maintenance	162,147	388,800	23,318	574,265
Travel and Miscellaneous	31,943	41,730	122,065	195,738
Gas and Oil	18,229	11,218	38,733	68,180
Telephone and Postage	3,949	25	60,494	64,468
Insurance	69,521	37,070	82,109	188,700
Professional Services	29,547	42,019	42,337	113,903
Bad Debt	5,614	7,325	6,894	19,833
Sales Tax	39,030		81,295	120,325
<b>Total Operating Expenses</b>	<b>1,687,886</b>	<b>1,232,253</b>	<b>8,225,734</b>	<b>11,145,873</b>
<b>Operating Income</b>	<b>167,000</b>	<b>211,486</b>	<b>604,263</b>	<b>982,749</b>

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

CITY OF RIPLEY, MISSISSIPPI  
Statement of Revenues, Expenses and Changes in Net Position - Continued  
Proprietary Funds  
For the Year Ended September 30, 2023

	Business-type Activities Enterprise Funds			
	Water	Sewer	Gas	Total
<b>Nonoperating Revenues (Expenses):</b>				
Interest Revenue	7,218	1,014	18,308	26,540
Interest Expense and Fiscal Charges	<u>(15,624)</u>	<u>(232,335)</u>	<u>(7,695)</u>	<u>(255,654)</u>
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(8,406)</u>	<u>(231,321)</u>	<u>10,613</u>	<u>(229,114)</u>
<b>Income Before Operating Transfers and Contributions</b>	158,594	(19,835)	614,876	753,635
Contributions in Aid of Construction		448,130		448,130
Transfers In (Out)	<u></u>	<u>169,750</u>	<u>(426,811)</u>	<u>(257,061)</u>
<b>Change in Net Position</b>	158,594	598,045	188,065	944,704
<b>Total Net Position, October 1</b>	<u>7,632,208</u>	<u>3,771,699</u>	<u>7,141,984</u>	<u>18,545,891</u>
<b>Total Net Position, September 30</b>	<u><u>\$ 7,790,802</u></u>	<u><u>\$ 4,369,744</u></u>	<u><u>\$ 7,330,049</u></u>	<u><u>\$ 19,490,595</u></u>

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

CITY OF RIPLEY, MISSISSIPPI  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended September 30, 2023

	Business-type Activities Enterprise Funds			
	Water	Sewer	Gas	Total
<b>Cash Flows from Operating Activities:</b>				
Cash Received from Customers	\$ 1,886,594	\$ 1,496,549	\$ 8,816,924	\$ 12,200,067
Cash Payments to Suppliers	(742,033)	(716,377)	(6,822,429)	(8,280,839)
Cash Payments to Employees	(468,564)	(81,837)	(699,570)	(1,249,971)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u>675,997</u>	<u>698,335</u>	<u>1,294,925</u>	<u>2,669,257</u>
<b>Cash Flows from Noncapital Financing Activities:</b>				
Operating Net Transfers In (Out)	(11,988)	181,738	(426,811)	(257,061)
<b>Net Cash Provided by (Used for) Noncapital Financing Activities</b>	<u>(11,988)</u>	<u>181,738</u>	<u>(426,811)</u>	<u>(257,061)</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Acquisition and Construction of Capital Assets	(83,657)	(842,721)	(4,281)	(930,659)
Contributions in Aid of Construction - Grant Income		448,130		448,130
Repayment of Long-term Debt	(67,000)	(242,285)	(33,000)	(342,285)
Interest Payment of Long-term Debt	(15,624)	(232,335)	(7,695)	(255,654)
<b>Net Cash Provided by (Used for) Capital and Related Financing Activities</b>	<u>(166,281)</u>	<u>(869,211)</u>	<u>(44,976)</u>	<u>(1,080,468)</u>
<b>Cash Flows from Investing Activities:</b>				
Proceeds from Interest Earnings	6,511	1,014	15,885	23,410
<b>Net Cash Provided by Investing Activities</b>	<u>6,511</u>	<u>1,014</u>	<u>15,885</u>	<u>23,410</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	504,239	11,876	839,023	1,355,138
<b>Cash and Cash Equivalents, October 1</b>	1,098,265	243,125	3,051,075	4,392,465
<b>Cash and Cash Equivalents, September 30</b>	<u>\$ 1,602,504</u>	<u>\$ 255,001</u>	<u>\$ 3,890,098</u>	<u>\$ 5,747,603</u>

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

CITY OF RIPLEY, MISSISSIPPI  
Statement of Cash Flows - Continued  
Proprietary Funds  
For the Year Ended September 30, 2023

	Business-type Activities Enterprise Funds			
	Water	Sewer	Gas	Total
<b>Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities:</b>				
Operating Income	\$ 167,000	\$ 211,486	\$ 604,263	\$ 982,749
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	386,895	452,380	207,463	1,046,738
Pension Expense Adjustment	41,006	9,529	176,554	227,089
(Increase) Decrease in Receivables	31,708	52,810	(13,073)	71,445
(Increase) Decrease in Prepaid Expense	(1,179)	(178)	100	(1,257)
(Increase) Decrease in Inventory of Supplies	15,323	6,568	(5,006)	16,885
(Increase) Decrease in Inventory of Natural Gas			267,999	267,999
Increase (Decrease) in Payables and Accrued Liabilities	35,244	(34,260)	56,625	57,609
Total Adjustments	508,997	486,849	690,662	1,686,508
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u>\$ 675,997</u>	<u>\$ 698,335</u>	<u>\$ 1,294,925</u>	<u>\$ 2,669,257</u>

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



CITY OF RIPLEY, MISSISSIPPI  
Notes to Basic Financial Statements  
September 30, 2023

**I. Summary of Significant Accounting Policies**

The City of Ripley, Mississippi (the "City") was incorporated in 1837, under the provisions of the Mississippi State Legislature. The City operates under a Mayor-Board of Aldermen form of government and provides the following services as authorized by its charter: public safety (police and fire), public works, public welfare, parks and recreation, gas, water and sewer utilities, and general administrative services.

The Comprehensive Annual Financial Report (the "Report") of the City includes all funds. The financial statements of the City have been prepared to conform to generally accepted accounting principles (GAAP) as applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting and reporting policies and practices used by the City are described below.

**A. Reporting Entity**

The City is governed by an elected mayor and five-member board of aldermen. As required by generally accepted accounting principles, these financial statements present the City (the primary government) and its component units.

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

Based upon the application of the above criteria, there were no component units for the City.

**B. Government-wide and Fund Financial Statements**

The Governmental Accounting Standards Board (GASB) issued Statement No. 34-*Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*. GASB Statement No. 34 established new requirements and a new reporting model for the annual financial reports of state and local governments. GASB Statement No. 34 was developed to make annual reports easier to understand and more useful to people who use governmental financial information to make decisions. GASB Statement No. 34 includes:

**Management's discussion and analysis (MD&A)**-MD&A introduces the basic financial statements and provides an analytical overview of the City's financial activities in a narrative format. An analysis of the City's overall financial position and results of operations is included to assist users in assessing whether the financial position has improved or deteriorated as a result of the year's activities.

CITY OF RIPLEY, MISSISSIPPI  
Notes to Basic Financial Statements - Continued  
September 30, 2023

**I. Summary of Significant Accounting Policies - Continued**

**B. Government-wide and Fund Financial Statements - Continued**

**Government-wide financial statements**-The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City. The effect of interfund activity has been removed from these statements. *Governmental activities* are normally supported by taxes and intergovernmental revenues and are reported separately from business-type activities, which rely extensively on fees and charges for support. In the government-wide statement of net position, both the governmental and business-type activities columns are presented on a consolidated basis by column and are reflected on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The statement of activities demonstrates the degree to which the direct expenses of a given function or activity are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or activity. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Other items not properly included among program revenues are reported instead as *general revenues*.

**Fund financial statements**-Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Individually major governmental funds are reported as separate columns in the fund financial statements.

**Budgetary comparison statements**-These statements are presented to demonstrate whether resources were obtained and used in accordance with the City's legally adopted budgets. The City revises the original budgets over the course of the year for various reasons. Under the new reporting model, budgetary information continues to be provided, and includes comparisons of the City's final budgets and actual results.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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 considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Grant Revenues availability period is generally considered to be one year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the liability has matured and payment is due.

CITY OF RIPLEY, MISSISSIPPI  
Notes to Basic Financial Statements - Continued  
September 30, 2023

**I. Summary of Significant Accounting Policies - Continued**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Cont.**

Ad valorem, franchise and sales tax revenues in the General Fund are recognized under the susceptible to accrual concept. Licenses and permits, charges for services, fines and forfeitures, contributions and miscellaneous revenues are recorded as revenues when received in cash as the resulting receivable is immaterial. Investment earnings are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Business-type activities and all proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's gas, water and sewer funds are charges to customers for sales and services.

The following major funds are used by the City:

**1. Governmental Funds:**

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

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

**2. Proprietary Funds:**

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

- a. The Water and Sewer Funds are for the operation of the City's water and sewer utility. Activities of the funds include administration, operation and maintenance of the water and sewer system and billing and collection activities. The Funds also account for the accumulation of resources for, and the payment of, long-term debt principal and interest for revenue bonds and other debt obligations when due throughout the year. All costs are financed through charges made to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the Funds.
- b. The Gas Fund accounts for the operation of the City's gas utility. Activities of the fund include administration, operation and maintenance of the gas system and billing and collection activities. All costs are financed through charges made to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the Fund.

CITY OF RIPLEY, MISSISSIPPI  
Notes to Basic Financial Statements - Continued  
September 30, 2023

**I. Summary of Significant Accounting Policies - Continued**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Cont.**

**3. Non-current Governmental Assets/Liabilities:**

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

**D. Assets, Liabilities, and Net Position or Fund Balances**

**1. Deposits and Investments:**

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, savings accounts and certificates of deposit with original maturities of three months or less from the date of acquisition. State statutes authorize the City to invest in obligations of the U.S. Treasury, State of Mississippi, Mississippi counties, or the general obligations of Mississippi municipalities.

Investments are stated at fair value except for money market investments which include short-term, highly liquid debt instruments which are reported at cost or amortized cost.

**2. Receivables and Payables:**

All outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown net of an allowance for uncollectibles.

Amounts receivable from federal, state, county, and local governments are classified as "due from other governmental entities." No individually significant amounts were due from any single entity as of September 30, 2023.

**3. Inventories and Prepaid Items:**

Inventories are valued at lower of cost or market. Inventory consists of expendable supplies held for consumption and stored natural gas purchased to hedge against price increases. The costs of Governmental Fund type inventories are recorded as expenditures when consumed.

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

**4. Capital Assets:**

Property, plant and equipment purchased or acquired is carried at historical cost or estimated historical cost. Contributed fixed assets are recorded at estimated fair market value at the time received. Public domain (infrastructure) fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are recorded at cost. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,500 and an estimated useful life in excess of one year.

CITY OF RIPLEY, MISSISSIPPI  
Notes to Basic Financial Statements - Continued  
September 30, 2023

**I. Summary of Significant Accounting Policies - Continued**

**D. Assets, Liabilities, and Net Position or Fund Balances - Continued**

**4. Capital Assets: - Continued**

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the assets constructed. Net revenue bond interest cost incurred during construction periods is capitalized when material.

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

<u>Assets</u>	<u>Years</u>
Computer Equipment and Peripherals	3
Vehicles and Equipment	5
Heavy Equipment	10
Furniture and Fixtures	7
Improvements other than Buildings	20
Buildings	40
Infrastructure:	
Roads	20
Concrete Bridges	50
Timber Bridges	30

**5. Long-term Obligations:**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

**6. Compensated Absences:**

Vacation rights and annual leave for all employees are specified in Section 25-3-93 of the Mississippi Code of 1972, as supplemented. The City makes specific reference to this statute for identification of vacation and annual leave time; however, generally vacation leave is as follows:

<u>Employment Service</u>	<u>Vacation Time</u>
After 1 Year to 5 Years	1 Week
After 5 Years to 10 Years	2 Weeks
After 10 Years	3 Weeks

CITY OF RIPLEY, MISSISSIPPI  
Notes to Basic Financial Statements - Continued  
September 30, 2023

**I. Summary of Significant Accounting Policies - Continued**

**D. Assets, Liabilities, and Net Position or Fund Balances - Continued**

**6. Compensated Absences: - Continued**

The City considers vacation time to be a benefit, which must be taken or it is lost. Vacation time does not accumulate from year to year. However, should an employee leave employment with the City before vacation time is taken, they shall be paid for time not taken.

The City's employees accumulate one day of sick leave per month for each month of continuous employment with the City. Employees may carry over a maximum of sixty (60) days of sick leave. All unused major medical leave shall be counted as creditable service for the purpose of the retirement system.

Accumulated vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**E. Net Position and Fund Balances**

In the government-wide financial statements, the difference between the City's total assets and total liabilities represents net position. Net position displays three components - invested in capital assets, net of related debt; restricted; and unrestricted. Unrestricted net position represents the net position available for future operations.

Governmental fund balances are classified as nonspendable, restricted, committed, assigned or unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the City Board of Aldermen through approval of resolutions. Committed fund balance can be assigned for other uses only by similar action of the City Board. Assigned fund balance is a limitation imposed by a designee of the City Board. Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories.

Proprietary fund net position is classified the same as in the government-wide statements.

When restricted and unrestricted resources are available, restricted resources will only be used when the imposed restrictions have been met. Therefore, spending will primarily occur from unrestricted resources.

**II. Details of the Reconciliation of the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities**

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances-total governmental funds and changes in net assets of governmental activities* as reported in the government-wide statement of activities.

CITY OF RIPLEY, MISSISSIPPI  
Notes to Basic Financial Statements - Continued  
September 30, 2023

**II. Details of the Reconciliation..... - Continued**

One element of that reconciliation explains that "the acquisition of capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown as capital assets in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital asset purchases exceeded depreciation expense in the current period." The details of this \$416,826 are as follows:

Capital Outlay	\$ 1,056,584
Depreciation Expense	<u>(639,758)</u>
	<u><u>\$ 416,826</u></u>

**III. Stewardship, Compliance and Accountability**

In accordance with the Code of Mississippi, the City annually adopts a budget on the cash basis following the required public notice and hearing for all funds and appropriates the amount deemed necessary for each of the different City activities. The budget may be amended during the year utilizing similar statutorily prescribed procedures and time limitations. Encumbrances are not recognized on the cash basis budget and appropriations lapse at year-end.

**IV. Detailed Notes on Government-wide and Fund Financial Statements**

**A. Deposits and Investments**

Deposits - Cash on hand and in banks at September 30, 2023 was \$9,600,243. The entire bank balances were covered by a collateral pool administered by the State Treasurer which is governed by Section 27-105-5 Miss. Code Ann. (1972).

Investments - The City is allowed to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Mississippi or its agencies; (3) other obligations, the principal and interest of which are unconditionally guaranteed or insured by the State of Mississippi or the United States; (4) obligations of states, agencies, counties, cities and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than "A" or its equivalent; (5) certificates of deposits issued by state and national banks domiciled in Mississippi that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor; or secured by obligations that have a market value of not less than the principal amount of the certificates; and (6) fully collateralized direct repurchase agreements having a defined termination date, secured by obligations described by subdivision (1) of this subsection, pledged with third parties selected or approved by the City, and placed through a primary government securities dealer, as defined by the Federal Reserve, or a bank domiciled in the State of Mississippi. The market value of investments, all of which are Certificates of Deposit, is not materially different from the carrying value.

**B. Property Taxes**

The City levies a tax on real and personal property based on the assessed value of property as compiled by the Tippah County Tax Assessor. Taxes on real and personal property are levied by

CITY OF RIPLEY, MISSISSIPPI  
Notes to Basic Financial Statements - Continued  
September 30, 2023

**IV. Detailed Notes on Government-wide and Fund Financial Statements - Continued**

**B. Property Taxes - Continued**

the City Board of Aldermen at the first regular meeting in September. Through an inter-local agreement, all of the property taxes of the City are collected by the Tippah County Tax Collector and remitted as tax settlements (less an appropriate collection fee) to the City on a monthly basis.

In accordance with the Mississippi Code of 1972, as amended, the City Board of Aldermen may levy taxes in any amount for general revenue purposes and general improvements. However, taxes collected for any one year may not exceed one hundred and ten percent (110%) of the taxes collected for the prior assessment year. 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. In addition, the City Board of Alderman may levy additional taxes for specific purposes, such as culture and recreation, as authorized by law.

The tax levies for the calendar years 2022, 2021 and 2020 (taxes collected in the fiscal years ending 9/30/23, 9/30/22 and 9/30/21) are as follows:

	<u>9/30/23</u> <u>Millage</u>	<u>9/30/22</u> <u>Millage</u>	<u>9/30/21</u> <u>Millage</u>
<b>City Funds</b>			
General Fund	11.270	10.250	9.310
Public Safety	0.330	0.300	0.275
Parks and Recreation	2.670	2.420	2.200
<b>Total Levy</b>	<u>14.270</u>	<u>12.970</u>	<u>11.785</u>

**C. Receivables**

Receivables at September 30, 2023 for the government's individual major funds consist of the following:

	<u>General</u>	<u>Water</u>	<u>Sewer</u>	<u>Gas</u>	<u>Total</u>
Receivables:					
Trade Accounts (Net)	\$ 60,873	\$ 237,440	\$ 165,109	\$ 179,979	\$ 643,401
Franchise Fees	43,531				43,531
Sales Tax	378,379				378,379
Taxes	7,630				7,630
Interest Receivable		899		3,180	4,079
Grant Receivable			23,950		23,950
Total Receivables	<u>\$ 490,413</u>	<u>\$ 238,339</u>	<u>\$ 189,059</u>	<u>\$ 183,159</u>	<u>\$ 1,100,970</u>

**D. Restricted Assets**

A summary of restricted assets follows:

Restricted Cash

	<u>Amount</u>	<u>Restriction</u>
General Fund	\$ 355,372	GO Bond Fund



CITY OF RIPLEY, MISSISSIPPI  
Notes to Basic Financial Statements - Continued  
September 30, 2023

**IV. Detailed Notes on Government-wide and Fund Financial Statements - Continued**

**D. Restricted Assets - Continued**

Restricted Cash - Continued

	<u>Amount</u>	<u>Restriction</u>
General Fund	5,249	GO Bonds Building Fund
General Fund	39,933	Drug Enforcement Fund
General Fund	60,737	Bond Fee Account
General Fund	1,652	Mainstreet Maintenance
General Fund	1,508	CDBG Account
General Fund	656,924	MS Infrastructure Modernization
General Fund	1,304,066	American Rescue Plan Act
General Fund	66,823	HB 1353 Fire Department
General Fund	200,000	HB 1353 Infrastructure
General Fund	175,000	HB 603 Fire Department
Gas Fund	363	AMR GO Bond Fund
Gas Fund	30,246	Refund of Customer Deposits
Gas Fund	5,573	UCAC Fund
Water Fund	738	AMR GO Bond Fund
Water Fund	12,300	Refund of Customer Deposits
Water Fund	44,527	Requirement of Bonded Debt Retirements - Interest
Sewer Fund	32,711	Requirement of Bonded Debt Retirements - Cushion
Sewer Fund	17,859	Requirement of Bonded Debt Retirements - Contingency
Sewer Fund	17,895	Requirement of Bonded Debt Retirements - Depreciation
Total Restricted Cash	<u>3,029,476</u>	

Restricted Investments

Water Fund	8,905	Requirement of Bonded Debt Retirements - Contingency
Water Fund	8,905	Requirement of Bonded Debt Retirements - Depreciation
Water Fund	17,812	Requirement of Bonded Debt Retirements - Cushion
Water Fund	10,800	Requirement of Bonded Debt Retirements - Murry Spur
Water Fund	55,463	Refund of Customer Deposits

CITY OF RIPLEY, MISSISSIPPI  
Notes to Basic Financial Statements - Continued  
September 30, 2023

**IV. Detailed Notes on Government-wide and Fund Financial Statements - Continued**

**D. Restricted Assets - Continued**

Restricted Investments - Continued

Sewer Fund	2,500	Requirement of Bonded Debt Retirements - Contingency
Sewer Fund	2,500	Requirement of Bonded Debt Retirements - Depreciation
Sewer Fund	8,000	Requirement of Bonded Debt Retirements - Cushion
Gas Fund	10,000	Requirement of Bonded Debt Retirements - Depreciation
Gas Fund	10,000	Requirement of Bonded Debt Retirements - Contingency
Gas Fund	50,000	Requirement of Bonded Debt Retirements - Cushion
Gas Fund	<u>126,150</u>	Refund of Customer Deposits
Total Restricted Investments	<u>311,035</u>	
Total Restricted Assets	<u><u>\$ 3,340,511</u></u>	

**E. Capital Assets**

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

	Balance at Beginning of Year	Additions	Retirements	Balance at End of Year
<b>Governmental Activities:</b>				
Capital Assets, not being Depreciated:				
Land	\$ 546,060	\$	\$	\$ 546,060
Construction in Progress	269,438	388,192	(657,630)	
Total Capital Assets, not being Depreciated	<u>815,498</u>	<u>388,192</u>	<u>(657,630)</u>	<u>546,060</u>
Capital Assets, being Depreciated:				
Buildings	1,695,315			1,695,315
Improvements other than Buildings	2,456,375	5,000		2,461,375
Furniture, Vehicles and Equipment	3,467,635	119,169	(35,964)	3,550,840
Infrastructure	4,671,656	991,575		5,663,231
City Park	4,919,804	210,278		5,130,082
Total Capital Assets being Depreciated	<u>17,210,785</u>	<u>1,326,022</u>	<u>(35,964)</u>	<u>18,500,843</u>

CITY OF RIPLEY, MISSISSIPPI  
Notes to Basic Financial Statements - Continued  
September 30, 2023

**IV. Detailed Notes on Government-wide and Fund Financial Statements - Continued**

**E. Capital Assets - Continued**

	Balance at Beginning of Year	Additions	Retirements	Balance at End of Year
<b>Governmental Activities:</b>				
Less Accumulated Depreciation				
For:				
Buildings	500,884	36,288		537,172
Improvements other than Buildings	1,089,476	76,676		1,166,152
Furniture, Vehicles and Equipment	2,649,236	140,267	(33,057)	2,756,446
Infrastructure	1,937,854	248,449		2,186,303
City Park	1,193,272	138,078		1,331,350
Total Accumulated Depreciation	7,370,722	639,758	(33,057)	7,977,423
Total Capital Assets, being Depreciated, Net	9,840,063	686,264	(2,907)	10,523,420
Governmental Activities Capital Assets, Net	\$ 10,655,561	\$ 1,074,456	\$ (660,537)	\$ 11,069,480

	Balance at Beginning of Year	Additions	Retirements	Balance at End of Year
<b>Water Activities:</b>				
Capital Assets, not being Depreciated:				
Land	\$ 95,896	\$	\$	\$ 95,896
Construction in Progress				
Total Capital Assets, not being Depreciated	95,896			95,896
Capital Assets, being Depreciated:				
Buildings	14,783			14,783
Physical System	12,622,138	72,231		12,694,369
Furniture, Vehicles and Equipment	997,547	11,425		1,008,972
Total Capital Assets being Depreciated	13,634,468	83,656		13,718,124

CITY OF RIPLEY, MISSISSIPPI  
Notes to Basic Financial Statements - Continued  
September 30, 2023

**IV. Detailed Notes on Government-wide and Fund Financial Statements - Continued**

**E. Capital Assets - Continued**

	Balance at Beginning of Year	Additions	Retirements	Balance at End of Year
<b>Water Activities:</b>				
Less Accumulated Depreciation				
For:				
Buildings	14,363	1,158		15,521
Physical System	6,245,597	346,747		6,592,344
Furniture, Vehicles and Equipment	574,972	38,990		613,962
Total Accumulated Depreciation	6,834,932	386,895		7,221,827
 Total Capital Assets, being Depreciated, Net	 6,799,536	 (303,239)		 6,496,297
 Water Activities Capital Assets, Net	 \$ 6,895,432	 \$ (303,239)	 \$	 \$ 6,592,193

	Balance at Beginning of Year	Additions	Retirements	Balance at End of Year
<b>Sewer Activities:</b>				
Capital Assets, not being Depreciated:				
Land	\$ 39,169	\$	\$	\$ 39,169
Construction in Progress	134,440	805,686		940,126
Total Capital Assets, not being Depreciated	173,609	805,686		979,295
 Capital Assets, being Depreciated:				
Buildings	6,336			6,336
Physical System	17,149,024	17,200		17,166,224
Furniture, Vehicles and Equipment	401,185	19,835		421,020
Total Capital Assets being Depreciated	17,556,545	37,035		17,593,580

CITY OF RIPLEY, MISSISSIPPI  
Notes to Basic Financial Statements - Continued  
September 30, 2023

**IV. Detailed Notes on Government-wide and Fund Financial Statements - Continued**

**E. Capital Assets - Continued**

	Balance at Beginning of Year	Additions	Retirements	Balance at End of Year
<b>Sewer Activities:</b>				
Less Accumulated Depreciation				
For:				
Buildings	7,381	779		8,160
Physical System	3,461,410	437,724		3,899,134
Furniture, Vehicles and Equipment	232,560	13,877		246,437
Total Accumulated Depreciation	3,701,351	452,380		4,153,731
 Total Capital Assets, being Depreciated, Net	 13,855,194	 (415,345)		 13,439,849
 Sewer Activities Capital Assets, Net	 \$ 14,028,803	 \$ 390,341	 \$	 \$ 14,419,144

	Balance at Beginning of Year	Additions	Retirements	Balance at End of Year
<b>Gas Activities:</b>				
Capital Assets, not being Depreciated:				
Land	\$ 10,000	\$	\$	\$ 10,000
Construction in Progress	72,506		(72,506)	
Total Capital Assets, not being Depreciated	82,506		(72,506)	10,000
 Capital Assets, being Depreciated:				
Buildings	21,119			21,119
Physical System	6,376,236	72,506		6,448,742
Furniture, Vehicles and Equipment	895,589	4,281		899,870
Total Capital Assets being Depreciated	7,292,944	76,787		7,369,731

CITY OF RIPLEY, MISSISSIPPI  
Notes to Basic Financial Statements - Continued  
September 30, 2023

**IV. Detailed Notes on Government-wide and Fund Financial Statements - Continued**

**E. Capital Assets - Continued**

	Balance at Beginning of Year	Additions	Retirements	Balance at End of Year
<b>Gas Activities:</b>				
Less Accumulated Depreciation				
For:				
Buildings	18,728	475		19,203
Physical System	2,495,151	171,645		2,666,796
Furniture, Vehicles and Equipment	792,225	35,343		827,568
Total Accumulated Depreciation	3,306,104	207,463		3,513,567
 Total Capital Assets, being Depreciated, Net	 3,986,840	 (130,676)		 3,856,164
 Gas Activities Capital Assets, Net	 \$ 4,069,346	 \$ (130,676)	 \$ (72,506)	 \$ 3,866,164

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

<b>Governmental Activities:</b>	
General Government	\$ 122,636
Public Safety	81,527
Public Works	285,409
Parks and Recreation	150,186
Total Depreciation Expense - Governmental Activities	<u>\$ 639,758</u>
 <b>Business-type Activities:</b>	
Water	\$ 386,895
Sewer	452,380
Gas	207,463
Total Depreciation Expense - Business-type Activities	<u>\$ 1,046,738</u>

The City uses the straight-line depreciation method for property, plant and equipment based on the following estimated useful lives by major class of depreciable fixed assets:

<u>Class</u>	<u>Years</u>
Buildings	40
Improvements other than Buildings	20
Furniture, Vehicles and Equipment	3 - 10
Utility Systems	20 - 40
Infrastructure	20 - 50

CITY OF RIPLEY, MISSISSIPPI  
Notes to Basic Financial Statements - Continued  
September 30, 2023

**IV. Detailed Notes on Government-wide and Fund Financial Statements - Continued**

**F. Long-term Debt**

Debt of the Governmental Funds

The general obligation (GO) bond and note payable of the Governmental Funds are payable from operations of the General Fund. Debt balance and transactions for the year ended September 30, 2023, are as follows:

	Balance, October 1, 2022	Additions	Retirements and Other	Balance September 30, 2023	Due Within One Year
GO Bond	\$ 880,000	\$	\$ (210,000)	\$ 670,000	\$ 215,000
	<u>\$ 880,000</u>	<u>\$</u>	<u>\$ (210,000)</u>	<u>\$ 670,000</u>	<u>\$ 215,000</u>

The principal and interest requirements of the general obligation bond and note payable at September 30, 2023 are as follows:

Fiscal Year	Principal	Interest	Total
2024	\$ 215,000	\$ 19,831	\$ 234,831
2025	225,000	13,650	238,650
2026	230,000	6,900	236,900
	<u>\$ 670,000</u>	<u>\$ 40,381</u>	<u>\$ 710,381</u>

Debt of the Enterprise Funds

The revenue bonds of the Enterprise Funds are payable from operations of the Water Fund. Debt balance and transactions for the year ended September 30, 2023 are as follows:

	Balance, October 1, 2022	Additions	Retirements and Other	Balance September 30, 2023	Due Within One Year
GO Bond	\$ 539,350	\$	\$ (67,000)	\$ 472,350	\$ 70,350
	<u>\$ 539,350</u>	<u>\$</u>	<u>\$ (67,000)</u>	<u>\$ 472,350</u>	<u>\$ 70,350</u>

CITY OF RIPLEY, MISSISSIPPI  
Notes to Basic Financial Statements - Continued  
September 30, 2023

**IV. Detailed Notes on Government-wide and Fund Financial Statements - Continued**

**F. Long-term Debt - Continued**

Debt of the Enterprise Funds - Continued

The revenue bonds of the Enterprise Funds are payable from operations of the Sewer Fund. Debt balance and transactions for the year ended September 30, 2023 are as follows:

	Balance, October 1, 2022	Additions	Retirements and Other	Balance September 30, 2023	Due Within One Year
Revenue Bond	\$ 89,892	\$	\$ (9,542)	\$ 80,350	\$ 10,031
Revenue Bond	156,439		(8,207)	148,232	8,596
Revenue Bond	191,247		(7,826)	183,421	8,168
Revenue Bond	8,594,940		(195,683)	8,399,257	200,120
Revenue Bond	923,624		(21,028)	902,596	21,504
	<u>\$ 9,956,142</u>	<u>\$</u>	<u>\$ (242,286)</u>	<u>\$ 9,713,856</u>	<u>\$ 248,419</u>

The revenue bonds of the Enterprise Funds are payable from operations of the Gas Fund. Debt balance and transactions for the year ended September 30, 2023 are as follows:

	Balance, October 1, 2022	Additions	Retirements and Other	Balance September 30, 2023	Due Within One Year
GO Bond	\$ 265,650	\$	\$ (33,000)	\$ 232,650	\$ 34,650

The principal and interest requirements of the above revenue bonds and notes payable at September 30, 2023 are as follows:

Fiscal Year	Principal	Interest	Total
2024	\$ 353,419	\$ 247,018	\$ 600,437
2025	364,738	237,944	602,682
2026	376,232	228,424	604,656
2027	387,908	218,443	606,351
2028	399,770	207,980	607,750
2029-2033	1,567,213	896,022	2,463,235
2034-2038	1,561,724	707,714	2,269,438
2039-2043	1,639,926	519,181	2,159,107
2044-2048	1,817,949	325,251	2,143,200
2049-2053	1,949,977	109,112	2,059,089
	<u>\$ 10,418,856</u>	<u>\$ 3,697,089</u>	<u>\$ 14,115,945</u>



CITY OF RIPLEY, MISSISSIPPI  
Notes to Basic Financial Statements - Continued  
September 30, 2023

**V. Other Information**

**A. Pension Plan**

**General Information about the Pension Plan**

Plan Description

The City contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing, multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to Public Employee Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling (601)359-3589 or 1-800-444-PERS.

Benefits Provided

Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi. 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.

For the cost-sharing plan 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. A member may elect a reduced retirement allowance payable for life with the provision that, after death, a beneficiary receive benefits for life or for a specified number of years. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. In the event of death prior to retirement of any member whose spouse and/or children are not entitled to a retirement allowance, the deceased member's accumulated contributions and interest are paid to the designated beneficiary.

Funding Policy

PERS members are required to contribute 9.00% of their annual covered salary and the City is required to contribute at an actuarially determined rate. As of July 2019 the current rate is 17.40% of annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The City's contributions to PERS for 2023 were \$343,426 which was equal to the required contributions. The City's contributions to PERS for 2022 and 2021 were \$318,214 and \$313,334 respectively.

CITY OF RIPLEY, MISSISSIPPI  
Notes to Basic Financial Statements - Continued  
September 30, 2023

**V. Other Information - Continued**

**A. Pension Plan - Continued**

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

At September 30, 2023, the City reported a liability of \$6,790,856 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 the ratio of the City's actual contribution to the total actual contributions of all participating employers to PERS as of and for the PERS fiscal year ended June 30, 2023. At June 30, 2023, the City's proportion was .027 percent.

For the year ended September 30, 2023, the City recognized pension expense of \$566,312. At September 30, 2023 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 170,033	\$
Changes in assumptions	797,374	
Net difference between projected and actual earnings on pension plan investments	981,969	(716,280)
Changes in proportion and differences between System contributions and proportionate share of contributions	(14,213)	
District contributions subsequent to the measurement date	<u>90,004</u>	
Total	<u><u>\$ 2,025,167</u></u>	<u><u>\$ (716,280)</u></u>

Deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the following fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pensions expense as follows:

Years ended June 30,	
2024	\$ 455,555
2025	280,941
2026	494,580
2027	2,021
2028	
Thereafter	<u>                    </u>
	<u><u>\$ 1,233,097</u></u>

CITY OF RIPLEY, MISSISSIPPI  
Notes to Basic Financial Statements - Continued  
September 30, 2023

**V. Other Information - Continued**

**A. Pension Plan - Continued**

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

Actuarial Assumptions

The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	2.65% - 17.90% average, 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% of male rates up to age 60, 110% for ages 60 to 75, and 101% for ages above 77. 84% of the female rates up to age 72 and 100% for ages above 76. Mortality rates will be projected generationally using the MP-2020 projection scale to account for future improvements in life expectancy.

The actuarial assumptions are based on the experience investigation for the four year period ending June 30, 2022.

The long-term expected rate of return on pension plan investments was determined using a long-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 rate of return by weighting the expected future real rates of return by the target asset allocation expected percentage and by adding expected inflation.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2023, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
U.S. Broad	27.00 %	4.75 %
International Equity	22.00	4.75
Global	12.00	4.95
Debt Securities	20.00	1.75
Real Estate	10.00	3.25
Private Equity	8.00	6.00
Cash Equivalents	1.00	0.25
	<u>100.00 %</u>	

CITY OF RIPLEY, MISSISSIPPI  
Notes to Basic Financial Statements - Continued  
September 30, 2023

**V. Other Information - Continued**

**A. Pension Plan - Continued**

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

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 and that the employer contributions will be made at the current employer contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following table presents the System's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the System's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
System's proportionate share of the net pension liability	\$ 5,651,792	\$ 3,990,718	\$ 2,621,861

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report which can be obtained at [www.pers.ms.gov](http://www.pers.ms.gov).

Payables to the Pension Plan

Amounts included in accounts payable and accrued expenses related to PERS contributions payable at September 30, 2023 are not material to the financial statements.

**B. Interfund Transactions**

A summary of interfund receivables and payables at September 30, 2023 is as follows:

Fund	Interfund Receivables	Interfund Payables
General	\$	\$ (21,272)
Water	530,618	
Sewer		(586,517)
Gas	77,171	
	<u>\$ 607,789</u>	<u>\$ (607,789)</u>

CITY OF RIPLEY, MISSISSIPPI  
Notes to Basic Financial Statements - Continued  
September 30, 2023

**V. Other Information - Continued**

**C. Commitments and Contingencies**

Grant Audits

The City receives federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. City management believes such disallowances, if any, would be insignificant.

Litigation

As of September 30, 2023, there was no pending litigation in which the City was involved.

**D. Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Risk management activities are accounted for in the General Fund. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These losses include an estimate for claims that have been incurred but not reported (IBNR). There have been no significant changes in insurance coverage, or settlements exceeding insurance coverage, during the past three years.

**VI. Net Position/Fund Balances**

Net position reported on the government-wide statement of net position at September 30, 2023, include the following:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Invested in Capital Assets, Net of Related Debt		
Capital assets, net of accumulated depreciation	\$ 11,069,480	\$ 24,877,501
Less: Related long-term debt outstanding	(670,000)	(10,418,856)
Total Invested in Capital Assets, Net of Related Debt	<u>10,399,480</u>	<u>14,458,645</u>
 Unrestricted	 <u>332,026</u>	 <u>5,031,950</u>
Total Net Position	<u><u>\$ 10,731,506</u></u>	<u><u>\$ 19,490,595</u></u>

CITY OF RIPLEY, MISSISSIPPI  
Notes to Basic Financial Statements - Continued  
September 30, 2023

**VII. Prior Period Adjustment**

**Total Net Position - Water Fund**

During the year ended September 30, 2023, the following affected the beginning net position of the Water Fund of the City of Ripley, Mississippi:

Total Net Position, beginning of year, as previously stated: \$ 7,886,013

While preparing the financial statements of the City of Ripley, management noticed that the accumulated depreciation was incorrectly accounted for in a prior period. This understatement of accumulated depreciation in the previous year's financial statement presents a prior period accounting error which must be accounted for in the financial statements.

(253,805)

Total Net Position, beginning of year, as restated \$ 7,632,208

The City of Ripley, Mississippi has adjusted all comparative amounts presented in the current period's financial statements affected by the change in accounting error.

**Total Net Position - Sewer Fund**

During the year ended September 30, 2023, the following affected the beginning net position of the Sewer Fund of the City of Ripley, Mississippi:

Total Net Position, beginning of year, as previously stated: \$ 3,880,473

While preparing the financial statements of the City of Ripley, management noticed that the accumulated depreciation was incorrectly accounted for in a prior period. This understatement of accumulated depreciation in the previous year's financial statement presents a prior period accounting error which must be accounted for in the financial statements.

(108,774)

Total Net Position, beginning of year, as restated \$ 3,771,699

The City of Ripley, Mississippi has adjusted all comparative amounts presented in the current period's financial statements affected by the change in accounting error.

CITY OF RIPLEY, MISSISSIPPI  
Schedule of Required Supplementary Information  
Schedule of the City of Ripley's Proportionate Share of the Net Pension Liability  
Public Employees' Retirement System of Mississippi  
Last 10 Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u>Public Employees' Retirement System</u> <u>of Mississippi (PERS)</u>				
City of Ripley's Proportion of the Net Pension Liability	0.025898%	0.026494%	0.026809%	0.026410%
City of Ripley's Proportionate Share of the Share of the Net Pension Liability	\$ 6,790,856	\$ 5,557,588	\$ 3,990,718	\$ 5,033,298
City of Ripley's Covered Payroll	\$ 1,909,880	\$ 1,819,433	\$ 1,792,050	\$ 1,754,772
City of Ripley's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	355.56%	305.46%	222.69%	286.83%
Plan Fiduciary Net Pension as a Percentage of the Total Pension Liability	55.70%	59.93%	70.44%	58.97%

Note: Information prior to 2015 is not available. The City of Ripley will continue to present information for years available until a full ten-year trend is presented.

The amount is presented as of the City of Ripley's measurement date which is the prior fiscal year.

**NOTES TO SCHEDULE**

***Changes of Assumptions***

**2023**

1. The investment rate of return assumption was changed from 7.55% to 7.00%.
2. The assumed load for administrative expenses was decreased from 0.28% to 0.26% of payroll.
3. Withdrawal rates, disability rates and service retirement rates were adjusted to reflect actual experience more closely.
4. The percentage of participants assumed to receive a deferred benefit upon attaining the eligibility requirements for retirement was increased from 60% to 65%.
5. 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.
6. The assumed amount of unused sick leave at retirement was increased from 0.50 years to 0.55 years.
7. 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.

2019	2018	2017	2016	2015
0.026299%	0.025042%	0.024078%	0.024777%	0.024733%
\$ 4,573,913	\$ 4,158,243	\$ 3,989,614	\$ 4,465,625	\$ 3,864,505
\$ 1,728,337	\$ 1,630,997	\$ 1,545,441	\$ 1,580,163	\$ 1,546,165
264.64%	254.95%	258.15%	282.61%	249.94%
61.59%	62.54%	61.49%	57.47%	61.70%



CITY OF RIPLEY, MISSISSIPPI  
Schedule of Required Supplementary Information  
Schedule of the City of Ripley's Proportionate Share of the Net Pension Liability - Continued  
Public Employees' Retirement System of Mississippi  
Last 10 Fiscal Years

**NOTES TO SCHEDULE - Continued**

***Changes of Assumptions - Continued***

**2021**

1. The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:
  - a. For males, 95% of male rates up to age 60, 110% for ages 61 to 75, and 101% for ages above 77.
  - b. For females, 84% of female rates up to age 72, 100% for ages above 76.
  - c. Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
2. The expectation of disabled mortality was changed to PubG.H-2010 Disabled Table for disabled retirees with the following adjustments:
  - a. For males, 134% of male rates at all ages.
  - b. For females, 121% of female rates at all ages.
  - c. Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
3. The expectation of contingent annuitant mortality was based on the PubS.H-2010(B) Contingent Annuitant Table with the following adjustments:
  - a. For males, 97% of male rates at all ages.
  - b. For females, 110% of female rates at all ages.
  - c. Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
4. The price inflation assumption was reduced from 2.75% to 2.40%.
5. The wage inflation assumption was reduced from 3.00% to 2.65%.
6. The investment rate of return assumption was changed from 7.75% to 7.55%.
7. The assumed load for administrative expenses was increased from 0.25% to 0.28% of payroll.
8. Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to reflect actual experience more closely.
9. The percentage of active member disabilities assumed to be in the line of duty was increased from 9% to 12%.
10. The percentage of active member deaths assumed to be in the line of duty was decreased from 6% to 4%.

**2019**

1. The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:
  - a. For males, 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119.
  - b. For females, 85% of the female rates from ages 18 to 65 scaled up to 102% for ages 75 to 119.
  - c. Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.
2. The expectation of disabled mortality was changed to PubT.H-2010 Disabled Retiree Table for disabled retirees with the following adjustments:
  - a. For males, 137% of male rates at all ages.
  - b. For females, 115% of female rates at all ages.
  - c. Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.
3. The price inflation assumption was reduced from 3.00% to 2.75%.
4. The wage inflation assumption was reduced from 3.25% to 3.00%.

CITY OF RIPLEY, MISSISSIPPI  
Schedule of Required Supplementary Information  
Schedule of the City of Ripley's Proportionate Share of the Net Pension Liability - Continued  
Public Employees' Retirement System of Mississippi  
Last 10 Fiscal Years

**NOTES TO SCHEDULE - Continued**

***Changes of Assumptions - Continued***

**2019 - Continued**

5. Withdrawal rates, pre-retirement mortality rates, and service retirement rates were also adjusted to more closely reflect actual experience.
6. The percentage of active member disabilities assumed to be in the line of duty was increased from 7% to 9%.

**2017**

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

**2016**

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

**2015**

1. The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Table projected to 2016 using Scale BB rather than the RP-2000 Mortality Table, which was used prior to 2015.
2. The expectation of disabled mortality was changed to the RP-2014 Disabled Retiree Table, rather than the RP-2000 Disabled Mortality Table, which was used prior to 2015.
3. Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience.
4. Assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.
5. The price inflation and investment rate of return assumptions were changed from 3.5% to 3.00% and 8.00% to 7.75%, respectively.

***Changes in Benefit Provisions***

**2016**

1. 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.

CITY OF RIPLEY, MISSISSIPPI  
Schedule of Required Supplementary Information  
Schedule of the City of Ripley's Contributions  
 Public Employees' Retirement System of Mississippi  
 Last 10 Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u>Public Employees' Retirement System</u> <u>of Mississippi (PERS)</u>				
Contractually Required Contribution	\$ 334,038	\$ 318,214	\$ 313,334	\$ 305,686
Contributions in Relation to the Contractually Required Contributions	<u>334,038</u>	<u>318,214</u>	<u>313,334</u>	<u>305,686</u>
Contribution Deficiency (Excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
City of Ripley's Covered Payroll	\$ 1,909,880	\$ 1,819,433	\$ 1,792,050	\$ 1,754,772
Contributions as a Percentage of Covered Payroll	17.49%	17.49%	17.48%	17.42%

Note: Information prior to 2015 is not available. The City of Ripley will continue to present information for years available until a full ten-year trend is presented.

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 279,834	\$ 256,882	\$ 243,407	\$ 248,877	\$ 243,521
<u>279,834</u>	<u>256,882</u>	<u>243,407</u>	<u>248,877</u>	<u>243,521</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 1,728,337	\$ 1,630,997	\$ 1,545,441	\$ 1,580,163	\$ 1,546,165
16.19%	15.75%	15.75%	15.75%	15.75%

CITY OF RIPLEY, MISSISSIPPI  
Required Supplementary Information  
Statement of Revenues, Expenditures and Changes in Fund Balances -  
Budget and Actual - Budget Basis - General Fund  
For the Year Ended September 30, 2023

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
General Property Taxes			
Current Ad Valorem	\$ 500,900	\$ 501,947	\$ 1,047
In Lieu of Taxes/Franchise Tax	56,123	61,899	5,776
Intergovernmental Revenues			
State Shared Revenues:			
Sales Tax	1,745,406	1,769,228	23,822
Tourism Tax	420,570	447,600	27,030
Fire Protection Refund	32,834	36,567	3,733
State Gasoline Tax	5,439	5,549	110
General Municipal Aid	2,686	2,730	44
Modernization	332,036	449,606	117,570
Collection from County:			
Road Tax	110,123	106,746	(3,377)
Fire Protection Refund	20,000	20,000	
Building Code Rebate	913		(913)
Fines and Forfeitures	128,255	155,219	26,964
Privilege Tax	20,115	22,787	2,672
Gross Receipts Tax	125,463	145,711	20,248
Building Fees, Permits and Inspections	11,550	27,544	15,994
Park Revenue	108,410	101,076	(7,334)
Charges for Services:			
Sanitation	356,000	356,695	695
Grant Revenue	530,579	483,580	(46,999)
Miscellaneous	248,585	267,923	19,338
Interest	5,450	10,331	4,881
<b>Total Revenues</b>	<u>\$ 4,761,437</u>	<u>\$ 4,972,738</u>	<u>\$ 211,301</u>

See accompanying notes to required supplementary information.

CITY OF RIPLEY, MISSISSIPPI  
Required Supplementary Information  
Statement of Revenues, Expenditures and Changes in Fund Balances -  
Budget and Actual - Budget Basis - General Fund - Continued  
For the Year Ended September 30, 2023

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Expenditures:</b>			
Current:			
General Government	\$ 599,326	\$ 458,275	\$ 141,051
Public Safety	1,303,170	1,408,702	(105,532)
Public Works	2,359,774	2,198,204	161,570
Parks and Recreation	946,073	897,348	48,725
<b>Total Expenditures</b>	<u>5,208,343</u>	<u>4,962,529</u>	<u>245,814</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(446,906)</u>	<u>10,209</u>	<u>457,115</u>
<b>Other Financing Sources (Uses):</b>			
Transfer In	446,906	257,061	(189,845)
<b>Total Other Financing Sources</b>	<u>446,906</u>	<u>257,061</u>	<u>(189,845)</u>
<b>Net Change in Fund Balances</b>	<u>\$</u>	<u>267,270</u>	<u>\$ 267,270</u>
<b>Fund Balances, October 1</b>		<u>2,388,431</u>	
<b>Fund Balances, September 30</b>		<u><u>\$ 2,655,701</u></u>	

See accompanying notes to required supplementary information.

CITY OF RIPLEY, MISSISSIPPI  
Notes to Required Supplementary Information  
September 30, 2023

**Budgetary Data**

The City Board of Aldermen formally adopts an annual operating budget for the General Fund at the "category level." State statutes prohibit the governing authority from expending amounts in excess of the adopted or amended budget. The City Board of Aldermen may amend the budget during the fiscal year, by resolution, to reallocate resources.

The budgets for the General Fund 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. Expenditures may not legally exceed budgeted appropriations and any existing fund balance at the various fund or fund type levels. Budget amounts are as originally adopted, or as amended by the City Board of Aldermen. Budget amendments are made throughout the year as reallocations of funds are necessary or as circumstances dictate.

Since accounting principles applied for purposes of developing data on the budgetary basis differ from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of timing differences in the budgetary and GAAP fund balances for the year ended September 30, 2023, is as follows:

Fund Balance - Budgetary Basis	\$ 2,655,701
Adjustment:	
Change in Revenue Accruals	<u>8,075,805</u>
Fund Balance - GAAP Basis	<u><u>\$ 10,731,506</u></u>

CITY OF RIPLEY, MISSISSIPPI  
Supplementary Information  
Schedule of Investments - All Funds  
September 30, 2023

The following is a schedule of investments at September 30, 2023:

Certificates of Deposit

<u>Fund Account Name</u>	<u>Balance 9/30/23</u>	<u>Maturity Date</u>	<u>Interest Rate</u>
Water Meter Fund Account	\$ 10,000	02/19/24	1.40%
Gas Meter Account	25,650	02/19/24	1.40%
Water & Sewer Meter	15,463	12/27/23	1.25%
Gas Meter Account	10,000	12/22/23	1.00%
Gas Depreciation Account	8,000	07/19/24	2.40%
Gas Contingent Account	8,000	07/19/24	2.40%
Gas Cushion Account	37,000	07/19/24	2.40%
Water & Sewer Contingent Account	4,500	07/19/24	2.40%
Water & Sewer Depreciation Account	4,500	07/19/24	2.40%
Water & Sewer Cushion Account	9,000	07/19/24	2.40%
Gas Meter Account	10,000	07/19/24	2.40%
Water Meter Fund Account	10,000	07/19/24	2.40%
Gas Meter Account	10,000	12/12/23	1.65%
Water & Sewer Cushion Account	3,000	10/31/23	1.25%
Water & Sewer Depreciation Account	1,500	10/31/23	1.25%
Water & Sewer Contingent Account	1,500	10/31/23	1.25%
Gas Operations	120,410	01/10/24	1.25%
Gas Operations	123,984	02/15/24	2.15%
Gas Meter	40,000	02/15/24	2.15%
Water Meter Fund Account	20,000	02/15/24	2.15%
Water & Sewer Cushion	8,000	02/15/24	2.15%
Water & Sewer Depreciation	2,500	02/15/24	2.15%
Water & Sewer Contingent	2,500	02/15/24	2.15%
Gas Operations	116,229	11/29/23	0.90%
Gas Contingent Account	2,000	11/01/23	0.55%
Gas Cushion Account	13,000	11/01/23	0.55%
Gas Depreciation Account	2,000	11/01/23	0.55%
Murry Spur Water System	10,800	08/23/24	2.55%
Water & Sewer Depreciation Account	2,905	11/14/23	1.65%
Water & Sewer Contingent Account	2,905	11/14/23	1.65%
Water & Sewer Cushion Account	5,811	11/14/23	1.65%
Gas Meter	30,500	02/01/24	1.40%
Antioch Reserve	12,145	08/25/24	2.55%
Total	<u>\$ 683,802</u>		



CITY OF RIPLEY, MISSISSIPPI  
Supplementary Information  
Schedule of Surety Bonds for Municipal Officials  
and Other Municipal Employees  
September 30, 2023

Elected and appointed officials of the City of Ripley are covered under various surety bonds, as described below:

	<u>Bonded Amount</u>	<u>Policy Expiration Date</u>
Mayor		
Jon Grisham	\$ 50,000	7-01-2025
Aldermen		
Joey Bryant	50,000	7-01-2024
Kenneth Walker	50,000	7-01-2024
Jackie McKenzie	50,000	7-01-2024
Stephen Freeman	50,000	7-01-2024
Barry Cook	50,000	7-01-2024
City Clerk and Tax Collector		
Tracy Luna	50,000	1-29-2024
Court Clerk		
Courtney Grisham	50,000	12-27-2024
Police Chief		
Scott White	50,000	7-07-2024

# LINDSEY, DAVIS AND ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

**STOCKHOLDERS**  
DEAN CAYINESS, CPA  
STEPHANIE CLIFTON, CPA  
SHONDA DAVIS

POST OFFICE BOX 146  
1122 CITY AVE. NORTH  
RIPLEY, MS 38663  
TELEPHONE 662-837-3295  
FAX # 662-837-0174

**MEMBER**  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
MISSISSIPPI SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Mayor and Board of Aldermen  
City of Ripley, Mississippi  
Ripley, MS 38663

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 Ripley, Mississippi as of and for the year ended September 30, 2023, and have issued our report thereon dated October 21, 2024. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental 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 financial statements disclosed no material instances on noncompliance with state laws and regulations.

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



Lindsey, Davis and Associates  
Certified Public Accountants

Ripley, Mississippi  
October 21, 2024

:

ANTS

ANTS

CITY OF RIPLEY, MISSISSIPPI  
Schedule of Expenditures of Federal Awards  
For the Year Ended September 30, 2023

<u>Federal Grantor/ Pass-through Grantor/ Program or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Pass-through Grantor's Number</u>	<u>Federal Expenditures</u>
<u>Department of Transportation - FAA</u>			
Airport Improvement Program	20.106		\$ 468,580
<u>U.S. Department of Housing and Urban Development</u>			
<i>Passed-through Mississippi Development Authority</i>			
Community Development Block Grants/ State's Program and Non-Entitlement Grants in Hawaii	14.228	1137-21-318-PF-01	448,130
<u>U.S. Department of Agriculture</u>			
Natural Resources Conservation Service			
Emergency Watershed Protection Program	10.923		<u>257,619</u>
Total Expenditures of Federal Awards			<u><u>\$ 1,174,329</u></u>

CITY OF RIPLEY, MISSISSIPPI  
Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended September 30, 2023

**A. Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal award activity of the City of Ripley, Mississippi under programs of the federal government for the year ended September 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Ripley, Mississippi, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Ripley, Mississippi.

**B. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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POST OFFICE BOX 146  
1122 CITY AVE. NORTH  
RIPLEY, MS 38663  
TELEPHONE 662-837-3295  
FAX # 662-837-0174

**MEMBER**  
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CERTIFIED PUBLIC ACCOUNTANTS  
MISSISSIPPI SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Mayor and Board of Aldermen  
City of Ripley, Mississippi  
Ripley, MS 38663

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ripley, 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 Ripley, Mississippi's basic financial statements, and have issued our report thereon dated October 21, 2024.

### Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Ripley, 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 Ripley, Mississippi's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Ripley, 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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses 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 Ripley, 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Lindsey Davis + Associates". The signature is fluid and cursive.

Lindsey, Davis and Associates  
Certified Public Accountants

Ripley, Mississippi  
October 21, 2024

# LINDSEY, DAVIS AND ASSOCIATES

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

To the Mayor and Board of Aldermen  
City of Ripley, Mississippi  
Ripley, MS 38663

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

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

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

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

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

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



### ***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Ripley, Mississippi's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Ripley, Mississippi's compliance with the requirements of each major federal program as a whole.

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

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

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

## Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have were not identified.

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

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



Lindsey, Davis and Associates  
Certified Public Accountants

Ripley, Mississippi  
October 21, 2024

CITY OF RIPLEY, MISSISSIPPI  
Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2023

**SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements:**

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No

**Federal Awards:**

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiencies identified?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)	No

**Major Programs:**

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
10.923	Emergency Watershed Protection Program
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii
Dollar threshold used to distinguish between Type A and Type B programs:	\$ 750,000
Auditee qualified as low-risk auditee?	No

**SCHEDULE B - FINANCIAL STATEMENT FINDINGS**

No matters were reported

**SCHEDULE C - FINDINGS AND QUESTIONED COSTS**

No matters were reported