# CITY OF SOUTHAVEN

*Top of Mississippi*

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Southaven, MS 368671

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September 17, 2025
Jarrell Group, PLLC
111 East Troy St., Suite C
Tupelo, MS 38804

This representation letter is provided in connection with your audit of the financial statements of City of Southaven, which comprise the respective financial position of the governmental activities, the business-type activities, and the aggregate remaining fund information as of September 30, 2024, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of September 17, 2025, the following representations made to you during your audit.

**Financial Statements**

1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated October 23, 2024, including our responsibility for the preparation and fair presentation of the financial statements and for preparation of the supplementary information in accordance with the applicable criteria.
2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
3) We acknowledge our responsibility 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.
4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5) The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.

7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.
8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter.
9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
10) Guarantees, whether written or oral, under which the City of Southaven is contingently liable, if any, have been properly recorded or disclosed.

**Information Provided**

11) We have provided you with:
    a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
    b) Additional information that you have requested from us for the purpose of the audit.
    c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
    d) Minutes of the meetings of the City of Southaven or summaries of actions of recent meetings for which minutes have not yet been prepared.
12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
14) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
    1) Management,
    2) Employees who have significant roles in internal control, or
    3) Others where the fraud could have a material effect on the financial statements.
15) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, regulators, or others.
16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
18) We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

**Government—specific**

19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
20) We have a process to track the status of audit findings and recommendations.
21) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
22) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
23) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
24) The City of Southaven has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
25) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.

26) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
27) As part of your audit, you assisted with preparation of the financial statements, related notes, and schedule of expenditures of federal awards. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements, disclosures, and schedule of expenditures of federal awards.
28) The City of Southaven has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
29) The City of Southaven has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
30) The financial statements properly classify all funds and activities in accordance with GASBS No. 34 , as amended.
31) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
32) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
33) Provisions for uncollectible receivables have been properly identified and recorded.
34) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
35) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
36) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
37) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
38) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
39) We have appropriately disclosed the City of Southaven's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
40) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
41) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
42) With respect to federal award programs:
    a) We are responsible for understanding and complying with and have complied with, the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), including requirements relating to preparation of the schedule of expenditures of federal awards.
    b) We acknowledge our responsibility for preparing and presenting the schedule of expenditures of federal awards (SEFA) and related disclosures in accordance with the requirements of the

Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.

c) If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.
d) We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
e) We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.
f) We are responsible for establishing, designing, implementing, and maintaining, and have established, designed, implemented, and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
g) We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
h) We have received no requests from a federal agency to audit one or more specific programs as a major program.
i) We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement* relating to federal awards and [have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal awards OR confirm that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal awards].
j) We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
k) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
l) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E).
m) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
n) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
o) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.

p) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
q) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditor's report.
r) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
s) The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
t) We have charged costs to federal awards in accordance with applicable cost principles.
u) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
v) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.

Signature: Melanie Driscoll    Signature: ______________________
Title: Director of Human Resources    Title: ______________________

Client: *City of Southaven, Mississippi*
Engagement: *2024 - 09/30/2024*
Period Ending: *9/30/2024*
Trial Balance: *TB*
Workpaper: *3700.10 - Proposed JE Report*

| Account | Description | W/P Ref | Debit | Credit |
|---|---|---|---|---|
| **Proposed JE # 1** | | **4100.03** | | |
| To adjust cash balances. | | | | |
| 0000-000-000-00-200100- | DUE TO/FROM GENERAL FUND | | 17,216.00 | |
| 0010-100-160-00-611000- | MATERIALS | | 17,216.00 | |
| 0000-000-000-00-110100- | POOLED CASH ACCOUNT | | | 17,216.00 |
| 0010-000-000-00-100300- | EQUITY IN POOLED CASH | | | 17,216.00 |
| **Total** | | | **34,432.00** | **34,432.00** |

# City of Southaven, Mississippi

## Financial Statements
## For the year ended September 30, 2024

Jarrell Group, PLLC
Tupelo, Mississippi
Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

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Certified Public Accountants
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# INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Board of Aldermen
City of Southaven, Mississippi

## Report on the Audit of the Financial Statements

### *Opinion*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Southaven, Mississippi as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Southaven, Mississippi, as of September 30, 2024, 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 Opinion*

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Southaven, 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Southaven, 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.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Southaven, 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 Southaven, 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, budgetary comparison schedule and corresponding notes, the schedule of the City's proportionate share of the net pension liability and the schedule of the City's contributions, and the schedule of changes in the total OPEB liability and related ratios on pages 9 through 18 and 60 through 68, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Southaven, Mississippi's basic financial statements. The accompanying combining balance sheet – non-major governmental funds, the combining statement of revenues, expenditures and changes in fund balances – non-major governmental funds, and 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 combining and individual nonmajor fund financial statements and 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 is comprised of the schedule of surety bonds for municipal officials but does not include the basic financial statements and our auditors' report thereon. Our opinion on the basic financial statements does 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 September 17, 2025, on our consideration of the City of Southaven, 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 City of Southaven, 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 City of Southaven, Mississippi's internal control over financial reporting and compliance.

*Jarrell Group, PLLC*

Jarrell Group, PLLC
Tupelo, Mississippi
September 17, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

## CITY OF SOUTHAVEN, MISSISSIPPI
## Management's Discussion and Analysis
## September 30, 2024

**Required Supplemental Information for the year ended September 30, 2024**

As management of the City of Southaven (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended September 30, 2024. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the City's financial statements, which follow this narrative.

**Financial Highlights**

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by $42,391,502 (total net position). This compares to the previous year when assets and deferred outflows exceeded liabilities and deferred inflows by $40,626,672.

- The City's total net position increased by $1,764,830 when compared to 2023. Net position of the City's governmental activities increased $290,080 and net position of the business-type activities increased $1,474,750 when compared to 2023.

- As of the close of the current fiscal year, the City's governmental funds reported combined fund balance of $20,096,066 an increase of $6,459,844 in comparison with the prior year. At the end of the current fiscal year, unassigned fund balance for the General Fund was $11,700,094, or 16.8% of total general fund expenditures for the fiscal year.

- The City's total debt is $68,506,825. Debt in the amount of $12,700,915 was issued in the current fiscal year; all of which was used for capital acquisition or capital projects. Debt in the amount of $8,547,103 was repaid during the current fiscal year.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the City through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains required supplementary information, supplementary information and other information that will enhance the reader's understanding of the financial condition of the City.

**Basic Financial Statements**

The first two statements (Pages 20 and 21) in the basic financial statements are the Government-wide Financial Statements. They provide both short and long-term information about the City's financial status.

The next statements (Pages 22, 24, 26 and 27) are Fund Financial Statements. These statements focus on the activities of the individual parts of the City government. These statements provide more detail than the government-wide statements. There are two parts to the Fund Financial Statements: 1) the governmental funds statements; and 2) the proprietary fund statements.

The next section of the basic financial statements is the notes. The notes to the financial statements explain in detail some of the data contained in those statements.

**Required Supplementary Information**

After the notes, required supplementary information is provided to show budgetary information required by Governmental Accounting Standards Board for the General Fund. Additionally, the Schedule of the City's Proportionate Share of the Net Pension Liability, the Schedule of the City's Contributions and the Schedule of Changes in the Total OPEB Liability and Related Ratios are included in this section.

**Supplementary Information**

The Schedule of Expenditures of Federal Awards can be found in this section.

**Other Schedules**

A Schedule of Surety Bonds for City Officials can be found in this section of the report.

**Government-Wide Financial Statements**

The government-wide financial statements are designed to provide the reader with a broad overview of the City's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the City's financial status as a whole. These statements are prepared using the economic resources measurement focus and the accrual basis of accounting.

The two government-wide statements report the City's net position and how it has changed. Net position is the difference between the City's total assets, deferred outflows of resources, total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the City's financial condition.

The government-wide statements are divided into two categories: 1) governmental activities and 2) business-type activities. The governmental activities include most of the City's basic services such as public safety, parks and recreation, and general administration. Property tax and sales tax finance most of these activities. The business-type activities are those that the City charges customers to provide. These include the water and sewer and sanitation services offered by the City.

The government-wide financial statements are on pages 27 and 28 of this report.

**Fund Financial Statements**

The fund financial statements provide a more detailed look at the City's most significant activities. 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 all other governmental entities in Mississippi, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements. All of the funds of City can be divided into two categories: governmental funds and proprietary funds.

**Governmental Funds** - Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the City's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* that provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the City's programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The City adopts an annual budget for its General Fund. The budget is a legally adopted document that incorporates input from the management of the City, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

**Proprietary Funds** - The City has one type of proprietary fund.

*Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer, sanitation, and amphitheater operations. These funds are the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

**Notes to the Financial Statements** - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 31 of this report.

## Government-Wide Financial Analysis

As year-to-year financial information is accumulated on a consistent basis, changes in the net position may be observed and used to discuss the changing financial position of the City as a whole.

The City's assets and deferred outflows exceeded labilities and deferred inflows by $42,391,502 at the close of the most recent fiscal year. This is a $1,764,830 increase over last year's net position of $40,626,672. Tables A-1 and A-2 provide a summary of the City's net position at September 30, 2024 and 2023.

**Table A-1**
**City of Southaven's Net Position**

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|---|---|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Current & other assets | $ 37,553,419 | $ 29,748,449 | $ 22,983,166 | $ 22,363,494 | $ 60,536,585 | $ 52,111,943 |
| Capital assets | 117,752,242 | 102,469,308 | 58,143,596 | 59,656,499 | 175,895,838 | 162,125,807 |
| Total assets | 155,305,661 | 132,217,757 | 81,126,762 | 82,019,993 | 236,432,423 | 214,237,750 |
| Total deferred outflows | 13,947,694 | 19,608,669 | 1,591,181 | 2,200,749 | 15,538,875 | 21,809,418 |
| Current liabilities | 15,223,988 | 13,810,458 | 6,932,085 | 7,346,159 | 22,156,073 | 21,156,617 |
| Noncurrent liabilities | 152,971,139 | 140,783,624 | 27,910,349 | 30,820,118 | 180,881,488 | 171,603,742 |
| Total liabilities | 168,195,127 | 154,594,082 | 34,842,434 | 38,166,277 | 203,037,561 | 192,760,359 |
| Total deferred inflows | 6,074,315 | 2,538,511 | 467,920 | 121,626 | 6,542,235 | 2,660,137 |
| Net position: | | | | | | |
| Net investment in capital assets | 70,286,574 | 62,236,192 | 37,102,439 | 35,536,602 | 107,389,013 | 97,772,794 |
| Restricted | 7,082,327 | 3,416,765 | - | - | 7,082,327 | 3,416,765 |
| Unrestricted (deficit) | (82,384,988) | (70,959,124) | 10,305,150 | 10,396,237 | (72,079,838) | (60,562,887) |
| Total net position | $ (5,016,087) | $ (5,306,167) | $ 47,407,589 | $ 45,932,839 | $ 42,391,502 | $ 40,626,672 |

The largest portion of net position, $107,389,013 is reflected in the City's investment in capital assets (such as land, buildings, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. The City uses these capital assets to provide services to citizens: consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of the outstanding related debt the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities.

There is a deficit of $72,079,838 in unrestricted net position due to recording of unfunded pension liabilities under GASB 68. Please refer to Note 9.

**Changes in net position -** Approximately 33.0% of the City's total revenues come from property taxes, with 61.8% of all revenue coming from some type of tax. (See Table A-2.) This compares to 29.2% and 55.5% for the fiscal year ended September 30, 2023. Another 30.5% comes from fees charged for services, and the balance is from operating and capital grants and contributions and investment earnings.

Table A-2 and the narrative that follows consider the operations of governmental and business-type activities separately.

**Table A-2**
**Changes in the City of Southaven's Net Position**

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|---|---|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| **Revenues** | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | $ 10,449,000 | $ 11,636,373 | $ 24,265,382 | $ 24,080,521 | $ 34,714,382 | $ 35,716,894 |
| Operating grants | 1,144,649 | 1,142,750 | - | - | 1,144,649 | 1,142,750 |
| Capital grants | 6,534,343 | 11,151,917 | - | - | 6,534,343 | 11,151,917 |
| Total program revenues | 18,127,992 | 23,931,040 | 24,265,382 | 24,080,521 | 42,393,374 | 48,011,561 |
| General revenues: | | | | | | |
| Property taxes | 37,541,539 | 32,723,540 | - | - | 37,541,539 | 32,723,540 |
| Sales tax | 27,198,239 | 23,982,738 | - | - | 27,198,239 | 23,982,738 |
| Tourism tax | 3,257,807 | 3,447,662 | - | - | 3,257,807 | 3,447,662 |
| Other general revenues | 2,607,740 | 3,091,906 | 939,422 | 871,490 | 3,547,162 | 3,963,396 |
| Total general revenues | 70,605,325 | 63,245,846 | 939,422 | 871,490 | 71,544,747 | 64,117,336 |
| Total revenues | 88,733,317 | 87,176,886 | 25,204,804 | 24,952,011 | 113,938,121 | 112,128,897 |
| **Expenses** | | | | | | |
| General government | 23,805,254 | 21,071,528 | - | - | 23,805,254 | 21,071,528 |
| Public safety | 44,196,080 | 44,289,985 | - | - | 44,196,080 | 44,289,985 |
| Public works | 4,693,121 | 6,527,138 | - | - | 4,693,121 | 6,527,138 |
| Culture and recreation | 10,386,100 | 10,853,140 | - | - | 10,386,100 | 10,853,140 |
| Health and welfare | 567,549 | 524,579 | - | - | 567,549 | 524,579 |
| Tourism and convention | 255,696 | 2,667,739 | - | - | 255,696 | 2,667,739 |
| Capital projects | 3,291,482 | | | | 3,291,482 | - |
| Interest on long-term debt | 1,247,955 | 1,168,114 | - | - | 1,247,955 | 1,168,114 |
| Utility | - | - | 14,968,512 | 17,020,864 | 14,968,512 | 17,020,864 |
| Sanitation | - | - | 5,063,313 | 4,466,185 | 5,063,313 | 4,466,185 |
| Amphitheater | - | - | 3,698,229 | 6,775,004 | 3,698,229 | 6,775,004 |
| Total expenses | 88,443,237 | 87,102,223 | 23,730,054 | 28,262,053 | 112,173,291 | 115,364,276 |
| Excess (deficiency) of revenues over (under) expenses | 290,080 | 74,663 | 1,474,750 | (3,310,042) | 1,764,830 | (3,235,379) |
| Transfers | - | (21,047,451) | - | 21,047,451 | - | - |
| Change in net position | 290,080 | (20,972,788) | 1,474,750 | 17,737,409 | 1,764,830 | (3,235,379) |
| Net position—beginning | (5,306,167) | 15,666,621 | 45,932,839 | 28,195,430 | 40,626,672 | 43,862,051 |
| Net position—ending | $ (5,016,087) | $ (5,306,167) | $ 47,407,589 | $ 45,932,839 | $ 42,391,502 | $ 40,626,672 |

CITY OF SOUTHAVEN, MISSISSIPPI
Management's Discussion and Analysis
September 30, 2024

**Governmental Activities**

Governmental activities increased the City's net position by $290,080. A key element of the change in net position is as follows:

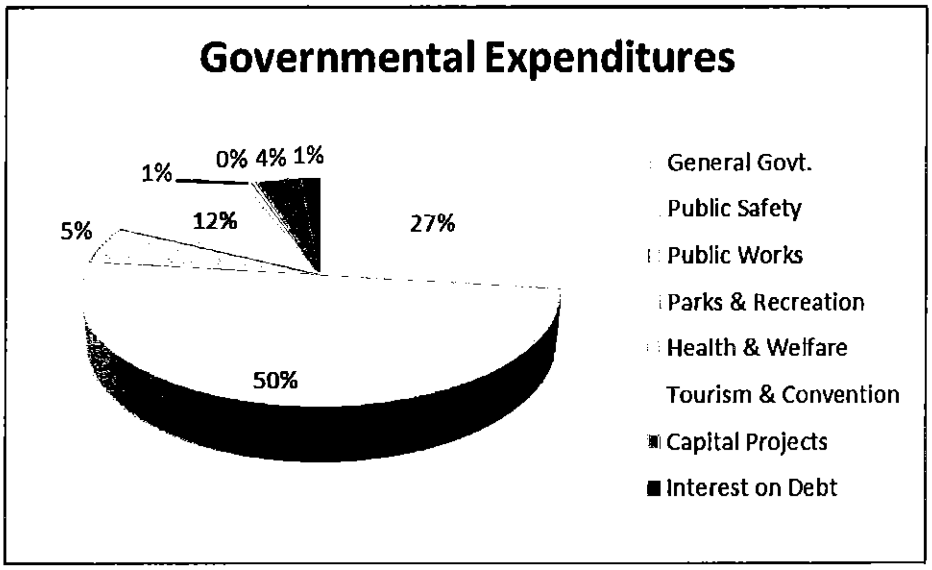
- A net pension adjustment of $13,492,835 contributed to the marginal net position increase.

The largest funding sources for the City's governmental activities, as a percent of total revenues, are property taxes 42.3%, sales taxes 30.7%, and charges for services 11.8%.

The largest expense categories for the City's governmental activities are public safety 50.0%, general government 26.9%, and culture and recreation 11.7%.

Governmental activities expenses are broken out by department as follows:

**Chart 1**




**Business-Type Activities**

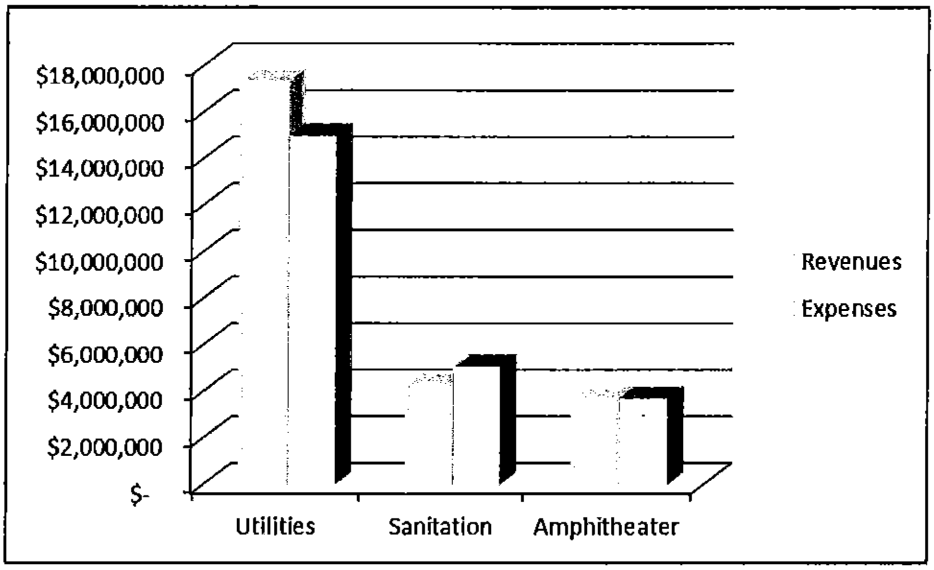
Business-type activities increased the City's net position by $1,474,750. Key elements of this increase are as follows:

- There were approximately $2.5 million less in repairs and maintenance expenditures in the Utility fund when compared to the prior year.

Charges for services are the major revenue categories for the enterprise funds. Total business-type revenues are comprised of $16,657,341 for utilities, $4,205,244 for sanitation, and $3,402,797 for the amphitheater fund.

Business type revenues compared to expenses are as follows:

**Chart 2**




**Financial Analysis of the Government's Funds**

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

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

***General Fund*** - The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was $11,700,094, which comprised 86.6% of total general fund balance. As a measure of the general fund's liquidity, it may be useful to compare both the fund balance, assigned and unassigned, to total fund expenditures. Total fund balance represents 16.8% of total fund expenditures. The fund balance of the City's general fund increased by $2,238,081 during the current fiscal year.

***Capital Projects Fund*** - The capital projects fund, the Bond Funded Capital Projects Fund, account for the construction and reconstruction of general public improvements, excluding projects related to business-type activities, which are accounted for elsewhere. At the end of the current fiscal year, the fund balance was $6,208,201.

***Debt Service Fund*** - The debt service fund has a total fund balance of $541,041, all of which is restricted for the payment of debt service. The net decrease in fund balance during the current year was $165,115.

***Special Revenue Fund*** - The special revenue fund, the Tourism and Convention Fund, is used to account for the programs and projects primarily funded by grants or taxes from the federal and state governments. At the end of the current fiscal year, the fund balance was a deficit of $166,255.

***Proprietary Funds*** - The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The net position of the proprietary funds at the end of the current fiscal year totaled $47,407,589. Changes in net position, which totaled $1,474,750, were as follows: the Utility Fund increased by $2,205,808, the Sanitation Fund decreased by $723,353, and the Amphitheater Fund decreased by $7,705.

**General Fund Budgetary Highlights**

During the fiscal year, the City revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

Revenues were more than budget amounts in fiscal year 2024 due to sales tax being higher than anticipated and an increase in fine and grant revenues. We budgeted conservatively as per normal. Actual expenditures in the current year were generally close to budget amounts.

**Capital Asset and Debt Administration**

**Capital assets** - In accordance with GASB 34, the City has recorded depreciation expense associated with all of its capital assets, including infrastructure. The City's investment in capital assets for its governmental and business-type activities as of September 30, 2024, amounted to $175,895,838, net of accumulated depreciation of $183,237,997. This investment in capital assets includes land, buildings, improvements other than buildings, machinery & equipment, infrastructure, and construction in progress.

This year, major capital asset projects or additions included:

- Getwell Road South Expansion - $9,420,788
- Neighborhood Parks Improvements - $2,688,793
- Tennis Phase 2 Expansion - $1,896,006
- East Precinct at Silo Square - $1,540,105

**Table A-3**
**City of Southaven's Capital Assets**

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|---|---|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Land | $ 8,151,445 | $ 8,047,521 | $ 579,036 | $ 579,036 | $ 8,730,481 | $ 8,626,557 |
| Construction in progress | 27,197,334 | 7,394,403 | 295,139 | 7,958,844 | 27,492,473 | 15,353,247 |
| Buildings & improvements | 58,139,062 | 59,698,209 | 19,686,765 | 19,644,864 | 77,825,827 | 79,343,073 |
| Infrastructure | 135,046,228 | 135,120,737 | 76,984,537 | 68,145,400 | 212,030,765 | 203,266,137 |
| Equipment and vehicles | 27,453,314 | 25,678,762 | 5,600,975 | 5,872,274 | 33,054,289 | 31,551,036 |
| Leased equipment | - | 249,913 | - | - | - | 249,913 |
| Accumulated depreciation | (138,235,141) | (133,720,237) | (45,002,856) | (42,543,919) | (183,237,997) | (176,264,156) |
| Total | $ 117,752,242 | $ 102,469,308 | $ 58,143,596 | $ 59,656,499 | $ 175,895,838 | $ 162,125,807 |

Additional information on the City's capital assets can be found in note 5 of the Basic Financial Statements.

**Long-term Debt** - As of September 30, 2024, the City had total bonded debt outstanding of $68,506,825. All of this debt is backed by the full faith and credit of the City. The remainder of the City's debt represents bonds secured solely by specified revenue sources (i.e. revenue bonds), notes payable, and leases payable.

**Table A-4**
**City of Southaven's Outstanding Debt**

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|---|---|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| General obligation bonds | $ 46,417,000 | $ 39,712,500 | $ 11,408,000 | $ 13,364,500 | $ 57,825,000 | $ 53,077,000 |
| Notes payable | - | 60,578 | 8,881,725 | 9,891,274 | 8,881,725 | 9,951,852 |
| Bond premiums | 1,048,668 | 460,038 | 766,226 | 882,614 | 1,814,894 | 1,342,652 |
| Bond discounts | - | - | (14,794) | (18,491) | (14,794) | (18,491) |
| Total | $ 47,465,668 | $ 40,233,116 | $ 21,041,157 | $ 24,119,897 | $ 68,506,825 | $ 64,353,013 |

Additional information regarding the City's long-term debt can be found in note 7.

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

The following key economic indicators reflect the growth and prosperity of the City.

- Low unemployment. The City's unemployment rate of 3.1%, as of September 30, 2024, is below the State average of 3.2% and the national average of 3.8%.

- In 2023, Southaven's population was calculated, according to the United States Census most recent numbers, to be 55,531. This equates to roughly 30% of the total DeSoto County population and makes Southaven the 3rd largest city in Mississippi.

- Leading employers in Southaven include the DeSoto County School system, Baptist Memorial Hospital, Medline and Helen of Troy. Southaven has seen rapid growth in various industries. Google, Medline, and Spectra Laboratories have invested hundreds of millions of dollars in infrastructure and over 1,000 jobs.

- The Silo Square development in the Snowden district is the City's first "leisure and recreation" district. This development includes commercial and residential development and has already attracted many restaurants and retail stores with anticipation of more to come. It is walkable from the Snowden recreational area.

**Budget Highlights for the Fiscal Year Ending September 30, 2025**

**Governmental Activities -** Property taxes are expected to increase. Sales tax revenues are projected to remain consistent. The City projects an increase in Mississippi Infrastructure Modernization Act funds. The City budgeted for the improvement of Parks and Recreational Amenities, including tennis expansion and the Cherry Valley Park renovation. The City will continue maintenance and improvement of public infrastructure.

**Business – type Activities** - The water rate is budgeted to remain static. The sanitation rate is budgeted to increase from $12 to $20 effective May 1, 2025. The City budgeted for the continuation of new water well and wate lines to increase system capacity.

**Requests for Information**

This report is designed to provide an overview of the City of Southaven's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Department of Finance and Administration at (662) 280-2489.

BASIC FINANCIAL STATEMENTS

## CITY OF SOUTHAVEN, MISSISSIPPI
## Statement of Net Position
## September 30, 2024

| | Primary Government | | |
|---|---|---|---|
| | Governmental Activities | Business-Type Activities | Total |
| **Assets** | | | |
| Cash and cash equivalents | $ 20,719,652 | $ 20,005,135 | $ 40,724,787 |
| Accounts receivable, net | 902,792 | 1,789,435 | 2,692,227 |
| Fines receivable, net | 2,088,348 | - | 2,088,348 |
| Intergovernmental receivables | 2,308,599 | - | 2,308,599 |
| Franchise tax receivable | 505,517 | - | 505,517 |
| Lease receivable | 480,518 | - | 480,518 |
| General property taxes receivable | 304,360 | - | 304,360 |
| Due from other funds | 1,466,896 | 989,993 | 2,456,889 |
| Prepaids | 1,313,645 | 198,603 | 1,512,248 |
| Restricted assets - cash | 7,463,092 | - | 7,463,092 |
| Capital assets not being depreciated | 35,348,779 | 874,175 | 36,222,954 |
| Capital assets, net of accumulated depreciation | 82,403,463 | 57,269,421 | 139,672,884 |
| **Total assets** | 155,305,661 | 81,126,762 | 236,432,423 |
| **Deferred Outflows of Resources** | | | |
| Deferred outflows on refunding | 143,204 | 296,925 | 440,129 |
| Deferred outflows - other post-employment benefits | 2,980 | - | 2,980 |
| Deferred outflows - pension | 13,801,510 | 1,294,256 | 15,095,766 |
| **Total deferred outflows of resources** | 13,947,694 | 1,591,181 | 15,538,875 |
| **Liabilities** | | | |
| Accounts payable | 7,392,054 | 2,610,304 | 10,002,358 |
| Accrued expenses | 1,554,182 | 41,307 | 1,595,489 |
| Accrued interest | 335,501 | 92,908 | 428,409 |
| Due to other funds | 374,472 | 2,082,417 | 2,456,889 |
| Unearned revenues | 4,779,959 | 296,048 | 5,076,007 |
| Customer deposits | 787,820 | 1,809,101 | 2,596,921 |
| Noncurrent liabilities: | | | |
| Accrued compensated absences | 1,739,721 | 151,843 | 1,891,564 |
| Net pension liability | 99,401,913 | 6,717,349 | 106,119,262 |
| Net other post-employment benefit liability | 4,363,837 | | 4,363,837 |
| Long-term debt: due within one year | 4,252,000 | 2,682,998 | 6,934,998 |
| Long-term debt: due in more than one year | 43,213,668 | 18,358,159 | 61,571,827 |
| **Total liabilities** | 168,195,127 | 34,842,434 | 203,037,561 |
| **Deferred Inflows of Resources** | | | |
| Deferred revenues - leases | 480,518 | - | 480,518 |
| Deferred inflows - pension | 3,091,411 | 467,920 | 3,559,331 |
| Deferred inflows - other post employment benefits | 2,502,386 | - | 2,502,386 |
| **Total deferred inflows of resources** | 6,074,315 | 467,920 | 6,542,235 |
| **Net Position** | | | |
| Net investment in capital assets | 70,286,574 | 37,102,439 | 107,389,013 |
| Restricted for: | | | |
| Public safety | 499,340 | - | 499,340 |
| Culture and recreation (deficit) | (166,255) | - | (166,255) |
| Capital projects | 6,208,201 | - | 6,208,201 |
| Debt service | 541,041 | - | 541,041 |
| Unrestricted (deficit) | (82,384,988) | 10,305,150 | (72,079,838) |
| **Total net position** | $ (5,016,087) | $ 47,407,589 | $ 42,391,502 |

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

**CITY OF SOUTHAVEN, MISSISSIPPI**
**Statement of Activities**
**For the year ended September 30, 2024**

| | | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Position — Primary Government | | |
|---|---|---|---|---|---|---|---|---|
| **Function / Program Activities** | Expenses | Fines and Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Total | Governmental Activities | Business-Type Activities | Total |
| **Primary Government** | | | | | | | | |
| Government Activities: | | | | | | | | |
| General government | $ 23,805,254 | $ 1,013,387 | $ 756,757 | $ - | $ 1,770,144 | $ (22,035,110) | $ - | $ (22,035,110) |
| Public safety | 44,196,080 | 6,041,079 | 386,392 | 170,480 | 6,597,951 | (37,598,129) | - | (37,598,129) |
| Public works | 4,693,121 | - | - | 6,363,863 | 6,363,863 | 1,670,742 | - | 1,670,742 |
| Culture and recreation | 10,386,100 | 3,064,544 | 1,500 | - | 3,066,044 | (7,320,056) | - | (7,320,056) |
| Health and welfare | 567,549 | 9,157 | - | - | 9,157 | (558,392) | - | (558,392) |
| Tourism and convention | 255,696 | 320,833 | - | - | 320,833 | 65,137 | - | 65,137 |
| Capital projects | 3,291,482 | - | - | - | - | (3,291,482) | - | (3,291,482) |
| Interest on long-term debt | 1,247,955 | - | - | - | - | (1,247,955) | - | (1,247,955) |
| Total governmental activities | 88,443,237 | 10,449,000 | 1,144,649 | 6,534,343 | 18,127,992 | (70,315,245) | - | (70,315,245) |
| Business-Type Activities: | | | | | | | | |
| Utility | 14,968,512 | 16,657,341 | - | - | 16,657,341 | - | 1,688,829 | 1,688,829 |
| Sanitation | 5,063,313 | 4,205,244 | - | - | 4,205,244 | - | (858,069) | (858,069) |
| Amphitheater | 3,698,229 | 3,402,797 | - | - | 3,402,797 | - | (295,432) | (295,432) |
| Total business-type activities | 23,730,054 | 24,265,382 | - | - | 24,265,382 | - | 535,328 | 535,328 |
| Total primary government | $ 112,173,291 | $ 34,714,382 | $ 1,144,649 | $ 6,534,343 | $ 42,393,374 | $ (70,315,245) | $ 535,328 | $ (69,779,917) |
| **General Revenues:** | | | | | | | | |
| Property taxes | | | | | | $ 37,541,539 | $ - | $ 37,541,539 |
| Sales taxes | | | | | | 27,198,239 | - | 27,198,239 |
| Tourism taxes | | | | | | 3,257,807 | - | 3,257,807 |
| Franchise taxes | | | | | | 2,418,338 | - | 2,418,338 |
| Interest income | | | | | | 822,764 | 348,738 | 1,171,502 |
| Gain (loss) on disposal of assets | | | | | | 68,734 | - | 68,734 |
| Miscellaneous | | | | | | (702,096) | 590,684 | (111,412) |
| Transfers | | | | | | - | - | - |
| Total general revenues and transfers | | | | | | 70,605,325 | 939,422 | 71,544,747 |
| Change in net position | | | | | | 290,080 | 1,474,750 | 1,764,830 |
| Net position - beginning | | | | | | (5,306,167) | 45,932,839 | 40,626,672 |
| Net position - ending | | | | | | $ (5,016,087) | $ 47,407,589 | $ 42,391,502 |

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

# CITY OF SOUTHAVEN, MISSISSIPPI
## Balance Sheet
## Governmental Funds
## September 30, 2024

| | General Fund | Bond Funded Capital Projects Fund | Non-Major Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|
| **Assets** | | | | |
| Cash and cash equivalents | $ 13,241,800 | $ 7,454,297 | $ 23,555 | $ 20,719,652 |
| Accounts receivable, net | 902,792 | - | - | 902,792 |
| Fines receivable, net | 2,088,348 | - | - | 2,088,348 |
| Intergovernmental receivable | 1,745,423 | 282,972 | 280,204 | 2,308,599 |
| Franchise tax receivable | 505,517 | - | - | 505,517 |
| Leases receivable | 480,518 | - | - | 480,518 |
| General property taxes receivable | 304,360 | - | - | 304,360 |
| Prepaid items | 1,313,645 | - | - | 1,313,645 |
| Due from other funds | 927,217 | - | 539,679 | 1,466,896 |
| Restricted cash | 7,463,092 | - | - | 7,463,092 |
| **Total assets** | $ 28,972,712 | $ 7,737,269 | $ 843,438 | $ 37,553,419 |
| **Liabilities** | | | | |
| Accounts payable | $ 5,768,806 | $ 1,154,596 | $ 468,652 | $ 7,392,054 |
| Accrued expenses | 1,554,182 | - | - | 1,554,182 |
| Due to other funds | - | 374,472 | - | 374,472 |
| Unearned revenues | 4,779,959 | - | - | 4,779,959 |
| Customer deposits | 787,820 | - | - | 787,820 |
| **Total liabilities** | 12,890,767 | 1,529,068 | 468,652 | 14,888,487 |
| **Deferred Inflows of Resources** | | | | |
| Unavailable revenue - court fines | 2,088,348 | - | - | 2,088,348 |
| Unavailable revenue - leases | 480,518 | - | - | 480,518 |
| **Total deferred inflows of resources** | 2,568,866 | - | - | 2,568,866 |
| **Fund Balances** | | | | |
| Nonspendable: | | | | |
| Prepaid items | 1,313,645 | - | - | 1,313,645 |
| Restricted: | | | | |
| Public safety | 499,340 | - | - | 499,340 |
| Culture and recreation (deficit) | - | - | (166,255) | (166,255) |
| Capital projects | - | 6,208,201 | - | 6,208,201 |
| Debt service | - | - | 541,041 | 541,041 |
| Unassigned | 11,700,094 | - | - | 11,700,094 |
| **Total fund balances** | 13,513,079 | 6,208,201 | 374,786 | 20,096,066 |
| **Total liabilities, deferred revenues, and fund balances** | $ 28,972,712 | $ 7,737,269 | $ 843,438 | $ 37,553,419 |

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

# CITY OF SOUTHAVEN, MISSISSIPPI
## Reconciliation of Governmental Funds Balance Sheet
## to the Statement of Net Position
## For the year ended September 30, 2024

| | | |
|---|---|---|
| **Total Fund Balances - Total Governmental Funds** | $ | 20,096,066 |
| Amounts reported for Governmental Activities in the Statement of Net Position are different because: | | |
| Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet. | | 117,752,242 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore they are not reported in the governmental funds balance sheet. | | (47,465,668) |
| Interest on long-term debt is not accrued in the funds, but rather is recognized as an expenditure when due. | | (335,501) |
| Accrued compensated absences are not due and payable in the current period and therefore they are not reported in the governmental funds balance sheet. | | (1,739,721) |
| Net pension liabilities are not due and payable in the current period and therefore they are not reported in the governmental funds balance sheet. | | (99,401,913) |
| Deferred outflows and inflows related to pensions are applicable to future periods and, therefore are not reported in the governmental funds balance sheet: | | |
| Deferred outflows of resources related to defined benefit pension plan | | 13,801,510 |
| Deferred inflows of resources related to defined benefit pension plan | | (3,091,411) |
| Net other post-employment benefit liabilities are not due and payable in the current period and therefore they are not reported in the governmental funds balance sheet. | | (4,363,837) |
| Deferred outflows and inflows related to other post-employment benefits are applicable to future periods and, therefore are not reported in the governmental funds balance sheet: | | |
| Deferred outflows of resources related to other post-employment benefits | | 2,980 |
| Deferred inflows of resources related to other post-employment benefits | | (2,502,386) |
| Accrual of court fine revenues to qualify as financial resources. | | 2,088,348 |
| Deferred amount on refunding of debt issuances. | | 143,204 |
| Net position of governmental activities | $ | (5,016,087) |

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

## CITY OF SOUTHAVEN, MISSISSIPPI
## Statement of Revenues, Expenditures, and Changes in Fund Balance
## Governmental Funds
## For the year ended September 30, 2024

| | General Fund | Bond Funded Capital Projects Fund | Non-Major Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|
| **Revenues:** | | | | |
| General property taxes | $ 31,245,085 | $ | $ 6,296,454 | $ 37,541,539 |
| Sales tax | 27,198,239 | - | - | 27,198,239 |
| Tourism tax | - | - | 3,257,807 | 3,257,807 |
| Licenses and permits | 809,521 | - | - | 809,521 |
| Intergovernmental | 1,143,149 | - | - | 1,143,149 |
| Charges for services | 4,991,581 | - | 320,833 | 5,312,414 |
| Fines and forfeitures | 4,007,095 | - | - | 4,007,095 |
| Franchise taxes | 2,418,338 | - | - | 2,418,338 |
| Rents | 203,937 | - | - | 203,937 |
| Grant proceeds | 1,523,071 | 5,012,772 | - | 6,535,843 |
| Interest income | 717,535 | 105,229 | - | 822,764 |
| Miscellaneous | 392,356 | - | 379 | 392,735 |
| **Total revenues** | 74,649,907 | 5,118,001 | 9,875,473 | 89,643,381 |
| **Expenditures:** | | | | |
| General government | 22,212,522 | - | - | 22,212,522 |
| Public safety | 34,102,089 | - | - | 34,102,089 |
| Public works | 2,007,152 | - | - | 2,007,152 |
| Culture and recreation | 8,094,118 | - | - | 8,094,118 |
| Health and welfare | 451,784 | - | - | 451,784 |
| Tourism and convention | - | - | 5,624,428 | 5,624,428 |
| Capital outlay | 2,878,196 | 13,708,738 | - | 16,586,934 |
| Debt service: | | | | |
| Principal | - | - | 5,356,078 | 5,356,078 |
| Bond issue cost | - | 412,590 | - | 412,590 |
| Interest and other charges | - | - | 1,105,491 | 1,105,491 |
| **Total expenditures** | 69,745,861 | 14,121,328 | 12,085,997 | 95,953,186 |
| **Excess (deficit) of revenues over (under) expenditures** | 4,904,046 | (9,003,327) | (2,210,524) | (6,309,805) |
| **Other financing sources (uses):** | | | | |
| Proceeds from debt issued | - | 12,000,000 | - | 12,000,000 |
| Bond premium received | - | 700,915 | - | 700,915 |
| Transfers to other funds | (2,734,699) | - | - | (2,734,699) |
| Transfers from other funds | - | 2,225,578 | 509,121 | 2,734,699 |
| Sale of assets | 68,734 | - | - | 68,734 |
| **Total other financing sources (uses)** | (2,665,965) | 14,926,493 | 509,121 | 12,769,649 |
| **Net change in fund balances** | 2,238,081 | 5,923,166 | (1,701,403) | 6,459,844 |
| **Fund balances - beginning** | 11,274,998 | 285,035 | 2,076,189 | 13,636,222 |
| **Fund balances - ending** | $ 13,513,079 | $ 6,208,201 | $ 374,786 | $ 20,096,066 |

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

## CITY OF SOUTHAVEN, MISSISSIPPI
## Reconciliation of Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities
## For the year ended September 30, 2024

| | | |
|---|---|---|
| **Total Fund Balances - Total Governmental Funds** | | $ 6,459,844 |
| Amounts reported for Governmental Activities in the Statement of Activities are different because: | | |
| Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period. | | 23,220,971 |
| Depreciation expense on capital assets is reported in the statement of activities, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in the governmental funds. | | (6,843,206) |
| Revenues in the statement of activities that do not provide current financial resources and are not reported as revenues in the funds. | | 116,033 |
| The amortization of the bond premium is reported as a reduction to expense on the statement of activities. | | 112,285 |
| The amortization of the deferred refunding of debt issuances is reported as a increase to expense on the statement of activities. | | (64,000) |
| Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the remaining basis of the capital assets sold. | | (1,094,831) |
| Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds: | | |
| Adjustment to compensated absences liability | (1,065,291) | |
| Net pension adjustment | (13,492,835) | |
| Adjustment to other post-employment benefit liability | 476,696 | (14,081,430) |
| The change in accrued interest payable is reported as an expense on the statement of activities. | | (190,749) |
| Repayment and refunding of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. | | 5,356,078 |
| The proceeds of debt are an other financing source on the governmental funds income statement but are not reported on the statement of activities: | | |
| Proceeds from issuance of bonds and notes payable | | (12,000,000) |
| Premium on issuance of bonds | | (700,915) |
| Change in net position of governmental activities | | $ 290,080 |

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

**CITY OF SOUTHAVEN, MISSISSIPPI**
**Statement of Net Position**
**Proprietary Funds**
**September 30, 2024**

| | Business-Type Activities--Enterprise Funds | | | |
|---|---|---|---|---|
| | Utility Fund | Sanitation Fund (Non-Major) | Amphitheater Fund | Total |
| **Assets** | | | | |
| Current Assets | | | | |
| Cash and cash equivalents | $ 18,042,395 | $ - | $ 1,962,740 | $ 20,005,135 |
| Accounts receivable, net of allowance for doubtful accounts | 1,291,411 | 459,833 | 38,191 | 1,789,435 |
| Due from other funds | 459,936 | 530,057 | - | 989,993 |
| Prepaids | 189,770 | - | 8,833 | 198,603 |
| Total current assets | 19,983,512 | 989,890 | 2,009,764 | 22,983,166 |
| Noncurrent Assets | | | | |
| Land and other non-depreciable assets | 874,175 | - | - | 874,175 |
| Other capital assets, net of accumulated depreciation | 39,513,830 | 242,211 | 17,513,380 | 57,269,421 |
| Total noncurrent assets | 40,388,005 | 242,211 | 17,513,380 | 58,143,596 |
| **Total assets** | 60,371,517 | 1,232,101 | 19,523,144 | 81,126,762 |
| **Deferred outflows of resources** | | | | |
| Deferred outflows on refunding | 296,925 | - | - | 296,925 |
| Deferred outflows - pension | 1,167,287 | 126,969 | - | 1,294,256 |
| **Total deferred outflows of resources** | 1,464,212 | 126,969 | - | 1,591,181 |
| **Liabilities** | | | | |
| Current Liabilities | | | | |
| Accounts payable | 865,680 | 861,587 | 883,037 | 2,610,304 |
| Accrued expenses | 38,754 | 2,553 | - | 41,307 |
| Accrued interest | 92,908 | - | - | 92,908 |
| Customer deposits | 1,809,101 | - | - | 1,809,101 |
| Unearned revenues | - | - | 296,048 | 296,048 |
| Due to other funds | - | 47,881 | 2,034,536 | 2,082,417 |
| Long-term debt: due within one year | 2,682,998 | - | - | 2,682,998 |
| Total current liabilities | 5,489,441 | 912,021 | 3,213,621 | 9,615,083 |
| Noncurrent Liabilities | | | | |
| Compensated absences | 139,638 | 12,205 | - | 151,843 |
| Net pension liability | 6,207,977 | 509,372 | - | 6,717,349 |
| Long-term debt: due in more than one year | 18,358,159 | - | - | 18,358,159 |
| Total noncurrent liabilities | 24,705,774 | 521,577 | - | 25,227,351 |
| **Total liabilities** | 30,195,215 | 1,433,598 | 3,213,621 | 34,842,434 |
| **Deferred inflows - pension** | 393,254 | 74,666 | - | 467,920 |
| **Net position** | | | | |
| Net Investment in capital assets | 19,346,848 | 242,211 | 17,513,380 | 37,102,439 |
| Unrestricted (deficit) | 11,900,412 | (391,405) | (1,203,857) | 10,305,150 |
| **Total net position** | $ 31,247,260 | $ (149,194) | $ 16,309,523 | $ 47,407,589 |

See accompanying notes to financial statements.

CITY OF SOUTHAVEN, MISSISSIPPI
**Statement of Revenues, Expenses and Changes in Net Position**
**Proprietary Funds**
**For the year ended September 30, 2024**

| | Business-Type Activities--Enterprise Funds | | | |
|---|---|---|---|---|
| | Utility Fund | Sanitation Fund (Non-Major) | Amphitheater Fund | Total |
| **Operating revenues** | | | | |
| Sales | $ 16,657,341 | $ 4,205,244 | $ 3,402,797 | $ 24,265,382 |
| Miscellaneous | 330,707 | 28,977 | 231,000 | 590,684 |
| Total operating revenues | 16,988,048 | 4,234,221 | 3,633,797 | 24,856,066 |
| **Operating expenses** | | | | |
| Personnel services | 3,724,776 | 246,740 | - | 3,971,516 |
| Contractual services | 485,517 | 4,773,513 | 2,703,185 | 7,962,215 |
| Repairs and maintenance | 5,214,099 | - | 117,219 | 5,331,318 |
| Other supplies and expenses | 2,158,131 | - | 575,085 | 2,733,216 |
| Depreciation and amortization | 2,787,193 | 43,060 | 302,740 | 3,132,993 |
| Total operating expenses | 14,369,716 | 5,063,313 | 3,698,229 | 23,131,258 |
| Net operating income | 2,618,332 | (829,092) | (64,432) | 1,724,808 |
| **Non-operating revenues (expenses)** | | | | |
| Interest income | 292,011 | - | 56,727 | 348,738 |
| Interest expense | (598,796) | - | - | (598,796) |
| Total non-operating revenues (expenses) | (306,785) | - | 56,727 | (250,058) |
| Income (loss) before transfers | 2,311,547 | (829,092) | (7,705) | 1,474,750 |
| Transfers in | (105,739) | 105,739 | - | - |
| **Change in net position** | 2,205,808 | (723,353) | (7,705) | 1,474,750 |
| **Net position - beginning** | 29,041,452 | 574,159 | 16,317,228 | 45,932,839 |
| **Net position - ending** | $ 31,247,260 | $ (149,194) | $ 16,309,523 | $ 47,407,589 |

See accompanying notes to financial statements.

## CITY OF SOUTHAVEN, MISSISSIPPI
## Statement of Cash Flows - Proprietary Funds
## For the year ended September 30, 2024

| | Business-Type Activities--Enterprise Funds | | | |
|---|---|---|---|---|
| | Utility Fund | Sanitation Fund (Non-Major) | Amphitheater Fund | Total |
| **Cash flows from operating activities** | | | | |
| Cash received from customers | $ 17,033,066 | $ 4,147,306 | $ 3,476,259 | $ 24,656,631 |
| Payments for goods and services | (8,112,827) | (4,200,621) | (2,603,889) | (14,917,337) |
| Payments to employees | (2,693,087) | (190,187) | - | (2,883,274) |
| Other receipts (payments) | 333,177 | 29,809 | 231,000 | 593,986 |
| Net cash provided by (used in) operating activities | 6,560,329 | (213,693) | 1,103,370 | 7,450,006 |
| **Cash flows from noncapital financing activities** | | | | |
| Due to (from) municipality | (1,567,625) | (589,068) | (159,954) | (2,316,647) |
| Transfers in (out) | (105,739) | 105,739 | - | - |
| Net cash provided by (used in) noncapital financing activities | (1,673,364) | (483,329) | (159,954) | (2,316,647) |
| **Cash flows from capital and related financing activities** | | | | |
| Acquisition and construction of capital assets | (1,358,602) | (4,261) | (265,785) | (1,628,648) |
| Principal payments on debt | (2,966,049) | - | - | (2,966,049) |
| Interest payments on debt | (587,862) | - | - | (587,862) |
| Net cash provided by (used in) capital and related financing activities | (4,912,513) | (4,261) | (265,785) | (5,182,559) |
| **Cash flows from investing activities** | | | | |
| Receipts of interest | 292,011 | - | 56,727 | 348,738 |
| Net cash provided by (used in) investing activities | 292,011 | - | 56,727 | 348,738 |
| Net increase (decrease) in cash and cash equivalents | 266,463 | (701,283) | 734,358 | 299,538 |
| Cash and cash equivalents--beginning | 17,775,932 | 701,283 | 1,228,382 | 19,705,597 |
| Cash and cash equivalents--ending | $ 18,042,395 | $ - | $ 1,962,740 | $ 20,005,135 |

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

# CITY OF SOUTHAVEN, MISSISSIPPI
## Statement of Cash Flows - Proprietary Funds
## For the year ended September 30, 2024

| | Business-Type Activities--Enterprise Funds | | | |
|---|---|---|---|---|
| | Utility Fund | Sanitation Fund (Non-Major) | Amphitheater Fund | Total |
| **Reconciliation of operating income (loss) to net cash provided (used) by operating activities:** | | | | |
| Operating income (loss) | $ 2,618,332 | $ (829,092) | $ (64,432) | $ 1,724,808 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | |
| Depreciation and amortization expense | 2,787,193 | 43,060 | 302,740 | 3,132,993 |
| Net pension expense | 933,077 | 48,689 | - | 981,766 |
| Decrease (increase) in assets: | | | | |
| Accounts receivables | 372,649 | (57,938) | 273,045 | 587,756 |
| Other receivables | 2,470 | 832 | - | 3,302 |
| Prepaids | (3,009) | 42,782 | (8,833) | 30,940 |
| Increase (decrease) in liabilities: | | | | |
| Accounts payable | (252,071) | 530,110 | 800,433 | 1,078,472 |
| Accrued expenses | 8,295 | 216 | - | 8,511 |
| Customer deposits | 3,076 | - | - | 3,076 |
| Unearned revenues | - | - | (199,583) | (199,583) |
| Compensated absences | 90,317 | 7,648 | - | 97,965 |
| Total adjustments | 3,941,997 | 615,399 | 1,167,802 | 5,725,198 |
| Net cash provided by (used in) operating activities | $ 6,560,329 | $ (213,693) | $ 1,103,370 | $ 7,450,006 |

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

NOTES TO FINANCIAL STATEMENTS

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General Statement

The City of Southaven (the City) was incorporated in 1980. The City operated under the Board of Aldermen-Mayor form of government and provides the following services; public safety (police and fire), public works (streets and improvements), culture, recreation, public improvements, planning and zoning, economic development, and general administrative services.

The City complies with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accounting framework and the more significant accounting policies are discussed in subsequent sections of this note.

B. Financial Reporting Entity

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in generally accepted accounting principles. The basic – but not the only – criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, the City of Southaven has no component units.

C. Basis of Presentation

The government-wide financial statements include a Statement of Net Position and a Statement of Activities. They include all funds of the financial reporting entity with the exception of any fiduciary funds. These statements distinguish between governmental and business-type activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

*Government-Wide Financial Statements*

The Statement of Net Position presents the financial condition of governmental activities and business-type activities at year end. The Statement of Activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues.

Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues. Indirect expenses are allocated to general government.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

*Fund Financial Statements*

The City segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental and proprietary activities. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

*Governmental Funds*

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The City has presented the following major governmental funds:

General Fund:

The General Fund is the main operating fund of the City. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

Bond Funded Capital Project Fund:

This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure from capital outlays, including the acquisition or construction of capital facilities and other capital assets. This is a major fund.

Debt Service Fund:

This is a fund that is used to account for the payment of principal and interest on the City's outstanding governmental debt. This is a non-major fund.

Tourism and Convention Fund:

This fund is used to account for a tourism tax used to fund parks "growth" (expansion/improvements). This is a non-major fund.

*Proprietary Funds*

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position, and cash flow. All assets, deferred outflows of resources, liabilities and deferred inflows of resources are included on the Statement of Net Position. The City has presented the following proprietary funds:

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

C. Basis of Presentation – continued

Utility Fund:

The Utility Fund is used to account for the provision of water and sewer services to the residents of the City. Activities of the fund include administration, operations and maintenance of the water and sewer system, as well as billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term principal and interest for water and sewer debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the funds. This is a major fund.

*Sanitation Fund:*

The Sanitation Fund is used to account for the provision of sanitation services to the residents of the City. Activities of the fund include administration, operations and maintenance of sanitation services, as well as billing and collection activities. This is a non-major fund.

Amphitheater Fund:

The Amphitheater Fund is used to account for revenues generated from and expenditures related to the operation of the BankPlus Amphitheater. This is a major fund.

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. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Measurement Focus / Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current), deferred outflows of resources and deferred inflows of resources are included on the Statement of Net Position and the operating statements present increases (revenues) and decreases (expenses) in net total position. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services which are accrued. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting, pursuant to GASB Statement No. 33. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

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

D. Measurement Focus / Basis of Accounting – continued

The City considers property taxes as available if they are collected within 60 days after year-end. A two month availability period is used for recognition of all other Government Fund revenues. Expenditures are recognized when the related fund liability is incurred. However, debt service expenditures, except for interest payable accrued at the debt issuance date for which cash is received with the debt proceeds, as well as expenditures related to compensated absences are recorded only when payment has matured and will be payable shortly after year-end.

The revenues susceptible to accrual are property taxes, franchise fees, licenses, charges for services, interest income and intergovernmental revenues. Sales taxes collected and held by the state at year-end on behalf of the government are also recognized as revenue. All other governmental fund revenues are recognized when received, as they are generally not measurable or available until actually received.

E. Budgets and Budgetary Accounting

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

The City Charter establishes the fiscal year as the twelve-month period beginning October 1. The departments submit to the City Clerk a budget of estimated expenditures for the ensuing fiscal year after which the City Clerk submits a budget of estimated expenditures and revenues to the Mayor and Board of Aldermen by August 1.

Upon receipt of the budget estimates, the Board of Aldermen holds a public hearing on the proposed budget. Information about the budget ordinance is then published in the official newspaper of the City. At the September board meeting, the budget is legally enacted through passage of the budget ordinance. The City Clerk is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Aldermen.

The actual receipts and disbursements are accumulated each month and compared to the budgeted amounts and reviewed by the Mayor and Board of Aldermen. Any revisions on the budget during the year are approved by the Board of Aldermen.

F. Cash and Cash Equivalents

For the purpose of the Statement of Net Position, "Cash and Cash Equivalents" includes all demand, savings accounts, and certificates of deposits of the City. For the purpose of the proprietary fund Statement of Cash Flows, "Cash and Cash Equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of generally three months or less.

G. Prepaid Items

Prepaid items are for payments made by the City in the current year to provide services occurring in the subsequent fiscal year. The nonspendable fund balance for prepaid expenses in the governmental funds has been recorded to signify that a portion of the fund balance is not available for other subsequent expenditures. Prepaid items are recorded using the consumption method.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

### H. Interfund Transactions and Balances

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

### I. Restricted Assets

Fund assets required to be held and/or used as specified in bond indentures, bond resolutions, trustee agreements, board resolutions and donor specifications have been reported as restricted assets. When both restricted and nonrestricted assets are available for use, the policy is to use restricted assets first.

### J. Capital Assets and Depreciation

Capital assets, which include land, construction in progress, infrastructure, buildings and improvements, leased equipment and equipment and vehicles, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are capitalized at acquisition value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows.

| | Capitalization Thresholds | Estimated Useful Life |
|---|---|---|
| Land | $ - | N/A |
| Infrastructure | - | 20-50 years |
| Buildings | 50,000 | 40 years |
| Improvements other than buildings | 25,000 | 20 years |
| Mobile equipment | 5,000 | 5-10 years |
| Furniture and equipment | 5,000 | 3-7 years |

### K. Long-Term Liabilities

In the government-wide and proprietary financial statements, outstanding debt is reported as liabilities. Bond discounts or premiums and the difference between reacquisition price and the net carrying value of refunded debt are capitalized and amortized over the terms of the respective bonds using a method that approximates the effective interest method.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures. See Note 7 for details.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

L. Compensated Absences

The City has adopted a policy of compensation for accumulated unpaid employee personal leave. No payment is authorized for accrued major medical leave. Accounting principles generally accepted in the United States of America require accrual of accumulated unpaid employee benefits as liabilities in the government-wide financial statements and Proprietary Funds financial statements. In fund financial statements, governmental funds report the compensated absence liability payable only if the payable has matured, for example an employee resigns or retires. The City uses the General Fund and the Utility Fund to liquidate the compensated absences.

M. Deferred Outflows / Inflows of Resources

In addition to assets, the statement of financial includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources until then.

Deferred amount on refunding – For current refunding and advance refunding resulting in defeasance of debt reported by governmental activities, business type activities, and proprietary funds, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter.

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

Deferred outflows related to other post-employment benefits – This amount represents the City's deferred outflows of resources reported by the other post-employment benefits plan in which the City participates. See Note 10 for additional details.

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

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

Deferred inflows related to other post-employment benefits – This amount represents the City's deferred inflows of resources reported by the other post-employment benefits plan in which the City participates. See Note 10 for additional details.

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

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

N. Pensions

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

O. Postemployment Benefits Other than Pensions (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, benefit payments are recorded when the OPEB benefits come due. Additions to/deductions from the OPEB Plan net position have determined on the same basis as they are reported as the OPEB plan. The total OPEB liability is the actuarial accrued liability on the measurement date.

P. Equity Classifications

Net position in government-wide and proprietary fund financial statements are classified in three components:

***Net Investment in Capital Assets*** – consists of capital assets net of accumulated depreciation reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition or construction of those assets.

***Restricted Net Position*** – consists of assets, less any related liabilities, restricted externally by creditors, grantors, contributors, or imposed by law through constitutional provisions or enabling legislation.

***Unrestricted Net Position*** – consists of net position that is not classified as net investment in capital assets or restricted net position.

When an expense is incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) resources are available, it is the City's general policy to use restricted resources first. When expenses are incurred for purposes for which unrestricted (committed, assigned or unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the City's general policy to spend committed resources first, followed by assigned amounts, and then unassigned amounts.

GASB Statement No. 54. *Fund Balance Reporting and Governmental Fund Type Definitions* – this statement enhances the usefulness of fund balance information by providing clearer fund balance classifications and clarifying the existing governmental fund type definitions. The fund balance amounts for governmental funds have been reclassified in accordance with this GASB statement. See the below notes for further descriptions of the City's fund balance classifications and policies.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

P. Equity Classifications – continued

On the fund financial statements, the governmental funds balance sheet reports assets in excess of liabilities as fund balances. The fund balances are segregated into the following classifications indicating the extent to which the City is bound to honor constraints on the specific purposes for which those funds can be spent:

***Nonspendable*** – the fund balance is reported as nonspendable when the resources are either not in spendable form (inventories and prepaid expenses) or are legally or contractually required to be maintained intact (corpus of endowment funds).

***Restricted*** – the fund balance is reported as restricted when constraints placed on the resources are (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments: or (b) imposed by law through constitutional provisions or enabling legislation.

***Committed*** – the fund balance is reported as committed for amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the Board of Aldermen. Committed amounts cannot be uncommitted except by removing the constraints through the same formal action.

***Assigned*** – the fund balance is reported as assigned for resources that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Intent can be expressed by the Board of Aldermen or an official to which the board has delegated the authority to assign amounts to be used for specific purposes.

***Unassigned*** – the unassigned fund balance is the residual classification for the general fund. This classification represents general fund balance that is not otherwise reported as restricted or assigned to specific purposes. This classification is also used to report any negative fund balance in other governmental funds.

The Board of Aldermen establishes, modifies, or rescinds fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as special incentives). Assigned fund balance is established by the Board of Aldermen through adoption or amendment of the budget as intended for specific purpose (such as purchase of capital assets, construction, debt service, or for other purposes).

The City uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing so, such as a grant agreement requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures/expenses are made.

Q. Property Tax Revenues

Restrictions associated with property tax levies vary with the statutory authority. The amount of increase in certain property taxes is limited by state law. Generally, this restriction provides that these tax levies shall produce no more than 110% of the amount which resulted from the assessments of the previous year.

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

Q. Property Tax Revenues – continued

The Board of Aldermen, each year at a meeting in September, levies property taxes for the ensuing fiscal year which begins on October 1. Real property taxes become a lien on January 1 of the current year, and personal property taxes become a lien on March 1 of the current year. Taxes on both real and personal property, however, are due on or before February 1 of the next succeeding year. Taxes on motor vehicles and mobile homes that become a lien are due in the month that coincides with the month of the original purchase.

Accounting principles generally accepted in the United States of America require property taxes to be recognized at the levy date if measurable and available. All property taxes are recognized as revenue in the year for which they are levied. Motor vehicle and mobile home taxes do not meet the measurability and collectability criteria for property tax recognition because the lien and due date cannot be established until the date of the original purchase occurs.

R. Intergovernmental Revenues in Governmental Funds

Intergovernmental revenues, consisting of grants, entitlements and shared revenues, are usually recorded in Governmental Funds when measurable and available. However, the "available" criterion applies for certain federal grants and shared revenues when the expenditure is made because expenditure is the prime factor for determining eligibility. Similarly, if cost sharing or matching requirements exist, revenue recognition depends on compliance with these requirements.

S. Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, actual results may differ from estimated amounts.

T. Adoption of New Accounting Standards

The GASB has issued several statements implemented by the City. The Standards which could potentially impact the City in subsequent years are as follows:

GASB Statement No. 87, *Leases*, was adopted by the City beginning with its fiscal year ending September 30, 2023. Statement No. 87 establishes a single approach to accounting for and reporting leases by local governments. Under this statement, a governmental entity that is a lessee must recognize (1) a lease liability and (2) an intangible asset representing the lessee's right to use the leased asset. In addition, the City must recognize (1) amortization expense for using the asset over the shorter of the term of the lease or the useful life of the underlying asset, (2) interest expense on the lease liability and (3) note disclosures about the lease. For the year ended September 30, 2024, the City did not have any leases that were required to be recorded under Statement No. 87.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

T. Adoption of New Accounting Standards – continued

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, was adopted by the City beginning with its fiscal year ending September 30, 2023. Statement No. 96 provides guidance on the accounting and financial reporting for subscription based information technology arrangements for government end users. Under this Statement, a government should recognize a right-to-use subscription asset-an intangible asset-and a corresponding subscription liability. For the year ended September 30, 2024, the City only had short-term contracts of 12 months or less and are excluded from the recognition requirements.

## NOTE 2 - CASH AND CASH EQUIVALENTS

The collateral for public entities' deposits in financial institutions are held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5 Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by the institution would be liquidated by the State Treasure to replace the public deposits not covered by the Federal Depositary Insurance Corporation ("FDIC").

Custodial credit risk is the risk that, in the event of a financial institution's failure, the City's deposits might not be recovered. The City does not have a deposit policy for custodial credit risk. As of September 30, 2024, the City's bank balance was not exposed to custodial credit risk.

As of September 30, 2024, the carrying amount of the City's deposits was 48,187,879, of which $7,463,092 is reported as restricted cash, and the bank balances totaled $48,419,310. Of the bank balances, $500,000 was insured by the FDIC and $47,919,310 was covered by pooled and/or pledged collateral.

## NOTE 3 - INTERGOVERNMENTAL RECEIVABLES

Intergovernmental receivables at September 30, 2024, consisted of the following:

| Description | General Fund | Bond Funded Capital Projects Fund | Tourism and Convention Fund |
|---|---|---|---|
| Sales tax | $ 1,745,423 | $ - | $ - |
| USDOT grant | - | 282,972 | - |
| Tourist and Convention Tax | - | - | 280,204 |
| **Totals** | $ 1,745,423 | $ 282,972 | $ 280,204 |

## NOTE 4 - ACCOUNTS RECEIVABLE

Receivables for accounts of the Utility Fund (an Enterprise Fund) have been reduced by $236,121 to reflect the provision for uncollectible accounts. The accrual amount of court fine receivables on the Statement of Net Position – Government – Wide has been reduced by $3,071,921 to reflect the provision for uncollectible fines and fees.

## NOTE 5 - CAPITAL ASSETS

The following is a summary of capital asset activity as of September 30, 2024:

| | Balance Oct. 1, 2023 | Acquisitions | Capitalized Construction, Sales, or Retirements | Balance Sept. 30, 2024 |
|---|---|---|---|---|
| **Governmental Activities:** | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | $ 8,047,521 | $ - | $ 103,924 | $ 8,151,445 |
| Construction in progress | 7,394,403 | 19,802,931 | - | 27,197,334 |
| Total capital assets, not being depreciated: | 15,441,924 | 19,802,931 | 103,924 | 35,348,779 |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | 59,698,209 | - | (1,559,147) | 58,139,062 |
| Infrastructure | 135,120,737 | 480,877 | (555,386) | 135,046,228 |
| Equipment and vehicles | 25,678,762 | 2,937,163 | (1,162,611) | 27,453,314 |
| Leased equipment | 249,913 | - | (249,913) | - |
| Total capital assets, being depreciated | 220,747,621 | 3,418,040 | (3,527,057) | 220,638,604 |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | (23,576,886) | (1,607,104) | 322,176 | (24,861,814) |
| Infrastructure | (90,029,608) | (3,663,239) | (238,994) | (93,931,841) |
| Equipment and vehicles | (19,863,830) | (1,572,863) | 1,995,207 | (19,441,486) |
| Leased equipment | (249,913) | - | 249,913 | - |
| Total accumulated depreciation | (133,720,237) | (6,843,206) | 2,328,302 | (138,235,141) |
| **Total governmental activities capital assets, net** | $ 102,469,308 | $ 16,377,765 | $ (1,094,831) | $ 117,752,242 |

**NOTE 5 - CAPITAL ASSETS – continued**

| | Balance Oct. 1, 2023 | Acquisitions | Capitalized Construction, Sales, or Retirements | Balance Sept. 30, 2024 |
|---|---|---|---|---|
| **Business-Type Activities:** | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | $ 579,036 | $ - | $ - | $ 579,036 |
| Construction in progress | 7,958,844 | 1,119,767 | (8,783,472) | 295,139 |
| Total capital assets, not being depreciated: | 8,537,880 | 1,119,767 | (8,783,472) | 874,175 |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | 19,644,864 | 41,900 | 1 | 19,686,765 |
| Infrastructure | 68,145,400 | 55,665 | 8,783,472 | 76,984,537 |
| Equipment and vehicles | 5,872,274 | 411,317 | (682,616) | 5,600,975 |
| Total capital assets, being depreciated | 93,662,538 | 508,882 | 8,100,857 | 102,272,277 |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | (3,275,020) | (352,453) | - | (3,627,473) |
| Infrastructure | (35,596,264) | (2,355,523) | (191,353) | (38,143,140) |
| Equipment and vehicles | (3,672,635) | (425,017) | 865,409 | (3,232,243) |
| Total accumulated depreciation | (42,543,919) | (3,132,993) | 674,056 | (45,002,856) |
| **Total business-type activities capital assets, net** | $ 59,656,499 | $ (1,504,344) | $ (8,559) | $ 58,143,596 |

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

| | |
|---|---|
| **Governmental Activities:** | |
| General government | $ 470,099 |
| Public safety | 1,325,988 |
| Public works | 3,079,018 |
| Culture and recreation | 1,949,460 |
| Health and welfare | 18,641 |
| **Total depreciation expense - governmental activities** | $ 6,843,206 |
| **Business-Type Activities:** | |
| Utility | $ 302,740 |
| Sanitation | 2,787,193 |
| Amphitheater | 43,060 |
| **Total depreciation expense - business-type activities** | $ 3,132,993 |

## NOTE 6 - INTERFUND TRANSFERS AND BALANCES

The following is a summary of interfund balances at September 30, 2024:

Due From / To Other Funds

| Funds: | Due From | Due To |
|---|---|---|
| General fund | $ 3,061,879 | $ 2,134,662 |
| Bond funded capital project fund | - | 374,472 |
| Tourism and convention fund | 525,787 | - |
| Debt service fund | 13,892 | - |
| Utility fund | 459,936 | - |
| Sanitation fund | 530,057 | 47,881 |
| Amphitheater fund | - | 2,034,536 |
| **Total funds** | $ 4,591,551 | $ 4,591,551 |

Interfund balances consist of payments for monthly claims and are expected to be paid back within the year. These Due From/Due to items are routine and consistent with the activities of the fund making the transfer.

Transfers In / Out

| Funds: | Transfers In | Transfers Out |
|---|---|---|
| General fund | $ - | $ 2,734,699 |
| Bond funded capital project fund | 2,225,578 | - |
| Tourism and convention fund | 509,121 | - |
| Utility fund | 105,739 | - |
| Sanitation fund | - | 105,739 |
| **Total funds** | $ 2,840,438 | $ 2,840,438 |

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

## NOTE 7 - LONG-TERM DEBT

Bonds Payable

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City.

Notes Payable

Eight different capital improvement and equipment revolving loans make up the September 30, 2024 notes payable balance and are included in the business-type activities. All of the loans are in repayment status with a total outstanding balance of $8,881,725.

Debt Summary

During the fiscal year, the following changes occurred in long-term debt:

| Description and Purpose | Amount Issued | Amount Outstanding | Interest Rate | Issue Date | Maturity Date |
|---|---|---|---|---|---|
| **Governmental Activities:** | | | | | |
| General obligation bonds: | | | | | |
| 2012A Refunding Bonds | $ 3,015,000 | $ 320,000 | 1.00-2.25% | 10/09/12 | 12/01/24 |
| 2013A General Obligation Bonds | 6,565,000 | 3,845,000 | 2.50-3.50% | 11/19/13 | 12/01/33 |
| 2013B Parks and Recreation Bonds | 2,930,000 | 325,000 | 3.97% | 01/31/14 | 03/01/25 |
| 2015 Refunding Bonds | 6,870,000 | 1,555,000 | 2.00-3.00% | 03/11/14 | 12/01/25 |
| 2017 Refunding Bonds* | 3,620,000 | 1,208,000 | 2.30% | 11/20/17 | 02/01/30 |
| 2017 General Obligation Bond | 6,000,000 | 3,820,000 | 3.00-4.00% | 12/21/17 | 01/01/30 |
| 2020 Refunding Bonds | 3,015,000 | 1,335,000 | 3.00% | 03/25/20 | 11/01/27 |
| 2020 General Obligation Bonds | 15,000,000 | 13,004,000 | 4.00% | 04/23/20 | 03/01/40 |
| 2022 General Obligation Bonds | 10,000,000 | 9,005,000 | 2.65-5.00% | 02/23/22 | 09/30/37 |
| 2024 General Obligation Bonds | 12,000,000 | 12,000,000 | 5.00% | 06/27/24 | 06/01/34 |
| Total general obligation bonds | 69,015,000 | 46,417,000 | | | |
| **Total governmental activities** | $ 69,015,000 | $ 46,417,000 | | | |

## NOTE 7 - LONG-TERM DEBT – continued

Debt Summary – continued

| Description and Purpose | Amount Issued | Amount Outstanding | Interest Rate | Issue Date | Maturity Date |
|---|---|---|---|---|---|
| **Business-Type Activities:** | | | | | |
| General obligation bonds: | | | | | |
| 2016 Water/Sewer Refunding Bonds | $ 13,350,000 | $ 6,650,000 | 2.00-5.00% | 05/03/16 | 02/01/27 |
| 2017 Refunding Bonds* | 3,620,000 | 1,208,000 | 2.30% | 11/20/17 | 02/01/30 |
| 2020 Water/Sewer General Obligation | 4,710,000 | 3,550,000 | 2.50-2.00% | 11/02/20 | 11/01/31 |
| Total general obligation bonds | 24,415,000 | 11,408,000 | | | |
| Notes payable: | | | | | |
| MS Dept. of Health DWSLRF | 832,638 | 250,503 | 1.95% | 11/02/07 | 01/01/29 |
| MS Dept. of Health DWSLRF | 2,096,881 | 679,022 | 1.95% | 11/02/07 | 10/01/29 |
| MS Dept. of Health DWSLRF | 1,082,138 | 361,386 | 1.95% | 10/01/08 | 06/01/30 |
| MS Dept. of Health DWSLRF | 1,821,006 | 658,044 | 1.95% | 10/01/08 | 09/30/30 |
| MDEQ WPCRLF | 4,219,481 | 4,012,827 | 1.75% | 09/01/11 | 12/31/33 |
| MDEQ WPCRLF | 6,766,517 | 2,157,858 | 1.75% | 01/01/10 | 08/31/35 |
| MDEQ WPCRLF | 1,241,824 | 762,085 | 1.75% | 09/01/13 | 12/31/35 |
| Total notes payable | 19,485,653 | 8,881,725 | | | |
| **Total business-type activities** | $ 43,900,653 | $ 20,289,725 | | | |

*2017 issuance paid 50% through the Debt Service Fund (Governmental activities) and 50% through the Utility Fund (Business-type activities).

Changes in Long-Term Debt

During the fiscal year, the following changes occurred in long-term debt:

| | Fund Debt Retired By | Balances Oct. 1, | Additions | Reductions | Balances Sept. 30 | Current Portion |
|---|---|---|---|---|---|---|
| **Governmental Activities:** | | | | | | |
| GO bonds | Debt Service | $ 39,712,500 | $12,000,000 | $ 5,295,500 | $ 46,417,000 | $ 4,252,000 |
| Notes payable | Debt Service | 60,578 | - | 60,578 | - | - |
| Bond premium | | 460,038 | 700,915 | 112,285 | 1,048,668 | - |
| **Total governmental activities** | | $ 40,233,116 | $12,700,915 | $ 5,468,363 | $ 47,465,668 | $ 4,252,000 |

## NOTE 7 - LONG-TERM DEBT – continued

Changes in Long-Term Debt – continued

| | Fund Debt Retired By | Balances Oct. 1, | Additions | Reductions | Balances Sept. 30 | Current Portion |
|---|---|---|---|---|---|---|
| **Business-Type Activities:** | | | | | | |
| GO bonds | Utility | $ 13,364,500 | $ - | $ 1,956,500 | $ 11,408,000 | $ 1,742,000 |
| Notes payable | Utility | 9,891,274 | - | 1,009,549 | 8,881,725 | 940,998 |
| Bond premium | | 882,614 | - | 116,388 | 766,226 | - |
| Bond discount | | (18,491) | - | (3,697) | (14,794) | - |
| **Total business-type activities** | | $ 24,119,897 | $ - | $ 3,078,740 | $ 21,041,157 | $ 2,682,998 |

Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

| | Governmental Activities | | | |
|---|---|---|---|---|
| **Year Ending September 30,** | **General Obligation Bonds** | **Notes Payable** | **Interest** | **Total** |
| 2025 | $ 4,252,000 | $ - | $ 1,516,697 | $ 5,768,697 |
| 2026 | 3,638,500 | - | 1,439,498 | 5,077,998 |
| 2027 | 3,981,000 | - | 1,330,694 | 5,311,694 |
| 2028 | 4,150,000 | - | 1,178,514 | 5,328,514 |
| 2029 | 4,012,500 | - | 1,023,237 | 5,035,737 |
| 2030-2034 | 18,478,000 | - | 3,002,248 | 21,480,248 |
| 2035-2039 | 6,938,000 | - | 515,435 | 7,453,435 |
| 2040 | 967,000 | - | 11,603 | 978,603 |
| **Total** | $ 46,417,000 | $ - | $ 10,017,926 | $ 56,434,926 |

| | Business-Type Activities | | | |
|---|---|---|---|---|
| **Year Ending September 30,** | **General Obligation Bonds** | **Notes Payable** | **Interest** | **Total** |
| 2025 | $ 1,742,000 | $ 940,998 | $ 498,114 | $ 3,181,112 |
| 2026 | 1,812,500 | 658,090 | 409,422 | 2,880,012 |
| 2027 | 1,893,000 | 975,661 | 323,734 | 3,192,395 |
| 2028 | 1,580,000 | 993,555 | 249,255 | 2,822,810 |
| 2029 | 1,634,500 | 1,011,777 | 181,108 | 2,827,385 |
| 2030-2034 | 2,746,000 | 3,572,993 | 270,718 | 6,589,711 |
| 2035-2036 | - | 428,651 | 3,786 | 432,437 |
| **Total** | $ 11,408,000 | $ 8,581,725 | $ 1,936,137 | $ 21,925,862 |

## NOTE 7 - LONG-TERM DEBT – continued

Legal Debt Margin

The City is subject to the limitations of indebtedness prescribed by Section 21-33-303, Miss. Code Ann. (1972). No municipality may issue bonds secured by a pledge of its full faith and credit in an amount which, when added to the then outstanding bond indebtedness for such municipality, would exceed the 15% and 20% tests prescribed in Section 21-33-303. These percentages are applied to the assessed value of the taxable property within such municipality, with certain types of bond issues being excluded from the authorized debt limit tests. Presented in the schedule below are the calculations of the applicable statutory debt limitations and the resulting margin for further debt in the amount of $65,936,647 (the smaller of the two computed margins) as of September 30, 2024.

| | General Obligation Debt | All Indebtedness |
|---|---|---|
| Assessed valuation | $ 749,024,310 | $ 749,024,310 |
| Limit | 15% | 20% |
| CAP limit | 112,353,647 | 149,804,862 |
| General obligation | 46,417,000 | 46,417,000 |
| Notes payable | - | - |
| Total debt subject to CAP | 46,417,000 | 46,417,000 |
| Amount under the CAP | $ 65,936,647 | $ 103,387,862 |

## NOTE 8 - DEFERRED LOSS ON REFUNDING

The unamortized deferred loss on refunding relates to General Obligation Refunding Bonds for governmental and business-type activities. Deferred loss on refunding reported in the statement of net position consist of the following:

| | |
|---|---|
| Governmental activities: | |
| Series 2015 | $ 63,038 |
| Series 2020 | 80,166 |
| | $ 143,204 |
| Business-type activities: | |
| Series 2016 | $ 296,925 |

## NOTE 9 - DEFINED BENEFIT PENSION PLAN

Plan Description - Employees of the City of Southaven are provided a defined benefit pension plan through the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing agent multiple-employer pension plan. The Public Employees' Retirement System of Mississippi (PERS) was created with the purpose to provide pension benefits for all state and public education employees, sworn officers of the Mississippi Highway Safety Patrol, other public employees whose employers have elected to participate in the System, and elected members of the State Legislature and the President of the Senate. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Public Employees' Retirement System of Mississippi, PERS Building, 429 Mississippi Street, Jackson, MS 39201 or by calling (601) 359-3589 or 1-800-444-PERS.

Benefits Provided - 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 2.0% of their average compensation for each year of creditable service up to and including 30 years (25 years for those who became members of PERS before July 1, 2011), plus 2.5% for each additional year of creditable service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age that the member is below 65, whichever is less (the actuarial reduction for less than 30 years or below age 65 apply only to those who became members on or after July 1, 2011). Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service.

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

Employee membership data related to the Plan, as of June 30, 2023 was as follows:

| | |
|---|---|
| Inactive Members or Beneficiaries Currently Receiving Benefits | 115,890 |
| Inactive Members Assumed Eligible for a Benefit at Retirement Date | 17,191 |
| Inactive Members Assumed Not to Receive Service Retirement Benefits | 78,809 |
| Active Members | 145,985 |
| Total | 357,875 |

**NOTE 9 - DEFINED BENEFIT PENSION PLAN – continued**

Contributions - The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. PERS members are required to contribute 9.00% of their annual covered salary and the City of Hernando is required to contribute at an actuarially determined rate. The current rate is 17.40% of annual covered payroll. The contributions are deducted from the employees' wages or salary and remitted by the City to PERS on a monthly basis. By law, employer contributions are required to be paid. The employer's actuarially determined contribution and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability. The City of Southaven's contributions to PERS for the years ending September 30, 2024, 2023, and 2022 were, $5,571,169, $5,233,336, and $4,839,433, respectively, equal to the required contributions for each year.

For the year ended September 30, 2024, the City of Southaven's total payroll for all employees was $32,647,837. Total covered payroll was also $32,018,213. Covered payroll refers to all compensation paid by the City to active employees covered by the Plan.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions - At September 30, 2024, the City of Southaven reported a liability of $106,119,262 for its proportionate share of the net pension liability.

The net pension liability was measured as of June 30, 2024, and the total pension liability percentage used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City of Southaven's proportion of the net pension was based on a projection of the City of Southaven's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2024, the City of Southaven's proportion was 0.408663%.

For the year ended September 30, 2024, the City of Southaven recognized pension expense of $14,474,601. At September 30, 2024, the City of Southaven reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Difference Between Expected and Actual Experience | $ 5,709,635 | $ - |
| Net Difference Between Projected and Actual Investment Earnings | 351,663 | - |
| City Pension Contributions Subsequent to the Measurement Date | 1,518,914 | - |
| Changes of Assumptions | 6,573,009 | - |
| Changes in Proportion and Differences in Actual Earnings on Pension Plan Assets | 942,545 | 3,559,331 |
| Total | $ 15,095,766 | $ 3,559,331 |

**NOTE 9 - DEFINED BENEFIT PENSION PLAN – continued**

The $1,518,914 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

| Fiscal Year Ending September 30, | | Amount |
|---|---|---|
| 2025 | $ | 4,221,568 |
| 2026 | | 7,301,252 |
| 2027 | | (643,236) |
| 2028 | | (862,063) |
| Total | $ | 10,017,521 |

Actuarial Assumptions - The City of Southaven total pension liability was determined by an actuarial valuation as of June 30, 2023, 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 61 to 75 and 101% for ages above 77. For females, 84% of female rates up to age 72 and 100% for ages above 76. Mortality rates will be projected generationally using the MP-2020 projection scale to account for future improvements in life expectancy.

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

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

**NOTE 9 - DEFINED BENEFIT PENSION PLAN – continued**

The most recent target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| Asset Class | Target Allocation | | Long-Term Expected Real Rate of Return | |
|---|---|---|---|---|
| Domestic Equity | 25.00 | % | 5.15 | % |
| International Equity | 20.00 | | 5.00 | |
| Global Equity | 12.00 | | 5.15 | |
| Fixed Income | 18.00 | | 2.75 | |
| Real Estate | 10.00 | | 3.50 | |
| Private Equity | 10.00 | | 6.25 | |
| Infrastructure | 2.00 | | 3.85 | |
| Private Credit | 2.00 | | 4.90 | |
| Cash Equivalents | 1.00 | | 0.50 | |
| Total | 100.00 | | | |

Discount Rate - The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00%) and that employer contributions will be phased in to 19.90 percent over five fiscal years (17.90% for FYE 2025, 18.40% for FYE 2026, 18.90% for FYE 2027, 19.40% for FYE 2028, 19.90% for FYE 2029 and beyond). 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.

Sensitivity of the City of Southaven's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the City of Southaven's and the additional September 30, 2024 funds proportionate share of the net pension liability using the discount rate of 7.00 percent, as well as what the City of Southaven's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

| | Discount Rate | City of Southaven's Proportionate Share of Net Pension Liability |
|---|---|---|
| 1% Decrease | 6.00% | $ 137,546,007 |
| Current Discount Rate | 7.00% | 106,119,262 |
| 1% Increase | 8.00% | 80,398,851 |

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

## NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description - The City maintains fully-insured medical insurance coverage for eligible employees and retired employees and their dependents under the age of 65. The City provides a single-employer defined benefit post- employment health care plan ("the Plan") that covers eligible employees and retired employees of the City and their dependents under the age of 65. The plan is funded 100% by the contributions from retirees. To be eligible to continue coverage under the City's plan, employees must satisfy the retirement eligibility requirements. Retirees are required to contribute 100% of the premium rates.

The City OPEB plan is not administered through a trust or equivalent arrangements. Therefore, there are no assets accumulated in a GASB-compliant trust.

Eligibility for Retiree Benefits - Retirees are eligible to continue medical insurance coverage until attaining age 65. For post-retirement eligibility, employees must be covered as an active employee in the City health program at the time of retirement, and meet the following conditions: Hired prior to July 1, 2011, age 60 with four (4) years of service or any age and twenty-five (25) years of service and Hired after July 1, 2011, age 60 with eight (8) years of service or any age and thirty (30) years of service.

Dependent Eligibility - Spouses and children of the retiree are eligible for the plan. Benefits cease upon death of the retiree or the retiree / spouse attaining age 65.

Medical Benefits - Retirees can continue in the medical plan and can choose between the following plans through United Health Care for 2024: $1,500 deductible, $3,000 deductible, or $4,000 deductible.

Retiree Contributions - Monthly contributions for retirees by plan option and tier:

| | Deductible | | |
|---|---|---|---|
| Tier | 1,500 | 3,000 | 4,000 |
| Employee | $ 445.70 | $ 413.44 | $ 398.74 |
| Employee + spouse | $ 836.90 | $ 779.47 | $ 753.31 |
| Employee + child(ren) | $ 720.03 | $ 670.13 | $ 647.39 |
| Employee + family | $ 1,075.65 | $ 1,002.84 | $ 969.68 |

Under GASB 75, employers are also required to consider any implicit subsidy that may be occurring. Medical costs generally increase with advancing age. Therefore, the medical costs for the retiree group are higher than the medical costs for the employee group, even taking Medicare into account. Stated another way, when a plan includes both employees and retirees, the blended premiums are almost always higher than what the premiums would be for employees, and lower than what the premiums would be for retirees, if each group were rated separately. The premium rate difference is referred to as the implicit rate subsidy.

Changes in Actuarial Assumptions - The valuation of the City's plan is based on assumptions with regard to the survival of plan members, the average per- capita claims costs, when current employees are expected to retire, and so forth. The assumptions were derived from a combination of plan experience and actuarial judgment.

The following changes were made to assumptions since the prior valuation:

- Discount Rate: The discount rate was decreased from 4.63% to 3.88%. See the next section for more details. This resulted in a decrease in the Total OPEB Liability.

**NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) – continued**

- Claim Cost Trend: The trend tables used in the prior valuation were developed using plan experience and the SOA Long-Run Medical Cost Trend Model published in November 2021. The current valuation utilizes updated assumptions in the September 2024 model as well as updated plan experience. This resulted in an increase in the Total OPEB liability.

- Turnover and Retirement Rates: The prior assumptions were developed from the Public Employees' Retirement System (PERS) of Mississippi's June 30, 2022 valuation, adjusted for City The current valuation utilizes the most recent valuation for PERS as of June 30, 2024, with adjustments made for recent City experience for turnover. These changes combined resulted in an increase in the Total OPEB liability.

- Payroll Growth: The actuary has revised the long-term expected payroll growth assumption from 0.5% to 2.5% based on discussions with the City. This resulted in a decrease in the Total OPEB liability.

- Claim Costs and Retiree Contributions: The actuary has revised the claim costs assumptions and retiree contributions based on the City's premium rates being offered to plan members, age adjusted for the risk characteristics of the current covered group. This resulted in a decrease in the Total OPEB liability.

Discount Rate - One of the most important assumptions is the discount rate, which is used by the model to compute the present value of future post-retirement benefits. The higher the discount rate, the lower the present values, and therefore the OPEB cost. For plans that are not funded through irrevocable trusts, paragraph 36 of GASB 75 requires that the discount rate equal the "expected yield or index rate for 20-year, tax-exempt obligation municipal bonds with an average rating of AA/Aa or higher..." determined as of the measurement date, which in this case is September 30, 2024.The Plan's valuation used the Fidelity General Obligation AA 20 Year Yield as of the measurement date, which was 3.88%.

Number of Employees Covered

| | |
|---|---|
| Inactive employees currently receiving benefits payments | 18 |
| Inactive employees entitled to but not yet receiving benefits payments | 0 |
| Active employees | 433 |
| Total | 451 |

Participation by Retirees - 75% for future eligible retirees are assumed to choose to participate in the plan at retirement.

Dependent Status - 15% of future retirees are assumed to have a covered spouse. Current marital status for current retirees is assumed to persist in all future years. Husbands are assumed to be three years older than wives. 0% of retirees are assumed to have children.

**NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) – continued**

Claim Cost Trend - For 2024 - 2027, the actuary's best estimate assumptions, developed by observation and extrapolation of plan experience. Thereafter, rates developed using the baseline projection of the SoA Long-Run Medical Cost Trend Model and the following model input variables:

| | |
|---|---|
| Rate of Inflation: | 2.50% |
| Rate of Growth in Real Income/GDP per capita: | 1.50% |
| Excess Medical Cost Growth: | 0.90% |
| Health Share of GDP in 2034: | 19.00% |
| Health Share of GDP Resistance Point: | 18.00% |
| Year for Limiting Cost Growth to GDP Growth: | 2075 |

See below for the table of the trend factors. The trends below are effective on September 30th of each year.

| Year | Trend | Year | Trend |
|---|---|---|---|
| 2024 | 6.0% | 2044-2056 | 4.6% |
| 2025 | 5.6% | 2057-2065 | 4.5% |
| 2026 | 5.4% | 2066-2067 | 4.4% |
| 2027-2028 | 5.2% | 2068-2069 | 4.3% |
| 2029-2030 | 5.1% | 2070-2071 | 4.2% |
| 2031-2033 | 5.0% | 2072-2073 | 4.1% |
| 2034 | 4.8% | 2074+ | 4.0% |
| 2035-2043 | 4.7% | | |

Medical Plan Elections - Current and future retirees are assumed to enroll in plans based on current year elections.

Claim Costs - Age-adjusted premiums were used for claims costs. They were derived from the premiums and adjusted for the risk characteristics of the group.

OPEB Liabilities, OPEB Expense, and Deferred Outflows related to OPEB - The City's total OPEB liability was $4,363,837 as of September 30, 2024 and was determined by an actuarial valuation as of that date. For the year ended September 30, 2024, the City recognized OPEB expense of ($476,696). At September 30, 2024, the City reported deferred outflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Difference Between Actual and Expected Experience | $ 2,980 | $ 528,052 |
| Changes of Assumptions or other inputs | - | 1,974,334 |
| Total | $ 2,980 | $ 2,502,386 |

## NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) – continued

Amounts reported and deferred outlflows of resources and deferred inflows of resources related to OPEB expense will be recognized in OPEB expense as follows:

| Fiscal Year Ending September 30, | | Amount |
|---|---|---|
| 2024 | $ | (744,449) |
| 2025 | | (744,449) |
| 2026 | | (744,449) |
| 2027 | | (266,059) |
| Total | $ | (2,499,406) |

Actuarial assumptions - The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

| | |
|---|---|
| Measurement date | September 30, 2024 |
| Valuation date | September 30, 2024 |
| Inflation rate | 2.50% |
| Salary scale | 2.50% |
| Discount rate | 3.88% |
| Prior year discount rate | 4.63% |

Discount rate - The discount rate used to measure the total OPEB liability at September 30, 2023 was 3.88 percent and it was based on the September 30, 2024 Fidelity General Obligation AA 20-Year Yield.

Sensitivity of the City's Total OPEB liability to changes in the discount rate - The following presents the City's Total OPEB liability, as well as what the City's Total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.88 percent) or 1-percentage-point higher (4.88 percent) than the current discount rate:

| | Discount Rate | Total OPEB Liability |
|---|---|---|
| 1% Decrease | 2.88% | $ 4,936,888 |
| Current discount rate | 3.88% | 4,363,837 |
| 1% Increase | 4.88% | 3,867,219 |

Sensitivity of the City's Total OPEB liability to changes in the healthcare cost trend rates - The following presents the City's Total OPEB liability, as well as what the City's Total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1- percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

| | Total OPEB Liability |
|---|---|
| 1% Decrease | $ 3,792,802 |
| Healthcare cost trend rates current | 4,363,837 |
| 1% Increase | 5,052,722 |

## NOTE 11 - LEASES

The City uses a rate of 8.50%, which is the federal prime rate, to calculate the present value of cell tower and property space rental payments since a rate implicit in the cell tower and property space leases are not a part of the contracts. The City's financial statements have not been restated nor has a cumulative effect been reflected for the restatement of the beginning net position of the City.

The City, acting as lessor, has entered nine leases involving the leasing of the right to use cell tower space and office space. Such leases are let for a term that corresponds with state law in accordance with the type of lease executed. The City's financial statements have not been restated nor has a cumulative effect been reflected for the restatement of the beginning net position of the City as part of the implementation of GASB Statement No. 87. The City has, however, included in its financial statements at year-end the net present value of future lease payments of $480,518 as a lease receivable and $480,518 as deferred inflows of resources. The deferred inflows of resources for leases are being amortized using the straight-line method of amortization.

The following are future rental payments to be made to the City for the use of City property. These future rental payments are from existing leases and do not anticipate renewals or new leases.

| Year Ending September 30, | Principal | Interest | Total |
|---|---|---|---|
| 2025 | $ 121,237 | $ 36,559 | $ 157,796 |
| 2026 | 113,386 | 26,112 | 139,498 |
| 2027 | 65,757 | 18,492 | 84,249 |
| 2028 | 55,138 | 13,511 | 68,649 |
| 2029 | 17,512 | 10,311 | 27,823 |
| 2030-2034 | 70,296 | 34,704 | 105,000 |
| 2035-2036 | 37,192 | 4,809 | 42,001 |
| Total | $ 480,518 | $ 144,498 | $ 625,016 |

## NOTE 12 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The exposure is covered by purchase of commercial insurance.

## NOTE 13 - CONTINGENT LIABILITIES

Litigation

The City is a defendant in various litigations arising out of normal business activities. Although the City carries commercial insurance to protect itself against damage claims, it is possible that the ultimate resolution of cases may exceed the City's insured limits. Management, with the advice of legal counsel, is of the opinion that the ultimate resolution of these matters will not have a material adverse effect on the financial statements.

## NOTE 13 - CONTINGENT LIABILITIES – continued

Federally Assisted Programs – Compliance Audits

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

## NOTE 14 - CONSTRUCTION AND OTHER COMMITMENTS

The following remaining commitments were disclosed as of September 30, 2024, for major capital projects ongoing:

| Project | | Remaining Commitment | Expected Date Of Completion |
|---|---|---|---|
| Fire Station #5 | $ | 200,000 | December 31, 2025 |
| Getwell Road South Extension | | 10,000 | November 30, 2025 |
| Fire Service Ext Phase 3 | | 439,292 | March 31, 2025 |
| Total | $ | 649,292 | |

## NOTE 15 - TAX ABATEMENTS

The City enters into property tax abatement agreements with local businesses for economic development purposes. The abatements may be granted to any business located within or promising to locate within the city limits. The abatements are negotiated on an individual basis. Each abatement is for 10 years. The City had nine tax abatement agreements with nine entities as of September 30, 2024.

The City had two types of abatements, none of which provides for the abatement of school or state tax levies:

Section 27-31-101 – New enterprise exemptions
Section 27-31-105 – Expanded enterprise exemptions

All twenty-four entities had tax abatements listed under the above listed statutes.

| Category | Amount of taxes abated during the fiscal year |
|---|---|
| New and expanded industrial enterprises | $531,556 |

The companies were not required to comply with any special provisions in order to receive the abatements and the City made no commitments as part of the agreements other than to reduce taxes. Abatements may be voided pursuant to state law in the event of a cessation of company operations.

## NOTE 16 - DEFICIT FUND BALANCE OF INDIVIDUAL FUNDS

The following funds reported deficits in fund balances at September 30, 2024:

| Fund | Deficit Amount |
|---|---|
| Sanitation Fund | $ 92,273 |
| Tourism and Convention Fund | 166,255 |

## NOTE 17 - SUBSEQUENT EVENTS

Events that occur after the statement of net position date, but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of net position date require recognition in the financial statements. Subsequent events that provide evidence about conditions that existed after the statement of net position date require disclosure in the notes to the financial statements. Management evaluated the activity of the City through September 17, 2025, (the date the financial statements were available to be issued) and noted the following items which require disclosure in the notes to the financial statements.

In February 2025, the City approved lowest and best bid in the amount of $3,659,789 for the required utility relocation for those properties which will be affected by the widening of I-55.

In May 2025, the City approved lowest and best bid for the renovation of the new City Court Building in the amount of $1,423,507.

In May 2025, the City Approved lowest and best bid in the amount of $5,448,845 for Goodman Road utility re-location.

REQUIRED SUPPLEMENTARY INFORMATION

# CITY OF SOUTHAVEN, MISSISSIPPI
## General Fund - Statement of Revenues, Expenditures and Changes In Fund Balances - Budget (Non-GAAP Basis) and Actual
### For the year ended September 30, 2024

| | Budget | | | Variance with |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget (Unfavorable) |
| **Revenues:** | | | | |
| General property taxes | $ 29,700,000 | $ 30,700,000 | $ 31,245,085 | $ 545,085 |
| Sales tax | 25,500,000 | 25,250,000 | 26,988,786 | 1,738,786 |
| Licenses and permits | 815,000 | 823,575 | 902,066 | 78,491 |
| Intergovernmental | 1,069,000 | 1,092,000 | 1,490,815 | 398,815 |
| Charges for services | 4,444,000 | 4,696,700 | 4,991,581 | 294,881 |
| Fines | 3,535,000 | 3,535,000 | 4,007,095 | 472,095 |
| Franchise taxes | 1,965,000 | 2,465,000 | 2,474,442 | 9,442 |
| Rents | 210,000 | 210,000 | 203,937 | (6,063) |
| Grant proceeds | 1,150,000 | 2,073,166 | 1,523,071 | (550,095) |
| Interest | 350,000 | 537,608 | 717,535 | 179,927 |
| Miscellaneous | 93,000 | 293,000 | 392,356 | 99,356 |
| Total revenues | 68,831,000 | 71,676,049 | 74,936,769 | 3,260,720 |
| **Expenditures:** | | | | |
| General government: | | | | |
| Personnel services | 5,751,600 | 5,652,400 | 5,541,103 | 111,297 |
| Supplies | 1,016,000 | 1,065,700 | 973,442 | 92,258 |
| Other services and charges | 14,648,190 | 17,168,331 | 15,697,977 | 1,470,354 |
| Capital outlay | 140,000 | 140,000 | 105,318 | 34,682 |
| Total general government | 21,555,790 | 24,026,431 | 22,317,840 | 1,708,591 |
| Public safety: | | | | |
| Police department: | | | | |
| Personnel services | 18,229,000 | 17,294,400 | 17,277,476 | 16,924 |
| Supplies | 1,556,500 | 2,194,100 | 2,188,540 | 5,560 |
| Other services and charges | 642,600 | 1,141,540 | 899,203 | 242,337 |
| Capital outlay | 1,209,000 | 749,000 | 719,710 | 29,290 |
| Total police department | 21,637,100 | 21,379,040 | 21,084,929 | 294,111 |
| Fire: | | | | |
| Personnel services | 12,847,000 | 12,360,127 | 12,296,659 | 63,468 |
| Supplies | 801,500 | 979,800 | 974,297 | 5,503 |
| Other services and charges | 489,000 | 496,600 | 465,914 | 30,686 |
| Capital outlay | 279,500 | 811,664 | 721,116 | 90,548 |
| Total fire department | 14,417,000 | 14,648,191 | 14,457,986 | 190,205 |
| Total public safety | 36,054,100 | 36,027,231 | 35,542,915 | 484,316 |
| Public works: | | | | |
| Personnel services | 1,629,000 | 1,416,000 | 1,297,319 | 118,681 |
| Supplies | 668,500 | 771,500 | 644,728 | 126,772 |
| Other services and charges | 113,000 | 113,000 | 65,105 | 47,895 |
| Capital outlay | 235,000 | 613,530 | 557,295 | 56,235 |
| Total public works | 2,645,500 | 2,914,030 | 2,564,447 | 349,583 |

## CITY OF SOUTHAVEN, MISSISSIPPI
### General Fund - Statement of Revenues, Expenditures and Changes In Fund Balances - Budget (Non-GAAP Basis) and Actual
### For the year ended September 30, 2024
(Continued)

| | Budget Original | Budget Final | Actual | Variance with Final Budget (Unfavorable) |
|---|---|---|---|---|
| Culture and recreation | | | | |
| Personnel services | $ 3,995,700 | $ 3,791,800 | $ 3,787,317 | $ 4,483 |
| Supplies | 1,670,000 | 1,792,000 | 1,714,910 | 77,090 |
| Other services and charges | 1,800,500 | 2,610,450 | 2,591,891 | 18,559 |
| Capital outlay | 600,000 | 925,960 | 735,257 | 190,703 |
| Total culture and recreation | 8,066,200 | 9,120,210 | 8,829,375 | 290,835 |
| Health and welfare | | | | |
| Personnel services | 359,200 | 381,453 | 380,671 | 782 |
| Supplies | 31,000 | 36,400 | 36,346 | 54 |
| Other services and charges | 34,500 | 36,300 | 34,767 | 1,533 |
| Capital outlay | 82,500 | 79,500 | 39,500 | 40,000 |
| Total health and welfare | 507,200 | 533,653 | 491,284 | 42,369 |
| Total expenditures | 68,828,790 | 72,621,555 | 69,745,861 | 2,875,694 |
| Excess of revenues over (under) expenditures | 2,210 | (945,506) | 5,190,908 | 6,136,414 |
| **Other financing sources (uses)** | | | | |
| Sale of assets | - | - | 68,734 | 68,734 |
| Transfers to other funds | - | (5,136,558) | (2,734,699) | 2,401,859 |
| Total other financing sources (uses) | - | (5,136,558) | (2,665,965) | 2,470,593 |
| **Excess (deficiency) of revenues and other sources over financing and other uses** | 2,210 | (6,082,064) | 2,524,943 | 8,607,007 |
| **Fund balance (non-GAAP budgetary basis) - beginning of year** | 11,274,998 | 11,274,998 | 11,274,998 | - |
| **Fund balance (non-GAAP budgetary basis) - end of year** | $ 11,277,208 | $ 5,192,934 | 13,799,941 | $ 8,607,007 |
| Adjustments to Generally Accepted Accounting Principles: | | | | |
| Revenue Accruals | | | (286,862) | |
| **Fund balance (GAAP basis) - end of year** | | | $ 13,513,079 | |

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

## CITY OF SOUTHAVEN, MISSISSIPPI
## Schedule of the City's Proportionate Share of the Net Pension Liability
## For the Ten Years Ended September 30, 2024*

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| City's proportion of net pension liability (%) | 0.408663 % | 0.402395 % | 0.377302 % | 0.371510 % | 0.354363 % | 0.344974 % | 0.336143 % | 0.333754 % | 0.309562 % | 0.304551 % |
| City's proportionate share of net pension liability | $ 106,119,262 | $ 101,205,793 | $ 77,660,622 | $ 54,910,800 | $ 68,600,559 | $ 60,687,730 | $ 55,910,567 | $ 55,481,240 | $ 55,295,502 | $ 47,077,580 |
| City's covered payroll | $ 32,018,213 | $ 30,076,644 | $ 25,974,649 | $ 24,701,655 | $ 23,596,184 | $ 22,467,251 | $ 21,465,937 | $ 21,410,527 | $ 19,803,435 | $ 19,026,578 |
| City's proportionate share of net pension liability as a percentage of its covered payroll | 331.43 % | 336.49 % | 298.99 % | 222.30 % | 290.73 % | 270.12 % | 260.46 % | 259.13 % | 279.22 % | 247.43 % |
| Plan fiduciary net position as a percentage of total pension liability | 56.30 % | 55.70 % | 59.93 % | 70.44 % | 58.97 % | 61.59 % | 62.54 % | 61.49 % | 57.47 % | 61.70 % |

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

* The amounts presented have a measurement date of June 30.

# CITY OF SOUTHAVEN, MISSISSIPPI
## Schedule of the City's Contributions
## For the Ten Years Ended September 30, 2024

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|
| Statutorily required contributions | $ 5,571,169 | $ 5,233,336 | $ 4,839,433 | $ 4,332,239 | $ 4,189,259 | $ 3,648,602 | $ 3,440,283 | $ 3,244,023 | $ 3,167,469 | $ 3,079,960 |
| Contributions in relation to statutorily required contributions | $ 5,571,169 | $ 5,233,336 | $ 4,839,433 | $ 4,332,239 | $ 4,189,259 | $ 3,648,602 | $ 3,440,283 | $ 3,244,023 | $ 3,167,469 | $ 3,079,960 |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| City's covered payroll | $ 32,018,213 | $ 30,076,644 | $ 25,974,649 | $ 24,701,655 | $ 23,596,184 | $ 22,467,251 | $ 21,465,937 | $ 21,410,527 | $ 19,803,435 | $ 19,026,578 |
| Contributions as a percentage of covered payroll | 17.40 % | 17.40 % | 17.40 % | 17.40 % | 17.40 % | 16.12 % | 15.75 % | 15.75 % | 15.75 % | 15.75 % |

Contribution percentage rate went from 15.75% to 17.40% as of July 1, 2019.
The accompanying notes to the Required Supplementary Information are an integral part of this schedule.

**CITY OF SOUTHAVEN, MISSISSIPPI**
**Schedule of Changes in the total OPEB**
**Liability and Related Ratios**
**For the Seven Years Ended September 30, 2024***

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|---|---|
| **Total OPEB Liability** | | | | | | | |
| Service Cost | $ 234,522 | $ 261,661 | $ 360,476 | $ 361,416 | $ 369,817 | $ 254,293 | $ 253,028 |
| Interest | 254,249 | 246,691 | 165,209 | 200,857 | 192,927 | 189,241 | 173,917 |
| Changes of benefit terms | - | - | - | - | - | - | - |
| Differences between expected and actual experience | (255,602) | 4,966 | (647,140) | (31,858) | (410,304) | 6,967 | 2,793 |
| Changes in assumptions or other inputs | (1,074,694) | (493,385) | (1,637,095) | (226,991) | 190,800 | 1,549,534 | - |
| Benefit payments | (112,405) | (86,616) | (80,633) | (44,548) | (48,400) | (33,693) | (28,078) |
| Net change in total OPEB liability | (953,930) | (66,683) | (1,839,183) | 258,876 | 294,840 | 1,966,342 | 401,660 |
| Total OPEB liability - beginning | 5,317,767 | 5,384,450 | 7,223,633 | 6,964,757 | 6,669,917 | 4,703,575 | 4,301,915 |
| Total OPEB liability - ending | $ 4,363,837 | $ 5,317,767 | $ 5,384,450 | $ 7,223,633 | $ 6,964,757 | $ 6,669,917 | $ 4,703,575 |
| Covered employee payroll | $ 26,481,476 | $ 23,112,285 | $ 22,997,299 | $ 19,017,091 | $ 18,923,175 | $ 16,497,854 | $ 16,397,865 |
| Total OPEB Liability as a percentage of covered employee payroll | 16.5% | 23.0% | 23.4% | 38.0% | 36.8% | 40.4% | 28.7% |

The notes to the required supplementary information are an integral part of this schedule.

There are no assets accumulated in a trust that meets the criteria of GASB to pay related benefits for the OPEB plan.

*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City has only presented information for the years in which information is available.

**CITY OF SOUTHAVEN, MISSISSIPPI**
**Notes to the Required Supplementary Information**
**For the year ended September 30, 2024**

## Budgetary Information

All funds of the City of Southaven, Mississippi, governmental and business-type are budgeted. For comparison purposes, the final, amended budget is utilized, and it is presented on a modified cash basis of accounting as required by the State of Mississippi, which is not consistent with generally accepted accounting principles. Although all capital projects have a proposed budget approved for the project length, they have budgets approved on an annual basis. All budgetary appropriations lapse at year-end.

## Budgetary Basis of Presentation

The budget is adopted and may be amended by the Board of Aldermen / Alderwomen. A budgetary comparison is presented for the general fund and each special revenue major fund (no major special revenue funds for 2024) and is presented on a modified cash basis of accounting.

## Pension Schedules - Changes of Assumptions

**2023** The investment rate of return assumption was changed from 7.55% to 7.00%.

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

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

The percentage of participants assumed to receive a deferred benefit upon attaining the eligibility requirements for retirement was increased from 60% to 65%.

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

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

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

**2021** The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:

- For males, 134% of male rates at all ages.
- For females, 121% of female rates at all ages.
- Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

**Pension Schedules - Changes of Assumptions (continued)**

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

- For males, 134% of male rates at all ages.
- For females, 121% of female rates at all ages.
- Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

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

- For males, 97% of male rates at all ages.
- For females, 110% of female rates at all ages.
- Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

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

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

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

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

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

The percentage of active member disabilities assumed to be in the line of duty was increased from 9% to 12%.

The percentage of active member deaths assumed to be in in the line of duty was decrease from 6% to 4%.

2019 The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:

- For males, 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119.
- For females, 85% of the female rates from ages 18 to 65 scaled up to 102% for ages 75 to 119.
- Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.

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

- For males, 137% of male rates at all ages.
- For females, 115% of female rates at all ages.
- Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.

**Pension Schedules - Changes of Assumptions (continued)**

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

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

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

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

2017 The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Mortality Table projected with Scale BB to 2022. Small adjustments were also made to the Mortality Table for disabled lives.

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

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

The percentage of active member disabilities assumed to be in the line of duty was increased from 6% to 7%.

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

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

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

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

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

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

**Pension Schedules - Changes of Benefit Provisions**

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

## OPEB - Changes of Assumptions

**2024** **Claim Cost Trend:** The trend tables used in the prior valuation were developed using plan experience and the SOA Long-Run Medical Cost Trend Model published in November 2021. The current valuation utilizes updated assumptions in the September 2024 model as well as updated plan experience. This resulted in an increase in the Total OPEB liability.

**Discount Rate:** The discount rate was decreased from 4.63% to 3.88%. This resulted in an increase in the Total OPEB Liability.

**Turnover and Retirement Rates:** The prior assumptions were developed from the Public Employees' Retirement System (PERS) of Mississippi's June 30, 2022 valuation, adjusted for City experience. The current valuation utilizes the most recent valuation for PERS as of June 30, 2024, with adjustments made for recent City experience for turnover. These changes combined resulted in an increase in the Total OPEB liability.

**Payroll Growth:** We have revised the long-term expected payroll growth assumption from 0.5% to 2.5% based on discussions with the City. This resulted in a decrease in the Total OPEB liability.

**Claim Costs and Retiree Contributions:** We have revised the claim costs assumptions and retiree contributions based on the City's premium rates being offered to plan members, age adjusted for the risk characteristics of the current covered group. This resulted in a decrease in the Total OPEB liability.

## OPEB - Actuarial Methods and Assumptions

**Participation by Retirees:** 75% for future eligible retirees are assumed to choose to participate in the plan at retirement.

**Dependent Status:** 15% of future retirees are assumed to have a covered spouse. Current marital status for current retirees is assumed to persist in all future years. Husbands are assumed to be three years older than wives. 0% of retirees are assumed to have children.

**Pre-Retirement Mortality:** PubG.H-2010 Employee Mortality Table, Generational with Projection Scale MP-2021.

**Post-Retirement Mortality:** PubG.H-2010 Healthy Retiree Mortality Table, Generational with Projection Scale MP-2021.

**Employee Turnover:** 68% of the Annual Rates of Withdrawal and Vesting from the Public Employees' Retirement System of Mississippi's June 30, 2024 valuation; the 68% factor is based on recent City experience.

**Retirement:** Annual Rates of Service Retirements from the Public Employees' Retirement System of Mississippi's June 30, 2024 valuation.

SUPPLEMENTARY INFORMATION

## CITY OF SOUTHAVEN, MISSISSIPPI
## Combining Balance Sheet
## Non-Major Governmental Funds
## September 30, 2024

| | Non-Major Debt Service Fund | Non-Major Tourism and Convention Fund | Total Non-Major Governmental Funds |
|---|---|---|---|
| **Assets** | | | |
| Cash and cash equivalents | $ 527,149 | $ - | $ 527,149 |
| Intergovernmental receivable | - | 280,204 | 280,204 |
| Due from other funds | 13,892 | 525,787 | 539,679 |
| **Total assets** | $ 541,041 | $ 805,991 | $ 1,347,032 |
| **Liabilities** | | | |
| Equity in pooled cash deficit | $ - | $ 503,594 | $ 503,594 |
| Accounts payable | - | 468,652 | 468,652 |
| **Total liabilities** | - | 972,246 | 972,246 |
| **Fund Balances** | | | |
| Restricted for | | | |
| Debt service | 541,041 | - | 541,041 |
| Park and recreation | - | (166,255) | (166,255) |
| **Total fund balances** | 541,041 | (166,255) | 374,786 |
| **Total liabilities and fund balances** | $ 541,041 | $ 805,991 | $ 1,347,032 |

## CITY OF SOUTHAVEN, MISSISSIPPI
## Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-Major Governmental Funds
## For the year ended September 30, 2024

| | Non-Major Debt Service Fund | Non-Major Tourism and Convention Fund | Total Non-Major Governmental Funds |
|---|---|---|---|
| **Revenues:** | | | |
| General property taxes | $ 6,296,454 | $ - | $ 6,296,454 |
| Tourism tax | - | 3,257,807 | 3,257,807 |
| Charges for services | - | 320,833 | 320,833 |
| Miscellaneous | - | 379 | 379 |
| **Total revenues** | 6,296,454 | 3,579,019 | 9,875,473 |
| **Expenditures:** | | | |
| Tourism and convention | - | 5,624,428 | 5,624,428 |
| Debt service: | | | |
| Principal | 5,356,078 | - | 5,356,078 |
| Interest and other charges | 1,105,491 | - | 1,105,491 |
| **Total expenditures** | 6,461,569 | 5,624,428 | 12,085,997 |
| **Excess (deficit) of revenues over (under) expenditures** | (165,115) | (2,045,409) | (2,210,524) |
| **Other financing sources (uses):** | | | |
| Transfers from Other Funds | - | 509,121 | 509,121 |
| **Total other financing sources (uses)** | - | 509,121 | 509,121 |
| **Net change in fund balances** | (165,115) | (1,536,288) | (1,701,403) |
| **Fund balances - beginning** | 706,156 | 1,370,033 | 2,076,189 |
| **Fund balances - ending** | $ 541,041 | $ (166,255) | $ 374,786 |

## CITY OF SOUTHAVEN, MISSISSIPPI
## Schedule of Expenditures of Federal Awards
## For the year ended September 30, 2024

| Federal Grantor/ Pass Through Grantor/ Program Title | Grantor Agency ID Number | Federal Assistance Listing Number | | Federal Expenditures |
|---|---|---|---|---|
| **PRIMARY GOVERNMENT:** | | | | |
| **U.S. Department of Agriculture** | | | | |
| Emergency Watershed Protection Program | NR234423XXXXC014 | 10.923 | $ | 106,076 |
| **Total U.S. Department of Agriculture** | | | $ | 106,076 |
| **U.S. Department of Transportation** | | | | |
| Passed through State Office of: | | | | |
| Mississippi Department of Transportation | | | | |
| Highway Planning and Construction Grant* | STP-7885-00(001)LPA107537-701000 | 20.205 | $ | 2,910,200 |
| **Total U. S. Department of Transportation** | | | $ | 2,910,200 |
| **U. S. Department of the Treasury** | | | | |
| Coronavirus State & Local Fiscal Recovery Funds | 1505-0271 | 21.027 | $ | 52,170 |
| **Total U. S. Department of the Treasury** | | | $ | 52,170 |
| **TOTAL FEDERAL EXPENDITURES** | | | $ | 3,068,446 |

**SIGNIFICANT ACCOUNTING POLICIES:**

The accompanying Schedule of expenditures of federal awards includes the federal award activity of the City of Southaven, Mississippi under programs of the federal government for the year ended September 30, 2024. 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, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

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.

The City has elected not to use the 10% deminimis indirect cost rate allowed under the Uniform Guidance.

* - Major Program

OTHER INFORMATION

**CITY OF SOUTHAVEN, MISSISSIPPI**
**Schedule of Surety Bonds for City Officials**
**September 30, 2024**
**Unaudited**

| NAME | POSITION | BOND | INSURANCE COMPANY |
|---|---|---|---|
| Darren Musselwhite | Mayor | $ 100,000 | Travelers Insurance |
| George Payne | Alderman | 100,000 | Travelers Insurance |
| Kristian Kelly | Alderman | 100,000 | Travelers Insurance |
| Charles Hoots | Alderman | 100,000 | Travelers Insurance |
| William Jerome | Alderman | 100,000 | Travelers Insurance |
| Joel Gallagher | Alderman | 100,000 | Travelers Insurance |
| John Wheeler | Alderman | 100,000 | Travelers Insurance |
| Raymond Flores | Alderman | 100,000 | Travelers Insurance |
| Kimberly Acheson | Record Clerk | 50,000 | Western Surety Company |
| Kaylee Barton | Police Dispatcher | 50,000 | Western Surety Company |
| Jayson Beal | Asst Athletic Director | 50,000 | Western Surety Company |
| Tanya Blevins | Police Dispatcher | 50,000 | Western Surety Company |
| Gary Boisseau | Police Dispatcher | 50,000 | Western Surety Company |
| Debbie Bounds | Planning Associate | 50,000 | Western Surety Company |
| Michelle Bray | Deputy Court Clerk | 50,000 | Western Surety Company |
| Lyndsey Brown | Planning Admin Asst | 50,000 | Western Surety Company |
| Wesley Brown | Parks Director | 50,000 | Western Surety Company |
| Adrienne Bucey | Police Clerk | 50,000 | Western Surety Company |
| Rebecca Byrd | Police Dispatcher | 50,000 | Western Surety Company |
| Terrye Canady | Deputy Court Clerk | 50,000 | Western Surety Company |
| Whitney Choat | Planning Director | 50,000 | Western Surety Company |
| Alexis Clifton | Police Dispatcher | 50,000 | Western Surety Company |
| Leigh Cornish | Comptroller | 50,000 | Western Surety Company |
| Melanie Drisdale | Human Resources Director | 50,000 | Western Surety Company |
| Loretta Duncan | Parks Forever Young | 50,000 | Western Surety Company |
| Alyssa Eaves | Deputy Clerk | 50,000 | Western Surety Company |
| Kristi Faulkner | Mayor's Executive Asst | 50,000 | Western Surety Company |
| Cathi Lynn Faxon | Deputy Court Clerk | 50,000 | Western Surety Company |
| Alicia Ferguson | Deputy Clerk | 50,000 | Western Surety Company |
| Anneke Fleming | Police Dispatcher | 50,000 | Western Surety Company |
| Ashley Ford | Deputy City Clerk | 50,000 | Western Surety Company |
| Joshua Freeman | Police Dispatcher | 50,000 | Western Surety Company |
| Bethany Garmon | Police Dispatcher | 50,000 | Western Surety Company |
| Andrea Glaude | Finance Director | 50,000 | Western Surety Company |
| James Gregory | Police Dispatcher | 50,000 | Western Surety Company |
| Diane Guerrero | Billing Clerk | 50,000 | Western Surety Company |
| Wendy Haire | Admin Asst Police | 50,000 | Western Surety Company |
| Tina Hardy | Billing Manager | 50,000 | Western Surety Company |
| Michaela Heaston | Police Dispatcher | 50,000 | Western Surety Company |
| Heather Hester | Deputy Court Clerk | 50,000 | Western Surety Company |

**CITY OF SOUTHAVEN, MISSISSIPPI**
**Schedule of Surety Bonds for City Officials**
**September 30, 2024**
**Unaudited**
(Continued)

| NAME | POSITION | BOND | INSURANCE COMPANY |
|---|---|---|---|
| Paige Hibbler | Deputy Court Clerk | $ 50,000 | Western Surety Company |
| Georgia Hitt | Police Dispatcher | 50,000 | Western Surety Company |
| Ray Humphrey | Utility Director | 50,000 | Western Surety Company |
| Kristen Hylander | Police Dispatcher | 50,000 | Western Surety Company |
| Tamara Jeffries | Police Dispatcher | 50,000 | Western Surety Company |
| Kristie Kerr | Police Dispatcher | 50,000 | Western Surety Company |
| Kristen King | Deputy Court Clerk | 50,000 | Western Surety Company |
| Paige Lane | Parks Admin Asst | 50,000 | Western Surety Company |
| Alexis Lankston | Deputy Court Clerk | 50,000 | Western Surety Company |
| Kristina Luttrell | Deputy Court Clerk | 50,000 | Western Surety Company |
| John Lyons | Deputy Parks Director | 50,000 | Western Surety Company |
| Latoya Mabry | Police Senior Clerk | 50,000 | Western Surety Company |
| Perry Mason | Animal Control Officer | 50,000 | Western Surety Company |
| Thomas Mastin | Court Clerk | 50,000 | Western Surety Company |
| Brittany McGowen | Animal Control Officer | 50,000 | Western Surety Company |
| Janice McRee | HR Generalist | 50,000 | Western Surety Company |
| Jaime Mease | Deputy Court Clerk | 50,000 | Western Surety Company |
| Cynthia Miller | Utility Billing Clerk | 50,000 | Western Surety Company |
| Susan Miller | Gift Shop Manager | 50,000 | Western Surety Company |
| Angela Moore | Billing Manager | 50,000 | Western Surety Company |
| Melanie Moore | Police Dispatcher | 50,000 | Western Surety Company |
| Stormi Morrow | Police Dispatcher | 50,000 | Western Surety Company |
| Andrea Mullen | City Clerk | 50,000 | Western Surety Company |
| Karen Mullen | Deputy Court Clerk | 50,000 | Western Surety Company |
| Michael Norris | IT Director | 50,000 | Western Surety Company |
| Holly Oliver | Utility Billing Clerk | 50,000 | Western Surety Company |
| Becky Paradis | Police Dispatcher | 50,000 | Western Surety Company |
| Ryan Payne | Police Dispatcher | 50,000 | Western Surety Company |
| Zachary Payne | Police Dispatcher | 50,000 | Western Surety Company |
| Kayla Perason | Deputy Clerk | 50,000 | Western Surety Company |
| Jennifer Peppers | Deputy Court Clerk | 50,000 | Western Surety Company |
| Kimberly Penix | Animal Control Officer | 50,000 | Western Surety Company |
| Greg Plunkett | Utilities Department | 50,000 | Western Surety Company |
| Joyce Poole | Police Dispatcher | 50,000 | Western Surety Company |
| Sonya Pride | Deputy Clerk | 50,000 | Western Surety Company |
| Abby Puff | Police Dispatcher | 50,000 | Western Surety Company |
| Vincent Ray | Police Dispatcher | 50,000 | Western Surety Company |
| Wanda Gail Reynolds | Deputy Court Clerk | 50,000 | Western Surety Company |
| Teresa Ried | Fire Admin Asst | 50,000 | Western Surety Company |
| Jillian Riede | Animal Control Officer | 50,000 | Western Surety Company |

CITY OF SOUTHAVEN, MISSISSIPPI
Schedule of Surety Bonds for City Officials
September 30, 2024
Unaudited
(Continued)

| NAME | POSITION | BOND | INSURANCE COMPANY |
|---|---|---|---|
| D'artra Rice | Deputy Court Clerk | $ 50,000 | Western Surety Company |
| Mary Roberts | Building Clerk | 50,000 | Western Surety Company |
| DelJuan Robinson | Parks Asst Athletic Director/Supervisor | 50,000 | Western Surety Company |
| Lizzie Robinson | Parks Food & Bev Mgr | 50,000 | Western Surety Company |
| Robert Robinson | Police Dispatcher | 50,000 | Western Surety Company |
| Shay Sigler Robinson | Deputy Court Clerk | 50,000 | Western Surety Company |
| Lily Sanders | Police Dispatcher | 50,000 | Western Surety Company |
| Mary Seamans | Police Dispatcher | 50,000 | Western Surety Company |
| Rebekah Shaheen | Animal Control Officer | 50,000 | Western Surety Company |
| Jason Scallorn | Deputy Police Chief | 50,000 | Western Surety Company |
| DeCarlos Smith | Police Dispatcher | 50,000 | Western Surety Company |
| Rhonda Smith | Utility Admin Asst | 50,000 | Western Surety Company |
| Terra Smith | Police Records Clerk | 50,000 | Western Surety Company |
| Susanna Taylor | Police Dispatcher | 50,000 | Western Surety Company |
| Elissa Trapolino | Deputy Clerk | 50,000 | Western Surety Company |
| Sandy Trask | Utilities Billing Clerk | 50,000 | Western Surety Company |
| Sara Tippitt | Police Dispatcher | 50,000 | Western Surety Company |
| Kim Turner | Billing Clerk | 50,000 | Western Surety Company |
| Ashlyn Valenzuela | Building Clerk | 50,000 | Western Surety Company |
| Brent Vickers | Police Chief | 50,000 | Western Surety Company |
| Karen White | Parks Admin Asst | 50,000 | Western Surety Company |
| Stephanie White | Finance Accountant | 50,000 | Western Surety Company |
| Brittany Williams | Police Digital Analyst I | 50,000 | Western Surety Company |
| Ashton Worley | Police Dispatcher | 50,000 | Western Surety Company |
| Kristie Wright | Billing Clerk | 50,000 | Western Surety Company |
| Tammy T. Wright | Deputy Court Clerk | 50,000 | Western Surety Company |
| Marsha Yates | Animal Control Admin Asst | 50,000 | Western Surety Company |
| Tonya Yates | Deputy Court Clerk | 50,000 | Western Surety Company |
| Sara Zane | Police Dispatcher | 50,000 | Western Surety Company |

REPORTS ON COMPLIANCE AND INTERNAL CONTROL

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

Honorable Mayor and Board of Aldermen / Alderwomen
City of Southaven, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Southaven, Mississippi as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Southaven, Mississippi's basic financial statements, and have issued our report thereon dated September 17, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Southaven, 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 Southaven, Mississippi's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Southaven, 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 may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Southaven, Mississippi's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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. However, this report is a matter of public record and its distribution is not limited.

Jarrell Group, PLLC

Jarrell Group, PLLC
Tupelo, Mississippi
September 17, 2025

JARRELL group
Certified Public Accountants
111 E. Troy St., Tupelo, MS 38804
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# INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Honorable Mayor and Board of Aldermen
City of Southaven, Mississippi

## Report on Compliance for Each Major Federal Program

### *Opinion on Each Major Federal Program*

We have audited the City of Southaven, Mississippi's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Southaven, Mississippi's major federal programs for the year ended September 30, 2024. The City of Southaven, Mississippi's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Southaven, 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, 2024.

### *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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Southaven, 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 Southaven, 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 Southaven, Mississippi's federal programs.

***Auditors' 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 Southaven, 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 Southaven, 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 judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Southaven, 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 Southaven, 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 Southaven, 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 Auditors' 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, as defined above. However, material weaknesses in internal control over compliance may exist that 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.

Jarrell Group, PLLC

Jarrell Group, PLLC
Tupelo, Mississippi
September 17, 2025

**CITY OF SOUTHAVEN, MISSISSIPPI**
**Schedule of Findings and Questioned Costs**
**September 30, 2024**

## SECTION 1 – SUMMARY OF AUDITORS' RESULTS

***Financial Statements***

| | |
|---|---|
| Type of auditors' report issued: | Unmodified |
| Internal control over financial reporting: | |
| Material weakness identified? | ____Yes __X__ No |
| Significant deficiency identified not considered to be a material weakness? | ____Yes __X__ None reported |
| Noncompliance material to financial statements noted? | ____Yes __X__ No |

***Federal Awards***

| | |
|---|---|
| Internal Control over major programs: | |
| Material weakness identified? | ____Yes __X__ No |
| Significant deficiency identified not considered to be a material weakness? | ____Yes __X__ None reported |
| Type of auditors' report issued on compliance for major programs: | Unmodified |
| Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | ____Yes __X__ No |

Identification of major program:

| CFDA Number(s) | Name of Federal Program or Cluster |
|---|---|
| 20.205 | U.S. Department of Transportation – Highway Planning and Constructure Grant |

| | |
|---|---|
| Dollar threshold used to distinguish between Type A and Type B programs: | $ 750,000 |
| Auditee qualified as low-risk auditee? | ____Yes __X__ No |

## SECTION 2 – FINANCIAL STATEMENT FINDINGS:

None

## SECTION 3 – FEDERAL AWARD FINDINGS:

None

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**INDEPENDENT AUDITORS' REPORT**
**ON COMPLIANCE WITH STATE LAWS AND REGULATIONS**

Honorable Mayor and Board of Aldermen
City of Southaven, Mississippi

We have audited the financial statements of the City of Southaven, Mississippi, as of and for the year ended September 30, 2024, and have issued our report thereon dated September 17, 2025. 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 the *Government Auditing Standards.*

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

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

This report is intended for the information and use of management, federal awarding agencies, the Office of the State Auditor, and pass-through entities 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.

Jarrell Group, PLLC

Jarrell Group, PLLC
Tupelo, Mississippi
September 17, 2025

JARRELL group
Certified Public Accountants
111 E. Troy St., Tupelo, MS 38804
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**COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE AT THE CONCLUSION OF THE AUDIT**

Honorable Mayor and Board of Aldermen
City of Southaven, Mississippi

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Southaven, Mississippi, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Southaven's basic financial statements as listed in the table of contents. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards,* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 23, 2024. Professional standards also require that we communicate to you the following information related to our audit.

<u>Significant Audit Findings</u>

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by City of Southaven, Mississippi are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2024. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting the City may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

> Management's estimate of the allowance for uncollectible accounts receivable is based on historical collection rates and an analysis of the collectability of each individual. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

*Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated September 17, 2025.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Matters*

We applied certain limited procedures to the schedule of the City's proportionate share of the net pension liability, the schedule of the City's contributions, and the notes to the required supplementary information, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

This information is intended solely for the use of the Mayor, Board, and management of City of Southaven, Mississippi and is not intended to be, and should not be, used by anyone other than these specified parties.

Jarrell Group, PLLC

Jarrell Group, PLLC
Tupelo, Mississippi
September 17, 2025

# CITY OF SOUTHAVEN

*Top of Mississippi*

8710 Northwest Drive
Southaven, MS 368671

Phone: 662.393.6939
Fax: 662.393.7294

September 17, 2025
Jarrell Group, PLLC
111 East Troy St., Suite C
Tupelo, MS 38804

This representation letter is provided in connection with your audit of the financial statements of City of Southaven, which comprise the respective financial position of the governmental activities, the business-type activities, and the aggregate remaining fund information as of September 30, 2024, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of September 17, 2025, the following representations made to you during your audit.

**Financial Statements**

1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated October 23, 2024, including our responsibility for the preparation and fair presentation of the financial statements and for preparation of the supplementary information in accordance with the applicable criteria.
2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
3) We acknowledge our responsibility 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.
4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5) The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.

7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.
8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter.
9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
10) Guarantees, whether written or oral, under which the City of Southaven is contingently liable, if any, have been properly recorded or disclosed.

**Information Provided**

11) We have provided you with:
    a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
    b) Additional information that you have requested from us for the purpose of the audit.
    c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
    d) Minutes of the meetings of the City of Southaven or summaries of actions of recent meetings for which minutes have not yet been prepared.
12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
14) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
    1) Management,
    2) Employees who have significant roles in internal control, or
    3) Others where the fraud could have a material effect on the financial statements.
15) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, regulators, or others.
16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
18) We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

**Government—specific**

19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
20) We have a process to track the status of audit findings and recommendations.
21) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
22) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
23) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
24) The City of Southaven has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
25) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.

26) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
27) As part of your audit, you assisted with preparation of the financial statements, related notes, and schedule of expenditures of federal awards. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements, disclosures, and schedule of expenditures of federal awards.
28) The City of Southaven has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
29) The City of Southaven has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
30) The financial statements properly classify all funds and activities in accordance with GASBS No. 34 , as amended.
31) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
32) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
33) Provisions for uncollectible receivables have been properly identified and recorded.
34) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
35) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
36) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
37) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
38) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
39) We have appropriately disclosed the City of Southaven's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
40) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
41) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
42) With respect to federal award programs:
    a) We are responsible for understanding and complying with and have complied with, the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), including requirements relating to preparation of the schedule of expenditures of federal awards.
    b) We acknowledge our responsibility for preparing and presenting the schedule of expenditures of federal awards (SEFA) and related disclosures in accordance with the requirements of the

Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.

c) If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.

d) We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.

e) We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.

f) We are responsible for establishing, designing, implementing, and maintaining, and have established, designed, implemented, and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.

g) We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.

h) We have received no requests from a federal agency to audit one or more specific programs as a major program.

i) We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement* relating to federal awards and [have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal awards OR confirm that there were no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal awards].

j) We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.

k) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.

l) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance (2 CFR part 200, subpart E).

m) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.

n) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.

o) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.

p) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
q) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditor's report.
r) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
s) The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
t) We have charged costs to federal awards in accordance with applicable cost principles.
u) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.
v) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.

Signature: ______________________ Signature: ______________________
Title: ______________________ Title: ______________________

Client: *City of Southaven, Mississippi*
Engagement: *2024 - 09/30/2024*
Period Ending: *9/30/2024*
Trial Balance: *TB*
Workpaper: *3700.10 - Proposed JE Report*

| Account | Description | W/P Ref | Debit | Credit |
|---|---|---|---|---|
| **Proposed JE # 1** | | **4100.03** | | |
| To adjust cash balances. | | | | |
| 0000-000-000-00-200100- | DUE TO/FROM GENERAL FUND | | 17,216.00 | |
| 0010-100-160-00-611000- | MATERIALS | | 17,216.00 | |
| 0000-000-000-00-110100- | POOLED CASH ACCOUNT | | | 17,216.00 |
| 0010-000-000-00-100300- | EQUITY IN POOLED CASH | | | 17,216.00 |
| **Total** | | | **34,432.00** | **34,432.00** |

Client: *City of Southaven, Mississippi*
Engagement: *2024 - 09/30/2024*
Period Ending: *9/30/2024*
Trial Balance: *TB*
Workpaper: *3700.01 - Adjusting Journal Entries Report*

| Account | Description | W/P Ref | Debit | Credit |
|---|---|---|---|---|
| **Adjusting Journal Entries JE # 2** | | | | |
| To adjust bank balance and record interest. | | | | |
| 0400-000-000-00-120317- | FIRST COMM BK CD#1021878738 | | 18,692.00 | |
| 0450-000-000-00-560100- | MISCELLANEOUS REVENUES | | 1.00 | |
| 0400-000-000-00-510100- | INTEREST EARNINGS | | | 18,692.00 |
| 0450-000-000-00-310100- | FUND BALANCE | | | 1.00 |
| **Total** | | | **18,693.00** | **18,693.00** |
| **Adjusting Journal Entries JE # 9** | | **5300.01** | | |
| To adjust govt. accrued interest. | | | | |
| 0800-000-000-00-650401- | BONDS REDEEM GNL OB INT | | 40,571.00 | |
| 0800-000-000-00-210500- | ACCRUED INT PAYABLE | | | 40,571.00 |
| **Total** | | | **40,571.00** | **40,571.00** |
| **Adjusting Journal Entries JE # 12** | | **5400.12** | | |
| To adjust pension related accounts for general govt. | | | | |
| 0800-000-000-00-700000- | PENSION EXPENSE | | 13,492,835.00 | |
| 0800-000-000-00-190000- | DEFERRED PENSION OUTFLOWS | | | 5,557,822.00 |
| 0800-000-000-00-290000- | NET PENSION LIABILITY | | | 4,843,602.00 |
| 0800-000-000-00-290100- | DEFERRED PENSION INFLOWS | | | 3,091,411.00 |
| **Total** | | | **13,492,835.00** | **13,492,835.00** |
| **Adjusting Journal Entries JE # 13** | | **5400.12** | | |
| To adjust pension related accounts for Utility Fund. | | | | |
| 0400-000-000-00-290000- | NET PENSION LIABILITY | | 77,018.00 | |
| 0400-000-000-00-700000- | PENSION EXPENSE | | 933,077.00 | |
| 0400-000-000-00-190000- | DEFERRED PENSION OUTFLOWS | | | 616,841.00 |
| 0400-000-000-00-290100- | DEFERRED PENSION INFLOWS | | | 393,254.00 |
| **Total** | | | **1,010,095.00** | **1,010,095.00** |
| **Adjusting Journal Entries JE # 14** | | **5400.12** | | |
| To adjust pension related accounts for Sanitation Fund. | | | | |
| 0450-000-000-00-190000- | DEFERRED PENSION OUTFLOWS | | 52,375.00 | |
| 0450-000-000-00-290100- | DEFERRED PENSION INFLOWS | | 46,960.00 | |
| 0450-000-000-00-700000- | PENSION EXPENSE | | 48,689.00 | |
| 0450-000-000-00-290000- | NET PENSION LIABILITY | | | 148,024.00 |
| **Total** | | | **148,024.00** | **148,024.00** |
| **Adjusting Journal Entries JE # 15** | | **5400.50** | | |
| To adjust OPEB related accounts. | | | | |
| 0800-000-000-00-291000- | OPEB LIABILITY | | 953,930.00 | |
| 0800-000-000-00-191000- | OPEB DEFERRED OUTFLOWS | | | 39,153.00 |
| 0800-000-000-00-292000- | OPEB DEFERRED INFLOWS | | | 438,081.00 |
| 0800-000-000-00-710000- | OPEB EXPENSE | | | 112,404.00 |
| 0800-000-000-00-710000- | OPEB EXPENSE | | | 364,292.00 |
| **Total** | | | **953,930.00** | **953,930.00** |
| **Adjusting Journal Entries JE # 16** | | **4800.01** | | |
| To adjust lease receivable amounts. | | | | |
| 0010-000-000-00-506000- | CELL TOWER LEASE REV | | 45,523.00 | |
| 0010-000-000-00-130600- | Leases Receivable | | | 39,211.00 |
| 0010-000-000-00-210800- | Unavailable Revenue - Leases | | | 6,312.00 |
| **Total** | | | **45,523.00** | **45,523.00** |

Client: *City of Southaven, Mississippi*
Engagement: *2024 - 09/30/2024*
Period Ending: *9/30/2024*
Trial Balance: *TB*
Workpaper: *3700.01 - Adjusting Journal Entries Report*

| Account | Description | W/P Ref | Debit | Credit |
|---|---|---|---|---|
| **Adjusting Journal Entries JE # 18** | | **4200.06** | | |
| To adjust court fine receivables to match support. | | | | |
| 0010-000-000-00-131100- | ALLOW FOR UNCOLLECTIBLE-COURT | | 160,872.00 | |
| 0010-000-000-00-210700- | DEFERRED REV - COURT FINES | | 206,344.00 | |
| 0010-000-000-00-130705- | COURT FINES RECEIVABLE | | | 367,216.00 |
| **Total** | | | **367,216.00** | **367,216.00** |
| **Adjusting Journal Entries JE # 19** | | **4200.12a** | | |
| To adjust delinquent property taxes and reverse property tax receivable for fund 300. | | | | |
| 0010-000-000-00-400100- | AD VALOREM TAX | | 138,974.00 | |
| 0300-700-000-00-400100- | AD VALOREM TAX | | 93,839.00 | |
| 0010-000-000-00-130800- | PROPERTY TAX RECEIVABLE | | | 138,974.00 |
| 0300-700-000-00-130800- | PROPERTY TAX RECEIVABLE | | | 93,839.00 |
| **Total** | | | **232,813.00** | **232,813.00** |
| **Adjusting Journal Entries JE # 20** | | **4650.01** | | |
| To adjust accumulated depreciation to match Munis Schedules | | | | |
| 0450-000-000-00-142005- | ACCUMULATED DEPR AUTO & TRUCKS | | 430,126.00 | |
| 0450-000-000-00-142006- | ACCUMULATED DEPR-FIELD EQUIPME | | | 28,282.00 |
| 0450-000-000-00-200100- | DUE TO/FROM GENERAL FUND | | | 401,844.00 |
| **Total** | | | **430,126.00** | **430,126.00** |
| **Adjusting Journal Entries JE # 22** | | **5100.03** | | |
| To adjust accounts payable for unrecorded liabilities. | | | | |
| 0100-710-711-00-640220- | FIRE STATION 5 | | 61,662.00 | |
| 0100-710-711-00-640965- | GETWELL ROAD SOUTH 18 | | 349,839.00 | |
| 0400-800-815-00-625310-1010 | I-55 WIDENING - UTILITY RELOCATE | | 54,800.00 | |
| 0100-000-000-00-210100- | ACCOUNTS PAYABLE | | | 411,501.00 |
| 0400-000-000-00-210100- | ACCOUNTS PAYABLE | | | 54,800.00 |
| **Total** | | | **466,301.00** | **466,301.00** |

Client: *City of Southaven, Mississippi*
Engagement: *2024 - 09/30/2024*
Period Ending: *9/30/2024*
Trial Balance: *TB*
Workpaper: *3700.01 - Adjusting Journal Entries Report*

| Account | Description | W/P Ref | Debit | Credit |
|---|---|---|---|---|
| **Adjusting Journal Entries JE # 23** | | **4650.01** | | |
| To adjust asset accounts to match Munis. | | | | |
| 0260-000-000-00-140400- | IMPROV OTHER THAN BUILDINGS | | 25,825.00 | |
| 0260-000-000-00-140700- | EQUIPMENT & MACHINERY | | 2,928.00 | |
| 0260-000-000-00-153601- | DUE TO/FROM GENERAL FUND | | 45,381.00 | |
| 0260-625-610-00-612200- | REPAIRS AND MAINTENANCE | | 2,138.00 | |
| 0400-000-000-00-140500- | CIP | | 295,139.00 | |
| 0400-000-000-00-142006- | ACCUMULATED DEPR-FIELD EQUIPME | | 498.00 | |
| 0400-000-000-00-200101- | DUE TO/FROM GENERAL FUND | | 17,064.00 | |
| 0400-000-000-00-580000- | TRANSFER IN | | 105,739.00 | |
| 0400-800-811-00-631001- | DEPRECIATION EXPENSE | | 6,206.00 | |
| 0400-800-825-00-630600- | VEHICLES | | 2,621.00 | |
| 0400-800-825-00-630600- | VEHICLES | | 19,857.00 | |
| 0450-000-000-00-141001- | AUTO & TRUCKS | | 4,261.00 | |
| 0450-000-000-00-142005- | ACCUMULATED DEPR AUTO & TRUCKS | | 66,325.00 | |
| 0260-000-000-00-140400- | IMPROV OTHER THAN BUILDINGS | | | 2,138.00 |
| 0260-000-000-00-142001- | ACCUMULATED DEPRECIATION | | | 25,825.00 |
| 0260-000-000-00-142001- | ACCUMULATED DEPRECIATION | | | 48,309.00 |
| 0400-000-000-00-140600- | VEHICLES | | | 19,857.00 |
| 0400-000-000-00-140700- | EQUIPMENT & VEHICLES | | | 19,685.00 |
| 0400-000-000-00-140800- | CONSTRUCTION IN PROGRESS | | | 295,139.00 |
| 0400-000-000-00-142001- | ACCUMULATED DEPR-BUILDINGS | | | 6,206.00 |
| 0400-000-000-00-142004- | ACCUMULATED DEPR-W/S FACILITY | | | 105,739.00 |
| 0400-800-811-00-631001- | DEPRECIATION EXPENSE | | | 498.00 |
| 0450-000-000-00-200100- | DUE TO/FROM GENERAL FUND | | | 4,261.00 |
| 0450-000-000-00-200100- | DUE TO/FROM GENERAL FUND | | | 66,325.00 |
| **Total** | | | **593,982.00** | **593,982.00** |
| **Adjusting Journal Entries JE # 26** | | **4650.01** | | |
| To adjust client's posted entry related to accumulated depreciation and due to general fund (needed to balance statement of cash flows). | | | | |
| 0260-000-000-00-153601- | DUE TO/FROM GENERAL FUND | | 461,956.00 | |
| 0400-000-000-00-200101- | DUE TO/FROM GENERAL FUND | | 180,985.00 | |
| 0400-800-811-00-631001- | DEPRECIATION EXPENSE | | 465.00 | |
| 0400-800-811-00-631001- | DEPRECIATION EXPENSE | | 299,652.00 | |
| 0450-000-000-00-200100- | DUE TO/FROM GENERAL FUND | | 15,971.00 | |
| 0450-000-000-00-200100- | DUE TO/FROM GENERAL FUND | | 51,190.00 | |
| 0260-625-610-00-631001- | DEPRECIATION EXPENSE | | | 461,956.00 |
| 0400-000-000-00-200101- | DUE TO/FROM GENERAL FUND | | | 465.00 |
| 0400-000-000-00-200101- | DUE TO/FROM GENERAL FUND | | | 299,652.00 |
| 0400-800-825-00-650903- | INTERCEPTOR SEWER TREATMENT | | | 180,985.00 |
| 0450-000-000-00-560100- | MISCELLANEOUS REVENUES | | | 15,971.00 |
| 0450-810-855-00-631001- | DEPRECIATION EXPENSE | | | 51,190.00 |
| **Total** | | | **1,010,219.00** | **1,010,219.00** |
| **Adjusting Journal Entries JE # 28** | | **5400.06** | | |
| To adjust accrued compensated absences - governmental. | | | | |
| 0800-000-000-00-600100- | COMPENSATED ABSENCES | | 712,589.00 | |
| 0800-000-000-00-210105- | ACCRUED COMP ABSENCES | | | 712,589.00 |
| **Total** | | | **712,589.00** | **712,589.00** |

Client: *City of Southaven, Mississippi*
Engagement: *2024 - 09/30/2024*
Period Ending: *9/30/2024*
Trial Balance: *TB*
Workpaper: *3700.01 - Adjusting Journal Entries Report*

| Account | Description | W/P Ref | Debit | Credit |
|---|---|---|---|---|
| **Adjusting Journal Entries JE # 29** | | **5400.06** | | |
| To adjust accrued compensated absences - business type activities. | | | | |
| 0400-800-820-00-600100- | SALARIES-ADMINISTRATION | | 85,833.00 | |
| 0450-810-850-00-600100- | SALARIES-ADMINISTRATION | | 6,955.00 | |
| 0400-000-000-00-210105- | ACCRUED COMP ABSENCES | | | 85,833.00 |
| 0450-000-000-00-210105- | ACCRUED COMP ABSENCES | | | 6,955.00 |
| **Total** | | | **92,788.00** | **92,788.00** |
| **Adjusting Journal Entries JE # 30** | | **4200.05** | | |
| To record allowance amount for A/R - Ambulance. | | | | |
| 0010-000-000-00-501500- | AMBULANCE BILLING REVENUE | | 864,007.00 | |
| 0010-000-000-00-131200- | ALLOW FOR UNCOLLECTIBLE-AMMBULANCE | | | 864,007.00 |
| **Total** | | | **864,007.00** | **864,007.00** |
| **Adjusting Journal Entries JE # 31** | | **GL** | | |
| To balance fund 0100. | | | | |
| 0100-000-000-00-560100- | MISCELLANEOUS REVENUES | | | 145.00 |
| **Total** | | | **0.00** | **145.00** |
| **Adjusting Journal Entries JE # 32** | | **GL** | | |
| To zero out old accounts. | | | | |
| 0400-000-000-00-130704- | NSF CHECKS RECEIVABLE | | 408.00 | |
| 0400-000-000-00-560100- | MISCELLANEOUS REVENUES | | 2,470.00 | |
| 0400-000-000-00-160000- | ACCRUED INTEREST INCOME | | | 2,878.00 |
| **Total** | | | **2,878.00** | **2,878.00** |
| **Adjusting Journal Entries JE # 33** | | **GL** | | |
| To balance funds 0010 and 0600. | | | | |
| 0600-000-000-00-100052- | DUE TO/FROM GENERAL FUND | | 47,139.00 | |
| 0600-000-000-00-560100- | MISCELLANEOUS REVENUES | | 145.00 | |
| 0010-000-000-00-100058- | DUE TO /FROM PAYROLL FUND | | | 47,139.00 |
| **Total** | | | **47,284.00** | **47,139.00** |

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# Audit submissions

New Audit Submission

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## Completed

**The audits listed below are with the FAC for processing and can't be edited.**

- **"Accepted" audits are complete and don't require further action by the auditee or auditor.**
- **"Submitted" audits are being processed for dissemination. If an audit's status remains at "Submitted" for more than 24 hours, please .**

| Status | Entity name | Report ID | Auditee | Fiscal period end date |
|---|---|---|---|---|
| Accepted | City of Southaven | 2024-09-GSAFAC-0000383176 | WVFQS6RH7G39 | 2024-09-30 |

Audit search | Audit submission | Data | Updates & News | Policy & Compliance | Contacts

# RESOLUTION GRANTING AUTHORITY TO CLEAN PRIVATE PROPERTY

**WHEREAS,** the governing authorities of the City of Southaven, Mississippi, have received numerous complaints regarding the parcel of land located at the following address, to-wit:

**CONDEMNATION ADDRESS**

**PARCEL # 108725020 0000602**
**PARCEL # 108725020 0001100**
**8742 MAGNOLIA COVE**
**1486 MAIN ST.**
**7810 PARKRIDGE DR.**
**8416 PARK PIKE DR.**
**8358 MANHATTEN DR.**
**7340 GREENBROOK PKWY**

To the effect that the said parcel of land has been neglected whereby the grass height is in violation and there exist other unsafe conditions and that the parcel of land in the present condition is deemed to be a menace to the public health and safety of the community.

**WHEREAS,** pursuant to Section 21-19-11 of the Mississippi Code Annotated (1972), the governing authorities of the City of Southaven, Mississippi, provided the owners of the above described parcel of land with notice of the condition of their respective parcel of land and further provided them with notice of a hearing before the Mayor and Board of Aldermen on Tuesday, **October 7, 2025** by United States mail and by posting said notice, to determine whether or not the said parcel of land were in such a state of uncleanliness as to be a menace to the public health and safety of the community.

**WHEREAS,** none of the owners of the above-described parcel of land appeared at the meeting of the Mayor and Board of Aldermen on Tuesday, **October 7, 2025,** to voice objection or to offer a defense.

**NOW, THEREFORE,** BE IT HEREBY RESOLVED, by the Mayor and Board of Alderman of the City of Southaven, Mississippi, that the above-described parcel of land located at:

**CONDEMNATION ADDRESS**

**PARCEL # 108725020 0000602**
**PARCEL # 108725020 0001100**
**8742 MAGNOLIA COVE**
**1486 MAIN ST.**
**7810 PARKRIDGE DR.**
**8416 PARK PIKE DR.**