2023 ANNUAL COMPREHENSIVE FINANCIAL REPORT

CITY OF MERIDIAN, MISSISSIPPI

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Prepared by:

Department of Finance and Records

Brandye S. Latimer, Director

CITY OF MERIDIAN, MISSISSIPPI

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR FISCAL YEAR ENDED SEPTEMBER 30, 2023

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INTRODUCTORY SECTION

Mayor:
JIMMIE SMITH, SR.
(P) 601.485.1927
(F) 601.485.1911

Councilmembers:
GEORGE M THOMAS
Ward 1

DWAYNE DAVIS
Ward 2

JOSEPH NORWOOD
Ward 3

ROMANDE WALKER
Ward 4

TY BELL LINDSEY
Ward 5

COUNCIL CLERK:
(P) 601.485.1959
(F) 601.485.1913

CITY DEPARTMENTS:

Chief Administrative Officer:
(P) 601.485.1929
(F) 601.485.1911

Community Development:
(P) 601.485.1910
(F) 601.484.6813

Finance and Records:
(P) 601.485.1946
(F) 601.485.1979

Fire:
(P) 601.485.1822
(F) 601.485.1035

Public Safety:
(P) 601.484.6890
(F) 601.484.6895

Parks and Recreation:
(P) 601.485.1802
(F) 601.485.1851

Police:
(P) 601.485.1841
(F) 601.484.6832

Public Works:
(P) 601.485.1920
(F) 601.485.1864

601 23rd Avenue
Post Office Box 1430
Meridian, MS 39302-1430
www.meridianms.org

June 12, 2025

To the Honorable Members of the City Council
and Citizens of the City of Meridian, Mississippi:

State of Mississippi law requires that every municipality in the state shall have its books audited annually, prior to the close of the next succeeding fiscal year, either by a competent accountant approved by the State Auditor or by a certified public accountant. The audit shall be made in accordance with regulations promulgated by the State Auditor. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the City of Meridian, Mississippi ("City") for the fiscal year ended September 30, 2023.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP"). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited in accordance with auditing standards generally accepted in the United States of America by Mauldin & Jenkins, LLC, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended September 30, 2023, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis ("MD&A"). This Letter of Transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City, incorporated in 1860, is located in east central Mississippi, and is the county seat of Lauderdale County. The City currently occupies a land area of approximately 54.3 square miles and has an official 2020 population of 35,052. The City is empowered to levy a property tax on real and personal properties, utilities and motor vehicles located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing authorities and approved by the appropriate court of jurisdiction.

The City has operated under the mayor-council form of government since 1985. Legislative authority is vested in a part-time governing city council consisting of five council members elected by wards. The city council is responsible, among other things, for passing ordinances, adopting the budget and hiring an independent accountant to provide a full and complete examination of all books of the City at the end of each fiscal year. Executive authority is vested in a full-time mayor elected at-large. The mayor is responsible, among other things, for enforcing the charter and ordinances of the municipality and all general laws applicable thereto, for overseeing day-to-day operation of the City, appointing the heads of the various departments subject to council confirmation, annually reporting to council and the public on the work of the previous year, making recommendations for action by the council and supervising all of the departments of the City. The mayor may approve ordinances adopted by the council or veto such action within ten (10) business days, stating the reasons for such veto. No ordinance so vetoed shall take effect unless council within ten (10) business days resolves to override the veto by a vote of two-thirds (2/3) of the members present and voting to override. If the mayor takes no action to approve or veto an ordinance, there is a period of fifteen (15) business days before the ordinance could become effective. The mayor and council serve concurrent, four-year terms.

The City provides a full range of services, including police and fire protection; general administration; construction and maintenance of streets, drainage ways and other infrastructure; waste and trash collection and disposal; water and sewer services; community and economic development services; and recreational activities and cultural events. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position, results of operations and cash flows from those of the primary government. The Meridian Airport Authority and the Meridian Urban Renewal Authority are reported as discretely presented component units.

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City submit requests for appropriations to the mayor in May of each year. The mayor uses the requests as a starting point for developing a proposed budget. The mayor then presents this proposed budget to the council for review in July. The council is required to hold a public hearing on the proposed budget and to adopt a final budget no later than September 15. The budget is prepared by fund and department. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is adopted by major expenditure classifications within departments or funds. These major classifications are: personnel services, supplies and expenses, capital outlay, and transfers and other charges. Department heads, with approval from the Chief Administrative Officer, may make transfers of appropriations within one of the major classifications within a department. A transfer of appropriations between classifications, however, requires a budget amendment approved by the council.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local economy. The City continues to have a diverse economy with industries ranging from electronic music and sound equipment to aircraft parts and steel fabrication to distribution centers for office products, flower bulbs, and beverages. Meridian is the center of a large trade area and continues to meet the medical, retail, industrial, educational, cultural and recreational needs of hundreds of thousands of people in east Mississippi and west Alabama.

Meridian is the eighth largest city in the state of Mississippi and is located at the intersection of five US highways and two major interstates: I-20, which runs from western Texas to South Carolina and I-59, which connects southeast Louisiana to northern Georgia. The Meridian Regional Airport has the longest public-use runway in the state at 10,003 feet and offers commercial airline service with daily flights to and from the Houston Intercontinental Airport. The City is also served by two Class I railroads and two short line railroads.

The Mississippi Arts and Entertainment Experience (“MAX”) opened in downtown Meridian in 2018 featuring interactive displays, community activities and traveling exhibits highlighting the influence of Mississippians in the arts and entertainment industry. The revitalization of downtown continued with the historic, sixteen-story Threefoot Building renovation into a Marriott Tribute Portfolio Hotel and the opening of the Mississippi Children’s Museum – Meridian, which added to the City’s cultural tourism in 2021.

The City also serves as a regional health center, with four hospitals that employ over 5,000 healthcare professionals and staff. The federal government has a major presence in the area with the Meridian Naval Air Station ("NAS Meridian"), which provides training for both Sailors and Marines in aviation and technical fields. NAS Meridian also provides the RCTA or Regional Counterdrug Training Academy. The RCTA offers a variety of training for law enforcement entities throughout the southeast in interdiction, investigation and operations. Additionally, Meridian is home to the Key Field National Guard Base located at G.V. "Sonny" Montgomery National Guard Complex. Key Field is home to the 186th Air Refueling Wing, 238th Air Support Operations Squadron and 248th Air Traffic Control Squadron.

The City's Public Safety Training Facility ("the Facility") is situated on approximately 99 acres providing multi-discipline training for over 50 agencies throughout the State of Mississippi. The Facility has capabilities for live fire burning in a three-story drill tower and live fire shooting on 5 separate ranges and a shoot house. Additionally, the Facility offers specialized training areas for: driving, confined space and collapse structure training, obstacle courses, land navigation and tracking, and passenger train rescue. Since 2013, the Public Safety Training Facility has been a primary training site for the National Association of Search and Rescue within the City of Meridian, conducting over 10 classes per year in various levels of search and rescue. The Facility is a training hub for Active Shooter training in Mississippi, investing over $75,000 in equipment to be used in the training, and it is a member of the Mississippi Task Forces of the Mississippi Department of Homeland Security.

Long-term financial planning. With the current economic conditions, there is a greater emphasis on the provision of basic services. Revenue is allocated as needed toward the basic governmental services of water and sewer, public safety and infrastructure improvements. Emphasis is placed on long term financing and grant procurement to address capital needs of the water and sewer system and public works infrastructure.

Relevant financial policies. In addition to the establishment of a comprehensive internal control framework and formal budgetary procedures, the City's management is also committed to conservatism in projecting annual revenues and allocating one time revenues. These policies prevent drastic reductions due to underbudgeted or unbudgeted costs and ensure that operating expenses are not increased for one-time revenues.

Major initiatives. Significant projects to be addressed include continued replacement and maintenance of aging water and sewer plants and lines, which are financed through grants and bond issues. Various road and bridge improvements are also in progress utilizing the City's infrastructure modernization use tax diversion, along with grants and bond issues.

Acknowledgements

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance and Records Department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the city council for its unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

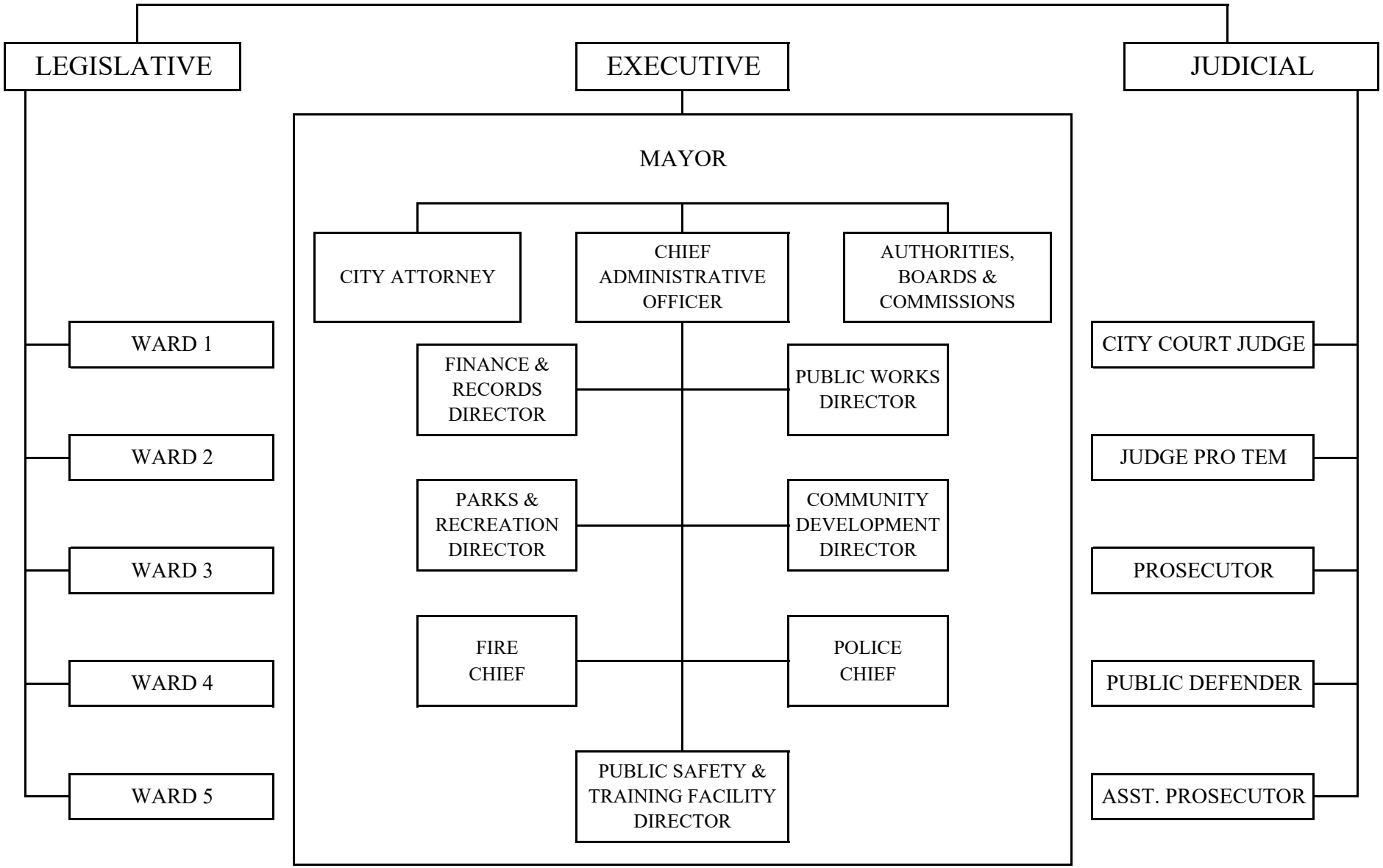
Sincerely,

Jimmie Smith
Mayor

Brandye Latimer
CFO/City Clerk

CITY OF MERIDIAN, MISSISSIPPI

ORGANIZATIONAL STRUCTURE



CITY OF MERIDIAN, MISSISSIPPI

LISTING OF CITY OFFICIALS
SEPTEMBER 30, 2023

Elected Officials

Mayor	Jimmie Smith, Sr.
Council Member - Ward 1	George M Thomas
Council Member - Ward 2	Dwayne Davis
Council Member - Ward 3	Joseph Norwood
Council Member - Ward 4	Romande Walker
Council Member - Ward 5	Ty Bell Lindsey

Appointed Officials

Chief Administrative Officer	Vacant
Finance and Records Director/City Clerk	Brandye Latimer
Public Works Director	David Hodge
Parks and Recreation Director	Thomas Adams
Community Development Director	Craig Hitt
Fire Chief	Jason Collier
Police Chief	Deborah Naylor-Young
Public Safety and Training Facility Director	Doug Stephens
City Attorney	Will Simmons

FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council
City of Meridian, Mississippi
Meridian, Mississippi

Report on the Audit of the Financial Statements

Opinions

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

We did not audit the financial statements of the Meridian Airport Authority, which represent 93%, 93%, and 99%, of the assets and deferred outflows of resources, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for this component unit, is based solely on the report of the other auditors.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining statements and schedules, 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 statements and schedules 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 comprises the introductory section, Schedule of Surety Bonds, Schedule of Changes in Long-Term Debt and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Birmingham, Alabama
June 12, 2025

CITY OF MERIDIAN, MISSISSIPPI

MANAGEMENT'S DISSCUSSION AND ANALYSIS
FISCAL YEAR ENDED SEPTEMBER 30, 2023

As management of the City of Meridian, Mississippi ("City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our Letter of Transmittal, which can be found on pages i – v of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $68,814 (*net position)*. Of this amount, the $(20,043) governmental activities *deficit unrestricted net position* is largely due to the City's $61,722 net pension liability recognized as a result of the fiscal year 2015 implementation of Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions: An Amendment of GASB Statement No. 27*.

- The City's total net position increased by $2,281. This increase in net position is due to a $2,583 increase in unrestricted investment earnings.

- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $54,410, an increase of $8,110 in comparison with the prior year. Approximately 53.0% of this total amount, $28,849, is *available for spending* at the City's discretion (*unassigned fund balance)*.

- At the end of the current fiscal year, the unassigned fund balance for the General Fund was $29,043 or 88.0% of total general fund expenditures.

- The City's bonded debt decreased by $1,259 (2.6%) during the current fiscal year. The decrease is due to $5,000 in proceeds from a 2023 General Obligation Bond issue, which was offset by the payment of $6,259 in outstanding debt.

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 are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The *Statement of Net Position* presents information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as *net position.* Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities)* from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities)*. The governmental activities of the City include general government, public safety, public works, culture and recreation, and economic development. The business-type activities of the City include water and sewer services, waste collection and disposal, a golf course, Union Station, and citywide concessions.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also the following legally separate entities for which the City is financially accountable: (1) Meridian Airport Authority and (2) Meridian Urban Renewal Authority. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself. Complete financial statements, including the Management's Discussion and Analysis, for each of the individual component units may be obtained at the entities' administrative offices as referenced in note 1 (a).

The government-wide financial statements can be found on pages 16 and 17 of this report.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

The City maintains 23 individual governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Debt Service Fund, Special Revenue Fund, and the American Rescue Plan Act ("ARPA") Fund which are considered to be major funds. Data from the other 19 nonmajor governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The basic governmental funds financial statements can be found on pages 18 – 21 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. *Enterprise Funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses Enterprise Funds to account for its Water and Sewer Fund, Waste Collection and Disposal Fund, Golf Course Fund, Union Station Fund and a City-wide Concessions Fund. *Internal Service Funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses Internal Service Funds (1) to account for service and maintenance costs for its fleet of vehicles, (2) to account for office supplies, (3) to account for health and life insurance claims, and (4) to account for unemployment insurance and claims. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the business-type activities of the Water and Sewer Fund, which is considered to be a major fund of the City. Data from the nonmajor Enterprise Funds are combined into a single, aggregate presentation.

The Internal Service Funds are also combined into a single, aggregate presentation in the proprietary fund financial statements.

Individual fund data for the four nonmajor Enterprise Funds and the four Internal Service Funds is provided in the form of *combining statements* elsewhere in this report.

The basic proprietary funds financial statements can be found on pages 22 – 26 of this report.

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

The basic fiduciary funds financial statements can be found on pages 27 and 28 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31 – 90 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's General Fund and Special Revenue Fund budgets, and the defined benefit pension plans. This Required Supplementary Information can be found on pages 91 – 102 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor Enterprise Funds, Internal Service Funds, fiduciary funds, and nonmajor component units are presented immediately following the Required Supplementary Information on pensions. Combining and individual fund statements and schedules and other supplementary information can be found on pages 121 – 123 of this report.

Government-wide Financial Analysis

The following table presents the City's net positions at September 30, 2023 compared to September 30, 2022.

City of Meridian's Net Position

Description	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	$68,613	$59,896	$66,263	$66,611	$134,876	$126,507
Capital assets, net	86,893	86,480	52,168	45,498	139,061	131,978
Total assets	155,506	146,376	118,431	112,109	273,937	258,485
Deferred outflows of resources	11,125	5,904	1,989	981	13,114	6,885
Long-term liabilities outstanding	106,385	95,375	76,782	74,139	183,167	169,514
Other liabilities	24,769	22,392	9,027	5,786	33,796	28,178
Total liabilities	131,154	117,767	85,809	79,925	216,963	197,692
Deferred inflows of resources	80	55	1,194	1,091	1,274	1,146
Net position:						
Net investment in capital assets	34,958	34,669	7,749	11,271	42,707	45,940
Restricted	20,483	22,777	-	-	20,483	22,777
Unrestricted (deficit)	(20,044)	(22,988)	25,668	20,803	5,624	(2,185)
Total net position	$ 35,397	$ 33,458	$33,417	$ 32,074	$ 68,814	$ 66,532

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by $68,814 at the close of the most recent fiscal year.

By far the largest portion of the City's net position (62%) is the City's investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (30%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of $5,624 represents unrestricted net position that may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City was able to report positive balances in total net position, both for the City as a whole, as well as for its separate governmental activities. The City's business-type activities also reported a positive total net position as a whole. The same situation held true for the prior fiscal year.

The City's net position increased $2,282 during the current fiscal year. This increase in net position is largely attributable to the governmental activities.

The following table presents the City's summary of the changes in net position for the fiscal year ended September 30, 2023, compared to the fiscal year ended September 30, 2022.

City of Meridian's Changes in Net Position

Description	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	$ 1,726	$ 1,563	$24,480	$21,780	$26,206	$23,343
Operating grants and contributions	306	420	-	-	306	420
Capital grants and contributions	3,645	5,344	-	-	3,645	5,344
General revenues:						
Property taxes	19,599	18,926	-	-	19,599	18,926
Other taxes	24,097	23,445	-	-	24,097	23,445
Grants and contributions not restricted to specific programs	55	58	-	-	55	58
Unrestricted investment earnings	1,613	61	1,087	56	2,700	117
Total revenues	$ 51,041	$49,817	$25,567	$21,836	$ 76,608	$71,653

Description	Governmental Activities 2023	Governmental Activities 2022	Business-type Activities 2023	Business-type Activities 2022	Total 2023	Total 2022
Expenses:						
General government	$ 8,740	$10,164	$ -	$ -	$ 8,740	$10,164
Public safety	25,636	23,332	-	-	25,636	23,332
Public works	10,043	9,391	-	-	10,043	9,391
Culture and recreation	5,677	4,841	-	-	5,677	4,841
Economic development	-	-	-	-	-	-
Interest on long-term debt	1,124	3,278	-	-	1,124	3,278
Sanitation	-	-	3,219	3,481	3,219	3,481
Water and sewer	-	-	19,169	19,111	19,169	19,111
Golf Course, Union Station and Concessions	-	-	719	486	719	486
Total expenses	51,220	51,006	23,107	23,078	74,327	74,084
Excess of revenues over (under) expenses before transfers	(179)	(1,189)	2,460	(1,242)	2,281	(2,431)
Transfers	1,117	1,652	(1,117)	(1,652)	-	-
Change in net position	938	463	1,343	(2,894)	2,281	(2,431)
Net position - beginning	34,459	33,995	32,074	34,968	66,533	68,963
Net position - ending	$ 35,397	$ 34,458	$ 33,417	$ 32,074	$ 68,814	$ 66,532

Governmental activities. Governmental activities increased the City's net position by $938. Key elements of these changes in net position are as follows:

- Property tax revenues increased $673 or 4% in 2023 compared to 2022. This increase in property tax receipts is primarily due to an increase in assessed values.
- Charges for services increased $163 or 10% in 2023 compared to 2022. This was primarily due to a $146 increase in public works charges for services.
- Operating grants and contributions decreased $114 or 27% in 2023 compared to 2022. This decrease is due to a $111 decrease in general government operating grants.
- Capital grants and contributions decreased $1,699 or 32% in 2023 compared to 2022. This was due to a $1,693 decrease in capital grants for public works.
- Other taxes (which include sales taxes) increased $652 or 3%.
- Total revenues increased $1,224 or 3%. This was mainly due to a $673 increase in property taxes and a $652 increase in sales and other taxes.
- Total expenses increased $214 or 0.40%.

Business-type activities. Business-type activities increased the City's net position by $1,343. This is primarily due to an increase in water and sewer charges for services of $2,467 and an increase in Union Station expenditures of $203.

Financial Analysis of the City'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 a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $54,410, an increase of $8,110 in comparison with the prior year. Of this total, $23,848 is *restricted* due to external limitations on its use, such as by debt covenants, legal restrictions, or intention of grantors or donors. A total of $331 is considered *nonspendable* because it has been used for inventory and land held for resale. A total of $858 has been assigned, meaning there are limitations resulting from its intended use. A total of $524 has been *committed* through formal action of the City Council for construction or acquisition of capital assets, asbestos abatement and demolition and other services. The remaining $28,849 of the fund balance is *unassigned,* which is available for spending at the City's discretion.

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 $29,043, while total fund balance was $30,572.

As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to the total fund expenditures. Unassigned fund balance represents 88 percent of total General Fund expenditures, while total fund balance represents 92.7% of that same amount. The fund balance of the City's General Fund increased by $7,032 during the current fiscal year. This was primarily due to a $5,229 excess of revenues over expenditures, which included a $310 increase in sales tax revenues, plus $2,167 in property tax revenues and $1,204 in interest income.

The Debt Service Fund has a total fund balance of $7,311, all of which is restricted for the payment of debt service. The net increase of $217 during the current year in the Debt Service Fund is a result of the timing of payment due dates of long-term debt.

The Special Revenue Fund's total fund balance is $5,349 at the end of the current fiscal year. $5,165 of the Special Revenue Fund is restricted. The remaining $184 fund balance of the Special Revenue Fund is committed. The Special Revenue Fund balance decreased $278 during the current fiscal year. This decrease is primarily due to a $238 increase in culture and recreation expenditures.

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

Unrestricted net position of the Water and Sewer Fund at the end of the year amounted to $25,551. The Water and Sewer Fund net position increased by $682.

General Fund Budgetary Highlights

There was an decrease of $9 between the original budget and the final amended budget in total expenditures. Changes within the levels of expenditures can be briefly summarized as follows:

Description	Increase (Decrease)
General government	$ 1,496
Finance and records	(21)
Community development	49
Parks and recreation	(206)
Public works	(514)
Police	(667)
Fire	(137)
Arts District parking garage	(9)
Total	$ (9)

Actual revenues were over the final amended budget by $1,146.

The final amended budgeted expenditures exceeded the actual in all departments. Differences between the final amended budgeted expenditures and actual are as follows:

Description	Actual Under Budget
General government	$ 1,943
Finance and records	488
Community development	354
Parks and recreation	484
Public works	1,287
Police	987
Fire	2,085
Public safety & training facility	156
Arts district parking garage	28
Total	$ 7,812

Variances between the final budget and actual expenditures were primarily due to unfilled positions, which resulted in expenditures for personnel services and related supplies that were under budget.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of September 30, 2023, amounts to $139,061 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, and bridges.

Major capital asset events during the current fiscal year included the following:

- Completed B Street and North Water Treatment Plant improvements.
- Completed construction of the 22nd Avenue/Sela Ward Parkway enhancement from North Frontage Road to the railroad overpass.
- Executed a construction contract for replacement of the Old Highway 80 Bridge over Okatibbee Creek.
- Executed three professional engineering task orders for EPA consent decree related projects.
- Executed an engineering contract for the 24th Street pedestrian improvements project.

City of Meridian's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
Description	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Land	$ 8,204	$ 8,180	$ 251	$ 251	$ 8,455	$ 8,431
Right of ways	3	3	105	105	108	108
Collections – historical treasures	141	141	-	-	141	141
Building and system	27,753	28,586	33,197	29,105	60,950	57,691
Improvements other than buildings	1,794	1,848	223	218	2,017	2,066
Machinery and equipment	7,055	8,088	10,396	11,578	17,451	19,666
Infrastructure	38,671	36,186	-	-	38,671	36,186
Right-to-use lease equipment	50	-	97	125	147	125
SBITAs	48	-	-	-	48	-
Construction in progress	3,174	3,448	7,899	4,241	11,073	7,689
Total	$ 86,893	$ 86,480	$ 52,168	$ 45,623	$ 139,061	$ 132,103

Additional information on the City's capital assets can be found in note 5 on pages 57 – 60 of this report.

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of $46,360. Of this amount, $39,955 comprises debt backed by the full faith and credit of the City, $5,000 is special obligation bonds and $1,405 is limited oblgation tax increment financing bonds.

The City's total bonded debt decreased by $1,259 (2.6 percent) during the current fiscal year. The decrease is due to the retirement of bonded debt exceeding the issuance of new bonds.

City of Meridian's Outstanding Debt
General Obligation and Revenue Bonds

	Governmental Activities		Business-type Activities		Total	
Description	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
General obligation bonds	$ 39,955	$ 45,600	$ -	$ -	$ 39,955	$ 45,600
Special obligation bonds	5,000	125	-	-	5,000	125
Limited obligation tax increment financing bonds	1,405	1,894	-	-	1,405	1,894
Total	$ 46,360	$ 47,619	$ -	$ -	$ 46,360	$ 47,619

The City's general obligation bonds received an "A2" rating from Moody's Investors Service in September 2019 and maintained an "A+" rating from Standard and Poor's Global Ratings until S&P's withdrawal on April 12, 2023, due to the timeliness of financial information.

State statutes limit the amount of general obligation debt a government entity may issue to 15% of its total assessed valuation. The current debt limitation of the City is $55,280 which is significantly in excess of the City's net outstanding general obligation debt of $27,626 applicable to the debt limitation.

The City issued Series 2017 General Obligation Bonds for the construction, equipping and furnishing of the Mississippi Arts and Entertainment Center under the State of Mississippi 2005 House Bill 1770. Under this bill, the $20,000 bonds are not applicable to the debt limitation. During 2022, the 2017 General Obligation Bonds were partially refunded by 2022 General Obligation Refunding Bonds in the amount of $13,956. These bonds are also not applicable to the debt limitation.

Additional information on the City's long-term debt can be found in note 7 on pages 62 – 69 of this report.

Economic Factors and Next Year's Budgets and Rates

- The 2023 unemployment rate for the City is 2.5%, which is lower than the rate of 3.1% a year ago. The 2023 statewide average is also 2.5% as compared to the national average of 3.7%.
- The revitalization of the City continued with the issuance of 327 building permits during 2023 with a construction value of $40 million.
- Inflationary trends in the City are slightly higher than the national average. The change in CPI in the past year for the City was an increase of 3.7% versus the national average which increased 3.4%.
- Sales tax collections year-to-date in fiscal year 2024 are up 2.5% from the previous fiscal year. During the 12 months of fiscal year 2024, the City has received $16,663 in sales tax collections, compared to $16,252 received during the same period of fiscal year 2023.

All of these factors were considered in preparing the City's budget for the 2023 fiscal year.

During the current fiscal year, unassigned fund balance in the General Fund increased to $29,043. The City appropriated $3,516 of this amount for spending in the 2024 fiscal year budget.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Chief Financial Officer, City of Meridian, P. O. Box 1430, Meridian, Mississippi 39302.

BASIC FINANCIAL STATEMENTS

CITY OF MERIDIAN, MISSISSIPPI

STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and cash equivalents	$ 27,805,796	$ 21,685,394	$ 49,491,190	$ 3,851,732
Receivables, net:				
Taxes	3,503,686	-	3,503,686	2,261,892
Accounts	779,423	6,360,823	7,140,246	2,061,916
Intergovernmental	144,727	-	144,727	152,742
Grant receivable	611,253	-	611,253	-
Miscellaneous	1,281,820	-	1,281,820	-
Lease receivable	81,688	260,970	342,658	174,043
Subscription-based information technology arrangements, net	-	-	-	18,793
Internal balances	(93,560)	93,560	-	-
Inventory	-	258,552	258,552	1,550,214
Prepaid items	403,882	452,126	856,008	116,374
Restricted assets:				
Cash, cash equivalents, and investments	33,144,965	37,151,350	70,296,315	-
Taxes receivable	803,553	-	803,553	-
Intergovernmental receivables	90,864	-	90,864	-
Leverage loans receivable	-	-	-	5,324,190
Land held for resale	54,422	-	54,422	-
Capital assets:				
Nondepreciable	11,522,109	8,255,104	19,777,213	17,110,713
Depreciable, net	75,371,361	43,913,118	119,284,479	40,818,597
Total assets	155,505,989	118,430,997	273,936,986	73,441,206
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refundings	554,061	-	554,061	-
Pension	10,570,523	1,989,159	12,559,682	3,110,030
Total deferred outflows or resources	11,124,584	1,989,159	13,113,743	3,110,030
LIABILITIES				
Accounts payable and other current liabilities	4,547,139	5,597,582	10,144,721	1,437,016
Accrued interest	227,269	576,321	803,590	-
Accrued salaries	-	1,702	1,702	-
Accrued sales tax	775,685	10,245	785,930	-
Liabilities payable from restricted assets	9,274,981	1,090,633	10,365,614	-
Noncurrent liabilities:				
Due within one year:				
Bonds, loans and leases payable	6,845,773	1,686,130	8,531,903	954,196
SBITAs	19,399	-	19,399	19,570
Compensated absences	399,255	64,220	463,475	-
Claims and judgments	2,679,682	-	2,679,682	-
Due in more than one year:				
Bonds, loans and leases payable	43,839,729	65,875,826	109,715,555	8,960,658
SBITAs	12,607	-	12,607	-
Compensated absences	810,607	130,386	940,993	248,775
Net pension liability	61,721,931	10,775,725	72,497,656	11,569,607
Total liabilities	131,154,057	85,808,770	216,962,827	23,189,822
DEFERRED INFLOWS OF RESOURCES				
Deferred charges on refundings	-	933,007	933,007	-
Pension	-	261,327	261,327	1,109,318
Leases	79,585	-	79,585	167,564
Total deferred inflows of resources	79,585	1,194,334	1,273,919	1,276,882
NET POSITION				
Net investment in capital assets	34,957,663	7,749,012	42,706,675	57,929,310
Restricted for:				
Debt service	11,689,554	-	11,689,554	-
Sowashee Creek maintenance	60,697	-	60,697	-
Construction/acquisition of capital assets	6,837,663	-	6,837,663	-
Paving projects	1,108,970	-	1,108,970	-
Purposes of grantors/donors	231,400	-	231,400	124,118
Law enforcement	552,784	-	552,784	-
Government record management	1,750	-	1,750	-
Unrestricted	(20,043,550)	25,668,040	5,624,490	(5,968,896)
Total net position	$ 35,396,931	$ 33,417,052	$ 68,813,983	$ 52,084,532

The accompanying notes are an integral part of these financial statements.

CITY OF MERIDIAN, MISSISSIPPI

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Governmental Activities	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Business-type Activities	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Total	Component Units
Primary government:								
Governmental activities:								
General government	$ 8,744,758	$ 603,157	$ 61,951	$ -	$ (8,079,650)	$ -	$ (8,079,650)	$ -
Public safety	25,374,952	582,519	243,982	220,758	(24,327,693)	-	(24,327,693)	-
Public works	10,042,701	457,172	-	3,424,676	(6,160,853)	-	(6,160,853)	-
Culture and recreation	5,677,391	83,244	-	-	(5,594,147)	-	(5,594,147)	-
Interest	1,380,410	-	-	-	(1,380,410)	-	(1,380,410)	-
Total governmental activities	51,220,212	1,726,092	305,933	3,645,434	(45,542,753)	-	(45,542,753)	-
Business-type activities:								
Water and sewer	19,168,777	20,737,559	-	-	-	1,568,782	1,568,782	-
Waste collection and disposal	3,219,304	3,437,887	-	-	-	218,583	218,583	-
Golf course	281,990	174,846	-	-	-	(107,144)	(107,144)	-
Union station	428,403	129,727	-	-	-	(298,676)	(298,676)	-
Concessions	8,368	-	-	-	-	(8,368)	(8,368)	-
Total business-type activities	23,106,842	24,480,019	-	-	-	1,373,177	1,373,177	-
Total primary government	$ 74,327,054	$ 26,206,111	$ 305,933	$ 3,645,434	(45,542,753)	1,373,177	(44,169,576)	-
Component units:								
Meridian airport authority	20,781,862	19,167,932	157,857	3,567,811	-	-	-	2,111,738
Nonmajor component unit	100	-	233,000	-	-	-	-	232,900
Total component units	$ 20,781,962	$ 19,167,932	$ 390,857	$ 3,567,811	-	-	-	2,344,638
General revenues:								
Property taxes					19,598,758	-	19,598,758	-
Sales taxes					20,415,304	-	20,415,304	-
Franchise taxes					2,877,889	-	2,877,889	-
County road taxes					777,109	-	777,109	-
Motor fuel taxes					26,844	-	26,844	-
Unrestricted grants and contributions					54,699	-	54,699	-
Unrestricted investment earnings					1,612,590	1,087,338	2,699,928	63,121
Transfers					1,117,917	(1,117,917)	-	-
Total general revenues and transfers					46,481,110	(30,579)	46,450,531	63,121
Change in net position					938,357	1,342,598	2,280,955	2,407,759
Net position, beginning of year					34,458,574	32,074,454	66,533,028	49,676,773
Net position, end of year					$ 35,396,931	$ 33,417,052	$ 68,813,983	$ 52,084,532

The accompanying notes are an integral part of these financial statements.

CITY OF MERIDIAN, MISSISSIPPI

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	General	Debt Service	Special Revenue	American Rescue Plan Act Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 27,271,830	$ -	$ -	$ -	$ -	$ 27,271,830
Receivables:						
Taxes	3,503,686	-	-	-	-	3,503,686
Accounts	779,423	-	-	-	-	779,423
Intergovernmental receivable	144,727	-	-	-	-	144,727
Grant receivable	-	-	-	-	611,253	611,253
Miscellaneous	1,252,837	-	28,983	-	-	1,281,820
Lease receivable	81,688	-	-	-	-	81,688
Due from other funds	289,065	-	-	-	191,524	480,589
Prepaid items	276,240	-	-	-	-	276,240
Land held for resale	54,422	-	-	-	-	54,422
Restricted assets:						
Cash equivalents	298,249	6,455,977	5,122,433	8,935,734	11,680,569	32,492,962
Investments	44,775	607,228	-	-	-	652,003
Receivables, net:						
Taxes	-	247,335	556,218	-	-	803,553
Intergovernmental receivable	-	-	90,864	-	-	90,864
Total assets	$ 33,996,942	$ 7,310,540	$ 5,798,498	$ 8,935,734	$ 12,483,346	$ 68,525,060
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 2,212,347	$ -	$ 345,731	$ -	$ 1,113,347	$ 3,671,425
Accrued salaries	775,685	-	-	-	-	775,685
Due to other funds	59,068	-	62,548	-	191,524	313,140
Liabilities payable from restricted assets:						
Deposits payable	298,249	-	-	-	-	298,249
Unearned revenues	-	-	40,998	8,935,734	-	8,976,732
Total liabilities	3,345,349	-	449,277	8,935,734	1,304,871	14,035,231
DEFERRED INFLOWS OF RESOURCES						
Lease receipts	79,585	-	-	-	-	79,585
FUND BALANCES						
Nonspendable:						
Prepaid items	276,240	-	-	-	-	276,240
Land held for resale	54,422	-	-	-	-	54,422
Restricted for:						
Debt service	-	7,310,540	4,379,014	-	-	11,689,554
Purposes of grantors/donors	-	-	231,400	-	-	231,400
Law enforcement	-	-	552,784	-	-	552,784
Government record management	-	-	1,750	-	-	1,750
Sowashee Creek maintenance	-	-	-	-	60,697	60,697
Construction/acquisition of capital assets	-	-	-	-	6,837,663	6,837,663
Sidewalk improvements	-	-	-	-	1,108,970	1,108,970
Downtown streetscape	-	-	-	-	681,338	681,338
Paving projects	-	-	-	-	2,683,642	2,683,642
Committed for:						
Urban renewal and redevelopment	-	-	184,273	-	-	184,273
Fire truck lease payment	139,565	-	-	-	-	139,565
Asbestos abatement and demolition of structures	44,095	-	-	-	-	44,095
City Council contribution and grants	45,000	-	-	-	-	45,000
Construction/acquisition of capital assets	59,960	-	-	-	-	59,960
Cybersecurity services	25,690	-	-	-	-	25,690
Grant Writing services	15,000	-	-	-	-	15,000
Software subscription	11,000	-	-	-	-	11,000
Assigned to:						
General government activities	345,897	-	-	-	-	345,897
Public safety	143,088	-	-	-	-	143,088
Public works	368,913	-	-	-	-	368,913
Unassigned (deficit)	29,043,138	-	-	-	(193,835)	28,849,303
Total fund balances	30,572,008	7,310,540	5,349,221	-	11,178,475	54,410,244
Total liabilities, deferred inflows of resources and fund balances	$ 33,996,942	$ 7,310,540	$ 5,798,498	$ 8,935,734	$ 12,483,346	$ 68,525,060

The accompanying notes are an integral part of these financial statements.

CITY OF MERIDIAN, MISSISSIPPI

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

Total governmental funds balance		$ 54,410,244
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Governmental capital assets	$ 215,206,842	
Less: accumulated depreciation	(128,313,372)	86,893,470
Long-term liabilities, including deferred outflows and deferred inflows, are not due and payable in the current period and, therefore, are not reported in the Governmental Funds Balance Sheet.		(105,431,667)
Internal Service Funds are used by management to charge the costs of various internal operations to individual funds. The assets and liabilities of Internal Service Funds are included in governmental activities in the Statement of Net Position (net of amount allocated to business-type activities of $226,924) as follows:		(475,116)
Net position of governmental activities		$ 35,396,931

The accompanying notes are an integral part of these financial statements.

CITY OF MERIDIAN, MISSISSIPPI

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	General	Debt Service	Special Revenue	American Rescue Plan Act Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Taxes:						
Property	$ 14,328,939	$ 4,577,536	$ -	$ -	$ 564,778	$ 19,471,253
Sales	16,946,205	-	3,469,099	-	-	20,415,304
Franchise	2,877,889	-	-	-	-	2,877,889
County road	777,109	-	-	-	-	777,109
Motor fuel	26,844	-	-	-	-	26,844
Licenses and permits	315,497	-	-	-	-	315,497
Intergovernmental	305,933	-	220,807	-	3,424,627	3,951,367
Charges for services	169,668	-	-	-	-	169,668
Fines and forfeitures	452,254	-	59,013	-	-	511,267
Payments in lieu of taxes	127,505	-	-	-	-	127,505
Local contributions	-	-	54,699	-	-	54,699
Interest income	1,247,188	114,544	104,296	-	145,132	1,611,160
Interest costs and damages	87,278	-	-	-	-	87,278
Miscellaneous	563,739	-	912	-	77,731	642,382
Total revenues	38,226,048	4,692,080	3,908,826	-	4,212,268	51,039,222
EXPENDITURES						
Current:						
General government	7,114,143	-	-	-	-	7,114,143
Public safety	16,657,364	-	582,502	-	1,544,472	18,784,338
Public works	5,830,653	-	39,232	-	-	5,869,885
Culture and recreation	2,977,961	-	2,089,175	-	-	5,067,136
Capital outlay	-	-	-	-	5,535,708	5,535,708
Debt service:						
Principal	405,267	5,362,425	1,023,682	-	-	6,791,374
Interest	11,411	475,423	506,713	-	-	993,547
Other debt service costs	-	404,000	-	-	171,000	575,000
Total expenditures	32,996,799	6,241,848	4,241,304	-	7,251,180	50,731,131
Excess (deficiency) of revenues over (under) expenditures	5,229,249	(1,549,768)	(332,478)	-	(3,038,912)	308,091
OTHER FINANCING SOURCES (USES)						
SBITAs	55,184	-	-	-	-	55,184
Issuance of debt	975,000	-	-	-	5,000,000	5,975,000
Leases	620,518	-	54,418	-	-	674,936
Transfers in	1,851,500	1,767,253	-	-	576,625	4,195,378
Transfers out	(1,699,852)	-	-	-	(1,398,596)	(3,098,448)
Total other financing sources (uses), net	1,802,350	1,767,253	54,418	-	4,178,029	7,802,050
Net change in fund balances	7,031,599	217,485	(278,060)	-	1,139,117	8,110,141
FUND BALANCES, beginning of year	23,540,409	7,093,055	5,627,281	-	10,039,358	46,300,103
FUND BALANCES, end of year	$ 30,572,008	$ 7,310,540	$ 5,349,221	$ -	$ 11,178,475	$ 54,410,244

The accompanying notes are an integral part of these financial statements.

CITY OF MERIDIAN, MISSISSIPPI

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

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

Net change in fund balances - total governmental funds.	$	8,110,141
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		1,049,081
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 cost of the capital assets disposed of.		(635,651)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental fund. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		240,474
Governmental funds report pension plan payments as expenditures as paid, whereas these amounts along with other changes in the net pension liability are deferred and amortized in the Statement of Activities.		(6,107,919)
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.		(2,007,214)
Internal Service Funds are used by management to charge the costs of certain functions to individual funds. The net revenue of certain activities in the Internal Service Funds is reported with governmental activities.		289,445
	$	938,357

The accompanying notes are an integral part of these financial statements.

CITY OF MERIDIAN, MISSISSIPPI

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2023

	Water and Sewer Fund	Nonmajor Enterprise Funds	Totals	Governmental Activities Internal Service Funds
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 20,742,039	$ 943,355	$ 21,685,394	$ 533,966
Accounts receivable, net of allowances	5,906,676	454,147	6,360,823	-
Lease receivable	-	260,970	260,970	-
Inventory	238,026	20,526	258,552	-
Due from other funds	358,485	3,493	361,978	59,029
Prepaid items	445,040	7,086	452,126	127,642
Restricted cash and cash equivalents:				
Customer deposits	1,090,633	-	1,090,633	-
Revenue bond construction funds	24,012,268	-	24,012,268	-
Revenue bond debt service account	12,048,449	-	12,048,449	-
Total current assets	64,841,616	1,689,577	66,531,193	720,637
NON–CURRENT ASSETS				
Capital assets:				
Lease asset, net of accumulated amortization	89,174	7,465	96,639	-
Land	250,864	-	250,864	-
Construction in progress	7,899,097	-	7,899,097	-
Right of ways	105,143	-	105,143	-
Buildings	-	126,628	126,628	-
Water and sewer system	85,739,891	-	85,739,891	-
Improvements other than buildings	37,435,813	525,542	37,961,355	-
Machinery and equipment	20,548,196	448,180	20,996,376	-
Less: accumulated depreciation	(100,216,708)	(791,063)	(101,007,771)	-
Total non–current assets	51,851,470	316,752	52,168,222	-
Total assets	116,693,086	2,006,329	118,699,415	720,637
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amounts on pension	1,873,647	115,512	1,989,159	-
Total deferred outflows of resources	$ 1,873,647	$ 115,512	$ 1,989,159	$ -

(Continued)

CITY OF MERIDIAN, MISSISSIPPI

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2023

	Water and Sewer Fund	Nonmajor Enterprise Funds	Totals	Governmental Activities Internal Service Funds
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	$ 5,080,722	$ 516,861	$ 5,597,583	$ 875,715
Accrued interest	576,321	-	576,321	-
Sales tax payable	-	1,702	1,702	-
Accrued wages payable	-	10,245	10,245	-
Due to other funds	3,215	38,278	41,493	546,963
Notes payable	1,661,659	-	1,661,659	-
Lease payable	9,710	14,761	24,471	-
Compensated absences	64,220	-	64,220	-
Customer deposits	1,090,633	-	1,090,633	-
Total current liabilities	8,486,480	581,847	9,068,327	1,422,678
NON–CURRENT LIABILITIES				
Notes payable	65,796,994	-	65,796,994	-
Lease payable	78,832	-	78,832	-
Net pension liability	10,135,061	640,664	10,775,725	-
Compensated absences	130,386	-	130,386	-
Total non–current liabilities	76,141,273	640,664	76,781,937	-
Total liabilities	84,627,753	1,222,511	85,850,264	1,422,678
DEFERRED INFLOWS OF RESOURCES				
Deferred amounts on refunding	933,007	-	933,007	-
Deferred amount on leases	882	260,445	261,327	-
Total deferred inflows of resources	933,889	260,445	1,194,334	-
NET POSITION				
Net investment in capital assets	7,454,486	294,526	7,749,012	-
Unrestricted (deficit)	25,550,605	344,359	25,894,964	(702,041)
Total net position	$ 33,005,091	$ 638,885	33,643,976	$ (702,041)
Adjustment to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds.			(226,925)	
Net position of business-type activities			$ 33,417,051	

The accompanying notes are an integral part of these financial statements.

CITY OF MERIDIAN, MISSISSIPPI

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Water and Sewer Fund	Nonmajor Enterprise Funds	Totals	Governmental Activities Internal Service Funds
OPERATING REVENUES				
Charges for sales and services:				
Water sales	$ 10,021,923	$ -	$ 10,021,923	$ -
Sewer charges	9,021,341	-	9,021,341	-
Tap fees	48,321	-	48,321	-
Garbage collection fees	-	3,392,405	3,392,405	-
Out-of-county tonnage	-	45,482	45,482	-
Memberships	-	39,052	39,052	-
Green fees	-	64,270	64,270	-
Cart rental	-	51,789	51,789	-
Concessions	-	19,735	19,735	-
Internal service charges	-	-	-	422,829
Rental income	-	129,727	129,727	-
Miscellaneous	1,556,964	-	1,556,964	3,445,854
Total operating revenues	20,648,549	3,742,460	24,391,009	3,868,683
OPERATING EXPENSES				
Personal services	5,176,123	249,703	5,425,826	-
Supplies and materials	914,314	165,519	1,079,833	-
Cost of sales and services	-	-	-	317,445
Rent and utilities	1,340,066	54,417	1,394,483	-
Operation, maintenance, and repairs	1,226,673	223,794	1,450,467	-
Garbage disposal services	-	3,059,087	3,059,087	-
Depreciation	3,528,159	30,840	3,558,999	-
Amortization for leased equipment	11,212	24,194	35,406	-
Claims paid	-	-	-	3,195,199
Miscellaneous	5,603,335	130,511	5,733,846	-
Total operating expenses	17,799,882	3,938,065	21,737,947	3,512,644
Operating income (loss)	2,848,667	(195,605)	2,653,062	356,039
NON–OPERATING INCOME (EXPENSES)				
Loss on disposal of capital assets	(2,622)	-	(2,622)	-
Interest income	1,081,396	5,942	1,087,338	1,430
Interest expense	(1,366,273)	-	(1,366,273)	-
Total non–operating income (expenses)	(287,499)	5,942	(281,557)	1,430
Income (loss) before transfers	2,561,168	(189,663)	2,371,505	357,469
TRANSFERS				
Transfers in	-	760,752	760,752	20,986
Transfers out	(1,878,669)	-	(1,878,669)	-
	(1,878,669)	760,752	(1,117,917)	20,986
Change in net position	682,499	571,089	1,253,588	378,455
Net position, beginning of year	32,322,592	67,796		(1,080,496)
Net position, end of year	$ 33,005,091	$ 638,885		$ (702,041)
Adjustment to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds.			89,010	
Change in net position of business-type activities			$ 1,342,598	

The accompanying notes are an integral part of these financial statements.

CITY OF MERIDIAN, MISSISSIPPI

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Water and Sewer Fund	Nonmajor Enterprise Funds	Totals	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	$ 17,621,513	$ 3,596,303	$ 21,217,816	$ 3,809,654
Payments to suppliers	(5,919,837)	(3,504,354)	(9,424,191)	(3,608,828)
Payments to employees	(4,103,130)	(189,262)	(4,292,392)	-
Payments for internal services	10,923	1,673	12,596	-
Net cash provided by (used in) operating activities	7,609,469	(95,640)	7,513,829	200,826
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from (to) other funds	(1,878,669)	760,752	(1,117,917)	20,986
Net cash provided by (used in) noncapital financing activities	(1,878,669)	760,752	(1,117,917)	20,986
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(10,100,928)	(41,210)	(10,142,138)	-
Proceeds from issuance of debt	2,590,762	-	2,590,762	-
Principal payments on debt and leases	(2,085,781)	(10,093)	(2,095,874)	-
Interest paid on debt	(1,650,454)	-	(1,650,454)	-
Net cash used in capital related financing activities	(11,246,401)	(51,303)	(11,297,704)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	1,081,396	5,942	1,087,338	1,430
Net cash provided by investing activities	1,081,396	5,942	1,087,338	1,430
Increase (decrease) in cash and cash equivalents	(4,434,205)	619,751	(3,814,454)	223,242
Cash and cash equivalents:				
Beginning of year	62,327,594	323,604	62,651,198	310,724
End of year	$ 57,893,389	$ 943,355	$ 58,836,744	$ 533,966
Classified as:				
Cash and cash equivalents	$ 20,742,039	$ 943,355	$ 21,685,394	$ 533,966
Restricted assets, cash	37,151,350	-	37,151,350	-
	$ 57,893,389	$ 943,355	$ 58,836,744	$ 533,966

(Continued)

CITY OF MERIDIAN, MISSISSIPPI

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Water and Sewer Fund	Nonmajor Enterprise Funds	Totals	Governmental Activities Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	$ 2,848,667	$ (195,605)	$ 2,653,062	$ 356,039
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	3,539,371	55,034	3,594,405	-
Changes in assets and liabilities:				
Increase in accounts receivable	(3,049,336)	(146,578)	(3,195,914)	-
Increase in lease receivable	-	(103,308)	(103,308)	-
Decrease (increase) in due from other funds	30,260	1,252	31,512	(61,724)
Decrease (increase) in inventory	(213,434)	524	(212,910)	1,301
Increase in prepaid items	(2,698)	(424)	(3,122)	-
Increase in deferred outflows	(949,203)	(58,519)	(1,007,722)	-
Increase (decrease) in accounts payable	3,380,683	126,862	3,507,545	(87,082)
Increase in accrued liabilities	-	2,282	2,282	-
Increase (decrease) in due to other funds	(19,337)	422	(18,915)	-
Increase in customer deposits	22,300	-	22,300	-
Increase (decrease) in net pension liability	1,981,762	125,273	2,107,035	(7,708)
Increase in deferred inflows	-	103,327	103,327	-
Increase (decrease) in compensated absences	40,434	(6,182)	34,252	-
Net cash provided by (used in) operating activities	$ 7,609,469	$ (95,640)	$ 7,513,829	$ 200,826

The accompanying notes are an integral part of these financial statements.

CITY OF MERIDIAN, MISSISSIPPI

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2023

	Custodial Funds
ASSETS	
Cash	$ 79,917
Assets held for disposal	157,072
Total assets	236,989
LIABILITIES	
Due to others	236,989
Total liabilities	236,989
NET POSITION	
Restricted for individuals, organizations, and other governments	$ -

The accompanying notes are an integral part of these financial statements.

CITY OF MERIDIAN, MISSISSIPPI

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Custodial Funds
ADDITIONS	
Miscellaneous income	$ -
Total additions	-
DEDUCTIONS	
Other custodial disbursements	-
Total deductions	-
Change in fiduciary net position	-
Net position, beginning of year	-
Net position, end of year	$ -

The accompanying notes are an integral part of these financial statements.

CITY OF MERIDIAN, MISSISSIPPI

COMBINING STATEMENT OF NET POSITION
NONMAJOR COMPONENT UNITS
SEPTEMBER 30, 2023

	Primary Government		
	Meridian Airport Authority	Nonmajor Component Unit	Total Component Units
ASSETS			
Cash and cash equivalents	$ 3,463,885	$ 387,847	$ 3,851,732
Investments	2,261,892	-	2,261,892
Receivables:			
Accounts	2,061,916	-	2,061,916
Intergovernmental - federal	152,742	-	152,742
Lease receivable, net	174,043	-	174,043
Subscription-based information technology arrangements, net	18,793	-	18,793
Inventory	1,550,214	-	1,550,214
Prepaid items	116,374	-	116,374
MLEC membership interest	-	5,324,190	5,324,190
Capital assets:			
Nondepreciable	17,110,713	-	17,110,713
Depreciable, net	40,818,597	-	40,818,597
Total assets	67,729,169	5,712,037	73,441,206
DEFERRED OUTFLOWS OF RESOURCES			
Pension	3,110,030	-	3,110,030
LIABILITIES			
Accounts payable	1,314,833	-	1,314,833
Accrued liabilities	122,183	-	122,183
Long-term liabilities:			
Subscription liabilities	19,570	-	19,570
Due within one year	715,196	239,000	954,196
Due in more than one year	18,921,040	1,858,000	20,779,040
Total liabilities	21,092,822	2,097,000	23,189,822
DEFERRED INFLOWS OF RESOURCES			
Pension	1,109,318	-	1,109,318
Leases	167,564	-	167,564
Total deferred inflows of resources	1,276,882	-	1,276,882
NET POSITION			
Net investment in capital assets	57,929,310	-	57,929,310
Restricted for:			
Purposes of grantors/donors	124,118	-	124,118
Unrestricted	(9,583,933)	3,615,037	(5,968,896)
Total net position	$ 48,469,495	$ 3,615,037	$ 52,084,532

The accompanying notes are an integral part of these financial statements.

CITY OF MERIDIAN, MISSISSIPPI

COMBINING STATEMENT OF ACTIVITIES
NONMAJOR COMPONENT UNITS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Meridian Airport Authority	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Nonmajor Component Units	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Total
Component units:							
Meridian Airport Authority	$ 20,781,862	$ 19,167,932	$ 157,857	$ 3,567,811	$ 2,111,738	$ -	$ 2,111,738
Nonmajor component units	100	-	233,000	-	-	232,900	232,900
Total component units	$ 20,781,962	$ 19,167,932	$ 390,857	$ 3,567,811	2,111,738	232,900	2,344,638
General revenues:							
Unrestricted investment earnings					42,356	20,765	63,121
Total general revenues					42,356	20,765	63,121
Change in net position					2,154,094	253,665	2,407,759
Net position, beginning of year					46,315,401	3,361,372	49,676,773
Net position, end of year					$ 48,469,495	$ 3,615,037	$ 52,084,532

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Meridian, Mississippi (the "City") is a municipal corporation governed by an elected mayor and a five-member council. It provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, health and social services, culture and recreation, public improvements, planning and zoning, and general administrative services.

As required by accounting principles generally accepted in the United States of America, the accompanying financial statements present the City (the "primary government") and its component units, entities for which the City is considered to be financially accountable.

Government Accounting Standards Board ("GASB") has set forth criteria to be considered in determining financial accountability. "Financial accountability" is the benchmark for determining which organizations are component units of a primary government. Financial accountability exists when an organization is fiscally dependent on a primary government, or when a primary government has appointed a voting majority of the governing body of a legally separate organization and: (1) is able to impose its will on that organization, or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. GASB provides additional guidance to determine whether certain organizations for which the primary government is not financially accountable should be reported as component units based on the nature and significance of their relationship with the primary government. Generally, it requires reporting, as discretely presented component units, organizations that raise and hold economic resources for the direct benefit of the primary government.

Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the City. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

Major Discretely Presented Component Unit:

Meridian Airport Authority

Meridian Airport Authority ("MAA") was established by the City on March 17, 1992, in accordance with Title 61, Chapter 3, Article V of the Mississippi Code of 1972 to manage the local airport facilities within the City's jurisdiction. MAA has a five-member Board appointed by the City's Mayor and approved by the City Council. Also, the City has the ability to impose its will upon MAA because it has reserved the right to unilaterally abolish MAA at its discretion.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Nonmajor Discretely Presented Component Unit:

Meridian Urban Renewal Authority

Meridian Urban Renewal Authority ("MURA") was established by resolution of the City on April 17, 2012, pursuant to Title 43, Chapter 35, Article 1 of the Mississippi Code of 1972 to undertake and carry out urban renewal projects in accordance with an urban renewal plan adopted by the City. MURA has a five-member Board appointed by the City's Mayor and approved by the City Council, members of which may be removed at the will of the City. The City has reserved the right to unilaterally abolish MURA at its discretion.

MAA has a September 30 year-end, whereas MURA has a December 31 year-end.

Complete financial statements for each of the individual component units may be obtained at the entities' administrative offices as follows:

Meridian Airport Authority
2811A U.S. Highway 11 South
Meridian, Mississippi

Meridian Urban Renewal Authority
723 23rd Avenue
Meridian, Mississippi

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Related Organizations:

With approval of the City Council, the City's Mayor is responsible for appointing a voting majority of members to the boards and commissions listed below. The City also makes other types of ministerial approvals for these organizations; however, the City's accountability for these organizations does not extend beyond making the appointments or approvals.

Following is a list of related organizations:

- Building Code Board of Adjustments and Appeals/Board of Adjustments and Appeals for Elimination or Repair of Unsafe Buildings
- Civil Service Commission
- Election Commission
- Electrical Examining Board
- Historic Preservation Commission
- Housing Authority of the City of Meridian
- Housing Board of Adjustments and Appeals
- Mechanical Board
- Trustees of Meridian Community College District
- Trustees of Meridian Municipal Separate School District
- Meridian Planning Commission
- Meridian Public Improvement Corporation
- The Meridian Railroad Museum Advisory Board
- Taxicab Advisory Board
- Tree Commission

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements.

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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

The City reports the following major governmental funds:

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

Debt Service Fund
The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Special Revenue Fund
The Special Revenue Fund accounts for specific revenue sources that are legally restricted to expenditures for public safety, culture and recreation, and economic development. Revenue sources for this fund are provided mainly from grants and contributions, a special 2% prepared food and beverage sales tax, and from narcotic related forfeitures.

American Rescue Plan Act Fund
This fund is used to account for the receipts and disbursements associated with funds received under the American Rescue Plan Act ("ARPA").

The City reports the following major proprietary fund:

Water and Sewer Fund
The Water and Sewer Fund accounts for the provision of water and sewer services to residents of the City. Activities of the fund include administration, operations and maintenance of the water and sewer system, and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water and sewer debt.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Additionally, the City reports the following fund types:

Capital Projects Funds
The Capital Projects Funds account for the acquisition and construction of the City's major capital facilities and improvements, other than those financed by proprietary funds.

Internal Service Funds
The Internal Service Funds account for the garage and fuel supply, office supply, health and life insurance, and unemployment compensation provided to departments of the City and to other governmental units on a cost reimbursement basis.

Custodial Funds
The Custodial Funds account for dedicated property tax assessments and collections forwarded to the Public Employees' Retirement System ("PERS"), Meridian Community College, and Meridian Separate School District; and state fines and fees collected by the City Municipal Court for the State of Mississippi. These resources are held by the City in a purely custodial capacity. Custodial Funds involve only the receipt, temporary investment, and remittance of fiduciary resources (property collections and fines and fees) to individuals, organizations, or other governments.

The accompanying financial statements reflect the elimination of interfund activity with the exception of the charges to the City's proprietary funds. These amounts are shown on the Statement of Net Position as internal balances.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All other revenues and expenses are reported as nonoperating.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Use of Estimates in the Preparation of Financial Statements

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

E. Cash and Cash Equivalents and Investments

Cash and cash equivalents include demand deposit accounts, petty cash, and certificates of deposit with an original maturity of three months or less from the date of acquisition.

State statutes authorize the City to invest in obligations of the U.S. Treasury, State of Mississippi, or of any county or municipality of the State of Mississippi.

Investments are represented by certificates of deposits and are stated at cost, plus accrued interest.

F. Receivables and Payables

The City has an agreement with Lauderdale County pursuant to which the tax collector of Lauderdale County has assumed the duty and responsibility for billing and collecting all City and Meridian Municipal Separate School District ad valorem taxes including, but not limited to, all taxes on real property, personal property, public utilities property and special taxes and assessments assessed by the City. The County disburses collections due the City and Meridian Municipal Separate School District to the City and the City disburses the funds due the Meridian Municipal Separate School District to the District.

The City recognizes tax revenues upon collection from the county tax collector. In addition, the City makes an accrual for amounts collected by the county tax collector as of September 30 and remitted to the City within 30 days after year end.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Receivables and Payables (Continued)

The tax rate of the City is expressed in terms of mills (ten mills equal one cent). For the year ended September 30, 2023, the City's 2023 combined tax rate for general governmental services and other municipal purposes was 122.94 or $122.94 per $1,000 of assessed valuation, expressed as follows:

	Mills		
Description	2023	2022	Increase (Decrease)
General Fund	39.15	34.67	4.48
Fire and police disability retirement fund (closed)	1.66	1.54	0.12
General municipal retirement fund (closed)	1.05	0.96	0.09
Debt service (general bonds and interest)	11.98	13.67	(1.69)
Meridian Municipal Separate School District	62.10	62.10	-
Meridian Community College	7.00	7.00	-
Total mills	122.94	119.94	3.00

G. Inventories and Prepaid Items

Inventories of supplies are valued at cost, whereas inventory held for resale are valued at the lower of cost or market using the first-in/first-out ("FIFO") method. The cost is recorded as an expenditure at the time individual inventory items are consumed rather than when purchased.

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

H. Land Held for Resale

Property acquired through tax forfeitures are recognized as assets and stated at the lower of cost or net realizable value and are offset by a nonspendable fund balance. Upon final disposition or a decline in the value of the property, gain or loss is charged or credited to operations.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Restricted Assets

Certain proceeds of the City's Enterprise Fund, water and sewer revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the Statement of Net Position because their use is limited by applicable bond covenants. Revenues collected from operations of the system are transferred to various accounts established pursuant to the revenue bond ordinance. Certain other assets are classified as restricted because their use is limited by parties external to the City, including citizens, grantors, other governments, and courts. Restrictions may also be imposed by laws through constitutional provisions or legally enforceable enabling legislation.

The "revenue bond operation and maintenance" account receives sufficient amounts to provide for the payment of current expenses to be paid each month, plus any prior month deficiencies. The "revenue bond construction" accounts are used to report those proceeds of revenue bond issuances that are restricted for use in construction. The "revenue bond current debt service" account is used to segregate resources accumulated for debt service payments over the next 12 months. Any surplus remaining after all deposits and transfers required and allowed by the bond resolution are to be used solely for purposes pertaining to the system. As of September 30, 2023, all accounts required under the bond resolution were fully funded as required.

J. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost as outlined below and an estimated useful life in excess of one year. Capital asset thresholds are as follows:

Property Class	Cost Threshold
Land and infrastructure	No minimum cost threshold
Buildings	50,000
Improvements other than buildings	25,000
Machinery and equipment	5,000

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Capital Assets (Continued)

Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, works of art, historical treasures, and similar assets are recorded at their acquisition value at the time of acquisition. Capital assets transferred between funds are reported by the recipient fund at their depreciated historical cost at the time of transfer.

In accordance with GASB Statement No. 34, general government infrastructure assets have been capitalized retroactively to 1980 at estimated historical costs.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred in the business-type activities during the current fiscal year was $1,366,273. Of this amount, $287,406 was included as part of the cost of capital assets under construction.

Capital assets of the component units are generally reported using the same policies as the City.

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

Property Class	Years
Buildings	20 – 40
Water and sewer system	20 – 40
Improvements other than buildings	20
Machinery and equipment	3 – 25
Infrastructure	20 – 50

K. Compensated Absences

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Compensated Absences (Continued)

There is no limit to the accumulation of annual or sick leave. Upon termination of employment, each employee shall be paid for not more than 30 days of accrued annual leave. No payment will be made for accrued sick leave upon termination, with an exception for a transitional provision described below and also for an employee who presents medical evidence that a physical condition is such that he/she can no longer work in a capacity of City employment, in which case he/she may be paid for not more than 120 days of accumulated sick leave.

All full-time employees accrue credit for annual and sick leave as follows:

Period of Accrual Rate of Continuous Service Hours per Year	Accrual Rate of Hours per Year	
	Annual	Sick Leave
1 month to 3 years	144	96
37 months to 8 years	168	84
97 months to 15 years	192	72
Over 15 years	216	60

Upon retirement or death, those full-time employees employed at October 1, 1991, with less than 30 years continuous service will be compensated, in cash, at their regular rate of pay for 1/2 of their accumulated sick leave. Employees with 30 years or more continuous service will be compensated, in cash, at their regular rate of pay, for 3/4 of their accumulated sick leave. Accrual of sick leave for this provision is limited to 180 days and shall not exceed the number of hours of sick leave actually accrued as of October 1, 1991.

L. Long-Term Obligations/Unamortized Premiums and Discounts

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type Statement of Net Position. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method (which approximates the effective interest rate method). Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Bond issue costs are reported as debt service expenditures.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Other Post-Employment Benefits

The City does not provide post-employment health or dental care benefits for any retirees or their dependents.

N. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for *deferred outflows of resources*. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category. The *deferred charge on refunding* is reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or refunding debt. The other items relate to the City's pension plan and are reported in the government-wide and proprietary fund Statements of Net Position under the headings "Pension". The City has five pension related items that qualify for reporting in this category – see Note 8 for further details.

In addition to liabilities, the Statement of Net Position and the Governmental Funds Balance Sheet report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category:

Deferred inflows from lease receipts are reported in the Governmental Funds Balance Sheet as well as the government-wide Statement of Net Position. The City reports deferred inflows from lease receipts, and amortized into lease revenues over the remaining life of the lease.

Deferred gain on refunding reported in the government-wide Statement of Net Position and the proprietary funds Statement of Net Position – a deferred gain on refunding results from the difference in the reacquisition price of refunded debt and its carrying value. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred inflows related to net pension liability reported in the government-wide Statement of Net Position and the proprietary funds Statement of Net Position – the City's has one pension related item that qualifies for reporting in this category – see Note 8 for further details.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources relating to pensions and pension expense/expenditures, information about the fiduciary net position of the City's pension plans with the Public Employees' Retirement System of Mississippi ("PERS") and the Mississippi Municipal Retirement Systems ("MMRS") and the additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by PERS and MMRS. For this purpose, the 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.

P. Fund Balance/Net Position

On the government-wide and proprietary fund Statement of Net Position, the City reports net position in the following three categories:

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, construction, or improvement of those assets.

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

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

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

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 or are legally or contractually required to be maintained intact.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Balance/Net Position (Continued)

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 the adoption of a formal action by the City Council. The City Council is the highest level of decision-making authority and issues equally binding orders, ordinances, and resolutions. City Council orders establish a fund balance commitment by authorizing contracts or allocating funds to specific projects. Committed amounts cannot be modified or uncommitted except by removing the constraints through the same formal action by City Council.

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 City Council or authorized by the City Clerk and Chief Administrative Officer through the purchase order process. Unlike commitments, assignments generally only exist temporarily and do not require additional action to be taken for the removal of the assignment.

Unassigned – the unassigned fund balance is the residual classification for the General Fund. This classification represents the portion of the General Fund balance that is not otherwise reported as nonspendable, restricted, committed, or assigned to specific purposes. This classification is also used to report any negative fund balance in other governmental funds.

When fund balance resources are available for specific purposes in more than one classification, it is the City's policy to use the most restrictive fund balance first in the following order: restricted, committed, assigned, and then unassigned as needed.

Q. Leases

Lessee

The City is a lessee for noncancellable leases of equipment and vehicles. The City recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Leases (Continued)

Lessee (Continued)

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

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

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the City is reasonably certain to exercise.

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

Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the Statement of Net Position.

Lessor

The City is a lessor for noncancellable leases of communication towers and hangar space. The City recognizes a lease receivable and deferred inflow of lease receipts in both the fund level and government-wide financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Leases (Continued)

Lessor (Continued)

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

- The City uses the interest rate as the discount rate. When the interest rate is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease receivable are composed of fixed payments and purchase option prices that the lessee is reasonably certain to exercise.

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

Deferred inflows of lease receipts are reported with other deferred inflows related to pension and lease receivables are reported with current assets on the Statement of Net Position.

R. Subscription-Based Information Technology Arrangements

The City is a party in certain noncancellable Subscription-Based Information Technology Arrangements (“SBITAs”). The City recognizes a subscription liability and subscription asset in the government-wide financial statements. The City recognizes subscription liabilities with an initial individual value of $5,000 or more.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Subscription-Based Information Technology Arrangements (Continued)

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

- The City uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for subscriptions.
- The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option prices that the City is reasonably certain to exercise.

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

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term liabilities on the Statement of Net Position.

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The Governmental Fund Balance Sheet includes a reconciliation between fund balances – total governmental funds and net position – governmental activities as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that “long-term liabilities, including related deferred outflows and deferred inflows, are not due and payable in the current period and, therefore, are not reported in the Governmental Funds Balance Sheet”. The details of this difference are as follows:

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position (Continued)

Description	Amount
Bonds payable	$ (46,360,000)
Premium on refunded debt issue	(1,337,064)
Promissory loans payable	(2,493,725)
Accrued interest payable	(227,268)
Leases	(494,713)
SBITAs	(32,006)
Compensated absences	(1,209,862)
Claims and judgments	(2,679,682)
Net pension liability	(61,721,931)
Deferred outflows related to net pension liability	10,570,523
Deferred gain/loss on refunding	554,061
Net adjustment to reduce fund balances - total governmental funds to arrive at net position - governmental activities	$ (105,431,667)

Another element of that reconciliation explains that “Internal Service Funds are used to charge the costs of certain activities, such as garage services, office supplies, and unemployment compensation to individual funds. The assets and liabilities of the Internal Service Funds are included in governmental activities in the Statement of Net Position”. The details of this difference are as follows:

Description	Amount
Net position of the Internal Service Funds	$ (702,041)
Less internal payable representing charges in excess of cost to business-type activities	226,925
Net adjustment to reduce fund balances - total governmental funds to arrive at net position - governmental activities	$ (475,116)

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between net change in fund balances – total governmental funds and change in net position of governmental activities as reported in the government-wide Statement of Activities.

One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense". The details of this difference are as follows:

Description	Amount
Capital outlay	$ 6,138,975
Depreciation expense	(5,089,894)
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net position - governmental activities	$ 1,049,081

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities (Continued)

Another element of that reconciliation explains that "The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities." The details of this difference are as follows:

Description	Amount
Principal retirement of long-term debt	$ 6,791,374
Amortization of bond premiums, prepaid insurance, and deferred loss on refunding	99,802
Issuance of general obligation refunding bonds	(5,000,000)
Issuance of promissory notes	(975,000)
Leases	(620,518)
SBITAs	(55,184)
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net position - governmental activities	$ 240,474

Description	Amount
Compensated absences	$ (222,573)
Accrued interest expense	33,917
Claims and judgmeents	(1,818,558)
Net adjustment to reduce net change in fund balances - total governmental funds to arrive at change in net position - governmental activities	$ (2,007,214)

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities (Continued)

Another element of that reconciliation explains that "Internal Service Funds are used to charge the costs of certain activities, such as garage services, office supplies, and unemployment compensation to individual funds. The net revenue of the Internal Service Funds is reported with governmental activities". The details of this difference are as follows:

Description	Amount
Change in net position of the Internal Service Funds	$ 378,455
Less income from charges to business-type activities	(89,010)
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net position - governmental activities	$ 289,445

NOTE 3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The City adopts annual budgets for all governmental, proprietary, and fiduciary funds on a basis consistent with state law, the more significant of which is discussed below. For 2023, the original total budgeted expenditures were $168,981,326 and were increased by amendments to $184,629,351.

NOTE 3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

A. Budgetary Information (Continued)

The City adopts annual budgets in accordance with statutory requirements established by the Mississippi Municipal Budget Law, Section 21-35-1, Mississippi Code Ann. (1972), Chapter 35 of Title 21 and regulatory requirements established by Section 21-35-29, Mississippi Code Ann. (1972). State law requires revenues and expenditures to be budgeted as follows: revenues which should be credited to the budget are those which are legally receipted (cash basis) from October 1 through September 30 at the minimum legal level required by the state auditor; expenditures which should be charged to the budget are those which are legally budgeted and disbursed during the fiscal year or within 30 days thereafter. The purpose level or object (personnel services, supplies and expenses, capital outlay, and transfers and other charges) is the minimum legal level determined by the State Auditor where expenditures may not exceed appropriations. The City adopts budgets for capital project and internal service funds by fund type as a whole rather than by individual funds. A governing authority may, at its discretion, adopt an annual budget at a more detailed level if it so desires.

Expenditures for uncompleted improvements in progress of construction may be charged to the budget at any time. Penalties for exceeding the budget apply at the legal level (lowest level adopted by the governing authority) except for capital outlay, election expenses and payment of emergency warrants. All appropriations lapse 30 days after year-end. Appropriations paid after this period must be budgeted again during the next budget year. State law requires all funds receiving revenues from the municipality, funds which will require approval from the governing authorities for expenditures to be made, proprietary funds and funds confiscated and forfeited in connection with drug and liquor cases to have an adopted budget. Fiduciary funds do not require board approval to make disbursements.

The City’s appropriated budget is adopted by fund, function and object. State law allows a governing authority to revise its budget at any time except in specific situations as defined in Mississippi Municipal Budget Law, Section 21-35-25. Budget revisions that result in more than a 10% change in the department’s original budget must be published. This publication must explain the revision, including the amounts, need and purpose. Management may amend the budget without the approval of the City Council for expenditures falling in different accounts within the level at which the City Council adopts its budget. The City Council may, by unanimous vote, make expenditures, borrow money or incur liabilities necessary to meet any emergency as defined by state statute without further notice or hearing and may revise the budget accordingly.

NOTE 3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

A. Budgetary Information (Continued)

The budget process is initiated by the Mayor, who, with the assistance of management, formulates a proposed operating budget for the next fiscal year and submits it to the City Council for discussion and approval. Public notice is given regarding public budget hearings to obtain taxpayer comments. After discussion of the proposed budget and after a consensus is reached, the budget is adopted by council ordinance no later than September 15 of each year. In the event the proposed budget is not adopted by September 15, no expenditure may be authorized nor any warrant issued, except for bonds, notes, debt, and interest, after October 1 in each year, unless and until such time as the budget is adopted.

B. Deficit Net Position/Fund Balance

The 2012 General Obligation Bonds fund (a nonmajor governmental/Capital Project Fund) had a deficit fund balance at September 30, 2023, of $116,960. This deficit will be remedied in subsequent years by transfers from the General Fund.

The 24nd Street Pedestrian Improvements fund (a nonmajor governmental/Capital Project Fund) had a deficit fund balance at September 30, 2023, of $76,875. This deficit will be remedied in subsequent years by transfers from the General Fund.

The Municipal Supply fund (a nonmajor Internal Service Fund) had a deficit net position at September 30, 2023, of $347,748. This deficit will be remedied by future charges to other funds.

The Health and Life Insurance Reserve fund (a nonmajor Internal Service Fund) had a deficit net position at September 30, 2023, of $392,902. This deficit will be remedied by future charges to other funds.

The Unemployment Compensation fund (a nonmajor Internal Service Fund) had a deficit net position at September 30, 2023, of $8,021. This deficit will be remedied by future charges to other funds.

NOTE 4. DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk: In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. At year end, the City's carrying amount of deposits was $120,164,018, and the bank balance was $112,902,332. The entire bank balance was covered by federal depository insurance or collateralized in accordance with state law. The collateral for public entities' deposits in financial institutions are held in the name of the Mississippi 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 City's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Depository Insurance Corporation.

The carrying amount of deposits for discretely presented component units was $2,946,205. These bank balances were covered by federal depository insurance or collateralized in accordance with State law as described above.

Investments

At year end, the City's investment balances, reported at fair value, and maturities were as follows:

Description	Fair Value	Maturity Date (Within One Year)
Federated Government Obligation Fund	$ 207,219	
Certificate of deposit - Citizens National Bank	400,000	3/10/2024
	$ 607,219	

Interest rate risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The City's investment policy is limited to complying with the State's investment statutes. The State law has not addressed an interest rate risk; however, the City's policy is to hold all investments to maturity, thereby reducing any interest rate risk.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

Credit risk: The City and its component units are allowed, by State statute, to invest excess funds in any bonds or other direct obligations of the United States of America, of the State of Mississippi, or of any county or municipality of Mississippi, when such county or municipal bonds have been properly approved; or in obligations issued or guaranteed in full as to principal and interest by the United States of America which are subject to a repurchase agreement with a qualified depository; or in interest-bearing time certificates of deposit with any financial institution approved for the deposit of state funds. It is the City's policy to limit its investments to those allowed by the State statute.

Concentration of credit risk: The City complies with the State statute regarding investments; as a result, concentration risk is limited.

Custodial credit risk: For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. To minimize this risk, the City's requires that all negotiable instruments be held in safekeeping in the trust department of a bank. The City's investments are insured or registered, or are securities held by the City or its agent in the City's name.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

Custodial credit risk (Continued): A reconciliation of cash and investments as shown on the government-wide Statement of Net Position for the primary government and component units follows:

Description	Amount
Cash on hand	$ 3,940
Cash with trustee	35,099
Carrying amount of deposits (including certificates of deposit)	119,621,164
Carrying amount of investments (securities)	207,219
Total cash and investments	$ 119,867,422
Cash and cash equivalents	$ 49,491,190
Cash and investments - restricted	70,296,315
Total reported on the government-wide Statement of Net Position	119,787,505
Cash and cash equivalents reported on the statement of fiduciary net assets and liabilities not included on the government-wide Statement of Net Position	79,917
Total reported	$ 119,867,422
Cash and cash equivalents	$ 3,851,732
Total reported in the aggregate discretely presented component units	

NOTE 5. CAPITAL ASSETS

Primary Government

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 8,179,605	$ 27,260	$ (2,600)	$ -	$ 8,204,265
Right of ways	2,600	-	-	-	2,600
Collections - historical treasures	141,250	-	-	-	141,250
Construction in progress	3,447,744	4,992,973	(14,564)	(5,252,159)	3,173,994
Total capital assets, not being depreciated	11,771,199	5,020,233	(17,164)	(5,252,159)	11,522,109
Capital assets, being depreciated/amortized:					
Buildings	44,578,392	-	-	-	44,578,392
Improvements other than buildings	5,225,546	67,150	-	-	5,292,696
Machinery and equipment	26,436,975	603,878	(507,715)	-	26,533,138
Infrastructure	121,812,919	338,112	(232,285)	5,252,159	127,170,905
Right-to-use lease equipment	-	54,418	-	-	54,418
SBITAs	-	55,184	-	-	55,184
Total capital assets, being depreciated/amortized	198,053,832	1,118,742	(740,000)	5,252,159	203,684,733
Less accumulated depreciation/amortization for:					
Buildings	(15,992,209)	(832,800)	-	-	(16,825,009)
Improvements other than buildings	(3,377,262)	(122,005)	-	-	(3,499,267)
Machinery and equipment	(18,348,197)	(1,251,111)	121,513	-	(19,477,795)
Infrastructure	(85,627,323)	(2,872,324)	-	-	(88,499,647)
Right-to-use lease equipment	-	(4,535)	-	-	(4,535)
SBITAs	-	(7,119)	-	-	(7,119)
Total accumulated depreciation/amortization	(123,344,991)	(5,089,894)	121,513	-	(128,313,372)
Total capital assets, being depreciated/amortized, net	74,708,841	(3,971,152)	(618,487)	5,252,159	75,371,361
Governmental activities capital assets, net	$ 86,480,040	$ 1,049,081	$ (635,651)	$ -	$ 86,893,470

NOTE 5. CAPITAL ASSETS (CONTINUED)

Primary Government (Continued)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	$ 250,864	$ -	$ -	$ -	$ 250,864
Right of ways	105,143	-	-	-	105,143
Construction in progress	4,241,287	8,557,432	-	(4,899,622)	7,899,097
Total capital assets, not being depreciated	4,597,294	8,557,432	-	(4,899,622)	8,255,104
Capital assets, being depreciated/amortized:					
Buildings	126,628	-	-	-	126,628
Water and sewer system	117,245,070	1,031,013	-	4,899,622	123,175,705
Improvements other than buildings	509,742	15,800	-	-	525,542
Machinery and equipment	20,489,200	533,396	(26,221)	-	20,996,375
Right-to-use lease equipment	147,839	4,497	-	-	152,336
Total capital assets, being depreciated/amortized	138,518,479	1,584,706	(26,221)	4,899,622	144,976,586
Less accumulated depreciation/amortization for:					
Buildings	(126,628)	-	-	-	(126,628)
Water and sewer system	(88,140,402)	(1,838,278)	-	-	(89,978,680)
Improvements other than buildings	(291,777)	(10,788)	-	-	(302,565)
Machinery and equipment	(8,911,627)	(1,711,870)	23,599	-	(10,599,898)
Right-to-use lease equipment	(22,228)	(33,469)	-	-	(55,697)
Total accumulated depreciation	(97,492,662)	(3,594,405)	23,599	-	(101,063,468)
Total capital assets, being depreciated/amortized, net	41,025,817	(2,009,699)	(2,622)	4,899,622	43,913,118
Business-type activities capital assets, net	$ 45,623,111	$ 6,547,733	$ (2,622)	$ -	$ 52,168,222

NOTE 5. CAPITAL ASSETS (CONTINUED)

Primary Government (Continued)

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

Governmental activities:		
General government	$	681,676
Public safety		637,345
Public works		3,593,802
Culture and recreation		177,071
Total depreciation/amortization expense - governmental activities	$	5,089,894
Business-type activities:		
Water and sewer department	$	3,539,371
Golf course		48,306
Union Station		6,728
Total depreciation expense - business-type activities	$	3,594,405

Construction in progress is composed of:

Governmental activities:		
Old Highway 80 Emergency Bridge Repair	$	3,063,090
24th Street Pedestrian Improvements		51,020
City Hall Exterior Envelope Restoration and Repairs		38,884
Erosion Stabilization: 32nd/19th Street and 10th/26th Street		21,000
Total governmental activities	$	3,173,994
Business-type activities:		
Highway 80 Trunk Line	$	7,728,288
B Street Water Treatment Plant Aerator Replacement		170,809
Total governmental activities	$	7,899,097

NOTE 5. CAPITAL ASSETS (CONTINUED)

Discretely Presented Component Units

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Meridian Airport Authority:					
Capital assets, not being depreciated:					
Land	$ 2,468,621	$ -	$ -	$ -	$ 2,468,621
Construction in progress	30,975,519	2,355,633	(18,689,060)	-	14,642,092
Total capital assets, not being depreciated	33,444,140	2,355,633	(18,689,060)	-	17,110,713
Capital assets, being depreciated:					
Buildings	17,913,549	9,980,670	-	-	27,894,219
Improvements other than buildings	35,477,809	10,465,329	-	-	45,943,138
Machinery and equipment	4,821,283	347,676	(142,430)	-	5,026,529
Total capital assets, being depreciated	58,212,641	20,793,675	(142,430)	-	78,863,886
Less accumulated depreciation for:					
Buildings	(6,794,014)	(533,572)	-	-	(7,327,586)
Improvements other than buildings	(25,242,146)	(2,075,001)	-	-	(27,317,147)
Machinery and equipment	(3,187,273)	(355,713)	142,430	-	(3,400,556)
Total accumulated depreciation	(35,223,433)	(2,964,286)	142,430	-	(38,045,289)
Total capital assets, being depreciated, net	22,989,208	17,829,389	-	-	40,818,597
Total Meridian Airport Authority	$ 56,433,348	$ 20,185,022	$ (18,689,060)	$ -	$ 57,929,310

NOTE 6. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of September 30, 2023 is as follows:

Receivable fund	Payable fund	Amount
Nonmajor Enterprise Funds	General Fund	$ 3,493
General Fund	Special Revenue Fund	62,548
	Nonmajor Enterprise Funds	38,234
	Internal Service Fund	188,283
Water & Sewer Fund	Internal Service Fund	358,485
Nonmajor Governmental Funds	Nonmajor Governmental Funds	191,524
Internal Service Funds	General Fund	55,575
	Water & Sewer Fund	3,215
	Nonmajor Enterprise Funds	44
	Internal Service Fund	195
		$ 901,596

These balances represent temporary timing differences related to: (1) routine advances to provide funds for operations and grant projects that require expenditures prior to reimbursement, and (2) routine charges due to Internal Service Funds from various City departments for service and maintenance of City vehicles, office supplies, health and life insurance claims, and unemployment insurance and claims.

Interfund Transfers

	Transfers in:					
Transfer out:	General Fund	Debt Service Fund	Nonmajor Enterprise Funds	Nonmajor Governmental Funds	Internal Service Funds	Total
General Fund	$ -	$ 466,114	$ 760,752	$ 452,000	$ 20,986	$ 1,699,852
Nonmajor Governmental	-	1,301,139	-	97,457	-	1,398,596
Water and Sewer Fund	1,851,500	-	-	27,169	-	1,878,669
Total	$ 1,851,500	$ 1,767,253	$ 760,752	$ 576,626	$ 20,986	$ 4,977,117

Transfers are used to: (1) move revenues from the General Fund to capital projects to fund authorized projects, and (2) transfer support from one fund to another.

NOTE 7. LONG-TERM LIABILITIES

A summary of long-term liabilities at September 30, 2023 is as follows:

	Interest Rates	Amount
Governmental activities:		
Outstanding bonds:		
General government	0.90 – 5.00%	$ 39,955,000
Special obligation bonds - parking facilities	3.30 – 5.375%	5,000,000
Limited obligation bonds - tax increment funding	2.20 – 5.00%	1,405,000
Plus: unamortized premium on debt refunding		1,337,064
Other debt:		
Promissory loans	1.42 – 3.00%	2,493,725
Leases	1.42 – 4.20%	494,713
SBITAs	3.04 – 3.35%	32,006
Compensated absences		1,209,862
Claims and judgments		2,679,682
Net pension liability		61,721,931
Total governmental activities		116,328,983
Less current portion payable		(9,944,109)
Governmental activities, net		$ 106,384,874
Business-type activities:		
Water and sewer promissory loans	0.50 – 5.00%	$ 60,840,301
Plus: unamortized premium on debt refunding		6,618,352
Leases	0.33%	103,303
Compensated absences		194,606
Net pension liability		10,775,725
Total business-type activities		78,532,287
Less current portion payable		(1,750,350)
Business-type activities, net		$ 76,781,937
Discretely presented component units:		
Promissory loans	2.83% – 5.50%	$ 9,914,854
SBITAs	2.72%	19,570
Compensated absences		248,775
Net pension liability		11,569,607
Total discretely presented component units		21,752,806
Less current portion payable		(973,766)
Discretely presented component units, net		$ 20,779,040

NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

A summary of annual debt service requirements to maturity for general obligation bonds, special obligation bonds, limited obligation bonds, special assessment debt, certificates of participation, and promissory loans follows:

	Governmental Activities				
Year Ending September 30,	General Obligation Bonds	Special Obligation Bonds	Limited Obligation Bonds	Promissory Loans	Total
2024	$ 6,635,029	$ 629,689	$ 532,810	$ 579,525	$ 8,377,053
2025	6,166,420	635,072	360,969	579,525	7,741,986
2026	6,189,291	626,850	104,668	432,704	7,353,513
2027	4,557,595	618,296	104,072	288,803	5,568,766
2028	3,752,759	609,411	104,417	289,952	4,756,539
2029 – 2033	13,219,190	2,906,082	311,523	395,579	16,832,374
2034 – 2038	5,729,622	-	-	184,604	5,914,226
Total	$ 46,249,906	$ 6,025,400	$ 1,518,459	$ 2,750,692	$ 56,544,457
Interest included in above totals	$ 6,294,906	$ 1,025,400	$ 113,459	$ 256,967	$ 7,690,732

		Discretely Presented Component Units
Year Ending September 30,	Business-Type Activities Promissory Loans	Promissory Promissory Loans
2024	$ 3,595,461	$ 1,133,851
2025	3,769,004	1,516,804
2026	3,770,589	1,469,576
2027	3,581,795	1,468,897
2028	3,582,792	1,469,151
2029 – 2033	17,893,121	3,560,735
2034 – 2038	16,691,459	-
2039 – 2043	18,004,600	-
2044 – 2048	18,585,800	-
2049 – 2051	7,433,400	-
Total	$ 96,908,021	$ 10,619,014
Interest included in above totals	$ 36,067,720	$ 704,160

NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

A summary of changes in the long-term liabilities during the year ended September 30, 2023 follows:

Governmental activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds payable:					
General obligation bonds	$ 45,600,000	$ -	$ (5,645,000)	$ 39,955,000	$ 5,244,000
Special obligation bonds	125,000	5,000,000	(125,000)	5,000,000	460,000
Limited obligation bonds	1,894,000	-	(489,000)	1,405,000	501,000
Unamortized premiums/discounts	1,436,866	-	(99,802)	1,337,064	-
Total bonds payable	49,055,866	5,000,000	(6,358,802)	47,697,064	6,205,000
Promissory loans	1,900,520	975,000	(381,795)	2,493,725	517,901
Leases	1,596	620,518	(127,401)	494,713	122,872
SBITAs	-	55,184	(23,178)	32,006	19,399
Compensated absences	987,289	827,058	(604,485)	1,209,862	399,255
Claims and judgments	861,124	2,385,560	(567,002)	2,679,682	2,679,682
Net pension liability	50,393,664	11,328,267	-	61,721,931	-
Governmental activities long-term liabilities	$ 103,200,059	$ 21,191,587	$ (8,062,663)	$ 116,328,983	$ 9,944,109

Business-type activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Promissory loans	$ 60,323,865	$ 2,587,920	$ (2,071,484)	$ 60,840,301	$ 1,661,660
Unamortized premiums/discounts	7,015,616	-	(397,264)	6,618,352	-
Leases	124,851	2,842	(24,390)	103,303	24,470
Compensated absences	160,354	148,014	(113,762)	194,606	64,220
Net pension liability	8,668,690	2,107,035	-	10,775,725	-
Business-type activities long-term liabilities	$ 76,293,376	$ 4,845,811	$ (2,606,900)	$ 78,532,287	$ 1,750,350

Discretely presented component units:	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Meridian Airport Authority:					
Promissory loans	$ 4,233,360	$ 4,198,898	$ (614,404)	$ 7,817,854	$ 715,196
SBITAs	-	19,570	-	19,570	19,570
Compensated absences	240,293	8,482	-	248,775	-
Net pension liability	8,439,292	3,130,315	-	11,569,607	-
Meridian Urban Renewal Authority:					
Promissory loans	2,330,000	-	(233,000)	2,097,000	239,000
Discretely presented component units	$ 15,242,945	$ 7,357,265	$ (847,404)	$ 21,752,806	$ 973,766

NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

General Obligation Bonds

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. The original amount of outstanding general obligation bonds issued in prior years is $85,640,000.

Special Obligation Bonds

During fiscal year 2003, the City issued $1,500,000 in special obligation bonds to provide funds for the costs of constructing the performing arts and educational/conference center parking facilities. These bonds are special obligations of the City payable from revenues raised from operations of the parking facility and annual appropriations of General Funds by the City for that purpose. As of fiscal year 2012, the City no longer charges fees for the parking facilities; the bonds are paid solely from General Fund appropriations.

During fiscal year 2023, the City issued $5,000,000 is special obligation bonds to provide funds for the costs of improving, equipping and adorning parks and public playgrounds, including the construction, repairing and equipping of swimming pools and other recreational facilities and structures. The bonds mature over a ten-year period and have an interest rate of 3.68%.

Limited Obligation Bonds

The original amount of outstanding tax increment limited obligation bonds issued by the City in prior years to provide funds for the costs of constructing certain infrastructure improvements is $2,871,000. These bonds are payable from and secured by a pledge of taxes levied on the incremental increase in the assessed value of the project and certain sales tax revenues. The City entered into an interlocal agreement with Lauderdale County, whereby the County has also pledged additional ad valorem tax revenues generated by the project to provide a pro rata portion of annual debt service on the bonds. As a result, the bonds are not a general obligation of the City.

During fiscal year 2019, the City issued limited obligation tax increment refunding bonds in the amount of $1,971,000 to advance refund $1,940,000 of the outstanding 2009 tax increment bonds. As of September 30, 2023, the outstanding balance on the 2009 tax increment defeased bonds was $672,000, to be redeemed through 2025. This refunding was undertaken to reduce the total debt service payments by $323,894 and resulted in an economic gain of $275,211.

During fiscal year 2021, the City issued limited obligation tax increment refunding bonds in the amount of $900,000 for the purposes of providing funds for the redevelopment Hobby Lobby project and paying costs of issuance for the bonds.

NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

Promissory Loans

During fiscal year 2010, the City entered into an $8,411,225 (subsequently amended to $9,044,496) loan agreement with the Mississippi Department of Environmental Quality ("MDEQ") through the EPA Water Pollution Control Revolving Loan Fund ("WPCRLF") Program. The proceeds from this note will be used for the rehabilitation of the South Wastewater Treatment Plant. The City has drawn $9,044,496 against these loan funds as of September 30, 2023. Accrued interest in the amount $205,345 has been financed with this principal amount. The City's loan agreement with MDEQ includes provisions that in the event of default, the Commissioner of the Mississippi Department of Revenue may be notified to intercept the delinquent amount, plus 10% annual penalty interest, from the City's monthly sales tax diversion. MDEQ may also accelerate the repayment schedule or increase the interest rate in accordance with WPCRLF Regulations.

In fiscal year 2013, the City entered into a loan agreement whereby the Mississippi Development Bank issued Mississippi Development Bank Special Obligation Refunding Bonds and loaned the proceeds in the amount of $12,415,000 to the City for the refunding of the Series 1995, 1997, and 2000 Water and Sewer Revenue Bonds and the Series 1998, 2001B and 2004 Water and Sewer Promissory Loans. As a result of this refunding, all of the refunded bonds/loans have been fully redeemed. This refunding resulted in a decrease in future debt service payments of $407,116 and resulted in an economic gain of $401,991. The net revenues of the City's water and sewer system are pledged for principal and interest payments. In the event of default, the Indenture Trustee shall declare outstanding amounts to be immediately due and payable.

In November 2016, the City entered into a $2,000,000 promissory loan with Citizens National Bank of which the City drew down $1,972,241 to provide funds for the purchase of 24 standard fleet vehicles, seven specialty vehicles, and a pumper fire truck. This loan includes a provision that, upon default, the interest rate shall be increased by adding an additional five percentage point margin. The lender may also declare the entire unpaid principal balance and accrued unpaid interest immediately due.

In September 2017, the City entered into an $8,114,960 Drinking Water Systems Improvements Revolving Loan Fund ("DWSIRLF") loan agreement with the Mississippi State Department of Health ("MSDH"). The proceeds from this loan are to be used for the installation of two new wells, with appurtenances, and treatment facility repairs and rehabilitation at both treatment plants. The City has drawn $3,832,185 against these loan funds as of September 30, 2023. Interest accrued to prior to the initiation of the repayment process will be added to the final allowable project costs to determine the actual principal amount to be repaid by the City. The interest will begin to accrue at a future date based on construction progress. The City's loan agreement with MSDH includes provisions that, in the event of default, the Commissioner of the Mississippi Department of Revenue may be notified to intercept the delinquent amount, plus 10% annual penalty interest, from the City's monthly sales tax diversion. MSDH may also accelerate the repayment schedule or the increase the interest rate in accordance with DWSIRLF regulations.

NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

Promissory Loans (Continued)

In August 2020, the City entered into a $41,000,000 loan agreement with Mississippi Development Bank. The proceeds from this loan are to be used for improving, repairing and extending the combined water and sewer system of the City.

In September 2020, the City entered into a $954,701 Capital Improvements Revolving Loan Program agreement with Mississippi Development Authority. The proceeds from this loan will be used for rehabilitation of the Valley Road Bridge over Sowashee Creek.

In October 2020, the City entered into a $520,518 promissory loan with Citizens National Bank to provide funds for the purchase of a fire truck for the City. The note matures over a five-year period and has an interest rate of 2.82%.

In fiscal year 2021, the City entered into a loan agreement whereby Key Government Finance, Inc. issued Combined Water and Sewer System Revenue Refunding Bonds (Energy Efficienty Lease Refunding Project) and loaned the proceeds in the amount of $10,045,000 to the City for the refunding and redeeming the City's outstanding Series 2018 Equipment Lease Purchase Agreement. As a result of this refunding, all of the refunded bonds/loans have been fully redeemed. The net revenues of the City's water and sewer system are pledged for principal and interest payments. In the event of default, the Indenture Trustee shall declare outstanding amounts to be immediately due and payable.

In August 2021, the City entered into a $332,115 promissory loan with U.S. Bank to provide funds for the purchase of three vehicles and a knuckle boom truck. The note matures over a five-year period and has an interest rate of 1.395%.

In December 2021, the City issued a $400,000 Promissory Note to purchase and equip ten police vehicles. The note matures over a five-year period and has an interest rate of 1.47%.

In January 2023, the City entered into a $720,000 promissory loan with Citizens National Bank to provide funds for the purchase of a fire truck for the City. The note matures over a five-year period and has an interest rate of 2.3%.

In January 2023, the City entered into a $255,000 promissory loan with Citizens National Bank to provide funds for the purchase of a 70 foot telescopic aerial truck for the City. The note matures over a five-year period and has an interest rate of 2.95%.

NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

Letter of Credit

The City maintains a $600,000 unsecured irrevocable letter of credit with Citizens National Bank. This letter of credit was issued for a fee of $6,075 in favor of Travelers Indemnity Company for support of the City's deductible for workers compensation claims. This letter of credit expires September 6, 2024, with an automatic extension for one year. As of September 30, 2023, the City had no outstanding balance on this letter of credit. The interest rate is set at one-quarter of 1.0% quarterly plus $75.

Pledged Revenues

The City has formally committed to secure certain debt issued by the City with specific future revenues. A summary of these debt issues as of September 30, 2023, and the related revenues pledged follows:

Debt Issue	Current Year Revenue Received	Current Year Principal and Interest	Debt Service as a % of Pledged Revenue
General obligation bonds -			
Mississippi Art and			
Entertainment Center	$ 3,548,491	$ 1,444,544	40.71%
Limited obligation bonds -			
2019 Crossroads Improvements	431,416	428,283	99.27%
2011 Crossroads Phase II Improvements	104,051	103,984	99.94%

Interlocal Cooperation Agreement

During fiscal year 2014, the City entered into an Interlocal Cooperation Agreement with Lauderdale County, Mississippi ("County") for joint and cooperative action relating to the financing for construction of infrastructure improvements and facilities as an inducement to CertainTeed, Inc. for locating industrial facilities in the City and County, which will increase employment opportunities in the area. The agreement includes the City and County jointly funding the debt service of the $700,000 capital improvement loan granted to Lauderdale County from the Mississippi Development Authority. The City's share totals $405,555, including principal and interest. The City remits to the County $40,556 annually through May, 2025.

Discretely Presented Component Units

The Meridian Airport Authority ("MAA") had a long-term note payable outstanding that was converted to a tax-exempt debt on November 10, 2015. The tax-exempt debt is payable from resources derived from operations, but is supported by the full faith and credit of MAA. In July, 2018, MAA was approved for a $5,000,000 loan. Interest only begins to accrue once the funds are received. As of September 30, 2023, MAA had not made any draws against the available balance.

NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

Discretely Presented Component Units (Continued)

In October 2013, the Meridian Urban Renewal Authority issued senior taxable urban renewal revenue bonds in the amount of $2,355,000 to fund a portion of leveraged loans made to fund the construction of the law enforcement center. This bond issue is secured by and payable solely out of revenues derived from payments received on the leveraged loans.

NOTE 8. DEFINED BENEFIT PENSION PLANS

Cost-Sharing Multiple-Employer Defined Benefit Pension Plan – Public Employees Retirement System

General Information about the Plan

Plan Description

The City and its component unit, MAA, contribute to the Public Employees' Retirement System of Mississippi ("PERS"), a cost-sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Plan provisions and the Board of Trustees' authority to determine contribution rates are established by Miss. Code Ann. Section 25-11-1 et seq. (1972, as amended) and may be amended only by the Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report is available at www.pers.ms.gov and may also 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.

NOTE 8. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Cost-Sharing Multiple-Employer Defined Benefit Pension Plan – Public Employees Retirement System (Continued)

General Information about the Plan (Continued)

Benefits Provided

Membership in PERS is a condition of employment granted upon hiring for qualifying City and MAA employees. Participating members who are vested and retire at or after age 60 or those who retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.0% of their average compensation for each year of creditable service up to and including 30 years (25 years for those who became members of PERS before July 1, 2011), plus 2.5% for each additional year of creditable service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age that the member is below 65, whichever is less. Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. A Cost-of-Living Adjustment ("COLA") payment is made to eligible retirees and beneficiaries. The COLA is equal to 3.0% of the annual retirement allowance for each full fiscal year of retirement up to the year in which the retired member reaches age 60 (55 for those who became members of PERS before July 1, 2011), with 3.0% compounded for each fiscal year thereafter. Plan provisions are established and may be amended only by the State of Mississippi Legislature.

NOTE 8. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Cost-Sharing Multiple-Employer Defined Benefit Pension Plan – Public Employees Retirement System (Continued)

General Information about the Plan (Continued)

Contributions

PERS members are required to contribute 9.00% of their annual covered salary and the employers are required to contribute at an actuarially determined rate. The employers' rate as of September 30, 2023, was 17.40% of annual covered payroll. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature.

A summary of the City's and MAA's contributions to PERS for the fiscal year ended September 30, 2023, follows:

Description	City of Meridian	Meridian Airport Authority
Employer contributions	$ 2,941,895	$ 592,667
Contribution rate	17.4%	17.4%

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

At September 30, 2023, the City and MAA reported a liability for their proportionate share of the net pension liability of the plan as follows:

Description	City of Meridian	Meridian Airport Authority
Net pension liability	$ 63,132,831	$ 11,569,607

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's and MAA's proportion of the net pension liability were based on the ratio of their actual contributions to the pension plan relative to the total actual contributions of all participating entities for the fiscal year.

NOTE 8. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Cost-Sharing Multiple-Employer Defined Benefit Pension Plan – Public Employees Retirement System (Continued)

General Information about the Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The City's and MAA's proportionate share of the plan's net pension liability at June 30, 2023 and 2022 were as follows:

Description	City of Meridian	Meridian Airport Authority
Proportionate Share – June 30, 2023	0.25%	0.046%
Proportionate Share – June 30, 2022	0.25%	0.041%
Increase (decrease)	0.00%	0.005%

For the year ended September 30, 2023, the City and MAA recognized pension expense of $8,506,126 and $592,667, respectively.

NOTE 8. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Cost-Sharing Multiple-Employer Defined Benefit Pension Plan – Public Employees Retirement System (Continued)

General Information about the Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

At September 30, 2023, the City and MAA reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	City of Meridian	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,580,754	$ -
Net difference between projected and actual earnings on pension plan investments	2,470,044	-
Changes in actuarial assumptions	7,412,979	-
City contributions subsequent to the measurement date	730,928	-
Total	$ 12,194,705	$ -

	Meridian Airport Authority	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 223,215	$ -
Net difference between projected and actual earnings on pension plan investments	13,761	-
Changes in actuarial assumptions	2,730,278	1,109,318
Changes in proportion and differences between Authority contributions and proportionate share on contributions	7,425	-
Authority contributions subsequent to the measurement date	135,351	-
Total	$ 3,110,030	$ 1,109,318

The above deferred outflows of resources and deferred inflows of resources represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic and rational manner.

NOTE 8. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Cost-Sharing Multiple-Employer Defined Benefit Pension Plan – Public Employees Retirement System (Continued)

General Information about the Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2024.

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

Year ending September 30,	City of Meridian	Meridian Airport Authority
2024	$ 4,235,175	$ 593,645
2025	2,611,838	479,813
2026	4,597,978	788,463
2027	18,786	3,440
	$ 11,463,777	$ 1,865,361

Actuarial Assumptions

The total pension liability as of the June 30, 2023 measurement date, was determined by an actuarial valuation prepared as of June 30, 2023. The following actuarial assumptions are applied to all periods included in the measurement:

Description	Assumptions
Inflation	2.4%
Salary increases	2.65 – 17.90%, including inflation
Investment rate of return	7.00% (net of pension plan investment expense, including inflation

NOTE 8. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Cost-Sharing Multiple-Employer Defined Benefit Pension Plan – Public Employees Retirement System (Continued)

General Information about the Plan (Continued)

Actuarial Assumptions (Continued)

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

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2022. The experience report is dated April 21, 2023.

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

The most recent target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2023, are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	27.00 %	4.75 %
International Equity	22.00	4.75
Global Equity	12.00	4.95
Fixed Income	20.00	1.75
Real Estate	10.00	3.25
Private Equity	8.00	6.00
Cash	1.00	0.25
Total	100.00 %	

NOTE 8. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Cost-Sharing Multiple-Employer Defined Benefit Pension Plan – Public Employees Retirement System (Continued)

General Information about the Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00%) and that employer contributions will be made at the rate set in the Board's Funding Policy. 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 Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's and MAA's proportionate share of the plan's net pension liability calculated using the discount rate of 7.00%, as well as what their proportionate share of the plan's net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.00%) or one-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City's proportionate share	$ 81,411,387	$ 63,132,831	$ 48,133,245
MAA's proportionate share	14,919,302	11,569,607	8,820,811

Payable to Pension Plan

As of September 30, 2023, the City reported a payable of $245,841 for the outstanding amount of contributions to the pension plan required for the year ended September 30, 2023.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

NOTE 8. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Agent Multiple-Employer Defined Benefit Pension Plan – Mississippi Municipal Retirements Systems

Plan Description

The City also participates in the Mississippi Municipal Retirement Systems ("MMRS") Meridian General Plan and Meridian Fire and Police Plan which have been closed to new participants since July 1, 1976. MMRS is an agent multiple-employer defined benefit plan administered by PERS. MMRS was designed to provide retirement benefits for general municipal employees, as well as firefighters and police officers. The City is one of two cities providing retirement benefits to general municipal employees and one of seventeen cities providing retirement benefits to firefighters and police officers. Plan provisions are established by Miss. Code Ann. §21-29-1 et seq. (1972, as amended) and annual local and private legislation. Statutes may be amended only by the Mississippi Legislature. PERS issues a publicly available report entitled the Report on the Annual Valuation of the Mississippi Municipal Retirement Systems. 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

Membership in the MMRS is comprised of employees who were hired prior to July 1, 1976, and includes only those eligible employees of the City who did not opt to become a member of PERS. MMRS provides retirement, disability, and death benefits to plan members and their beneficiaries.

A retirement allowance is payable to any member who retires and has completed at least 20 years of creditable service, regardless of age. Any general employee member who has attained age 70 and any firefighter or police officer who has attained age 65 shall be retired forthwith. The annual retirement allowance payable to a retired member is equal to: (1) 50.0% of average compensation, plus (2) 1.7% of average compensation for each year of credited service over 20. The aggregate amount of (1) and (2) shall not exceed 66.6% of average compensation, regardless of service.

NOTE 8. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Agent Multiple-Employer Defined Benefit Pension Plan – Mississippi Municipal Retirements Systems (Continued)

Benefits Provided (Continued)

A disability retirement allowance is payable to any member who is not eligible for a service retirement benefit, but who becomes totally and permanently disabled regardless of creditable service, if the disability is due to causes in the performance of duty. If the disability is not due to causes in the performance of duty, the member must have completed at least five years of creditable service to be eligible for disability retirement. The annual disability retirement allowance payable is equal to 50.0% of the member's salary at the time of retirement, if the disability is due to causes in the performance of duty. If the disability is not due to causes in the performance of duty, the allowance is equal to 2.5% times credited service, not in excess of 20 years, times the member's salary at the time of retirement for firefighters and police officers, and average compensation for general employees.

A death benefit is payable upon the death of a member under the following conditions: (a) the member has retired; (b) the member is eligible to retire; (c) the death is in the line of duty; or (d) the death is not in the line of duty, but occurs after the member has five years of credited service. The death benefit is payable to the surviving spouse and to children under age 18, to dependent children through age 23 when full-time students, and to dependent children of any age if handicapped. The annual benefit payable, under all conditions in the case of firefighters and police officers and under other than condition (c) in the case of general employees is equal to 2.5% of average compensation for each year of credited service up to 20 and 1.7% of average compensation for each year over 20, with a maximum benefit of 66.67% of average compensation. For general members under condition (c), the annual benefit payable is equal to 50.0% of salary at the time of death.

Upon a member's termination of employment for any reason before retirement, the member's accumulated contributions are refunded. Upon the death of a member who is not eligible for any other death benefit, the member's accumulated contributions are paid to the member's beneficiary.

The minimum monthly allowance paid to members for all retirement and death benefits is $600.

The allowances of certain retired members are adjusted annually by a COLA on the basis of the annual percentage change in each fiscal year of the Consumer Price Index. All retirees and beneficiaries who were receiving a retirement allowance as of June 30, 1999, were granted a 3.9% ad-hoc benefit increase.

NOTE 8. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Agent Multiple-Employer Defined Benefit Pension Plan – Mississippi Municipal Retirements Systems (Continued)

Benefits Provided (Continued)

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

Description	Meridian General	Meridian Fire and Police
Inactive members or their beneficiaries currently receiving benefits	31	96
Total	31	96

Contributions

Funding policies for MMRS are established by Mississippi statutes. Employer contributions are paid through an annual millage rate on the assessed property values of the City. For the year ended September 30, 2023, the City levied 2.50 mills to help fund MMRS. These millage rates are determined through review of each plan's benefit structure during the MMRS annual actuarial valuation and certification by the actuary as to the funding level required of the City.

During fiscal year 2023, the Meridian Fire and Police employees' contribution rate was 10% of covered payroll and Meridian General employees' contribution rate was 7% of covered payroll. There were no active Meridian General Plan or Meridian Fire and Police Plan employees in fiscal year 2023. The City's contributions to the Meridian General Plan and the Meridian Fire and Police Plan for the fiscal year ended September 30, 2023, were $385,523 and $567,878, respectively.

Net Pension Liability

The City's net pension liability for each plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the plans was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

NOTE 8. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Agent Multiple-Employer Defined Benefit Pension Plan – Mississippi Municipal Retirements Systems (Continued)

Actuarial Assumptions

The total pension liabilities in the June 30, 2023, actuarial valuations were determined using the following actuarial information and assumptions:

Description	Assumptions
Inflation	2.40%
Salary increases	N/A
Investment rate of return	6.05% (net of pension plan investment expense, including inflation

The underlying mortality assumptions used in the June 30, 2023 valuation were adopted by the PERS Board of Trustees when the experience investigation for the four-year period ending June 30, 2018, was adopted on April 27, 2019. Further details can be found on the PERS website (www.pers.ms.gov).

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 employer contributions will be made at rates equal to the actuarially determined contribution rates. 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.

NOTE 8. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Agent Multiple-Employer Defined Benefit Pension Plan – Mississippi Municipal Retirements Systems (Continued)

Changes in Net Pension Liability

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

	Meridian General Plan		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Beginning Balance	$ 5,417,382	$ 3,140,036	$ 2,277,346
Changes for the year:			
Interest	385,494	-	385,494
Change in benefit terms	-	-	-
Differences between expected and actual experience	186,450	-	186,450
Assumption changes	286,395	-	286,395
Contributions – employer	-	385,523	(385,523)
Net investment income	-	220,293	(220,293)
Benefit payments, including refunds of employee contributions	(623,002)	(623,002)	-
Administrative expense	-	(7,710)	7,710
Net changes	235,337	(24,896)	260,233
Ending Balance	$ 5,652,719	$ 3,115,140	$ 2,537,579

NOTE 8. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Agent Multiple-Employer Defined Benefit Pension Plan – Mississippi Municipal Retirements Systems (Continued)

Changes in Net Pension Liability (Continued)

Meridian Fire and Police Plan	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Beginning Balance	$ 14,289,813	$ 8,056,986	$ 6,232,827
Changes for the year:			
Interest	1,023,570	-	1,023,570
Change in benefit terms	-	-	-
Differences between expected and actual experience	(126,757)	-	(126,757)
Assumption changes	797,114	-	797,114
Contributions – employer	-	567,878	(567,878)
Net investment income	-	542,988	(542,988)
Benefit payments, including refunds of employee contributions	(1,465,197)	(1,465,197)	-
Administrative expense	-	(11,358)	11,358
Net changes	228,730	(365,689)	594,419
Ending Balance	$ 14,518,543	$ 7,691,297	$ 6,827,246

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Meridian General	$ 2,970,804	$ 2,537,579	$ 2,160,555
Meridian Fire and Police	8,025,043	6,827,246	5,792,318

NOTE 8. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Agent Multiple-Employer Defined Benefit Pension Plan – Mississippi Municipal Retirements Systems (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the separately issued PERS and MMRS financial reports.

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

For the year ended September 30, 2023, each plan recognized pension expense as follows:

Description	Meridian General	Meridian Fire and Police
Pension expense	$ 656,450	$ 1,170,612

At September 30, 2021, the plans reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Meridian General Deferred Outflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ 115,392
Total	$ 115,392

	Meridian Fire and Police Deferred Outflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ 249,585
Total	$ 249,585

The above deferred outflows of resources represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic and rational manner.

NOTE 8. DEFINED BENEFIT PENSION PLANS (CONTINUED)

Agent Multiple-Employer Defined Benefit Pension Plan – Mississippi Municipal Retirements Systems (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Other amounts report as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending September 30,	Meridian General	Meridian Fire and Police
2024	$ 13,868	$ 10,496
2025	(14,867)	(73,870)
2026	114,887	306,755
2027	1,504	6,204
	$ 115,392	$ 249,585

Summary of Pension Plan Balances

The City's pension related balances presented on the Statement of Net Position as of September 30, 2023, by individual plan are as follows:

	PERS	Meridian General	Meridian Fire and Police	Totals
Deferred outflows related to net pension liability	$ 12,194,705	$ 115,392	$ 249,585	$ 12,559,682
Net pension liability	63,132,831	2,537,579	6,827,246	72,497,656
Pension expense	8,506,126	656,450	1,170,612	10,333,188

NOTE 9. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance to protect against these and other types of risks, except medical claims of City employees and their covered dependents. Coverage limits vary by exposure/policy and are decided on from examination of the number and types of prior claims, as well as from monitoring of judicial decisions, awards and trend factors. Premiums are paid from the General Fund, Water and Sewer Fund, Golf Course Fund and Union Station Fund, as well as the appropriate department within each fund and by component units. There were no significant reductions in insurance coverage in fiscal 2023, from the prior year. Settled claims have not exceeded commercial coverage in any of the past several years.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Since the City is insured for losses above the self-insured retention ("SIR"), its insurers have the responsibility of reserving, discounting, and making other similar calculations. The aggregate SIR claims, which include incurred but not reported ("IBNR") claims, were derived by obtaining an average of the four most recent years of loss histories and increasing this average by approximately one standard deviation above the mean to determine claim liabilities.

Changes in the balances of claims liabilities during the fiscal years ended September 30, 2023 and 2022, follows:

Description	2023	2022
Unpaid claims, beginning of year	$ 861,124	$ 843,748
Incurred claims (including IBNR's)	2,385,560	444,939
Claims payments	(567,002)	(427,563)
Unpaid claims, end of year	$ 2,679,682	$ 861,124

Effective October 1, 2004, the City contracts with a third-party administrator to administer a partially self-insured health plan. The City moved from a fully insured contract and, based on historical projections, maintains the same level of funding. Aggregate ($1,000,000) and specific ($100,000 per participant) stop-loss insurance coverages were obtained to guard against any large unforeseen claim losses. Fully insured transplant coverage was also secured to allow transplants to be fully insured outside of specific and aggregate insurance limits. This plan also provides life insurance on each employee for $25,000 double indemnity. The City established the health and life insurance reserve fund ("the Fund") in the internal service fund group to account for this activity.

NOTE 9. RISK MANAGEMENT (CONTINUED)

Claim payments plus an administrative charge are drafted by the third-party administrator who approves and processes all claims. The Fund collects interfund premiums from insured funds and departments, including amounts withheld from employee payroll for dependent coverage. Interfund premiums are based on the insured funds' claims experience and are adjusted to cover all reported claims. Claims settlement and loss expenses are accrued in the Fund for the settlement value of claims reported and estimated value of claims incurred but not reported, up to stop-loss. No actuarial study has been performed on the Fund.

Changes in the balances of claims liabilities during the fiscal years ended September 30, 2023 and 2022, follows:

Description	2023	2022
Unpaid claims, beginning of year	$ 933,991	$ 523,994
Incurred claims (including IBNR's)	2,412,578	2,503,080
Claims payments	(2,476,666)	(2,093,083)
Unpaid claims, end of year	$ 869,903	$ 933,991

NOTE 10. POLLUTION REMEDIATION

In May, 2014, the United States Environmental Protection Agency ("EPA") notified the City that it had violated the Clean Water Act ("CWA") due in large part to Sanitary Sewer Overflows ("SSOs") from the City's sanitary wastewater collection and treatment system during wet weather. The City has responded to the EPA's claims and has been involved in extensive negotiations with the EPA to develop a remedy to the CWA violations. The City authorized the acceptance and execution of a consent decree in June, 2018, and a revised consent decree in April, 2019. The consent decree will require a civil penalty of $276,000, in addition to capital expenditures and increased operational expenditures related to the sewer system. Such expenditures will require significant increases in rates for water and sewer system services. The consent decree became effective once entered by the Court in August, 2019. The total costs related to this consent decree cannot be determined at this time.

NOTE 11. CONTINGENT LIABILITIES

Litigation

The City is a defendant in various litigation 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 11. CONTINGENT LIABILITIES

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 12. TAX ABATEMENTS

Tax abatements are available to manufacturers and other new enterprises as authorized in Sections 27-31-101 and 27-31-105 of Mississippi Code Annotated (1972) and are granted by the City Council to encourage businesses to locate or expand operations in the City and to create new job opportunities for City residents. The City has a total of thirteen (13) ad valorem tax abatement agreements with seven (7) different businesses as of September 30, 2023. These agreements are subject to the requirements of GASB Statement No. 77.

Eligible entities may receive ad valorem tax exemptions for consecutive periods not exceeding ten (10) years total. Ad valorem taxes for school district purposes are not exempt. The initial exemption period begins on January 1 of the year immediately following the date of operation of the new enterprise or the date that the addition, expansion, or equipment replacement is completed. The request for an exemption must be made in writing by June 1 of the year immediately following the year in which operations begin.

The City abated the following taxes for the fiscal year ended September 30, 2023:

Description	Assessed Value	Ad Valorem Taxes Abated
Real property tax abatements ending December 31, 2022 through 2025	$ 1,262,454	$ 67,971
Personal property tax abatements ending December 31, 2022 through 2030	476,444	25,652
Total tax abatements	$ 1,738,898	$ 93,623

NOTE 13. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

The City fulfilled a pledge to contribute $1,000,000 over a six-year period towards the development of the Mississippi Children's Museum – Meridian ("Museum"). The Museum operates in downtown Meridian, Mississippi under the guidance and umbrella of the Mississippi Children's Museum, a non-profit corporation.

The City completed the 22nd Avenue Enhancement Project to improve sidewalk and bicycle paths, realign travel lanes and add decorative street and pedestrian lighting along 22nd Avenue from the North Frontage Road to the railroad overpass. This project was funded by the Mississippi Transportation Commission up to $1,794,358, with a 20 percent match and preliminary engineering paid from state and local funds.

The City completed the B Street and North Meridian Water Treatment Plant Improvements. The project was funded by a Mississippi State Department of Health Drinking Water Improvements System Revolving Loan Fund ("DWSIRLF") loan up to $4,595,000 and local funds.

The City has executed contracts for replacement of the Old Highway 80 Bridge over Okatibbee Creek. The engineering services and construction will be paid from the state's Emergency Road and Bridge Repair Fund up to $2,679,111 and local funds.

The City has executed an engineering contract for 24th Street Pedestrian Improvements to sidewalks. This project is being funded by the Mississippi Transportation Commission up to $788,671, with a 20 percent local match.

The City has executed an engineering contract for City Hall Exterior Envelope Restoration and Repairs. This project is being paid from local funds.

The City has pledged to contribute $1,000,000 over a ten-year period towards the START Campaign for the Mississippi Arts and Entertainment Center ("Center"). Contributions through 2023 total $700,000. The Center was approved by the Mississippi State Legislature and opened in April of 2018 as the Mississippi Arts and Entertainment Experience in downtown Meridian, Mississippi. The Center's purpose is to capture the essence of Mississippi's legacy in the arts and to celebrate the richness and depth of that legacy and the Mississippians who created it.

The citizens of the City of Meridian approved a special two percent (2%) prepared food and beverage tax that was levied within the City and pledged to pay the debt service for up to $20,000,000 in bonds issued for the construction, equipping and furnishing of the Mississippi Arts and Entertainment Center. The special tax was levied beginning November 2016 and will be rescinded once the bonds are paid in full. Any funds remaining shall be used for the operation, support, repair, maintenance and improvement of the Center.

NOTE 13. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS (CONTINUED)

The City authorized the acceptance and execution of a consent decree with the United States Environmental Protection Agency ("EPA") and the Mississippi Department of Environmental Quality ("MDEQ") in 2019. The consent decree will require capital expenditures and increased operational expenditures related to the sewer system. Such expenditures will require an annual nine percent (9%) increase in rates for water and sewer system services through fiscal year 2025.

The City has executed three professional engineering services agreements for consent decree related tasks. The engineering services and related construction will be paid from a $41,000,000 water and sewer promissory note issued in August 2020.

Other significant commitments include encumbrances outstanding for the General Fund as follows:

Description	Encumbrance Amount
Assigned for governmental services	$ 701,508

NOTE 14. SOLID WASTE MANAGEMENT SERVICES ACCOUNTING

The City contracts its solid waste collection and disposal needs to a private contractor. Pursuant to Section 17-17-347 of the Mississippi Code Ann. (1972), each unit of local government, beginning with fiscal year-end 1992, shall determine during its regular audit the full and complete cost for solid waste management within the service area of the unit of local government for the previous fiscal year and shall update the full and complete cost every year thereafter. The City is in compliance with this requirement. These costs are accounted for in the waste collection and disposal nonmajor Enterprise Fund.

NOTE 15. 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 June 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 accepted a bid to finance a Spartan Custom Pumper Fire Truck. The $650,000 Promissory Note matures over a 5-year period and has an interest rate of 4.39%.

In February, 2025, the City accepted a bid to finance fleet vehicles. The $258,033 Promissory Note matures over a 5-year period and has an interest rate of 4.43%.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MERIDIAN, MISSISSIPPI

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET TO ACTUAL – BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with Final
	Original	Final	Budget Basis	Budget
REVENUES				
Taxes:				
Ad valorem	$ 14,165,900	$ 14,165,900	$ 13,671,254	$ (494,646)
Sales	16,250,000	16,250,000	16,464,701	214,701
County road	760,000	760,000	746,113	(13,887)
Gasoline	28,000	28,000	26,844	(1,156)
Payment in lieu of taxes	155,000	155,000	132,121	(22,879)
Intergovernmental:				
Alcoholic beverage	55,000	55,000	56,200	1,200
State fire insurance fund	226,470	226,470	-	(226,470)
Municipal aid	20,500	20,500	17,520	(2,980)
Grant	45,000	45,000	93,083	48,083
Franchise:				
Mississippi Power Company	2,040,000	2,040,000	2,280,250	240,250
Atmos Energy	193,000	193,000	182,911	(10,089)
Comcast Cable Company	400,000	400,000	367,571	(32,429)
East Mississippi Electric Power Assn.	54,000	54,000	55,023	1,023
Uniti Fiber (formerly Contact Network)	7,000	7,000	2,144	(4,856)
Telepak Networks, Inc.	1,200	1,200	555	(645)
Fines and forfeitures	400,000	400,000	452,254	52,254
Licenses and permits:				
Privilege license	75,000	75,000	103,838	28,838
Building and allied permits	223,000	223,000	211,659	(11,341)
Charges for services:				
Garbage collection	3,805,184	3,805,184	3,302,719	(502,465)
Recreation	55,000	55,000	83,244	28,244
Enterprise Funds	1,851,500	1,851,500	1,851,500	-
Training fees	-	-	22,480	22,480
Miscellaneous	180,000	180,000	833,467	653,467
Interest on investments	35,000	35,000	1,244,778	1,209,778
Interest costs and damages	90,000	90,000	59,985	(30,015)
Transfers in	675,871	666,871	666,871	-
Total revenues	41,791,625	41,782,625	42,929,085	1,146,460
EXPENDITURES				
Current:				
General government:				
Personnel services	1,597,964	1,464,179	1,209,408	254,771
Supplies and expenses	897,015	907,015	681,315	225,700
Capital outlay	3,773	8,773	5,703	3,070
Transfers and other charges	1,436,383	3,050,710	1,590,868	1,459,842
Total general government	3,935,135	5,430,677	3,487,294	1,943,383
Finance and records:				
Personnel services	1,406,927	1,385,731	1,223,113	162,618
Supplies and expenses	2,339,030	2,339,030	2,036,208	302,822
Capital outlay	77,157	77,157	54,987	22,170
Transfers and other charges	35,000	35,000	35,000	-
Total finance and records	3,858,114	3,836,918	3,349,308	487,610

(Continued)

CITY OF MERIDIAN, MISSISSIPPI

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET TO ACTUAL – BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with Final
	Original	Final	Budget Basis	Budget
EXPENDITURES (CONTINUED)				
Current: (Continued):				
Community development:				
Personnel services	$ 1,425,341	$ 1,241,626	$ 1,112,880	$ 128,746
Supplies and expenses	289,307	308,307	239,571	68,736
Capital outlay	4,857	24,457	(47,768)	72,225
Transfers and other charges	682,560	876,810	792,291	84,519
Total community development	2,402,065	2,451,200	2,096,974	354,226
Parks and recreation:				
Personnel services	2,014,133	1,753,254	1,589,968	163,286
Supplies and expenses	936,667	976,667	856,720	119,947
Capital outlay	284,657	299,657	114,998	184,659
Transfers and other charges	100,000	100,000	84,152	15,848
Total parks and recreation	3,335,457	3,129,578	2,645,838	483,740
Public works:				
Personnel services	4,875,495	4,111,995	3,975,756	136,239
Supplies and expenses	1,882,596	1,851,596	1,695,587	156,009
Capital outlay	339,110	370,110	196,731	173,379
Transfers and other charges	3,805,184	4,055,184	3,233,887	821,297
Total public works	10,902,385	10,388,885	9,101,961	1,286,924
Police:				
Personnel services	6,980,364	6,111,080	5,647,086	463,994
Supplies and expenses	2,104,244	2,306,744	2,022,846	283,898
Capital outlay	475,657	475,657	276,120	199,537
Transfers and other charges	42,500	42,500	2,560	39,940
Total police	9,602,765	8,935,981	7,948,612	987,369
Fire:				
Personnel services	7,966,960	7,829,642	5,880,110	1,949,532
Supplies and expenses	852,936	872,936	860,391	12,545
Capital outlay	532,829	512,829	392,812	120,017
Transfers and other charges	12,500	12,500	10,066	2,434
Total fire	9,365,225	9,227,907	7,143,379	2,084,528
Public safety and training facility:				
Personnel services	378,913	378,913	308,747	70,166
Supplies and expenses	203,972	191,472	162,631	28,841
Capital outlay	16,444	28,944	22,082	6,862
Transfers and other charges	144,000	144,000	93,427	50,573
Total public safety and training facility	743,329	743,329	586,887	156,442

(Continued)

CITY OF MERIDIAN, MISSISSIPPI

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET TO ACTUAL – BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts		Actual	Variance with Final
	Original	Final	Budget Basis	Budget
EXPENDITURES (CONTINUED)				
Current: (Continued):				
Art district parking garage:				
Supplies and expenses	$ 70,871	$ 67,271	$ 60,792	$ 6,479
Capital outlay	35,000	25,508	3,710	21,798
Transfers and other charges	-	4,092	4,083	9
Total arts district parking garage	105,871	96,871	68,585	28,286
Total expenditures	44,250,346	44,241,346	36,428,838	7,812,508
Net change in fund balances	(2,458,721)	(2,458,721)	6,500,247	(6,666,048)
Fund balances, beginning of year	23,540,409	23,540,409	23,540,409	-
Fund balances, end of year	$ 21,081,688	$ 21,081,688	30,040,656	$ (6,666,048)
		Receivable/revenue adjustments	(1,200,835)	
		Payable/expenditure adjustments	1,732,187	
		Fund Balance - September 30 - GAAP Basis	$ 30,572,008	

CITY OF MERIDIAN, MISSISSIPPI

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL – BUDGETARY BASIS
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Original Budget	Final Budget	Actual Budget Basis	Variance with Final Budget
REVENUES	$ 3,608,000	$ 3,608,000	$ 4,010,674	$ 402,674
EXPENDITURES				
Project costs	5,005,000	5,005,000	2,654,555	2,350,445
Net change in fund balance	(1,397,000)	(1,397,000)	1,356,119	(1,947,771)
Fund balances, beginning of year	5,627,281	5,627,281	5,627,281	-
Fund balances, end of year	$ 4,230,281	$ 4,230,281	6,983,400	$ (1,947,771)
		Receivable/revenue adjustments	(47,430)	
		Liability/expenditure adjustments	(1,586,749)	
			$ 5,349,221	

CITY OF MERIDIAN, MISSISSIPPI

REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO THE BUDGETARY SCHEDULE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1. PRESENTATION

State statues authorize the State Auditor to regulate the municipal budget process. Expenditures must be defined to the minimum level prescribed by the State Auditor. The State Auditor has set this level at the purpose level. Municipalities are prohibited from spending in excess of the lowest level adopted in the budget except for capital outlay, election expense and emergency warrants.

The budgetary comparisons present budget figures at the legal level of control. The City Council formally adopts the annual budget for the General Fund with revenues segregated by source (ad valorem tax, licenses and permits, intergovernmental, etc.). The General Fund expenditure budget is set at the character level (current, capital outlay, debt service) for each department (function) with current expenditures further detailed at the object level (personal services, supplies, and other services).

The budgets for revenues are on a cash basis – revenue is recognized if actually received within the year. Budgeted expenditures are on the cash basis with allowance for encumbrances for goods and services actually received prior to year-end and liquidated (paid) within 30 days after year-end.

Accounting principles applied in preparation of the budget comparison statements differ from the generally accepted accounting principles used in preparation of the fund statements. These differences in the principles used results in timing differences in the recognition of revenue and expenditures. At the bottom of the schedule is a reconciliation of the General Fund Statement of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual – Budgetary Basis to the Statement of Revenues, Expenditures and Changes in Fund Balance – governmental funds.

CITY OF MERIDIAN, MISSISSIPPI

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS AND NOTES
MISSISSIPPI PUBLIC EMPLOYEES' RETIREMENT SYSTEM
FOR THE YEARS ENDED SEPTEMBER 30,

	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	0.251012%	0.245594%	0.250373%	0.239412%	0.252101%	0.292935%	0.280872%	0.260207%	0.253100%
City's proportionate share of the net pension liability	$ 63,132,831	$ 50,552,181	$ 37,006,224	$ 46,347,381	$ 44,349,541	$ 48,235,616	$ 46,545,503	$ 46,442,492	$ 38,645,070
City's covered payroll	17,735,050	15,852,503	16,394,851	15,944,160	16,418,680	18,706,663	18,018,067	16,646,173	15,812,876
City's proportionate share of the net pension liability as a percentage of its covered payroll	355.98%	318.89%	225.72%	290.69%	270.12%	257.85%	258.33%	279.00%	244.39%
Plan fiduciary net position as a percentage of the total pension liability	55.70%	59.93%	58.97%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%

Grant

The schedule will present 10 years of information once it is accumulated.

Notes to the Schedule:

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.s8% 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 0.50 years to 0.55 years.
- The assumed average number of years of military service that participants will have at retirement was decreased from 0.25 years to 0.20 years.

2021

- The expectation of retired life mortality was changed to 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, 100% for ages above 76.
  - Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
- The expectation of disabled mortality was changed to PubT.H-2010 Disabled Retiree Table for disabled retirees with the following adjustments:
  - For males, 134% of male rates at all ages.
  - For females, 121% of the 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 was changed from 7.75% to 7.55%.
- 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 9% to 12%.
- The percentage of active member deaths assumed to be in the line of duty was decreased 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 the female rates at all ages.
  - Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.
- The price inflation assumption was reduced from 3.00% to 2.75%.
- The wage inflation assumption was reduced from 3.25% to 3.00%.
- Withdrawal rates, pre-retirement mortality rates, 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 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.

Changes in benefit provisions

2016

- Effective July 1, 2016, the interest rate on employee contributions shall be calculated based on the money market rate as published by the Wall Street Journal on December 31 of each preceding year with a minimum rate of 1% and a maximum rate of 5%.

CITY OF MERIDIAN, MISSISSIPPI

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S CONTRIBUTIONS
MISSISSIPPI PUBLIC EMPLOYEES' RETIREMENT SYSTEM
FOR THE YEARS ENDED SEPTEMBER 30,

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily required contributions	$ 2,941,895	$ 2,981,596	$ 2,896,625	$ 2,801,222	$ 2,600,913	$ 2,846,562	$ 2,967,048	$ 2,742,339	$ 2,508,000
Contributions in relation to the statutorily required contribution	2,941,895	2,981,596	2,896,625	2,801,222	2,600,913	2,846,562	2,967,048	2,742,339	2,508,000
Annual contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's covered payroll	$ 16,907,443	$ 17,135,609	$ 16,647,270	$ 16,098,988	$ 16,066,490	$ 18,073,401	$ 18,838,387	$ 17,411,778	$ 15,923,801
Contributions as a percentage of Contributions as a percentage of covered payroll	17.40%	17.40%	17.40%	17.40%	16.19%	15.75%	15.75%	15.75%	15.75%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

Effective July 1, 2019, the employer contribution rate increased to 17.40%. The contributions as a percentage of covered payroll for 2019 is a blend of the former contribution rate of 15.75% and the current contribution rate of 17.40%.

CITY OF MERIDIAN, MISSISSIPPI

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS
MISSISSIPPI MUNICIPAL RETIREMENT SYSTEM
MERIDIAN GENERAL PLAN

Measurement period fiscal year-end	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability									
Interest	$ 385,494	$ 364,922	$ 388,139	$ 410,988	$ 437,947	$ 458,020	$ 471,793	$ 495,938	$ 517,472
Changes in benefit terms	-	679,203	-	-	-	-	-	-	-
Differences between expected and actual experience	186,450	(135,070)	123,677	(31,882)	(69,562)	(8,211)	45,421	(108,041)	(79,725)
Changes in assumptions	286,395	-	(26,990)	-	(24,886)	-	6,705	-	212,270
Benefit payments, including refunds of employee contributions	(623,002)	(650,147)	(669,195)	(678,676)	(704,023)	(713,603)	(689,684)	(709,204)	(729,218)
Net change in total pension liability	235,337	258,908	(184,369)	(299,570)	(360,524)	(263,794)	(165,765)	(321,307)	(79,201)
Total pension liability - beginning	5,417,382	5,158,474	5,342,843	5,642,413	6,002,937	6,266,731	6,432,496	6,753,803	6,833,004
Total pension liability - ending (a)	$ 5,652,719	$ 5,417,382	$ 5,158,474	$ 5,342,843	$ 5,642,413	$ 6,002,937	$ 6,266,731	$ 6,432,496	$ 6,753,803
Plan fiduciary net position									
Contributions - employer	$ 385,523	$ 650,968	$ 346,113	$ 330,399	$ 354,148	$ 482,522	$ 514,966	$ 722,557	$ 729,047
Contributions - employee	-	-	-	-	-	2,431	4,488	5,581	4,767
Net investment income	220,293	(306,262)	862,731	89,865	222,168	259,283	428,676	44,792	92,425
Benefit payments, including refunds of employee contributions	(623,002)	(650,147)	(669,195)	(678,676)	(704,023)	(713,603)	(689,684)	(709,204)	(729,218)
Administrative expenses	(7,710)	(13,019)	(6,922)	(6,608)	(7,083)	(9,650)	(10,299)	(14,451)	(14,581)
Other	-	-	-	-	(57)	(304)	3,565	9,284	-
Net change in plan fiduciary net position	(24,896)	(318,460)	532,727	(265,020)	(134,847)	20,679	251,712	58,559	82,440
Plan fiduciary net position - beginning	3,140,036	3,458,496	2,925,769	3,190,789	3,325,636	3,304,957	3,053,245	2,994,686	2,912,246
Plan fiduciary net position - ending (b)	$ 3,115,140	$ 3,140,036	$ 3,458,496	$ 2,925,769	$ 3,190,789	$ 3,325,636	$ 3,304,957	$ 3,053,245	$ 2,994,686
City's net pension liability - ending (a) - (b)	$ 2,537,579	$ 2,277,346	$ 1,699,978	$ 2,417,074	$ 2,451,624	$ 2,677,301	$ 2,961,774	$ 3,379,251	$ 3,759,117
Plan fiduciary net position as a percentage of the total pension liability	55.11%	57.96%	67.04%	54.76%	56.55%	55.40%	52.74%	47.47%	44.34%
Covered payroll	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
City's net pension liability as a percentage of covered payroll	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Notes to the Schedule:

Payroll related information is not provided because this plan is closed to new entrants and there are no remaining active members in the Meridian General Plan.

The schedule will present 10 years of information once it is accumulated.

CITY OF MERIDIAN, MISSISSIPPI

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S CONTRIBUTIONS
MISSISSIPPI MUNICIPAL RETIREMENT SYSTEM
MERIDIAN GENERAL PLAN

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 223,457	$ 571,708	$ 279,659	$ 288,108	$ 228,358	$ 326,870	$ 270,338	$ 375,655	$ 436,118
Contributions in relation to the actuarially determined contribution	377,812	637,948	346,113	330,399	354,148	482,522	514,966	722,557	729,047
Contribution deficiency (excess)	$ (154,355)	$ (66,240)	$ (66,454)	$ (42,291)	$ (125,790)	$ (155,652)	$ (244,628)	$ (346,902)	$ (292,929)
Covered payroll	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Contributions as a percentage of covered payroll	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Notes to the Schedule:

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

Contributions for the fiscal year ending September 30, 2023 were based on the June 30, 2021 actuarial valuation.

Methods and assumptions used to determine contribution rates:

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

Payroll related information is not provided because this plan is closed to new entrants and there are no remaining active members in the Meridian General Plan.

The schedule will present 10 years of information once it is accumulated.

CITY OF MERIDIAN, MISSISSIPPI

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS
MISSISSIPPI MUNICIPAL RETIREMENT SYSTEM
MERIDIAN FIRE AND POLICE PLAN

Measurement period fiscal year-end	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability									
Interest	$ 1,023,570	$ 933,085	$ 1,014,013	$ 1,058,698	$ 1,128,051	$ 1,181,262	$ 1,270,520	$ 1,356,255	$ 1,404,037
Current-period benefit changes	-	1,876,096	-	-	-	-	-	-	-
Differences between expected and actual experience	(126,757)	(117,673)	(24,049)	(32,465)	(310,739)	(145,148)	(665,204)	(577,858)	(8,930)
Changes in assumptions	797,114	-	(162,779)	-	(57,866)	-	37,160	-	525,288
Benefit payments, including refunds of employee contributions	(1,465,197)	(1,520,875)	(1,584,096)	(1,621,534)	(1,687,103)	(1,758,321)	(1,830,058)	(1,939,245)	(2,002,352)
Net change in total pension liability	228,730	1,170,633	(756,911)	(595,301)	(927,657)	(722,207)	(1,187,582)	(1,160,848)	(81,957)
Total pension liability - beginning	14,289,813	13,119,180	13,876,091	14,471,392	15,399,049	16,121,256	17,308,838	18,469,686	18,551,643
Total pension liability - ending (a)	$ 14,518,543	$ 14,289,813	$ 13,119,180	$ 13,876,091	$ 14,471,392	$ 15,399,049	$ 16,121,256	$ 17,308,838	$ 18,469,686
Plan fiduciary net position									
Contributions - employer	$ 567,878	$ 214,432	$ 568,452	$ 652,276	$ 977,170	$ 1,240,676	$ 1,773,349	$ 1,937,647	$ 1,809,952
Contributions - employee	-	-	-	-	-	-	-	-	-
Net investment income	542,988	(785,672)	2,533,483	265,764	565,753	736,409	1,198,539	11,593	256,985
Benefit payments, including refunds of employee contributions	(1,465,197)	(1,520,875)	(1,584,096)	(1,621,534)	(1,687,103)	(1,758,321)	(1,830,058)	(1,939,245)	(2,002,352)
Administrative expenses	(11,358)	(4,289)	(11,369)	(13,046)	(19,543)	(24,814)	(35,467)	(38,753)	(36,199)
Other	-	-	-	-	2,179	(852)	6,988	23,380	-
Net change in plan fiduciary net position	(365,689)	(2,096,404)	1,506,470	(716,540)	(161,544)	193,098	1,113,351	(5,378)	28,386
Plan fiduciary net position - beginning	8,056,986	10,153,390	8,646,920	9,363,460	9,525,004	9,248,564	8,135,213	8,140,591	8,112,205
Plan fiduciary net position - ending (b)	$ 7,691,297	$ 8,056,986	$ 10,153,390	$ 8,646,920	$ 9,363,460	$ 9,441,662	$ 9,248,564	$ 8,135,213	$ 8,140,591
City's net pension liability - ending (a) - (b)	$ 6,827,246	$ 6,232,827	$ 2,965,790	$ 5,229,171	$ 5,107,932	$ 5,957,387	$ 6,872,692	$ 9,173,625	$ 10,329,095
Plan fiduciary net position as a percentage of the total pension liability	52.98%	56.38%	77.39%	62.32%	64.70%	61.31%	57.37%	47.00%	44.08%
Covered payroll	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
City's net pension liability as a percentage of covered payroll	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Notes to the Schedule:

Payroll related information is not provided because this plan is closed to new entrants and there are no remaining active members in the Meridian General Plan.

The schedule will present 10 years of information once it is accumulated.

CITY OF MERIDIAN, MISSISSIPPI

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE CITY'S CONTRIBUTIONS
MISSISSIPPI MUNICIPAL RETIREMENT SYSTEM
MERIDIAN FIRE AND POLICE PLAN

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 329,154	$ 188,323	$ 459,309	$ 568,785	$ 630,088	$ 840,458	$ 930,941	$ 1,007,377	$ 1,082,718
Contributions in relation to the actuarially determined contribution	556,521	210,143	568,452	652,276	977,170	1,240,676	1,773,349	1,937,647	1,809,952
Contribution deficiency (excess)	$ (227,367)	$ (21,820)	$ (109,143)	$ (83,491)	$ (347,082)	$ (400,218)	$ (842,408)	$ (930,270)	$ (727,234)
Covered payroll	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Contributions as a percentage of covered payroll	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Notes to the Schedule:

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

Methods and assumptions used to determine contribution rates:

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

Payroll related information is not provided because this plan is closed to new entrants and there are no remaining active members in the Meridian General Plan.

The schedule will present 10 years of information once it is accumulated.

SUPPLEMENTARY INFORMATION

COMBINING FUND STATEMENTS AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

Capital Projects Fund

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary and trust funds.

Sowashee Project – This fund was originally used to account for construction of the water drainage project along Sowashee Creek in the City's jurisdiction and is currently accounting for maintenance costs of the same. The financing for this project was from general obligation bonds, U.S. Army Corp of Engineers, and the Pat Harrison Waterway District.

City Hall Improvements – This fund is used to account for the bond proceeds used to fund the renovation and restoration of City Hall.

Safe Routes to School Project – This fund is used to account for grant revenues for sidewalk improvements between Carver Middle School, Harris Elementary School, and the Boys and Girls Club; plus activities to promote pedestrian safety and reduce speeds in the Carver Middle, Harris Elementary, Oakland Heights Elementary, and Crestwood Elementary school zones.

2021 General Obligation Bonds – This fund is used to account for the proceeds and disbursements from the 2021 general obligation bonds to be used for acquisition and construction of major capital facilities, infrastructure, and improvements.

22nd Avenue Enhancement Project – This fund accounts for grant revenues used for bicycle and pedestrian improvements along 22nd Avenue/Sela Ward Parkway from North Frontage Road to Front Street.

2012 General Obligation Bonds – This fund is used to account for the proceeds and disbursements from the 2012 general obligation bonds to be used for acquisition and construction of major capital facilities, infrastructure, and improvements.

Downtown Streetscape – This fund is used to account for the local and grant revenues used to replace sidewalks, curb cuts, pedestrian crossings and install decorative lighting and landscaping along 5th Street approximately between 23rd Avenue and 26th Avenue, as well as portions of 25th Avenue.

2016 General Obligation Bonds – This fund is used to account for the proceeds and disbursements from the 2016 general obligation bonds to be used for acquisition and construction of major capital facilities, infrastructure, and improvements.

24th Street Pedestrian Improvements Fund – This fund accounts for local and grant revenues used for pedestrian improvements along 24th Street from 23rd Avenue to 16th Avenue.

Vehicle Loans Fund – This fund is used to account for local funds used to purchase fleet vehicles on state contract or through the bid process.

Capital Projects Fund (Continued)

Old Highway 80 Emergency Repair – This fund is used to account for the Mississippi Emergency Road and Bridge Repair Fund Program revenues used for the replacement of the Old Highway 80 Bridge at Okatibbee Creek.

22nd Avenue Overpass Enhancement Project – This fund is used to account for state revenues used for engineering services for 22nd Avenue/Sela Ward Parkway Enhancement Project.

Infrastructure Modernization Use Tax – This fund is used to account for the City's diversion and disbursements from the Mississippi Department of Revenue Internet Use Tax to be used for repair, maintenance and reconstruction of roads, streets and bridges.

2020 General Obligation Bonds – This fund is used to account for the proceeds and disbursements from the 2020 general obligation bonds to be used for repair, maintenance and reconstruction of roads, streets and bridges.

Sela Ward Parkway Project – This fund is used to account for the proceeds and disbursements for the Sela Ward Parkway Project.

34th Street Bridge Emergency Road and Bridge Repair Project ("ERBR") – This fund is used to account for state revenues used for engineering services and construction for the 34th Street Bridge replacement project.

Demolition and Tree Removal – This fund is used to account for local funds used to contract the demolition of condemned structures and removal of trees in the City's right of way.

City Hall Roof and Other Repairs – This fund is used to account for local funds used for the restoration of City Hall, including the roof and external repairs.

2023 General Obligation Bonds – This fund is used to account for the proceeds and disbursements from the 2023 general obligation bonds to be used for improvements to parks, public playgrounds, swimming pools and other recreational facilities.

CITY OF MERIDIAN, MISSISSIPPI

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
NONMAJOR CAPITAL PROJECTS FUNDS
SEPTEMBER 30, 2023

	Sowashee Project Fund	City Hall Improvements Fund	Safe Routes to School Fund	2021 General Obligation Bonds Fund	22nd Avenue Enhancement Project Fund	2012 General Obligation Bonds Fund	Downtown Streetscape Fund
ASSETS							
Due from other funds	$ -	$ -	$ 35,779	$ -	$ -	$ -	$ 81,181
Grant receivable	-	-	-	-	611,253	-	-
Restricted assets:							
Cash and cash equivalents	67,447	-	-	1,610,101	-	-	-
Total assets	$ 67,447	$ -	$ 35,779	$ 1,610,101	$ 611,253	$ -	$ 81,181
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Due to other funds	$ -	$ -	$ -	$ -	$ 2,753	$ 116,960	$ -
Liabilities payable from restricted assets:							
Accounts payable	6,750	-	-	-	8,343	-	-
Total liabilities	6,750	-	-	-	11,096	116,960	-
FUND BALANCES							
Restricted for:							
Sowashee Creek maintenance	60,697	-	-	-	-	-	-
Construction/acquisition of capital assets	-	-	-	-	-	-	-
Sidewalk improvements	-	-	35,779	-	-	-	-
Downtown streetscape	-	-	-	-	600,157	-	81,181
Paving projects	-	-	-	1,610,101	-	-	-
Unassigned (deficit)	-	-	-	-	-	(116,960)	-
Total fund balances (deficits)	60,697	-	35,779	1,610,101	600,157	(116,960)	81,181
Total liabilities and fund balances	$ 67,447	$ -	$ 35,779	$ 1,610,101	$ 611,253	$ -	$ 81,181

2016 General Obligation Bonds Fund	24th Street Pedestrian Improvements Fund	Vehicle Loans Fund	Old Highway 80 Emergency Repair Fund	22nd Avenue Overpass Enhancement Fund	Infrastructure Modernization Use Tax Fund	2020 General Obligation Bonds Fund	Sela Ward Parkway Project Fund	34th Street Bridge Emergency Road and Bridge Repair Fund
$ -	$ -	$ -	$ -	$ -	$ 74,564	$ -	$ -	$ -
-	-	-	-	-	-	-	-	-
-	-	27,169	1,530,672	-	2,204,092	1,118,912	-	39,307
$ -	$ -	$ 27,169	$ 1,530,672	$ -	$ 2,278,656	$ 1,118,912	$ -	$ 39,307
$ -	$ 71,811	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	5,064	-	457,481	-	491,419	45,371	-	-
-	76,875	-	457,481	-	491,419	45,371	-	-
-	-	-	-	-	-	-	-	-
-	-	27,169	-	-	1,787,237	-	-	39,307
-	-	-	1,073,191	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	1,073,541	-	-
-	(76,875)	-	-	-	-	-	-	-
-	(76,875)	27,169	1,073,191	-	1,787,237	1,073,541	-	39,307
$ -	$ -	$ 27,169	$ 1,530,672	$ -	$ 2,278,656	$ 1,118,912	$ -	$ 39,307

Demoltion and Tree Removal Fund	City Hall Roof & Other Repairs Fund	2023 General Obligation Bonds Fund	Totals
$ -	$ -	$ -	$ 191,524
-	-	-	611,253
123,651	274,080	4,685,138	11,680,569
$ 123,651	$ 274,080	$ 4,685,138	$ 12,483,346
$ -	$ -	$ -	$ 191,524
30,024	12,964	55,931	1,113,347
30,024	12,964	55,931	1,304,871
-	-	-	60,697
93,627	261,116	4,629,207	6,837,663
-	-	-	1,108,970
-	-	-	681,338
-	-	-	2,683,642
-	-	-	(193,835)
93,627	261,116	4,629,207	11,178,475
$ 123,651	$ 274,080	$ 4,685,138	$ 12,483,346

CITY OF MERIDIAN, MISSISSIPPI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Sowashee Project Fund	City Hall Improvements Fund	Safe Routes to School Fund	2021 General Obligation Bonds Fund	22nd Avenue Enhancement Project Fund	2012 General Obligation Bonds Fund	Downtown Streetscape Fund
Revenues							
Intergovernmental:							
Federal	$ -	$ -	$ -	$ -	$ 564,778	$ -	$ -
State	1,280	-	-	-	-	-	-
Interest on investments	-	-	-	59,989	-	93	-
Other income	-	4,506	-	-	-	42,193	-
Total revenues	1,280	4,506	-	59,989	564,778	42,286	-
Expenditures							
Construction/acquisition of capital assets	-	-	-	-	232,569	-	-
Engineering and other	63,898	-	-	1,124,367	85,122	-	-
Debt service:		-					
Bond issuance costs	-		-	-	-	-	-
Total expenditures	63,898	-	-	1,124,367	317,691	-	-
Excess (deficiency) of revenues over (under) expenditures	(62,618)	4,506	-	(1,064,378)	247,087	42,286	-
Other financing sources (uses)							
Issuance of debt	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(36,070)	-
Total other financing sources (uses)	-	-	-	-	-	(36,070)	-
Net change in fund balances	(62,618)	4,506	-	(1,064,378)	247,087	6,216	-
Fund balances (deficits), beginning of year	123,315	(4,506)	35,779	2,674,479	353,070	(123,176)	81,181
Fund balances (deficits), end of year	$ 60,697	$ -	$ 35,779	$ 1,610,101	$ 600,157	$ (116,960)	$ 81,181

2016 General Obligation Bonds Fund	24th Street Pedestrian Improvements Fund	Vehicle Loans Fund	Old Highway 80 Emergency Repair Fund	22nd Avenue Overpass Enhancement Fund	Infrastructure Modernization Use Tax Fund	2020 General Obligation Bonds Fund	Sela Ward Parkway Project Fund	34th Street Bridge Emergency Road and Bridge Repair Fund
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	3,384,660	-	-	38,687
1,951	-	-	-	-	-	46,376	210	620
-	-	-	-	16,707	-	-	14,325	-
1,951	-	-	-	16,707	3,384,660	46,376	14,535	39,307
-	-	-	1,681,277	-	2,372,740	972,128	44,363	-
-	51,020	-	68,512	37	-	51,174	30	-
-	-	-	-	-	-	-	-	-
-	51,020	-	1,749,789	37	2,372,740	1,023,302	44,393	-
1,951	(51,020)	-	(1,749,789)	16,670	1,011,920	(976,926)	(29,858)	39,307
-	-	-	-	-	-	-	-	-
-	-	27,169	-	97,456	-	-	-	-
(2,035)	-	-	-	-	(1,360,491)	-	-	-
(2,035)	-	27,169	-	97,456	(1,360,491)	-	-	-
(84)	(51,020)	27,169	(1,749,789)	114,126	(348,571)	(976,926)	(29,858)	39,307
84	(25,855)	-	2,822,980	(114,126)	2,135,808	2,050,467	29,858	-
$ -	$ (76,875)	$ 27,169	$ 1,073,191	$ -	$ 1,787,237	$ 1,073,541	$ -	$ 39,307

Demoltion and Tree Removal Fund	City Hall Roof & Other Repairs Fund	2023 General Obligation Bonds Fund	Totals
$ -	$ -	$ -	$ 564,778
-	-	-	3,424,627
2,075	-	33,818	145,132
-	-	-	77,731
2,075	-	33,818	4,212,268
-	38,884	193,747	5,535,708
60,448	-	39,864	1,544,472
-	-	171,000	171,000
60,448	38,884	404,611	7,251,180
(58,373)	(38,884)	(370,793)	(3,038,912)
-	-	5,000,000	5,000,000
152,000	300,000	-	576,625
-	-	-	(1,398,596)
152,000	300,000	5,000,000	4,178,029
93,627	261,116	4,629,207	1,139,117
-	-	-	10,039,358
$ 93,627	$ 261,116	$ 4,629,207	$ 11,178,475

CITY OF MERIDIAN, MISSISSIPPI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET TO ACTUAL – BUDGETARY BASIS DEBT SERVICE FUND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Original Budget	Final Budget	Actual Budget Basis	Variance with Final Budget
REVENUES	$ 6,300,000	$ 6,300,000	$ 6,242,762	$ (57,238)
EXPENDITURES				
Debt service	6,300,000	6,300,000	6,168,396	131,604
Net change in fund balance	-	-	74,366	(188,842)
Fund balances, beginning of year	7,093,055	7,093,055	7,093,055	-
Fund balances, end of year	$ 7,093,055	$ 7,093,055	7,167,421	$ (188,842)
		Receivable/revenue adjustments	216,571	
			$ 7,310,540	

CITY OF MERIDIAN, MISSISSIPPI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET TO ACTUAL – BUDGETARY BASIS CAPITAL PROJECTS FUNDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Original Budget	Final Budget	Actual Budget Basis	Variance with Final Budget
REVENUES	$ 3,600,000	$ 18,785,735	$ 9,575,020	$ (9,210,715)
EXPENDITURES				
Capital outlay	15,200,000	30,385,735	9,295,747	21,089,988
Net change in fund balance	(11,600,000)	(11,600,000)	279,273	(30,300,703)
Fund balances, beginning of year	10,039,359	10,039,359	10,039,359	-
Fund balances, end of year	$ (1,560,641)	$ (1,560,641)	10,318,632	$ (30,300,703)
		Receivable/revenue adjustments	213,872	
		Liability/expenditure adjustments	645,971	
			$ 11,178,475	

NONMAJOR ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the government's council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the government's council has decided that periodic determination of net income is appropriate for accountability purposes.

Waste Collection and Disposal – This fund is used to account for the activities of the City's waste collection and disposal.

Golf Course – This fund is used to account for the activities of the City's public golf course.

Union Station – This fund reflects the operating results of the multi-modal facility located in the downtown area of the City.

Concessions – This fund is used to account for the activities of the City's Highland Park Carousel concessions and concession stands at the softball parks.

CITY OF MERIDIAN, MISSISSIPPI

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2023

	Waste Collection and Disposal	Golf Course	Union Station	Concessions	Total
ASSETS					
Current assets:					
Cash and cash equivalents	$ 298,127	$ 277,347	$ 306,035	$ 61,846	$ 943,355
Accounts receivable, net	453,746	-	-	401	454,147
Lease receivable	-	-	260,970	-	260,970
Due from other funds	3,493	-	-	-	3,493
Inventory	-	18,750	-	1,776	20,526
Prepaid items	-	5,363	1,723	-	7,086
Total current assets	755,366	301,460	568,728	64,023	1,689,577
Non-current assets:					
Capital assets:					
Lease asset, net of accumulated amortization	-	7,465	-	-	7,465
Buildings	-	126,628	-	-	126,628
Improvements other than buildings	-	474,242	51,300	-	525,542
Machinery and equipment	20,125	355,270	72,785	-	448,180
Total capital assets	20,125	956,140	124,085	-	1,100,350
Less accumulated depreciation	(18,113)	(706,685)	(66,265)	-	(791,063)
Capital assets (net of accumulated depreciation)	2,012	249,455	57,820	-	309,287
Total non-current assets	2,012	256,920	57,820	-	316,752
Total assets	757,378	558,380	626,548	64,023	2,006,329
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to net pension liability	41,297	43,243	25,416	5,556	115,512
LIABILITIES					
Current liabilities:					
Accounts payable	471,728	15,988	29,145	-	516,861
Accrued liabilities:					
Payroll	-	5,718	4,387	140	10,245
Sales tax	-	1,702	-	-	1,702
Lease liability, due within one year	-	14,761	-	-	14,761
Due to other funds	38,234	44	-	-	38,278
Total current liabilities	509,962	38,213	33,532	140	581,847
Noncurrent liabilities:					
Net pension liability	222,245	252,615	134,328	31,476	640,664
Total noncurrent liabilities	222,245	252,615	134,328	31,476	640,664
Total liabilities	732,207	290,828	167,860	31,616	1,222,511
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to leases	-	-	260,445	-	260,445
NET POSITION					
Net investment in capital assets	2,012	234,694	57,820	-	294,526
Unrestricted	64,456	76,101	165,839	37,963	344,359
Total net position	66,468	310,795	223,659	37,963	638,885
Total liabilities, deferred inflows of resources, and net position	$ 798,675	$ 601,623	$ 651,964	$ 69,579	$ 2,121,841

CITY OF MERIDIAN, MISSISSIPPI

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Waste Collection and Disposal	Golf Course	Union Station	Concessions	Total
REVENUES					
Charges for sales and services:					
Garbage collection fees	$ 3,392,405	$ -	$ -	$ -	$ 3,392,405
Out-of-county-tonnage	45,482	-	-	-	45,482
Memberships	-	39,052	-	-	39,052
Green fees	-	64,270	-	-	64,270
Cart rental	-	51,789	-	-	51,789
Concessions	-	19,735	-	-	19,735
Rental income	-	-	129,727	-	129,727
Total revenues	3,437,887	174,846	129,727	-	3,742,460
OPERATING EXPENSES					
Personnel services	93,205	-	151,035	5,463	249,703
Supplies and materials	578	153,820	8,216	2,905	165,519
Rent and utilities	653	7,602	46,162	-	54,417
Operation, maintenance, and repairs	62,819	69,729	91,246	-	223,794
Garbage disposal fees	3,059,087	-	-	-	3,059,087
Depreciation and amortization	-	48,306	6,728	-	55,034
Miscellaneous	2,962	2,533	125,016	-	130,511
Total expenses	3,219,304	281,990	428,403	8,368	3,938,065
Operating income (loss)	218,583	(107,144)	(298,676)	(8,368)	(195,605)
NONOPERATING REVENUE					
Interest income	256	2,272	2,377	1,037	5,942
Total nonoperating revenues	256	2,272	2,377	1,037	5,942
OTHER FINANCING SOURCES					
Transfers in	-	302,773	457,979	-	760,752
Total other financing sources	-	302,773	457,979	-	760,752
Change in net position	218,839	197,901	161,680	(7,331)	571,089
TOTAL NET POSITION, beginning of year	(152,371)	112,894	61,979	45,294	67,796
TOTAL NET POSITION, end of year	$ 66,468	$ 310,795	$ 223,659	$ 37,963	$ 638,885

CITY OF MERIDIAN, MISSISSIPPI

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Waste Collection and Disposal	Golf Course	Union Station	Concessions	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	$ 3,291,711	$ 174,846	$ 129,746	$ -	$ 3,596,303
Payments to suppliers	(2,980,670)	(264,980)	(255,279)	(3,425)	(3,504,354)
Payments to employees	(76,851)	27,488	(137,776)	(2,123)	(189,262)
Payments to internal services	1,629	44	-	-	1,673
Net cash provided by (used in) operating activities	235,819	(62,602)	(263,309)	(5,548)	(95,640)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers from other funds	-	302,773	457,979	-	760,752
Net cash provided by noncapital financing activities	-	302,773	457,979	-	760,752
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	-	(41,210)	-	-	(41,210)
Principal paid on long-term debt and leases	-	(10,093)	-	-	(10,093)
Net cash used in noncapital financing activities	-	(51,303)	-	-	(51,303)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	256	2,272	2,377	1,037	5,942
Net cash provided by investing activities	256	2,272	2,377	1,037	5,942
Net change in cash and cash equivalents	236,075	191,140	197,047	(4,511)	619,751
Cash and cash equivalents, beginning of year	62,052	86,207	108,988	66,357	323,604
Cash and cash equivalents, end of year	$ 298,127	$ 277,347	$ 306,035	$ 61,846	$ 943,355
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	$ 218,583	$ (107,144)	$ (298,676)	$ (8,368)	$ (195,605)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	-	48,306	6,728	-	55,034
Change in assets and liabilities:					
Increase in accounts receivable	(146,177)	-	-	(401)	(146,578)
Increase in lease receivable	-	-	(103,308)	-	(103,308)
Decrease in due from other funds	1,252	-	-	-	1,252
Decrease (increase) in inventory	-	548	-	(24)	524
Increase in prepaid items	-	(115)	(309)	-	(424)
Increase in deferred outflows	(20,921)	(21,907)	(12,876)	(2,815)	(58,519)
Increase (decrease) in accounts payable	145,429	(34,237)	15,670	-	126,862
Increase (decrease) in accrued liabilities	-	2,508	(131)	(95)	2,282
Increase in due to other funds	378	44	-	-	422
Increase in net pension liability	43,457	49,395	26,266	6,155	125,273
Increase in deferred inflows	-	-	103,327	-	103,327
Decrease in compensated absences	(6,182)	-	-	-	(6,182)
Net cash provided by (used in) operating activities	$ 235,819	$ (62,602)	$ (263,309)	$ (5,548)	$ (95,640)

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City and to other governmental units on a cost reimbursement basis.

Municipal Supply Fund – This fund is used to account for City garage and fuel activity.

Municipal Office Supply Fund – This fund is used to account for City office supply activity.

Health and Life Insurance Reserve Fund – This fund is used to account for the receipts, insurance premiums, and disbursements of claims paid by the City for employee health and life insurance.

Unemployment Compensation Fund – This fund is used to account for the claims paid by the City for unemployment compensation.

CITY OF MERIDIAN, MISSISSIPPI

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2023

	Municipal Supply	Municipal Office Supply	Health and Life Insurance Reserve	Unemployment Compensation	Total
ASSETS					
Cash and cash equivalents	$ 11,312	$ 45,653	$ 477,001	$ -	$ 533,966
Due from other funds	59,029	-	-	-	59,029
Inventory	126,665	977	-	-	127,642
Total assets	197,006	46,630	477,001	-	720,637
LIABILITIES					
Accounts payable	-	-	869,903	5,812	875,715
Due to other funds	544,754	-	-	2,209	546,963
Total liabilities	544,754	-	869,903	8,021	1,422,678
NET POSITION					
Unrestricted (deficit)	(347,748)	46,630	(392,902)	(8,021)	(702,041)
Total net position	(347,748)	46,630	(392,902)	(8,021)	(702,041)
Total liabilities and net position	$ 197,006	$ 46,630	$ 477,001	$ -	$ 720,637

CITY OF MERIDIAN, MISSISSIPPI

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Municipal Supply	Municipal Office Supply	Health and Life Insurance Reserve	Unemployment Compensation	Total
REVENUES					
Charges for sales and services	$ 422,453	$ 376	$ -	$ -	$ 422,829
Premiums	-	-	3,445,854	-	3,445,854
Total revenues	422,453	376	3,445,854	-	3,868,683
OPERATING EXPENSES					
Cost of sales and services	317,445	-	-	-	317,445
Claims paid	-	-	3,171,079	24,120	3,195,199
Total expenses	317,445	-	3,171,079	24,120	3,512,644
Operating income (loss)	105,008	376	274,775	(24,120)	356,039
NONOPERATING REVENUE					
Interest income	-	733	680	17	1,430
Other financing sources					
Transfers in	-	-	-	20,986	20,986
Change in net position	105,008	1,109	275,455	(3,117)	378,455
TOTAL NET POSITION, beginning of year	(452,756)	45,521	(668,357)	(4,904)	(1,080,496)
TOTAL NET POSITION, end of year	$ (347,748)	$ 46,630	$ (392,902)	$ (8,021)	$ (702,041)

CITY OF MERIDIAN, MISSISSIPPI

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Municipal Supply	Municipal Office Supply	Health and Life Insurance Reserve	Unemployment Compensation	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from internal users	$ 363,424	$ 376	$ 3,445,854	$ -	$ 3,809,654
Payments to suppliers	(352,112)	(546)	(3,235,167)	(21,003)	(3,608,828)
Net cash provided by (used in) operating activities	11,312	(170)	210,687	(21,003)	200,826
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers from other funds	-	-	-	20,986	20,986
Net cash provided by noncapital financing activities	-	-	-	20,986	20,986
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	-	733	680	17	1,430
Net cash provided by investing activities	-	733	680	17	1,430
Net change in cash and cash equivalents	11,312	563	211,367	-	223,242
Cash and cash equivalents, beginning of year	-	45,090	265,634	-	310,724
Cash and cash equivalents, end of year	$ 11,312	$ 45,653	$ 477,001	$ -	$ 533,966
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	$ 105,008	$ 376	$ 274,775	$ (24,120)	$ 356,039
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Change in assets and liabilities:					
Decrease (increase) in inventory	1,847	(546)	-	-	1,301
Increase in due from other funds	(59,029)	-	-	(2,695)	(61,724)
Increase (decrease) in accounts payable	(28,806)	-	(64,088)	5,812	(87,082)
Decrease in due to other funds	(7,708)	-	-	-	(7,708)
Net cash provided by (used in) operating activities	$ 11,312	$ (170)	$ 210,687	$ (21,003)	$ 200,826

FUDICIARY FUNDS

Custodial Funds

Custodial Funds are used to account for assets held by the City as an agent for individuals, private organizations, other governments and/or other funds.

Firemen and Policemen Disability and Relief – This fund is used to account for the dedicated property tax assessment and collections forwarded to the Public Employees' Retirement System ("PERS") for a closed fire and policemen retirement system managed by PERS.

General Retirement – This fund is used to account for the dedicated property tax assessment and collections forwarded to PERS for a closed municipal employee retirement system managed by PERS.

Meridian Community College – This fund is used to account for property tax collections and disbursements to Meridian Community College to be used for its operations.

Meridian Separate School District – This fund is used to account for property tax collections and disbursements to Meridian Separate School District to be used for operation and maintenance.

State Police Fines and Fees – This fund is used to account for state fines and fees collected by the City Municipal Court for the State of Mississippi.

Meridian Separate School District Bonds and Interest – This fund is used to account for property tax collections and disbursements to Meridian Separate School District to be used for debt service reduction.

CITY OF MERIDIAN, MISSISSIPPI

COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
SEPTEMBER 30, 2023

	Firemen and Policemen Disability and Relief	General Retirement	Meridian Community College	Meridian Separate School District	State Police Fines and Fees	Meridian Separate School District Bonds and Interest	Total
ASSETS							
Cash and cash equivalents	$ 17,641	$ -	$ -	$ -	$ 28,590	$ 33,686	$ 79,917
Intergovernmental receivables - county	27,869	13,091	-	-	-	116,112	157,072
Total assets	45,510	13,091	-	-	28,590	149,798	236,989
LIABILITIES							
Due to other funds	-	-	-	-	4,422	-	4,422
Intergovernmental payables:							
Schools	-	-	-	-	-	149,798	149,798
PERS	45,510	13,091	-	-	-	-	58,601
State	-	-	-	-	24,168	-	24,168
Total liabilities	45,510	13,091	-	-	28,590	149,798	236,989
NET POSITION							
Restricted for individuals, organizations and other governments	$ -	$ -	$ -	$ -	$ -	$ -	$ -

CITY OF MERIDIAN, MISSISSIPPI

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Firemen and Policemen Disability and Relief	General Retirement	Meridian Community College	Meridian Separate School District	State Police Fines and Fees	Meridian Separate School District Bonds and Interest	Total
ADDITIONS							
Miscellaneous income	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total additions	-	-	-	-	-	-	-
DEDUCTIONS							
Other custodial disbursements	-	-	-	-	-	-	-
Total deductions	-	-	-	-	-	-	-
Change in fiduciary net position	-	-	-	-	-	-	-
Net position, beginning of year	-	-	-	-	-	-	-
Net position, end of year	$ -	$ -	$ -	$ -	$ -	$ -	$ -

NONMAJOR COMPONENT UNIT

Meridian Urban Renewal Authority – Meridian Urban Renewal Authority ("MURA") (a discretely presented component unit) is a legally separate entity established by resolution of the City Council of the City of Meridian. MURA was established to undertake and carry out urban renewal projects within an urban renewal area which the City Council of the City of Meridian has determined to be a slum area, or a blighted area, or a combination thereof and has designated as appropriate for an urban renewal project, in accordance with an urban renewal plan adopted by the City of Meridian.

Additional information regarding component unit status can be found in Note 1(A) of the notes to the financial statements.

CITY OF MERIDIAN, MISSISSIPPI

COMBINING STATEMENT OF NET POSITION
NONMAJOR COMPONENT UNITS
SEPTEMBER 30, 2023

	Meridian Urban Renewal Authority
ASSETS	
Cash and cash equivalents	$ 387,847
MLEC membership interest	5,324,190
Total assets	5,712,037
LIABILITIES	
Long-term liabilities:	
Due within one year	239,000
Due in more than one year	1,858,000
Total liabilities	2,097,000
NET POSITION	
Unrestricted	3,615,037
Total net position	$ 3,615,037

The accompanying notes are an integral part of these financial statements.

CITY OF MERIDIAN, MISSISSIPPI

COMBINING STATEMENT OF ACTIVITIES
NONMAJOR COMPONENT UNITS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Meridian Urban Renewal Authority
Component unit:					
Meridian Urban Renewal Authority	$ 100	$ -	$ 233,000	$ -	$ 232,900
Total component unit	$ 100	$ -	$ 233,000	$ -	232,900
General revenues:					
Unrestricted investment earnings					20,765
Total general revenues					20,765
Change in net position					253,665
Net position, beginning of year					3,361,372
Net position, end of year					$ 3,615,037

The accompanying notes are an integral part of these financial statements.

CITY OF MERIDIAN, MISSISSIPPI

SCHEDULE OF SURETY BONDS
SEPTEMBER 30, 2023

NAME AND POSITION	AMOUNT	EXPIRES
Jimmie Smith, Mayor	$ 50,000	7/1/2025
George M Thomas, Councilman	100,000	7/6/2025
Dwayne Davis, Councilman	100,000	7/1/2025
Joseph Norwood, Councilman	100,000	7/1/2025
Romande Walker, Councilwoman	100,000	7/1/2025
Tyeasha Lindsey, Councilwoman	100,000	7/1/2025
Brandye Latimer, City Clerk/CFO	50,000	11/1/2027
Deborah Naylor-Young, Police Chief	50,000	Until Canceled
Crime Policy, All City Employees	25,000 – 50,000	11/1/2023

CITY OF MERIDIAN, MISSISSIPPI

SCHEDULE OF CHANGES IN LONG-TERM DEBT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Date of Issue	Interest Rate	Amount of Original Issue	Balance October 1, 2022	Principal Payments	New Issues	Balance September 30, 2023
Governmental activities:							
Public Improvement of 2012	04/12/2012	1.90 – 2.70%	$ 4,500,000	$ 950,000	$ 465,000	$ -	$ 485,000
Water and Sewer Improvement of 2013	03/05/2014	2.20%	1,200,000	135,000	135,000	-	-
Refunding Bonds of 2014	08/14/2014	2.00 – 3.00%	8,410,000	3,295,000	1,105,000	-	2,190,000
Public Improvement of 2016	03/24/2016	1.20 – 1.625%	7,500,000	3,270,000	780,000	-	2,490,000
General Obligation Bonds 2017	02/15/2017	2.00 – 5.00%	20,000,000	4,355,000	790,000	-	3,565,000
General Obligation Refunding Bonds 2017	10/16/2017	2.15%	8,024,000	5,970,000	848,000	-	5,122,000
General Obligation Bonds 2020	09/30/2020	0.90 – 1.54%	6,000,000	5,536,000	526,000	-	5,010,000
General Obligation Refunding Bonds 2020	10/16/2020	1.55%	3,050,000	2,558,000	262,000	-	2,296,000
General Obligation Bonds 2021	12/15/2021	1.72%	6,000,000	5,575,000	578,000	-	4,997,000
General Obligation Refunding Bonds 2022	04/28/2022	1.82 – 2.30%	13,956,000	13,956,000	156,000	-	13,800,000
Total general obligations bonds			78,640,000	45,600,000	5,645,000	-	39,955,000
Special Obligation Bonds 2003B	07/01/2003	3.30 – 5.375%	1,500,000	125,000	125,000	-	-
Special Obligation Bonds 2023	06/29/2023	3.68%	5,000,000	-	-	5,000,000	5,000,000
Total special obligation bonds			1,500,000	125,000	125,000	5,000,000	5,000,000
Tax Increment Refunding Bonds	09/27/2019	2.20%	1,971,000	1,081,000	409,000	-	672,000
Tax Increment Refunding Bonds	08/6/2021	2.95%	900,000	813,000	80,000	-	733,000
Total tax increment bonds			2,871,000	1,894,000	489,000	-	1,405,000
Vehicle Loan 2017	11/28/2016	1.42%	1,261,760	55,915	55,915	-	-
Vehicle Loan 2021	08/25/2021	1.395%	332,115	262,108	65,567	-	196,541
Fire Truck Loan 2020	10/14/2020	2.82%	520,518	400,701	133,206	-	267,495
Police Vehicle Loan 2021	12/03/2021	1.47%	400,000	317,648	77,682	-	239,966
MDA Capital Loan	06/21/2019	3.00%	954,701	864,148	49,425	-	814,723
Fire Truck Loan 2023	01/18/2023	2.30%	720,000	-	-	720,000	720,000
Telescopic Aerial Truck 2023	01/18/2023	2.95%	255,000	-	-	255,000	255,000
Total promissory loans			4,444,094	1,900,520	381,795	975,000	2,493,725
Electric Vehicle Charging Station	03/08/2018	1.42%	13,680	1,596	1,596	-	-
MSWIN radios	12/22/2022	3.93%	566,100	-	120,658	566,100	445,442
A.L Rosenbaum Building Office Suite	07/21/2023	2.70%	54,417	-	5,146	54,417	49,271
Total leases			634,197	1,596	127,400	620,517	494,713

(Continued)

CITY OF MERIDIAN, MISSISSIPPI

SCHEDULE OF CHANGES IN LONG-TERM DEBT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Date of Issue	Interest Rate	Amount of Original Issue	Balance October 1, 2022	Principal Payments	New Issues	Balance September 30, 2023
Governmental activities (continued):							
Debtbook Subscription	09/07/2023	3.04%	$ 34,890	$ -	$ 11,000	$ 34,890	$ 23,890
NextRequest Standard License	11/3/2022	3.35%	20,294	-	12,178	20,294	8,116
Total SBITAs			55,184	-	23,178	55,184	32,006
Total governmental activities			$ 88,089,291	$ 49,521,116	$ 6,768,195	$ 6,595,517	$ 49,380,444
Business-type activities:							
EPA Clean Water State Revolving Loan Fund	10/01/2010	1.75%	$ 9,044,496	$ 7,222,227	$ 389,111	$ -	$ 6,833,116
Water and sewer promissory loan	01/31/2013	0.50 – 4.00%	12,415,000	1,590,000	835,000	-	755,000
Vehicle loan 2017	11/28/2016	1.42%	710,481	27,373	27,373	-	-
Drinking Water Systems Improvements Revolving Loan Fund	09/29/2017	1.95%	8,114,960	1,244,265	-	2,587,920	3,832,185
Water and sewer promissory loan	08/20/2020	4.00 – 5.00%	41,000,000	41,000,000	-	-	41,000,000
Water and sewer promissory loan	6/30/2021	1.605%	10,045,000	9,240,000	820,000	-	8,420,000
Total promissory loans			81,329,937	60,323,865	2,071,484	2,587,920	60,840,301
Bonita 16th Section Land	10/21/1999	3.22%	100,000	100,000	9,678	-	90,322
Gas golf carts	1/27/2020	3.20%	29,474	24,851	14,712	2,842	12,981
Total leases			129,474	124,851	24,390	2,842	103,303
Total business-type activities			$ 81,459,411	$ 60,448,716	$ 2,095,874	$ 2,590,762	$ 60,943,604
Total governmental & business-type activities			$ 169,548,702	$ 109,969,832	$ 8,864,069	$ 9,186,279	$ 110,324,048
Meridian Urban Renewal Authority							
Promissory loan	4/23/2021	2.65%	$ 2,555,000	$ 2,330,000	$ 233,000	$ -	$ 2,097,000
Total Meridian Urban Renewal Authority			$ 2,555,000	$ 2,330,000	$ 233,000	$ -	$ 2,097,000

* The Series 2017 General Obligation Bonds and 2022 General Obligation Refunding Bonds were issued under the State of MS 2005 House Bill 1770 ("Local and Private Act"). Under this act, these bonds are not included in the debt applicable to the City's legal debt limit prescribed by MS Code of 1972, Section 21-33-303.

OTHER SUPPLEMENTARY INFORMATION

STATISTICAL SECTION

This part of the City's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

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Financial trends information.....124 – 127

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue capacity information.....128 – 130

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt capacity information.....131 – 135

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and economic information.....136 – 138

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating information.....139 – 140

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

CITY OF MERIDIAN, MISSISSIPPI

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities:										
Net investment in capital assets	$ 69,358	$ 66,592	$ 65,945	$ 72,890	$ 65,119	$ 63,763	$ 63,921	$ 38,691	$ 34,669	$ 34,958
Restricted	3,538	4,783	5,329	10,914	8,295	10,675	11,164	19,487	20,207	20,458
Unrestricted	5,118	(35,407)	(39,404)	(65,016)	(65,289)	(59,081)	(51,998)	(24,183)	(20,417)	(20,019)
Total governmental activities net position	$ 78,014	$ 35,968	$ 31,870	$ 18,788	$ 8,125	$ 15,357	$ 23,087	$ 33,995	$ 34,459	$ 35,397
Business-type activities:										
Net investment in capital assets	$ 18,824	$ 21,704	$ 25,555	$ 21,492	$ 22,621	$ 19,798	$ 18,837	$ 3,259	$ 11,272	$ 7,749
Restricted	6,619	7,647	9,155	9,869	7,989	7,446	5,268	-	-	-
Unrestricted	6,528	4,479	5,010	5,591	6,048	11,575	13,768	31,709	20,803	25,668
Total business-type activities net position	$ 31,971	$ 33,830	$ 39,720	$ 36,952	$ 36,658	$ 38,819	$ 37,873	$ 34,968	$ 32,075	$ 33,417
Primary government:										
Net investment in capital assets	$ 88,182	$ 88,296	$ 91,500	$ 94,382	$ 87,740	$ 83,561	$ 82,758	$ 41,950	$ 45,941	$ 42,707
Restricted	10,157	12,430	14,484	20,783	16,284	18,121	16,432	19,487	20,207	20,458
Unrestricted	11,646	(30,928)	(34,394)	(59,425)	(59,241)	(47,506)	(38,230)	7,526	386	5,649
Total primary government net position	$ 109,985	$ 69,798	$ 71,590	$ 55,740	$ 44,783	$ 54,176	$ 60,960	$ 68,963	$ 66,534	$ 68,814

Note: GASB 68 was implemented during fiscal year 2015.

CITY OF MERIDIAN, MISSISSIPPI

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Primary government:										
Governmental activities:										
General government	$ 7,899	$ 9,234	$ 9,120	$ 10,681	$ 8,659	$ 7,820	$ 7,464	$ 7,252	$ 10,164	$ 8,740
Public safety	16,394	16,054	16,855	19,137	18,608	16,818	15,813	15,976	23,332	25,636
Public works	7,864	7,934	8,459	12,861	10,555	7,998	7,371	8,710	9,391	10,042
Culture and recreation	2,509	2,500	3,122	13,062	12,838	1,540	4,421	3,526	4,841	5,678
Economic development	21	1	1	24	25	25	4	-	-	-
Interest on long-term debt	1,706	1,565	1,334	1,867	2,024	1,796	1,445	1,528	3,278	1,124
Total governmental activities expenses	36,393	37,288	38,891	57,632	52,709	35,997	36,518	36,992	51,006	51,220
Business-type activities:										
Water and sewer	10,625	10,449	10,921	11,290	11,444	11,477	14,270	17,447	19,111	19,168
Waste collection and disposal	1,881	1,849	1,891	2,206	2,289	2,095	2,438	2,265	3,481	3,219
Golf course	435	379	423	469	306	(58)	119	118	257	283
Union Station	235	295	317	322	348	162	297	363	225	429
Concessions	28	34	35	34	18	7	4	7	3	8
Total business-type activities expenses	13,204	13,006	13,587	14,321	14,405	13,683	17,128	20,200	23,077	23,107
Total primary government expenses	49,597	50,294	52,478	71,953	67,114	49,680	53,646	57,192	74,083	74,327
Program revenues										
Primary government:										
Governmental activities:										
Charges for services:										
General government	336	577	402	380	495	360	357	1,403	645	603
Public safety	860	988	1,049	1,894	1,597	1,824	1,151	857	532	583
Public works	-	-	-	-	-	-	-	289	311	457
Culture and recreation	166	179	225	148	156	259	33	62	74	83
Operating grants and contributions	992	733	586	887	639	251	1,510	401	420	306
Capital grants and contributions	314	378	1,156	2,958	1,521	130	2,183	2,452	5,344	3,645
Total governmental activities program revenues	2,668	2,855	3,418	6,267	4,408	2,824	5,234	5,464	7,326	5,677

(Continued)

CITY OF MERIDIAN, MISSISSIPPI

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Business-type activities:										
Charges for services:										
Water and sewer	$ 13,699	$ 13,284	$ 13,993	$ 12,460	$ 13,505	$ 14,525	$ 14,838	$ 16,722	$ 18,270	$ 20,738
Waste collection and disposal	1,887	1,850	1,867	1,832	1,795	2,430	2,393	2,453	3,310	3,438
Golf course	244	179	224	217	148	117	91	86	67	174
Union Station	41	47	44	56	57	70	106	119	130	130
Concessions	27	31	27	20	15	18	8	5	3	-
Capital grants and contributions	47	1,611	1,748	-	-	-	-	76	-	-
Total business-type activities program revenues	15,945	17,002	17,903	14,585	15,520	17,160	17,436	19,461	21,780	24,480
Total primary government program revenues	18,613	19,857	21,321	20,852	19,928	19,984	22,670	24,925	29,106	30,157
Net (expenses)/revenues										
Governmental activities	(34,433)	(35,473)	(51,365)	(48,301)	(33,173)	(31,284)	(31,528)	(43,680)	(43,680)	(45,543)
Business-type activities	2,939	3,415	3,582	180	1,837	32	(2,764)	(3,616)	(1,297)	1,373
Total primary government change in net position	$ (31,494)	$ (32,058)	$ (47,783)	$ (48,121)	$ (31,336)	$ (31,252)	$ (34,292)	$ (47,296)	$ (44,977)	$ (44,170)

(Continued)

CITY OF MERIDIAN, MISSISSIPPI

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General revenues and other changes in net position:										
Governmental activities:										
Taxes:										
Property taxes	$ 14,232	$ 14,466	$ 14,932	$ 15,492	$ 15,838	$ 16,708	$ 17,235	$ 17,648	$ 18,926	$ 19,598
Sales taxes	14,901	14,845	14,431	16,038	16,550	18,574	16,846	19,116	19,891	20,415
Franchise taxes	2,955	2,922	2,555	2,600	2,678	2,711	2,550	2,497	2,778	2,878
County road taxes	678	692	714	721	717	734	740	759	749	777
Motor fuel taxes	20	31	30	31	27	28	31	31	28	27
Unrestricted grants and contributions	78	80	70	74	160	63	86	23	58	55
Unrestricted investment earnings	63	60	78	113	81	109	85	50	61	1,613
Transfers	(836)	266	(1,435)	3,214	1,587	1,478	1,441	2,312	1,652	1,118
Total governmental activities	32,091	33,362	31,375	38,283	37,638	40,405	39,014	42,436	44,143	46,481
Business-type activities:										
Property taxes	49	57	16	65	48	13	20	-	-	-
Unrestricted investment earnings	43	116	123	117	130	149	167	146	56	1,088
Transfers	836	(266)	1,435	(3,214)	(1,587)	(1,478)	(1,441)	(2,312)	(1,652)	(1,118)
Total business-type activities	928	(93)	1,574	(3,032)	(1,409)	(1,316)	(1,254)	(2,166)	(1,596)	(30)
Total primary government	$ 33,019	$ 33,269	$ 32,949	$ 35,251	$ 36,229	$ 39,089	$ 37,760	$ 40,270	$ 42,547	$ 46,451
Change in net position:										
Governmental activities	$ (3,382)	$ (18,003)	$ (16,926)	$ 5,110	$ 6,354	$ 8,877	$ (4,666)	$ 10,909	$ 463	$ 938
Business-type activities	4,343	3,489	1,754	(1,195)	(1,377)	(4,080)	(4,870)	(2,905)	(2,893)	1,343
Total primary government	$ 961	$ (14,514)	$ (15,172)	$ 3,915	$ 4,977	$ 4,797	$ (9,536)	$ 8,004	$ (2,430)	$ 2,281

CITY OF MERIDIAN, MISSISSIPPI

FUND BALANCES – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund:										
Nonspendable	$ 1,597	$ 321	$ 319	$ 332	$ 366	$ 334	$ 360	$ 382	$ 297	$ 331
Committed	-	71	96	52	-	-	664	296	296	340
Assigned	1,799	1,917	1,938	753	641	472	1,115	702	702	858
Unassigned	8,371	8,966	6,628	4,196	3,691	9,182	13,494	18,886	22,245	29,043
Total General Fund	$ 11,767	$ 11,275	$ 8,981	$ 5,333	$ 4,698	$ 9,988	$ 15,633	$ 20,266	$ 23,540	$ 30,572
All other governmental funds:										
Nonspendable	$ -	$ -	$ -	$ -	$ 175	$ 116	$ 192	$ 58	$ 58	$ -
Restricted	6,788	7,999	14,744	21,624	11,283	13,211	18,649	19,488	20,207	23,847
Committed	345	345	346	346	210	210	183	-	-	184
Assigned	30	18	15	15	12	12	12	-	-	-
Unassigned	-	-	-	-	-	(72)	(174)	(26)	2,495	(193)
Total all other governmental funds	$ 7,163	$ 8,362	$ 15,105	$ 21,985	$ 11,680	$ 13,477	$ 18,862	$ 19,520	$ 22,760	$ 23,838
Total all governmental funds	$ 18,930	$ 19,637	$ 24,086	$ 27,318	$ 16,378	$ 23,465	$ 34,495	$ 39,786	$ 46,300	$ 54,410

CITY OF MERIDIAN, MISSISSIPPI

CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues:										
Taxes	$ 29,579	$ 29,746	$ 29,929	$ 31,934	$ 32,793	$ 35,808	$ 34,547	$ 37,401	$ 39,543	$ 40,691
Franchise	2,955	2,922	2,555	2,600	2,678	2,711	2,550	2,497	2,778	2,878
Licenses and permits	296	277	299	258	244	264	269	289	285	315
Intergovernmental	1,354	1,177	1,593	3,733	2,073	390	3,749	3,061	5,764	3,951
Charges for services	166	179	225	149	157	259	33	77	133	170
Fines and forfeitures	860	988	1,049	1,894	1,597	1,824	1,151	809	400	511
Special assessments	72	73	74	73	68	40	1	-	-	-
Payments in lieu of taxes	150	93	137	226	207	145	172	154	50	128
Local contributions	12	14	83	168	162	54	29	23	58	55
Interest on investments	63	60	78	112	81	106	85	49	61	1,611
Interest costs and damages	104	197	59	125	140	131	133	84	85	87
Miscellaneous	63	299	149	155	260	116	93	1,350	659	642
Total revenues	35,674	36,025	36,230	41,427	40,460	41,848	42,812	45,794	49,816	51,039
Expenditures:										
General government	6,617	7,034	7,630	8,603	7,169	6,280	6,879	8,698	8,513	7,113
Public safety	16,008	15,083	17,627	18,016	16,907	15,449	15,658	17,776	21,346	18,813
Public works	4,933	4,572	4,977	5,755	5,386	4,623	4,961	6,374	5,634	5,870
Culture and recreation	2,492	2,341	2,925	12,736	12,613	2,025	4,346	3,778	4,485	5,067
Economic development	230	1	1	35	173	25	4	-	-	-
Capital outlay	470	415	2,042	10,664	3,937	815	2,807	1,339	3,420	5,536
Debt service:										
Principal	3,675	3,466	3,243	4,024	5,292	5,251	4,927	8,063	18,544	6,996
Interest	1,773	1,471	1,392	1,908	2,029	1,889	1,714	1,591	1,336	994
Other	328	-	147	585	230	119	224	-	2,032	342
Total expenditures	36,526	34,383	39,984	62,326	53,736	36,476	41,520	47,619	65,310	50,731
Excess (deficiency) of revenues over (under) expenditures	(852)	1,642	(3,754)	(20,899)	(13,276)	5,372	1,292	(1,825)	(15,494)	308

(Continued)

CITY OF MERIDIAN, MISSISSIPPI

CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Other financing sources (uses):										
Transfers in	$ 2,182	$ 1,622	$ 3,041	$ 3,610	$ 2,453	$ 2,769	$ 2,202	$ 3,591	$ 3,302	$ 4,195
Transfers out	(3,034)	(1,387)	(4,354)	(1,824)	(902)	(1,291)	(798)	(1,278)	(1,650)	(3,098)
Bonds issued	9,610	-	7,500	20,000	8,024	1,971	6,000	4,802	20,356	5,975
Negotiable notes and loans issued	-	-	2,016	766	-	-	955	-	-	-
Capital leases	-	120	-	-	555	207	-	-	-	675
Subscription liabilities	-	-	-	-	-	-	-	-	-	55
Premium on bonds issued	491	-	-	1,579	-	-	-	-	-	-
Principal retirement from refunding bond proceeds	(3,110)	-	-	-	-	-	-	-	-	-
Payment to bond escrow agent	(5,518)	-	-	-	(7,794)	(1,940)	-	-	-	-
Insurance and settlement recoveries	-	-	-	-	-	-	1,379	-	-	-
Loss on disposal of asset held for resale	-	(1,290)	-	-	-	-	-	-	-	-
Total other financing sources	621	(935)	8,203	24,131	2,336	1,716	9,738	7,115	22,008	7,802
Net change in fund balances	$ (231)	$ 707	$ 4,449	$ 3,232	$ (10,940)	$ 7,088	$ 11,030	$ 5,290	$ 6,514	$ 8,110
Debt service as a percentage of noncapital expenditures	16.02%	14.53%	12.60%	12.61%	15.16%	20.36%	17.73%	20.86%	35.40%	18.44%

CITY OF MERIDIAN, MISSISSIPPI

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

	2023			2014		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Bonita Lakes Mall/Rockstep Meridian, LLC	$ 3,982	1	0.84%	$ 8,090	2	2.43%
Walmart Supercenters	3,592	2	0.81%	7,805	3	2.34%
Meridian Crossroads/Meridian, SAV LLC	3,554	3	0.81%	2,983	7	0.90%
Anderson Regional Medical Center	3,187	4	0.72%	4,520	5	1.36%
Van Zyverden, Inc	1,880	5	0.42%	-		-
East MS Electric Power Association	1,878	6	0.43%	-		-
Mississippi Power Company	1,844	7	0.42%	13,889	1	4.17%
Lauderedale County Economic Dev	1,722	8	0.39%	-		-
DDC Hotels	1,560	9	0.35%	-		-
Allred Investments, LLC	1,545	10	0.33%	-		-
Rush Health Systems	-		-	2,163	10	0.65%
Norfolk Southern Railway Company	-		-	2,679	8	0.80%
Atmos Energy Corporation	-		-	2,596	9	0.78%
Avery Dennison Corporation	-		-	4,220	6	1.27%
AT&T	-		-	5,086	4	1.53%
Total	$ 24,744		5.52%	$ 54,031		16.23%

Source: City Clerk's Office

CITY OF MERIDIAN, MISSISSIPPI

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(In thousands)

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	$ 16,704	$ 16,424	98.32%	(30)	$ 16,394	98.14%
2015	16,961	16,832	99.24%	64	16,896	99.62%
2016	17,379	17,314	99.63%	21	17,335	99.75%
2017	17,694	17,475	98.76%	20	17,495	98.88%
2018	17,617	17,526	99.48%	46	17,572	99.74%
2019	17,894	17,892	99.99%	43	17,935	100.23%
2020	17,344	16,884	97.35%	369	17,253	99.48%
2021	17,610	18,030	102.39%	25	18,055	102.53%
2022	19,009	18,581	97.75%	33	18,614	100.18%
2023	20,392	20,873	102.36%	3	20,876	102.37%

Source: Schedule reconciling original ad valorem tax rolls to fund collections.

CITY OF MERIDIAN, MISSISSIPPI

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(In thousands)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	$ 51,175	$ 50,793	$ 52,283	$ 53,221	$ 52,862	$ 53,301	$ 51,014	$ 52,816	$ 54,544	$ 55,280
Total net debt applicable to limit	32,729	30,172	34,663	30,852	27,805	26,054	27,134	24,922	26,690	27,626
Legal debt margin	$ 18,446	$ 20,621	$ 17,620	$ 22,369	$ 25,057	$ 27,247	$ 23,880	$ 27,894	$ 27,854	$ 27,654
Total net debt applicable to the limit as a percentage of debt limit	63.96%	59.40%	66.30%	57.97%	52.60%	48.88%	53.19%	47.19%	48.93%	49.97%

CITY OF MERIDIAN, MISSISSIPPI

DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS

	City of Meridian					Overlapping Rates							
						Lauderdale County			Meredian Separate School District				
Fiscal Year	Operating Millage	Debt Service Millage	Special Revenue Pension Millage	Solid Waste Millage	Total Millage	Operating Millage	Debt Millage	Total Millage	Operating Millage	Debt Millage	Total Millage	Meridian Community College	Grand Total Millage
2014	29.72	13.17	7.77	0.18	50.84	41.66	9.12	50.78	54.84	7.98	62.82	7.00	171.44
2015	29.51	13.36	7.79	0.18	50.84	41.66	9.12	50.78	54.84	7.98	62.82	7.00	171.44
2016	29.75	13.12	7.79	0.18	50.84	41.66	9.12	50.78	54.84	7.98	62.82	7.00	171.44
2017	29.75	14.30	6.61	0.18	50.84	41.66	9.12	50.78	55.00	7.82	62.82	7.00	171.44
2018	29.75	15.95	4.96	0.18	50.84	41.66	9.12	50.78	55.00	7.82	62.82	7.00	171.44
2019	34.24	12.71	3.66	0.23	50.84	41.66	9.12	50.78	54.90	7.92	62.82	7.00	171.44
2020	35.63	12.71	2.50	-	50.84	41.66	9.12	50.78	55.00	7.82	62.82	7.00	171.44
2021	35.63	12.71	2.47	-	50.81	41.66	9.12	50.78	55.00	7.82	62.82	7.00	171.41
2022	34.67	13.67	2.50	-	50.84	41.66	9.12	50.78	55.00	7.10	62.10	7.00	170.72
2023	39.15	11.98	2.71	-	53.84	41.66	9.12	50.78	55.00	7.10	62.10	7.00	173.72

Note: The above table represents millage rates which are one-thousandth of a dollar.

Source: Office of the City Clerk

CITY OF MERIDIAN, MISSISSIPPI

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year	Real Property [1]		Personal Property		Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated True Value of Taxable Property	Assessed Value as a Percentage of Actual Value
	Assessed Value	Actual Value	Motor Vehicles	Other					
2014	$ 84,862	$ 171,468	$ 33,023	$ 51,816	$ 8,101	$ 333,068	50.84	$ 2,177,062	15.30%
2015	84,100	168,020	33,316	53,182	4,052	334,566	50.84	2,212,754	15.12%
2016	85,130	175,714	34,653	53,053	4,202	344,348	50.84	2,250,804	15.30%
2017	87,764	178,367	34,669	54,004	4,023	350,781	50.84	2,294,457	15.29%
2018	86,766	180,448	34,073	51,124	4,122	348,289	50.84	2,284,932	15.24%
2019	88,290	182,673	34,320	51,633	2,807	354,109	50.84	2,324,692	15.23%
2020	82,023	169,723	34,246	54,100	831	339,261	50.84	2,247,468	15.10%
2021	91,062	171,911	35,031	54,100	840	351,264	50.84	2,346,942	14.97%
2022	91,470	178,401	35,371	58,384	1,349	362,277	50.84	2,477,060	14.63%
2023	92,683	176,053	33,496	66,298	1,262	367,268	53.84	2,494,454	14.72%

Source: Lauderdale County real and personal property tax rolls.

CITY OF MERIDIAN, MISSISSIPPI

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Estimated Population [1]	Personal Income (Amounts Expressed in Thousands) [2]	Per Capita Personal Income [2]	Median Age [3]	School Enrollment [4]	Unemployment Rate [5]
2014	40,196	$ 3,638,085	$ 34,257	35.0	5,880	10.00%
2015	39,661	3,593,079	34,384	34.8	5,664	8.50%
2016	39,113	3,662,632	35,374	35.2	5,555	6.40%
2017	37,940	3,734,000	36,656	36.0	5,444	5.60%
2018	37,325	3,721,121	36,862	36.3	5,232	5.20%
2019	37,325	3,839,072	38,427	36.3	5,143	5.80%
2020	35,052	4,115,142	41,748	36.5	4,940	5.10%
2021	34,424	4,387,959	45,656	37.7	4,758	5.90%
2022	33,816	4,315,201	45,505	37.9	4,614	3.70%
2023	33,551	4,640,653	49,191	39.9	4,499	3.30%

Note: Education level in years of formal schooling is not included on this schedule because information was not available.

[1] U.S. Census Bureau, 2016-2020 Estimates of the Resident Population for Incorporated Places at www.census.gov

[2] U.S. Department of Commerce, Bureau of Economic Analysis website at www.bea.gov
Per capita personal income estimates reflect population estimates available as of November 30, 2023.

[3] U.S. Census Bureau 2016-2020 American Community Survey 5-Year Estimates at www.census.gov

[4] Mississippi Assessment and Accountability Reporting System of the Mississippi Department of Education's website: http://reports.mde.k12.ms.us/data/; and Office of the Superintendent, Meridian Public School District: Year: November 2019

[5] Mississippi Department of Employment Security "Annual Labor Force Report" at www.mdes.ms.gov

CITY OF MERIDIAN, MISSISSIPPI

PRINCIPAL STAFF
CURRENT AND NINE YEARS AGO

	2023			2014		
Employer	**Employees**	**Rank**	**Percentage of Total City Employment**	**Employees**	**Rank**	**Percentage of Total City Employment**
Rush Foundation Hospital	2,465	1	16.81%	2,610	1	17.32%
Anderson Regional Medical Center	1,343	2	9.16%	1,275	3	8.46%
Mississippi Air National Guard	1,200	3	8.19%	1,100	4	7.30%
Meridian Public Schools	1,000	4	6.82%	1,000	5	6.64%
East Mississippi State Hospital	943	5	6.43%	1,500	2	9.95%
Walmart Supercenters	695	6	4.74%	626	6	4.15%
City of Meridian	530	7	3.62%	426	7	2.83%
Alliance Health Center	350	8	2.39%	385	8	2.55%
Meridian Community College	325	9	2.22%	327	10	2.17%
Avery Products	250	10	1.71%	-		0.00%
Peavy Electronics Corporation	-		0.00%	350	9	2.32%
Total	9,101		62.09%	9,599		63.69%

Source: East Mississippi Business Development Corporation

CITY OF MERIDIAN, MISSISSIPPI

FULL-TIME EQUIVALENT CITY GOVERNMENTAL STAFF BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	Fiscal Year									
Function	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
General government	48	49	59	61	55	55	53	51	44	44
Public safety:										
Police:										
Officers	92	90	77	99	90	77	75	63	60	54
Civilians	13	18	24	19	21	20	20	18	18	22
Fire:										
Officers	103	97	110	106	96	91	79	78	74	66
Civilians	7	9	9	8	7	6	6	6	4	5
Highways and streets	55	67	65	75	68	60	57	49	63	60
Sanitation	1	1	1	1	1	1	1	1	1	1
Culture and recreation	39	32	30	35	27	23	28	27	27	30
Water	39	39	31	37	25	27	21	36	34	39
Sewer	31	31	37	39	29	33	35	34	24	38
Golf course	10	8	9	4	2	1	1	1	2	2
Union Station	2	2	2	1	1	1	1	1	2	1
Municipal garage	10	10	10	11	7	5	4	6	5	7
Homeland security	4	3	3	3	5	4	6	4	5	5
Community development	18	22	23	20	16	18	14	17	17	17
Total	472	478	490	519	450	422	401	392	380	391

Source: City payroll department.

CITY OF MERIDIAN, MISSISSIPPI

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Function/Program										
Police:										
Physical arrests	3,917	4,012	3,838	3,997	4,541	2,578	4,097	2,809	2,670	2,863
Parking violations	2,027	1,960	1,972	1,365	1,848	2,122	1,275	1,862	2,403	2,443
Traffic violations	8,801	8,366	6,719	9,672	8,617	6,040	7,214	4,446	4,231	3,764
Fire:										
Number of calls answered	1,596	1,456	1,625	1,542	1,599	1,699	1,557	2,036	2,956	3,149
Inspections	2,365	2,573	2,002	2,399	2,531	2,542	1,985	1,932	2,417	2,182
Highways and streets:										
Street resurfacing (miles)	19.00	-	22.00	14.00	6	6	2.00	5	18	19
Potholes repaired	1,191	364	803	542	515	595	743	641	616	763
Culture and recreation:										
Meridian Activity Center/Velma Young Park/Highland Park classes	1,624	1,652	1,978	1,981	1,602	1,803	1,332	1,332	1,415	1,527
Water:										
New connections	88	46	28	31	18	19	19	2,410	1,277	2,093
Water leak repairs	640	564	595	552	444	486	536	65	37	78
Average daily consumption (millions of gallons)	5.453	5.640	5.722	5.025	4.981	4.762	9.545	4.940	5,059	4,887
Wastewater:										
Average daily sewage treatment (millions of gallons)	6.130	6.490	7.140	6.540	6.350	6.850	4.420	4.910	6,280	8,580

CITY OF MERIDIAN, MISSISSIPPI

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Function/Program										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	93	90	84	101	110	93	90	90	82	82
Fire stations	8	8	8	7	7	7	7	7	7	7
Highways and streets:										
Streets (miles)	330	330	330	330	330	330	330	330	330	330
Street lights	6,729	6,735	6,752	6,756	6,756	6,756	6,756	6,756	6,756	6,756
Traffic signals	117	117	120	121	121	121	121	121	121	121
Culture and recreation:										
Parks acreage	443	443	443	443	443	443	443	443	443	443
Parks	17	17	17	17	17	17	17	17	17	17
Swimming pools	2	2	2	2	2	2	2	2	2	2
Tennis courts	16	16	16	16	16	16	16	16	16	16
Community centers	3	3	3	4	4	4	4	4	4	4
Softball/baseball fields	18	19	19	19	19	19	19	19	19	19
Soccer fields	14	14	14	14	14	14	14	14	14	14
Golf course	1	1	1	1	1	1	1	1	1	1
Splash pad			1	1	1	1	1	1	1	1
Water:										
Water mains (miles)	430	431	432	432	432	432	432	432	432	432
Fire hydrants	2,181	2,183	2,186	2,186	2,186	2,186	2,186	2,186	2,186	2,186
Maximum daily capacity (thousands of gallons)	13,952	13,952	13,952	13,952	13,952	13,952	13,952	13,952	13,952	13,952
Wastewater:										
Sanitary sewers (miles)	445	445	445	445	445	445	445	445	445	445
Storm sewers (miles)	225	225	225	225	225	225	225	225	225	225
Treatment capacity (thousands of gallons)	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000

COMPLIANCE SECTION

The compliance section contains audit reports on internal control and compliance matters resulting from the Single Audit procedures conducted in accordance with the Office of Management and Budget Uniform Guidance. An additional report on compliance with state law required by the Office of State Auditor is also presented.

MAULDIN & JENKINS
CPAs & ADVISORS

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

To the Honorable Mayor and Members
of the City Council
City of Meridian, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **City of Meridian, Mississippi** (the "City"), as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 12, 2025. Our report includes a reference to other auditors who audited the financial statements of the Meridian Airport Authority (component unit of the City), as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting ("internal control") 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, as described in the accompanying Schedule of Findings and Questioned Costs as item 2023-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

The City of Meridian, Mississippi's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Mauldin & Jenkins, LLC

Birmingham, Alabama
June 12, 2025

MAULDIN & JENKINS
CPAs & ADVISORS

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

To the Honorable Mayor and Members
of the City Council
City of Meridian, Mississippi

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the **City of Meridian, Mississippi** (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2023. The City's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

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

Basis for Opinion on Each Major Federal Program

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

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

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's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City'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'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's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

Mauldin & Jenkins, LLC

Birmingham, Alabama
June 12, 2025

CITY OF MERIDIAN, MISSISSIPPI

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing Number	Grant Identification Number	Total Expenditures	Passed Through to Subrecipients
U. S. Department of Justice				
(Passed through Mississippi Department of Public Safety)				
Bulletproof Vests Partnership	16.607	2021BUBX21027321	$ 10,395	$ -
Total passed through programs			10,395	-
JAG Program cluster:				
Direct programs:				
Edward Byrne Memorial Justice Assistance	16.738	2018-DJ-BX-0738	20,120	-
Edward Byrne Memorial Justice Assistance	16.738	2019-DJ-BX-0429	19,091	-
Edward Byrne Memorial Justice Assistance COVID-19 Response	16.034	2020-VD-BX-1668	9,169	-
Total JAG Program cluster			48,380	-
Total U.S. Department of Justice			58,775	-
U.S. Department of Transportation				
(Passed through the Mississippi Department of Transportation)				
Federal Highway Administration - Highway Planning and Construction	20.205	STP-9450-00(005)	304,672	-
Total U.S. Department of Transportation			304,672	-
U.S. Environmental Protection Agency				
(Passed through the Mississippi Department of Health)				
Drinking Water Systems Improvements Revolving Loan Fund	66.458	SWI-L380005-01-1	2,587,920	-
Total U.S. Environmental Protection Agency			2,587,920	-
Department of Homeland Security				
(Passed through the Mississippi Department of Public Safety)				
Homeland Security - Training	97.067	21HS258	65,983	-
Homeland Security - Training	97.067	22HS258	7,492	-
Total Department of Homeland Security			73,475	-
Total Expenditures of Federal Awards			$ 3,024,842	$ -

CITY OF MERIDIAN, MISSISSIPPI

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1. BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Meridian (the "City") and is presented on the accrual basis of accounting.

The information in this schedule is presented in accordance 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"). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE 2. DE MINIMIS COST INDIRECT RATE

The City elected not to use the 10% de minimis cost and indirect rate for the year ended September 30, 2023.

NOTE 3. NON-CASH AWARDS

The City did not receive non-cash federal awards during the year ended September 30, 2023.

CITY OF MERIDIAN, MISSISSIPPI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

SECTION I
SUMMARY PF AUDIT RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP.	Unmodified
Internal control over financial reporting: Material weaknesses identified?	__X__ Yes _____ No
Significant deficiencies identified not considered to be material weaknesses?	_____ Yes __X__ None Reported
Noncompliance material to financial statements noted?	_____ Yes __X__ No

Federal Awards

Internal Control over major programs: Material weaknesses identified?	_____ Yes __X__ No
Significant deficiencies identified not considered to be material weaknesses?	_____ Yes __X__ None Reported
Type of auditor's report issued on compliance for major programs.	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516a?	____ Yes __X__ No

Identification of major program:

Assistance Listing Number	Name of Federal Program or Cluster
	U.S. Environmental Protection Agency:
66.458	Drinking Water Systems Improvements Revolving Loan Fund

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

CITY OF MERIDIAN, MISSISSIPPI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

SECTION II
FINANCIAL STATEMENT FINDINGS

2023-001 – Internal Control Over Financial Reporting (Material Weakness)

Criteria: Internal control is a process designed to provide reasonable assurance about the achievement of an entity's objectives with regard to the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. Internal control is also a process of safeguarding assets against unauthorized acquisition, use, or disposition, and includes controls related to financial reporting and operations objectives. Generally accepted accounting principles ("GAAP") require assets, liabilities, revenues and expenditures to be recognized in the accounting period in which they become both measurable and available. Further, a fundamental principle in accounting and financial reporting is the notion of timely recognition and recording of financial and non-financial transactions and activities.

Condition: During our audit, we noted accounting, reporting and reconciling not being properly performed and reviewed consistently during the fiscal year which required a significant effort to close the City's 2023 fiscal year. Significant adjustments were determined and required to be recorded in the months that followed September 30, 2023. The delays in completion of the year-end close and initial errors in the financial records that required adjustments caused a delay in the completion of the audit.

Cause: There was a lack of appropriate controls implemented at the City during the fiscal year to properly maintain financial and non-financial information and to properly close out the year-end.

Effects: The ultimate effect of the above condition is the potential for errors and irregularities to occur and not be detected and corrected in a timely manner. Additionally, delays in the year-end close process caused delays in the completion of the audit.

Recommendation: We recommend the City consider a variety of options in addressing the above condition. The City needs to continue evaluating its strengths and weaknesses relative to the accounting function, and take appropriate measures to address the concerns noted above with a goal of providing timely recording, reconciling and reporting of City operations and financial and non-financial activities. We also recommend the City seek the expertise of a software technician to come in and diagnose the issues with the City's accounting software related to the accounts receivable and capital assets to improve the overall audit. We have noted the City has begun implementing a number of processes/procedures to improve the overall accounting function during the audit fieldwork.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will continue to review and improve policies and procedures in an effort to eliminate error and identify deficiencies from both operational and financial perspectives.

CITY OF MERIDIAN, MISSISSIPPI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

SECTION III
FEDERAL AWARD FINDINGS AND RESPONSES

None Reported.

SECTION IV

2022-001 – Internal Control Over Financial Reporting (Material Weakness)

Criteria: Management is responsible for establishing and maintaining effective internal control over financial reporting.

Condition: The City's processes and procedures lack a formal process to ensure the timely completion of the City's year-end close and independent audit. The processes and procedures do not include formal checklists, established deadlines, a listing of responsible parties, a component of supervisory review, or a system of accountability as it relates to the year-end close procedures. Therefore, the City encountered delays in the completion of the year-end close and initial errors in the financial records that required numerous adjustments by the City and the auditor, causing a delay in the completion of the audit.

Status: Unresolved. See current year finding 2023-001.

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(P) 601.485.1927
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Councilmembers:
GEORGE M THOMAS
Ward 1

DWAYNE DAVIS
Ward 2

JOSEPH NORWOOD
Ward 3

ROMANDE WALKER
Ward 4

TY BELL LINDSEY
Ward 5

COUNCIL CLERK:
(P) 601.485.1959
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CITY DEPARTMENTS:

Chief Administrative Officer:
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601 23rd Avenue
Post Office Box 1430
Meridian, MS 39302-1430
www.meridianms.org

June 12, 2025

Dear Sir or Madam:

Please find below the City of Meridian, Mississippi's corrective action plan for the audit findings reported in the September 30, 2023 financial statements.

2023-001 Internal Control Over Financial Reporting (Material Weakness)

Criteria: Management is responsible for establishing and maintaining effective internal control over financial reporting.

Condition: The City of Meridian, Mississippi's processes and procedures lack a formal process to ensure the timely completion of the City's year-end close and independent audit. The processes and procedures do not include consistent reporting, reconciling and review during the fiscal year and there are significant adjustments required during the months after September 30th. Therefore, the City encountered delays in the completion of the year-end close and financial records that required adjustments by the City and the auditor causing a delay in the completion of the audit.

Views of Responsible Officials and Planned Corrective Action: Management concurs with the finding and is continually working to improve controls and procedures whenever economically feasible to mitigate the risks associated with this condition. Management also concurs that the audit software utilized for cash to accrual adjustments is outdated and will seek the expertise of our information technology division to acquire a different software application.

Please let me know if additional information is needed.

Thank you,

Brandye Latimer

Brandye Latimer
Chief Financial Officer

MAULDIN & JENKINS
CPAs & ADVISORS

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

To the Honorable Mayor and Members
of the City Council
City of Meridian, Mississippi

We have audited the financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the **City of Meridian, Mississippi** (the "City") as of and for the fiscal year ended September 30, 2023, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 12, 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 *Government Auditing Standards,* issued by the Comptroller General of the United States.

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.

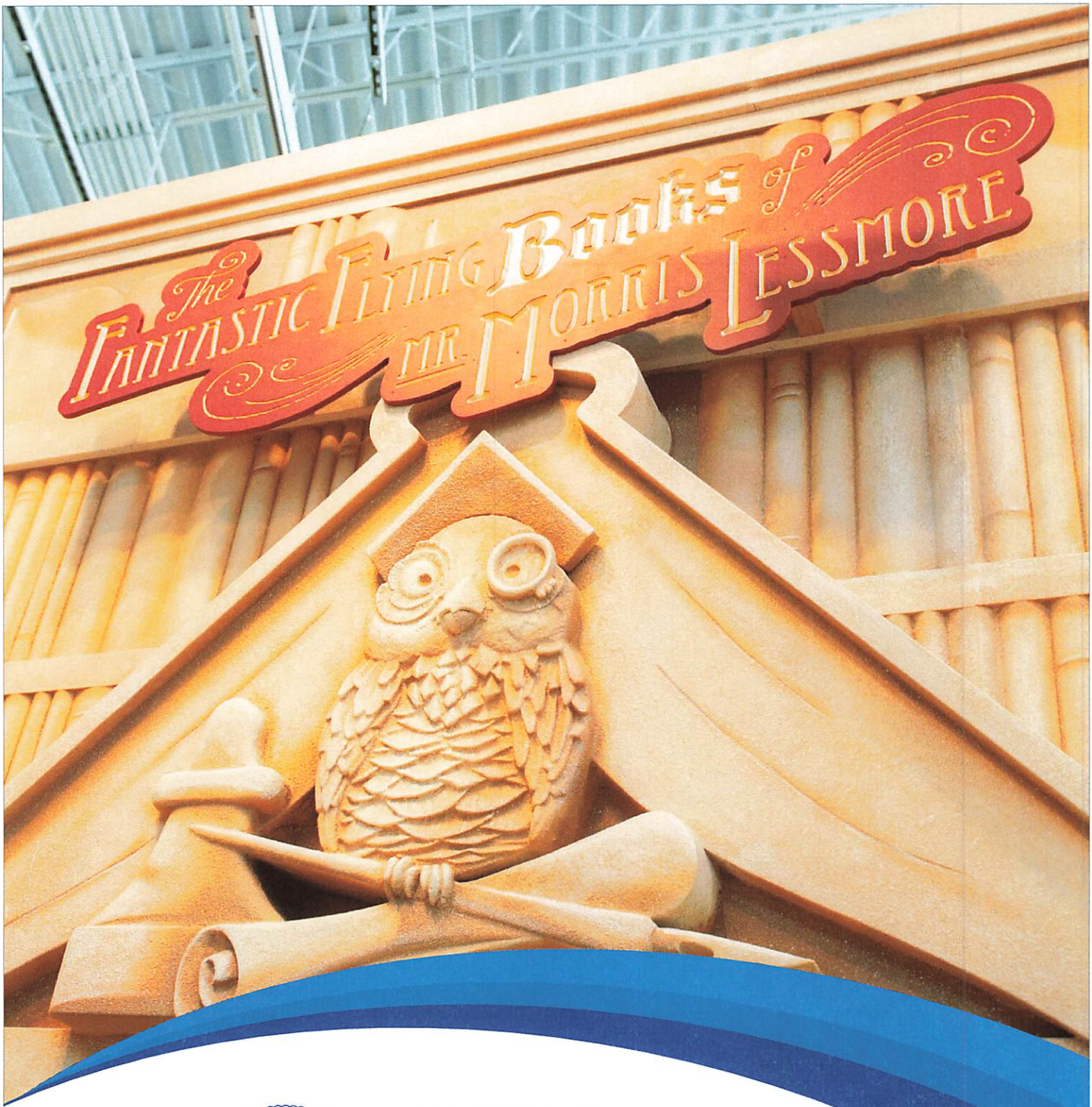
The results of those procedures and our audit of the City's basic financial statements did not disclose any instances of noncompliance with state laws and regulations.

We are required to be independent and to meet our ethical responsibilities in accordance with relevant ethical requirements relating to this engagement.

This report is intended solely for the information and use of the City council and management, entities with accreditation overview, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Mauldin & Jenkins, LLC

Birmingham, Alabama
June 12, 2025



CITY OF MERIDIAN

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