MINUTES OF THE REGULAR MEETING
OF THE MAYOR AND BOARD OF ALDERMEN
The City of Starkville, Mississippi
August 1, 2023

Be it remembered that the Mayor and Board of Alderman met in a Regular Meeting on August 1, 2023 at 5:30 p.m. in the Courtroom of City Hall, located at 110 West Main Street, Starkville, MS. Present were Mayor Lynn Spruill, Aldermen Ben Carver, Sandra Sistrunk, Jeffrey Rupp, Mike Brooks, Hamp Beatty, Roy A'. Perkins and Henry Vaughn, Sr. as well as City Attorney Berk Huskison and City Clerk / CFO Lesa Hardin.

Mayor Lynn Spruill opened the meeting with the Pledge of Allegiance followed by a moment of silence.

REQUESTED REVISIONS TO THE OFFICIAL AGENDA:

Mayor D. Lynn Spruill asked for any revisions to the Official Agenda.

There being no changes, the Mayor called for a motion to approve the agenda with consent items as amended.

1. A MOTION TO APPROVE THE OFFICIAL AGENDA WITH CONSENT ITEMS.

Alderman Brooks offered a motion, duly seconded by Alderman Rupp, to approve the August 1, 2023 Official Agenda. The Board voted as follows:

Alderman Ben Carver	Voted: Yea
Alderman Sandra Sistrunk	Voted: Yea
Alderman Jeffrey Rupp	Voted: Yea
Alderman Mike Brooks	Voted: Yea
Alderman Hamp Beatty	Voted: Yea
Alderman Roy A'. Perkins	Voted: Yea
Alderman Henry Vaughn, Sr.	Voted: Yea

Having received a majority affirmative vote, the Mayor declared the motion carried and then read the consented items.

OFFICIAL AGENDA OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF STARKVILLE, MISSISSIPPI REGULAR MEETING OF TUESDAY, AUGUST 1, 2023 5:30 P.M., COURT ROOM, CITY HALL 110 WEST MAIN STREET

I. CALL THE MEETING TO ORDER

II. PLEDGE OF ALLEGIANCE AND A MOMENT OF SILENCE

III. APPROVAL OF THE OFFICIAL AGENDA INCLUDING CONSENTED ITEMS

IV. APPROVAL OF THE BOARD OF ALDERMEN MINUTES

CONSIDERATION OF THE MINUTES OF THE JULY 5, 2023 REGULAR MEETING OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF STARKVILLE.

CONSIDERATION OF THE MINUTES OF THE JULY 14, 2023 WORK SESSION MEETING OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF STARKVILLE.

V. ANNOUNCEMENTS AND COMMENTS

A. MAYOR'S COMMENTS: Employee Introductions

B. BOARD OF ALDERMEN COMMENTS:

VI. CITIZEN COMMENTS

VII. PUBLIC APPEARANCES

VIII. PUBLIC HEARINGS

PUBLIC HEARING AND CONSIDERATION OF VA 23-08: A REQUEST FOR A VARIANCE FROM LOT FRONTAGE BUILDOUT AND LOT WIDTH REQUIREMENTS FOR CADENCE BANK AT 400 UNIVERSITY DRIVE IN A T-5C ZONING DISTRICT.

IX. MAYOR'S BUSINESS

A. CONSIDERATION OF CALLING FOR PUBLIC HEARINGS ON THE 2023-2024 BUDGET AND TAX MILLAGE IN THE AMOUNT OF ______ FOR THE CITY OF STARKVILLE.

X. BOARD BUSINESS

XI. DEPARTMENT BUSINESS

A. AIRPORT

1. REQUEST APPROVAL FOR ACCEPTING THE 2024 MDOT MULTIMODAL AIRPORT GRANT IN THE AMOUNT OF $202,300.00 INCLUDING A 5% LOCAL MATCH OF $10,115.00 FOR THE DESIGN OF THE MAIN RAMP EXPANSION AND RELATED IMPROVEMENTS.

2. REQUEST TO APPROVE THE LEASE ADDENDUM BETWEEN THE CITY OF STARKVILLE AND CIRCLE S AVIATION FOR ADDITIONAL LEASE SPACE IN THE SOUTH HANGAR AT GEORGE M. BRYAN FIELD.

3. CONSIDERATION OF RENEWING PROPERTY, VEHICLE AND EQUIPMENT INSURANCE SERVICES WITH STARR GLOBAL INSURANCE COMPANY FOR AIRPORT LIABILITY COVERAGE FOR ONE YEAR AT THE LOWER QUOTE OF $6,349.00.

B. COMMUNITY DEVELOPMENT AND PLANNING DEPARTMENT

1. CONSIDERATION OF REAPPOINTING TOMMY VERDELL JR. WARD 7, THE SOLE APPLICANT, TO THE PLANNING AND ZONING COMMISSION WITH A 6-YEAR TERM EXPIRING ON JUNE 30, 2029.

2. CONSIDERATION OF A SPECIAL EVENT REQUEST BY THE MISSISSIPPI STATE UNIVERSITY STUDENT ASSOCIATION TO HOLD THE 2023 BULLDOG BASH ON OCTOBER 20, 2023, AND HAVE CITY PARTICIPATION WITH IN-KIND SERVICES.

C. COURTS

THERE ARE NO ITEMS FOR THIS AGENDA

D. ENGINEERING

1. CONSIDERATION OF REJECTING ALL CONSTRUCTION BIDS FOR THE HWY 182 REVITALIZATION BUILD GRANT PROJECT.

2. CONSIDERATION OF REJECTING ALL BIDS FOR THE ELECTRICAL DISTRIBUTION MATERIALS (MATERIAL ONLY) FOR THE HWY 182 ON-CORRIDOR IMPROVEMENTS PROJECT.

3. CONSIDERATION OF APPROVING THE PROFESSIONAL SERVICES AGREEMENT WITH NEEL-SCHAFFER IN THE AMOUNT OF $11,900.00 FOR CONCEPTUAL DESIGN AND ESTIMATE OF THE OLD MAYHEW ROAD – EAST LEE BOULEVARD INTERSECTION.

4. CONSIDERATION OF ACCEPTING THE PROPOSED WARRANTY DEEDS FOR CITY RIGHT-OF-WAY FOR BAR-B-QUE ROAD.

E. FINANCE AND ADMINISTRATION

1. REQUEST APPROVAL OF THE CITY OF STARKVILLE CLAIMS DOCKET FOR ALL DEPARTMENTS INCLUDING STARKVILLE UTILITIES DEPARTMENT AS OF JULY 24, 2023 FOR FISCAL YEAR ENDING 9/30/23, ACKNOWLEDGING THAT THE CITY CLERK HAS ATTESTED AND CERTIFIED ON THE COVER OF THE CLAIMS DOCKET THAT ALL CLAIMS ON THE DOCKET ARE TRUE, ACCURATE, LAWFUL AND PROPER TO THE BEST OF HER KNOWLEDGE, FOR PAYMENT PURSUANT TO HER DUTIES UNDER MISS. CODE SECTIONS 21-39-5, 21-39-7, 21-39-9, 21-39-17 AND 21-15-21.

2. ACCEPTANCE OF FISCAL YEAR 9/30/21 AUDIT AND AGREEMENT OF FISCAL YEAR 9/30/22 AUDIT SERVICES ENGAGEMENT WITH WATKINS, WARD AND STAFFORD, PLLC.

F. FIRE DEPARTMENT

1. REQUEST PERMISSION TO ACCEPT THE HAZARDOUS MATERIALS EMERGENCY PREPAREDNESS GRANT AWARDED BY U.S. DEPARTMENT OF TRANSPORTATION, PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION IN A REIMBURSEABLE AMOUNT OF $13,500.00, WITH A 20% MATCH OF $2,700.00, TO PURCHASE HANDHELD RADIOS AND DETECTION MONITORS.

2. REQUEST AUTHORIZATION TO PURCHASE 3 (THREE) PORTABLE RADIOS PROGRAMMED FOR USE WITH MSWIN AND MSU RADIO SYSTEMS, AND 3 (THREE) EXTENDED WARRANTIES OFF STATE CONTRACT FROM TELETEC COMMUNICATIONS OF COLUMBUS FOR THE STARKVILLE FIRE DEPARTMENT IN THE AMOUNT OF $ 6,795.00 TO BE PURCHASED WITH GRANT FUNDS.

G. HUMAN RESOURCES

1. REQUEST AUTHORIZATION TO HIRE ANTHONY NORWOOD AND TERENCE BOWEN AS RESIDENTIAL DRIVERS IN THE SANITATION & ENVIRONMENTAL SERVICES DEPARTMENT.

2. REQUEST AUTHORIZATION TO HIRE JOSH MCNEILL AS AN ACCOUNTANT IN THE UTILITIES DEPARTMENT.

3. REQUEST AUTHORIZATION TO HIRE HELLENTHAL ASH AS A WASTE WATER/SLUDGE OPERATOR IN THE STARKVILLE UTILITIES DEPARTMENT.

4. REQUEST AUTHORIZATION TO HIRE GARY RIVERS AS A GROUNDS MAINTENANCE WORKER FOR THE AIRPORT DEPARTMENT.

5. REQUEST AUTHORIZATION TO HIRE JAMES REYES AS A STARKVILLE POLICE RADIO OPERATOR (DISPATCHER).

6. CONSIDERATION OF THE DISCIPLINE RECOMMENDED BY STARKVILLE POLICE CHIEF MARK BALLARD AS A RESULT OF I.A. 23-07-001 FOR A STARKVILLE POLICE OFFICER.

7. REQUEST AUTHORIZATION TO HIRE VANYETTA (SHAY) HOLMES AS THE ASSISTANT COURT CLERK.

H. INFORMATION TECHNOLOGY

THERE ARE NO ITEMS FOR THIS AGENDA

I. PARKS

1. CONSIDERATION TO AWARD THE LOWEST BID FROM GENTRY SIGNS FOR CORNERSTONE LIGHT POLE BANNERS, DUGOUT BANNERS, AND FACILITY SIGNAGE IN THE AMOUNT OF $15,182.

2. CONSIDERATION TO APPROVE THE T & M STEEL PHASE 3 CHANGE ORDER 13 FOR ADDITIONAL IRRIGATION, SOD, ELECTRICAL PANEL, CONCRETE WORK AND CANOPY AND THE REMOVAL OF HYDROSEEDING AT NO COST.

3. CONSIDERATION TO ACCEPT PHASE 2 CHANGE ORDER 6 WITH T & M FOR CORNERSTONE SPORTS PARK IN THE AMOUNT OF $2,500.00 FOR SOIL TESTING.

J. POLICE DEPARTMENT

1. POLICE

   a. REQUEST APPROVAL TO PURCHASE (WITH INSURANCE PROCEEDS OF THE WRECKED 2017 FORD POLICE INTERCEPTOR VIN#7165) A USED BLACK 2016 FORD EXPLORER VIN#5924 WITH 77,683 MILES, FROM ASIA MOTORS, INC IN MELROSE PARK, ILLINOIS FOR A TOTAL COST OF $14,590.00, WHICH IS WITHIN THE ESTIMATED KELLEY BLUE BOOK RANGE.

   b. REQUEST APPROVAL TO PURCHASE THE SKYDIO 2+ DRONE WITH ITS ASSOCIATED SOFTWARE, BATTERIES, LANDING PAD AND WARRANTIES FROM SKYDIO, INC, AS A SOLE SOURCE ALLOWABLE ITEM PER FEDERAL REQUIREMENTS AT A COST OF $6,993.99 FUNDED THROUGH THE DRONE DONATIONS LINE ACCOUNT.

c. REQUEST APPROVAL TO ACCEPT THE 100% REIMBURSABLE FY24 405D ALCOHOL AND DRUG IMPAIRED DRIVING ENFORCEMENT GRANT IN THE AMOUNT OF $100,000.00.

d. REQUEST APPROVAL TO ACCEPT THE 100% REIMBURSABLE FY24 402 POLICE TRAFFIC SERVICES GRANT FOR THE CONTINUATION PROJECT OF POLICE TRAFFIC SERVICES (SEATBELT, SPEEDING, AND CHILD RESTRAINT) ENFORCEMENT IN THE AMOUNT OF $20,655.00.

2. CODE ENFORCEMENT

a. CONSIDERATION OF CALLING FOR A PUBLIC HEARING UNDER MISS. CODE ANN. § 21-19-11 TO DETERMINE WHETHER THE STRUCTURES LOCATED AT NORTH LONG STREET, STARKVILLE, MS WITH PARCEL NUMBER 118O-00-031.00 IS A MENACE TO THE PUBLIC HEALTH, SAFETY, AND WELFARE OF THE COMMUNITY.

b. CONSIDERATION OF CALLING FOR A PUBLIC HEARING UNDER MISS. CODE ANN. § 21-19-11 TO DETERMINE WHETHER THE STRUCTURES LOCATED AT NORTH LONG STREET, STARKVILLE, MS WITH PARCEL NUMBER 118O-00-087.00 IS A MENACE TO THE PUBLIC HEALTH, SAFETY, AND WELFARE OF THE COMMUNITY.

c. CONSIDERATION OF CALLING FOR A PUBLIC HEARING UNDER MISS. CODE ANN. § 21-19-11 TO DETERMINE WHETHER THE STRUCTURES LOCATED AT 301 EVERGLADE AVE. STARKVILLE, MS WITH PARCEL NUMBER 118J-00-072.00 IS A MENACE TO THE PUBLIC HEALTH, SAFETY, AND WELFARE OF THE COMMUNITY.

K. SANITATION DEPARTMENT

1. REQUEST AUTHORIZATION TO ADVERTISE FOR BIDS FOR THE PURCHASE OF GARBAGE BAGS.

L. UTILITIES DEPARTMENT

1. REQUEST AUTHORIZATION TO APPROVE THE LOWEST QUOTE FROM HACH FOR LAB EQUIPMENT FOR THE WASTEWATER TREATMENT PLANT IN THE AMOUNT OF $6,519.00.

2. REQUEST AUTHORIZATION TO EXECUTE THE FUNDING AGREEMENT AND APPROVE FUNDS RECEIVED FOR THE HAZARD MITIGATION GRANT PROGRAM FOR A GENERATOR FOR THE ADMINISTRATION BUILDING FOR STARKVILLE UTILITIES IN THE AMOUNT OF $125,000.00 WITH A FEDERAL SHARE OF $112,500.00 AND $12,500.00 TO BE PAID BY STARKVILLE UTILITIES.

3. REQUEST AUTHORIZATION TO PURCHASE A 2023 FORD F250 4X2 CREW CAB IN THE AMOUNT OF $67,639.30, THE LOWER OF TWO QUOTES, TO REPLACE A PREVIOUSLY APPROVED SURPLUS VEHICLE.

4. REQUEST APPROVAL FOR MISSISSIPPI STATE UNIVERSITY ATHLETICS OFFICE TO PROVIDE AN INSERT INTO ONE MONTH'S UTILITY BILLS AT NO COST TO STARKVILLE UTILITIES TO PROMOTE THE 2023 FOOTBALL SEASON AND SCHEDULE.

XII. CLOSED DETERMINATION SESSION

XIII. OPEN SESSION

XIV. EXECUTIVE SESSION

XV. OPEN SESSION

XVI. RECESS UNTIL AUGUST 15, 2023 @ 5:30 IN THE COURT ROOM AT 110 WEST MAIN STREET.

The City of Starkville is accessible to persons with disabilities. Please call the ADA Coordinator, Stein McMullen, at (662) 323-2525, ext. 3121 at least forty-eight (48) hours in advance for any services requested.

Consent items 2 – 36:

2. CONSIDERATION OF THE MINUTES OF THE JULY 5, 2023 REGULAR MEETING OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF STARKVILLE.

Upon the motion of Alderman Brooks, duly seconded by Alderman Rupp, and adopted by the Board to approve the August 1, 2023 Official Agenda, and to accept items for consent, whereby the "approval of minutes of the July 5, 2023 Regular Meeting of the Mayor and Board of Aldermen" is enumerated, this consent item is thereby approved.

3. CONSIDERATION OF THE MINUTES OF THE JULY 14, 2023 WORK SESSION MEETING OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF STARKVILLE.

Upon the motion of Alderman Brooks, duly seconded by Alderman Rupp, and adopted by the Board to approve the August 1, 2023 Official Agenda, and to accept items for consent, whereby the "approval of minutes of the July 14, 2023 work session of the Mayor and Board of Aldermen" is enumerated, this consent item is thereby approved.

4. CONSIDERATION OF ACCEPTING THE 2024 MDOT MULTIMODAL AIRPORT GRANT IN THE AMOUNT OF $202,300.00 INCLUDING A 5% LOCAL MATCH OF $10,115.00 FOR THE DESIGN OF THE MAIN RAMP EXPANSION AND RELATED IMPROVEMENTS.

Upon the motion of Alderman Brooks, duly seconded by Alderman Rupp, and adopted by the Board to approve the August 1, 2023 Official Agenda, and to accept items for consent, whereby the "approval of the MDOT Multi-Modal Airport Grant MM-0068-1224 in the amount of $192,185.00 for the design of main ramp expansion and related work at George M. Bryan Field including a 5% local match of $10,115.00" is enumerated, this consent item is thereby approved.

5. CONSIDERATION OF THE LEASE ADDENDUM BETWEEN THE CITY OF STARKVILLE AND CIRCLE S AVIATION FOR ADDITIONAL LEASE SPACE IN THE SOUTH HANGAR AT GEORGE M. BRYAN FIELD.

Upon the motion of Alderman Brooks, duly seconded by Alderman Rupp, and adopted by the Board to approve the August 1, 2023 Official Agenda, and to accept items for consent, whereby the "approval of the Lease Addendum between the City of Starkville and Circle S Aviation for additional lease space in the South Hangar at George M. Bryan Field" is enumerated, this consent item is thereby approved. (The addendum follows)

LEASE ADDENDUM

July 25, 2023

Lease Addendum to the Lease Agreement Between City of Starkville, Mississippi and Circle S Aviation for the South Hangar at 320 Airport Road Starkville, MS

1. LEASED PREMISES. This lease addendum is to add an available office space to the monthly lease. That space is on the interior of the north office spaces building, the space being west of the large restroom and east of the classroom and measures 13' x 14 1/2'.

2. USE OF PREMISES. This space will be used as the accounting office for Circle S Aviation.

3. TERM. The term of this addition shall be until the end of the lease, April 30. 2028.

4. RENT. The monthly rent increase for this space is $75.00 per month due at the same time as the original monthly rent. Rent for the first month shall be pro-rated as necessary. Lessee agrees to pay a late charge of 5% if not received by the 10th of the month.

5. UTILITIES. This space is heated, cooled, lighted and powered by the same building power.

6. MODIFICATIONS. Any modifications to the space shall be approved by the Lessor before they occur.

7. MAINTENANCE. Lessee shall keep the space clean as the other offices are.

8. JANITORAL. Lessee shall be responsible for a custodial service required.

9. INSURANCE AND INDEMNITY. The same.

10. ASSIGNMENT AND SUBLETTING. Lessee shall not assign or sublet any of this space.

To Lessor: City of Starkville

Attention: Mayor Lynn Spruill
110 West Main Street
Starkville, MS 39759

To Lessee:

Circle S Aviation, LLC
904 Jordan Lane
Starkville, MS 3979

Lease Addendum cont.
City of Starkville and Circle S Aviation

IN WITNESS WHEREOF, the parties have executed this by representatives duly authorized to do so effective the FIRST day of AUGUST, 2023.

LESSEE

Circle S Aviation, LLC

BY:
ITS: CIRCLE S AVIATION

ATTEST:

BY:
ITS: Airport Director

LESSOR

CITY OF STARKVILLE, MS

BY:
LYNN SPRUILL, Mayor

ATTEST:

Lesa Hardin
LESA HARDIN, City Clerk

6. CONSIDERATION OF RENEWING PROPERTY, VEHICLE AND EQUIPMENT INSURANCE SERVICES WITH STARR GLOBAL INSURANCE COMPANY FOR AIRPORT LIABILITY COVERAGE FOR ONE YEAR AT THE LOWER QUOTE OF $6,349.00.

Upon the motion of Alderman Brooks, duly seconded by Alderman Rupp, and adopted by the Board to approve the August 1, 2023 Official Agenda, and to accept items for consent, whereby the "approval of renewing property, vehicle and equipment insurance services with Starr Global Insurance Company for airport liability coverage for one year" is enumerated, this consent item is thereby approved.

Two Quotes: Starr Global - $ 6,349.00 and Old Republic - $ 6,378.00 (AIG, US Specialty and Global Aerospace declined to quote)

7. CONSIDERATION OF REAPPOINTING TOMMY VERDELL JR. WARD 7, THE SOLE APPLICANT, TO THE PLANNING AND ZONING COMMISSION WITH A 6-YEAR TERM EXPIRING ON JUNE 30, 2029.

Upon the motion of Alderman Brooks, duly seconded by Alderman Rupp, and adopted by the Board to approve the August 1, 2023 Official Agenda, and to accept items for consent, whereby the "approval of reappointing Tommy Verdell Jr., Ward 7, to the Planning and Zoning Commission with a 6-year term expiring on June 30, 2029" is enumerated, this consent item is thereby approved.

8. CONSIDERATION OF REJECTING ALL CONSTRUCTION BIDS FOR THE HWY 182 REVITALIZATION BUILD GRANT PROJECT.

Upon the motion of Alderman Brooks, duly seconded by Alderman Rupp, and adopted by the Board to approve the August 1, 2023 Official Agenda, and to accept items for consent, whereby the "approval of rejecting all construction bids received for the Hwy 182 Revitalization BUILD Grant Project" is enumerated, this consent item is thereby approved.

The Hwy 182 Revitalization BUILD Grant Project was bid and two bids were received:

Burns Dirt Construction, Inc.: $35,490,254.84 and Necaise Brothers Construction Company, Inc.: $33,103,671.27

Both bids were well above the Engineer's estimate and were outside of the project budget. Due to this, it was recommended to reject all bids. Staff is currently looking into additional funding and value engineering options on the project as paths forward to get the project within budget.

9. CONSIDERATION OF REJECTING ALL BIDS FOR THE ELECTRICAL DISTRIBUTION MATERIALS (MATERIAL ONLY) FOR THE HWY 182 ON-CORRIDOR IMPROVEMENTS PROJECT.

Upon the motion of Alderman Brooks, duly seconded by Alderman Rupp, and adopted by the Board to approve the August 1, 2023 Official Agenda, and to accept items for consent, whereby the "approval of rejecting all bids for the Electrical Distribution Materials (Material Only) for the Hwy 182 On-Corridor Improvements Project" is enumerated, this consent item is thereby approved.

This project included electrical materials that would be owner furnished to the Hwy 182 Revitalization Project. The Hwy 182 Revitalization Project was bid concurrently with this project and came in significantly over the Engineer's Estimate. As a result, these materials are not needed until the main project is rebid.

10. CONSIDERATION OF APPROVING THE PROFESSIONAL SERVICES AGREEMENT WITH NEEL-SCHAFFER IN THE AMOUNT OF $11,900.00 FOR CONCEPTUAL DESIGN AND ESTIMATE OF THE OLD MAYHEW ROAD – EAST LEE BOULEVARD INTERSECTION.

Upon the motion of Alderman Brooks, duly seconded by Alderman Rupp, and adopted by the Board to approve the August 1, 2023 Official Agenda, and to accept items for consent, whereby the "approval of the professional services agreement with Neel-Schaffer in the amount of $11,900.00 for conceptual design and estimate of the Old Mayhew Road – East Lee Boulevard intersection" is enumerated, this consent item is thereby approved.

This proposal will include two conceptual roundabout designs as well as a stop-controlled concept for the intersection of Old Mayhew Road and East Lee Boulevard. Planning level cost estimates will also be provided for each option. The intent is to provide the Board with high level cost estimates and conceptual plans for consideration prior to entering into a full design contract for the intersection. The agreement follows this page.

11. CONSIDERATION OF ACCEPTING THE PROPOSED WARRANTY DEEDS FOR CITY RIGHT-OF-WAY FOR BAR-B-QUE ROAD.

Upon the motion of Alderman Brooks, duly seconded by Alderman Rupp, and adopted by the Board to approve the August 1, 2023 Official Agenda, and to accept items for consent, whereby the "approval of accepting the proposed Warranty Deeds for City right-of-way for Bar-B-Que Road" is enumerated, this consent item is thereby approved.

12. CONSIDERATION OF FISCAL YEAR 9/30/21 AUDIT AND AGREEMENT OF FISCAL YEAR 9/30/22 AUDIT SERVICES ENGAGEMENT WITH WATKINS, WARD AND STAFFORD, PLLC.

Upon the motion of Alderman Brooks, duly seconded by Alderman Rupp, and adopted by the Board to approve the August 1, 2023 Official Agenda, and to accept items for consent, whereby the "approval of the acceptance of Fiscal Year 9/30/21 audit and approval of the engagement of Watkins, Ward & Stafford, PLLC for the Fiscal Year 2022 audit for the City of Starkville" is enumerated, this consent item is thereby approved.

The Fiscal Year 9/30/21 audit can be located on the City of Starkville website and the engagement follows the Neel Schaffer agreement.

13. CONSIDERATION TO ACCEPT THE HAZARDOUS MATERIALS EMERGENCY PREPAREDNESS GRANT AWARDED BY U.S. DEPARTMENT OF TRANSPORTATION, PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION IN A REIMBURSEABLE AMOUNT OF $13,500.00, WITH A 20% MATCH OF $2,700.00, TO PURCHASE HANDHELD RADIOS AND DETECTION MONITORS.

Upon the motion of Alderman Brooks, duly seconded by Alderman Rupp, and adopted by the Board to approve the August 1, 2023 Official Agenda, and to accept items for consent, whereby the "approval to accept the Hazardous Materials Emergency Preparedness Grant awarded by U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration in a reimbursable amount of $13,500, with a 20% match of $2,700.00, to purchase handheld radios, and detection monitors" is enumerated, this consent item is thereby approved.

NEEL-SCHAFFER

July 25, 2023

City of Starkville
ATTN: Mayor Lynn Spruill
110 West Main Street
Starkville, MS 39759

REFERENCE: **OLD MAYHEW ROAD @ EAST LEE BOULEVARD INTERSECTION ALIGNMENT CONCEPTS STARKVILLE PROJECT REF # 23024**

Dear Mayor Spruill:

Neel-Schaffer, Inc. (NSI) is pleased to offer professional services as defined in Exhibit A, Scope of Services, for the above referenced project. NSI proposes to perform these services for an hourly, not-to-exceed fee of $11,900.

All services proposed herein will be performed in accordance with the General Terms and Conditions in Exhibit B, and our hourly rates will utilize our raw wage rates times a 2.9 labor mark-up (LMU). NSI will bill you monthly based on the amount of work completed, and upon receipt of your acceptance, we will proceed with the services.

This Letter Agreement, consisting of one page; Exhibit A, consisting of one page; and Exhibit B, consisting of four pages represent the entire agreement between the City of Starkville and Neel-Schaffer, Inc. This Letter Agreement and the exhibits may only be modified or amended by a duly executed written document.

If the terms of this Agreement are acceptable, please execute the original and return a copy to us. We appreciate the opportunity to provide services to you and look forward to working with you.

Sincerely,

NEEL-SCHAFFER, INC.

Kevin Stafford, P.E.
Vice President

Attachments

ACCEPTED: CITY OF STARKVILLE

BY: ______________________ **DATE:** 8-1-2023

engineers | planners | surveyors | environmental scientists | landscape architects

P: 662.268.7966 | F: 662.268.7961
1115 Stark Road
Starkville, MS 39760
www.neel-schaffer.com

EXHIBIT A

SCOPE OF SERVICES

OLD MAYHEW ROAD @ EAST LEE BOULEVARD
INTERSECTION ALIGNMENT CONCEPTS

The CONSULTANT shall develop up to (2) roundabout concepts and one new alignment stop-controlled concept for the intersection of East Lee Boulevard and Old Mayhew Road. The CONSULTANT shall evaluate the roadway alignments and pedestrian / bike accommodations to produce concept recommendations for geometric improvement at a schematic design level. Traffic counts and 3D modeling software is not anticipated for reviewing level of service or providing concept visualization. These layouts will not have detailed site information, so sensitivity to environmental and utility impacts and geometric constraints shall not be considered.

Concept Deliverable
The CONSULTANT shall provide a final concept deliverable for each concept which includes a 2D concept layout on an aerial showing the intersection and alignment features, including pavement marketing and accommodations for pedestrian and bike users. This concept deliverable will not include renderings of corridor or intersection features along the corridor.

Planning Level Cost Estimates
Planning level cost estimates shall be provided with a 30% contingency included. This opinion of probable costs shall only be used by the OWNER as an order of magnitude budget planning tool.

Exhibit B
General Terms and Conditions
Professional Services

1. **Relationship between Consultant and Client**. Neel Schaffer, Inc. ("Consultant") shall serve as the Client's professional consultant in those phases of the Project to which this Agreement applies. The relationship is that of a buyer and seller of professional services and it is understood that the parties have not entered into any joint venture or partnership with the other. Consultant shall not be considered to be the agent or fiduciary of the Client.

2. **Responsibility of Consultant**. Consultant will perform services under this Agreement in a manner consistent with that standard of care and skill ordinarily exercised by members of the profession currently practicing in the same locality under similar conditions (the "Standard of Care"). No other representation, warranty or guarantee, express or implied, is included or intended in this Agreement or in any report, opinion, document, or otherwise.

3. **Responsibility of the Client**. Client shall provide all information and criteria as to its requirements for the Project, including budgetary limitations. Client shall arrange for Consultant to enter upon public and private property and obtain all necessary approvals required from all governmental authorities having jurisdiction over the Project. Client shall give prompt written notice to Consultant whenever Client observes or otherwise becomes aware of any development that affects the scope or timing of Consultant's services.

   The Client shall promptly report to the Consultant any defects or suspected defects in the Consultant's services of which the Client becomes aware, so that Consultant may take measures to minimize the consequences of such a defect. Should legal liability for the defects exist, failure by the Client to notify the Consultant shall relieve the Consultant of any liability for costs of remedying the defects above the sum such remedy would have cost had prompt notification been given when such defects were first discovered.

4. **Construction Phase Services**. If Consultant's scope of services includes the observation and monitoring of work performed by Client's separate contractors, Consultant shall provide personnel to observe and monitor the work in accordance with the Standard of Care in order to ascertain that it is being performed, in general, in accordance with the plans and specifications. Consultant shall not supervise, direct, or have control over the contractor's work. Consultant shall not have authority over or responsibility for construction means, methods, techniques, sequences or procedures or for safety precautions and programs in connection with the work of the contractor. Consultant does not guarantee the performance of the construction contract by the contractor and does not assume responsibility for the contractor's failure to furnish and perform its work in accordance with the plans and specifications.

   In the event Consultant's scope of services does not include the observation and monitoring of work performed by Client's separate contractors, the Client assumes all responsibility for construction observation, and Client waives any claims against Consultant arising therefrom.

5. **Designation of Authorized Representatives**. Each party shall designate one or more persons to act with authority on its behalf with respect to appropriate aspects of the Project. The persons designated shall review and respond promptly to all communications received from the party.

6. **Ownership of Documents**. All reports, notes, drawings, specifications, data, calculations, and other documents, including those in electronic form prepared by Consultant are instruments of Consultant's service that shall remain Consultant's property. The Client agrees not to use Consultant generated documents for projects other than the project for which the documents were prepared by Consultant, or for future modifications to the Project, without Consultant's express written permission. Any reuse or distribution to third parties without such express written permission or project-specific adaptation by Consultant will be at the Client's sole risk and without liability to Consultant or its employees, subsidiaries, and subconsultants.

7. **Opinion of Costs**. When required as a part of its scope of services, Consultant will furnish opinions or estimates of construction cost on the basis of Consultant's experience and qualifications, but Consultant does not guarantee the accuracy of such estimates. The parties recognize that Consultant has no control over the cost of labor, material, equipment, or services furnished by others or over market conditions or contractors' methods of determining prices.

8. **Changes or Delays**. In the event new developments or circumstances beyond the control of Consultant require a change in the scope of services or schedule, Consultant shall be entitled to an equitable adjustment to the fee and/or schedule. Such events include, but are not limited to, unreasonable delays caused by Client's failure to provide specified direction or information, delays caused by Client's other contractors or consultants, or if Consultant's failure to perform is due to any act of God, labor shortage, fire, inclement weather, act of governmental authority, failure of transportation, accident, power failure, or interruption or any other cause beyond the reasonable control of Consultant.

9. **Suspension of Services**. Client may, at any time, by written notice, suspend further services by Consultant. Upon receipt of such notice, Consultant shall take all reasonable steps to mitigate costs allocable to the suspended services. Client, however, shall pay all reasonable and necessary costs associated with such suspension including the cost of assembling documents, personnel and equipment, rescheduling or reassignment costs necessary to maintain continuity and the staff required to resume the services upon expiration of the suspension. Consultant will not be obligated to provide the same personnel in the event the period of any suspension exceeds 30 days.

10. **Termination**. This Agreement may be terminated by either party upon 30 days' written to the other party. Upon such termination, Client shall pay Consultant for all services performed up to the date of termination. If Client is the terminating party, Client shall pay Consultant all reasonable cost and expenses incurred by Consultant in effecting the termination, including but not limited to non-cancellable commitments and demobilization costs, if any.

11. **Indemnification**. Consultant shall indemnify and hold harmless Client from and against those damages and costs (including reasonable attorneys' fees) that Client incurs as a result of third party claims for personal injury or property damage to the extent caused by the negligent acts, errors or omissions of Consultant.

    To the fullest extent permitted by law, Client shall indemnify and hold harmless Consultant from and against those damages and costs (including reasonable attorneys' fees) that Consultant incurs as a result of third party claims for personal injury or property damage to the extent caused by the negligent acts, errors or omissions of Client.

12. **Legal Proceedings**. In the event Consultant or its employees are required by Client to provide testimony, answer interrogatories, produce documents or otherwise provide information in relation to any litigation, arbitration, proceeding or other inquiry arising out of Consultant's services, where Consultant is not a party to such proceeding, Client will compensate Consultant for its services and reimburse Consultant for all related direct costs incurred in connection with providing such testimony or information. This provision shall not apply in the event Client engages Consultant to provide expert testimony or litigation support, which services shall be the subject of a separate agreement or an amendment to this Agreement.

13. **Successors and Assigns**. The terms of this Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns; provided however, that neither party shall assign this Agreement in whole or in part without the prior written consent of the other party.

14. **Insurance**. Consultant agrees to maintain the following insurance coverage with the following limits of insurance during the performance of Consultant's work hereunder:

    (a) Commercial General Liability insurance with standard ISO coverage and available limits of $1,000,000 per occurrence and $2,000,000 general aggregate;
    (b) Automobile Liability insurance with standard ISO coverage and available combined single limits of $1,000,000 per accident;
    (c) Worker's Compensation insurance with limits as required by statute and Employer's Liability insurance with limits of $1,000,000 per employee for bodily injury by accident/$1,000,000 per employee for bodily injury by disease/$1,000,000 policy limit for disease; and
    (d) Professional Liability insurance covering Consultant's negligent acts, errors, or omissions in the performance of professional services with available limits of $1,000,000 per claim and annual aggregate.

    Consultant shall provide evidence of procuring the above insurance coverages by delivering a certificate of insurance to Client prior to the start of Consultant's work and annually upon renewal of coverage. Consultant shall cause Client to be named as an additional insured on Consultant's commercial general liability policy, which shall be primary and noncontributory.

15. **Information Provided by the Client.** Consultant shall be entitled to rely upon, without liability, the accuracy and completeness of any and all information provided by Client, without the obligation of independent verification.

16. **Consequential Damages**. Neither Client nor Consultant shall be liable to the other or shall make any claim for any special, incidental, indirect or consequential damages arising out of, or connected in any way to the Project or this Agreement. This mutual waiver includes, but is not limited to, damages related to loss of use, loss of profits, loss of income, loss of reputation, loss of business or diminution of property value and shall apply regardless of legal theory such damages are alleged including negligence, strict liability, breach of contract and breach of warranty.

17. **Payment.** Unless agreed to otherwise, Consultant shall submit monthly invoices to the Client. Payment in full

shall be due upon receipt of the invoice. Payment of any invoices by the Client shall be taken to mean that the Client is satisfied with the Consultant's services to the date of the payment and is not aware of any deficiencies in those services. If payments are delinquent after 30 days from invoice date, the Client agrees to pay interest on the unpaid balance at the rate of one percent (1%) per month. If the Client fails to make payments; then Consultant, after giving seven (7) days written notice to the Client, may suspend services until the Client has paid in full all amounts due for services, expenses, and other related charges without recourse to the Client for loss or damage caused by such suspension. The Client waives any and all claims against the Consultant for any such suspension. Payment for Consultant's services is not contingent on any factor, except the Consultant's ability to provide services in a manner consistent with that Standard of Care. Payment of invoices shall not be subject to any discounts, set-offs or back-charges unless agreed to in writing by both parties. If the Client contests an invoice, the Client may withhold only that portion so contested and shall pay the undisputed portion, after the Client has notified Consultant in writing within 30 days of receiving the invoice and shall identify the specific cause of the disagreement and the amount in dispute.

18. **Force Majeure**. Neither Client nor Consultant shall be liable for any fault or delay caused by any contingency beyond their control, including but not limited to, acts of God, wars, strikes, walkouts, fires, natural calamities, or demands or requirements of governmental agencies.

19. **Compliance with Laws**. To the extent they apply to its employees or its services, Consultant shall exercise due professional care to comply with all applicable laws, including ordinances of any political subdivisions or governing agencies.

20. **Invalid Terms**. If any provisions of this Agreement are held to be invalid or unenforceable, the remaining provisions shall be valid and binding as if the unenforceable provisions were never included in the Agreement.

21. **Governing Law**. This Agreement shall be governed by and construed in accordance with the laws of the state where the services are performed.

22. **Dispute Resolution.** All disputes, controversies or claims, of whatever kind or character, between the Parties, their agents and/or principals, arising out of or in connection with the subject matter of this Agreement shall be litigated in a court of competent jurisdiction.

23. **Additional Services.** Consultant shall be entitled to an equitable adjustment of its fee for services resulting from significant changes in the general scope, extent or character of the Project or its design including, but not limited to, changes in size, complexity, Client's schedule, construction schedule, character of construction or method of financing; and revising previously accepted studies, reports, design documents or other documents when such revisions are required by changes in laws, rules, regulations, ordinances, codes or orders enacted subsequent to the preparation of such studies, reports or documents, or are due to any other causes beyond Consultant's control.

24. **Amendment**. This Agreement may only be amended in writing and where such amendment is executed by a duly authorized representatives of each party.

25. **Entire Understanding of Agreement**. This Agreement represents and incorporates the entire understanding of the parties hereto, and each party acknowledges that there are no warranties, representations, covenants or understandings of any kind, matter or description whatsoever, made by either party to the other except as expressly set forth herein. Client and Consultant hereby agree that any purchase orders, invoices, confirmations, acknowledgments or other similar documents executed or delivered with respect to the subject matter hereof that conflict with the terms of this Agreement shall be null, void and without effect to the extent they conflict with the terms of this Agreement.

26. **Survival of Provisions.** The provisions of this Agreement shall continue to be binding upon the parties hereto notwithstanding termination of this Agreement for any reason.

27. **Nonwaiver**. No waiver by a party of any provision of this Agreement shall be deemed to have been made unless in writing and signed by such party.

28. **Identity of Project Owner**. Within ten (10) days of the entry of this Agreement, Client, if Client is not the Project Owner, shall provide to Consultant the Project Owner's full legal name; Project Owner's physical address; Project Owner's mailing address; and the name, physical address and mailing address of the Client's point of contact with the Owner for the Project.

29. **Conflicting Terms**. In the event that there are multiple agreements with varying or conflicting terms and conditions between Client and Consultant, the terms and conditions contained in this Agreement shall supersede and have precedence over any other conflicting terms and conditions contained in any other written or oral agreement.

30. **Course of Dealing**. Client and Consultant agree that these General Terms and Conditions establish a course of dealing between them and shall apply to this and all

other services, projects, agreements or dealings between the them, unless Client or Consultant gives the other written notice of objection to any term or condition before commencement of performance in connection with any other provision of services or projects involving the two of them.

31. **PROFESSIONAL SERVICES IN FLORIDA.** IN THE EVENT ANY PROFESSIONAL SERVICES ARE PROVIDED WITHIN THE STATE OF FLORIDA, IT IS EXPRESSLY AGREED BY THE PARTIES THAT AN INDIVIDUAL DESIGN PROFESSIONAL WHO IS AN AGENT OR EMPLOYEE OF CONSULTANT MAY NOT BE HELD PERSONALLY OR INDIVIDUALLY LIABLE FOR ANY DAMAGES RESULTING FROM NEGLIGENCE ARISING OUT OF CONSULTANT'S PERFORMANCE OF THIS AGREEMENT, AS PROVIDED IN FLORIDA STATUTES SECTION 558.0035, AS AMENDED.

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WWS

WATKINS, WARD and STAFFORD
Professional Limited Liability Company
Certified Public Accountants

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Clifford P. Stewart, CPA
Edward A. Maxwell, CPA

July 26, 2023

To the Honorable Mayor and Board of Aldermen
City of Starkville
Starkville, Mississippi 39759

We are pleased to confirm our understanding of the services we are to provide the City of Starkville for the year ended September 30, 2022. We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements, of the City of Starkville as of and for the year ended September 30, 2022. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the City of Starkville's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the City of Starkville's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will 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. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1) Management's Discussion and Analysis.
2) Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis).

We have also been engaged to report on supplementary information other than RSI that accompanies the City of Starkville's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole:

1) Combining Balance Sheet by Activity – General Fund.
2) Combining Statement of Revenues, Expenditures, and Changes in Fund Balance by Activity – General Fund.

3) Balance Sheet – Non-major Governmental Funds.
4) Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-major Governmental Funds.
5) Statement of Net Position – Non-major Enterprise Funds.
6) Statement of Revenues, Expenses, and Changes in Fund Net Position – Non-major Enterprise Funds.
7) Statement of Cash Flows – Non-major Enterprise Funds.
8) Schedule of Surety Bonds for Municipal Officials.
9) Schedule of Bonded Indebtedness.
10) Schedule of Long-Term Notes.
11) Schedule of Surety Bonds.
12) Schedule of Expenditures of Federal Awards.

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on—

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of 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, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the mayor and board of aldermen of the City of Starkville. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City of Starkville's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the City of Starkville's major programs. The purpose of these procedures will be to express an opinion on the City of Starkville's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of the City of Starkville in conformity with U.S. generally accepted accounting principles and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal awards, and related notes services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for (1) designing, implementing, and maintaining effective internal controls, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We may from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditors' reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audits.

We will provide copies of our reports to the mayor and board of aldermen; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Watkins, Ward and Stafford, PLLC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Watkins, Ward and Stafford, PLLC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Cognizant Agency, Oversight Agency for Audit, or Pass-through Entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We plan to adhere to the following time frame as it relates to the audit:

August 7, 2023 Preliminary planning field work (2 auditors) – a more detailed information request will be provided to the City Clerk at the conclusion

August 14, 2023 Audit field work including Starkville Water Department (4 auditors)

No later than October 31, 2023 Release of audit report

Any modifications to this time frame must be agreed to in writing. Beginning with the commencement of the audit, WWS will communicate via email to the City Clerk and Chair of the Audit/Budget Committee, the status of the audit including pending information requests, issues, and any other matters deemed important.

The audit will be performed within the time frame as stipulated above. If the data as requested by us is provided in full and the audit commences upon completion of such provision, we will agree to a penalty of 10% of the contract price for every thirty days that the delivery date of the audit report extends beyond October 31, 2023 plus any OMB or OSA approved extensions.

J. Randy Scrivner, CPA, is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed $62,500 (City $56,500, Starkville Water Department $6,000). Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account is not paid within the time required by Miss. Code Section 31-7-301, et sequential, and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. No additional fees will be billed unless agreed to in writing.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2020 peer review report accompanies this letter.

We appreciate the opportunity to be of service to the City of Starkville and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Watkins, Ward and Stafford, PLLC
Certified Public Accountants

Randy Scrivner, CPA

Jerry R. (Randy) Scrivner, CPA
Partner

RESPONSE:

This letter correctly sets forth the understanding of the City of Starkville.

Governance signature: ____________________
Title: Mayor
Date: 8-2-23

Management signature: Lisa Hardin
Title: City Clerk
Date: 8-1-2023

City of Starkville, Mississippi

Audit Report

September 30, 2021

City of Starkville, Mississippi

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City of Starkville, Mississippi

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Michael W. McCully, CPA
R. Steve Sinclair, CPA
Marsha L. McDonald, CPA
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Robin Y. McCormick, CPA/PFS
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Stephen D. Flake, CPA
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Jerry L. Gammel, CPA
Michael C. Knox, CPA
Clifford P. Stewart, CPA
Edward A. Maxwell, CPA
Bradley L. Harrison, CPA
Justin H. Keller, CPA

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Board of Aldermen
City of Starkville, Mississippi

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Starkville, Mississippi, as of and for the year ended September 30, 2021, and the related notes to financial statements, which collectively comprise the City of Starkville, Mississippi's basic financial statements as listed in the contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Starkville, Mississippi, as of September 30, 2021, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-14 and 52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Starkville, Mississippi's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2023, on our consideration of the City of Starkville, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Starkville, Mississippi's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Starkville, Mississippi's internal control over financial reporting and compliance.

Starkville, Mississippi
June 5, 2023

Watkins Ward and Stafford, PLLC

City of Starkville
Management Discussion and Analysis
September 30, 2021

Introduction

The discussion and analysis of the City of Starkville's financial performance provides a narrative review of the municipality's financial activities for the fiscal year ended September 30, 2021. The intent of this document is to view the City's performance during the subject year as a whole. The notes to financial statements as well as the financial statements must be considered to fully develop an understanding of the City's overall financial performance and condition.

This discussion and analysis is an element of required supplementary information specified in the "Governmental Accounting Standards Board's (GASB) Statement No. 34 – Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments" issued June 1999. Certain comparative information between the current year and the prior year is mandated as part of the presentation.

The City of Starkville is located in Oktibbeha County which is in the northeastern portion of the State of Mississippi, approximately 37 miles from the Alabama state line along U.S Highway 82. The population, according to the most recent 2020 United States census, is 24,360. The current report from the United States Census Bureau for 2021 shows a population estimate of 24,657. This reflects continued growth in the population of the City which is a consistent pattern of an incremental increase. Starkville's position within the Golden Triangle Region has made us the largest municipality in the designated area. That trend shows no signs of abating. The local economic base is driven by retail, manufacturing, healthcare and Mississippi State University with emphasis on transportation and sciences and technology research.

Financial Highlights

The City of Starkville is financially sound and has an economic base shifting slightly to the east and toward the increased quantity of retail, commercial and residential areas. Through adoption of a new unified development code the core zoning changes for density and greater urbanization the City continues to see the results of mixed-use development in its urban core. Starkville has several areas redeveloped with projects that include campus style student housing owned by the University and private commercial entities. Due to the expanded emphasis on athletics and historical attractions the alumni are using their retirement plans to purchase into areas that are closely adjacent to the campus. The City and the University are finding ways to share a focus on the quality of life available in a university town with growing proximity to new university properties and city amenities.

The City is committed to financial responsibility. Starkville focuses on operational efficiency through ever diligent strategic planning, responsible budgeting and monitoring and improving internal controls. The City maintains a quality fiscal management structure. The City's annexation expansion demonstrates a progressive, responsible approach that views its future with an eye toward the growth in all sectors of the economy. The intent is to have a diverse revenue view from sports tourism to industry and retail. The City is intent on being the strongest member of the triad of the Golden Triangle through aggressively maintaining a balance.

Starkville enjoys strong growth in both residential and commercial real estate development. Sales tax collections continue to grow. The city derives additional revenue from a two percent (2%) tax on food and beverage sales which then supports economic development, tourism, parks, and student activity. The City recently passed an additional one percent (1%) food and beverage and hotel tax that is specifically and solely directed to parks improvements and a new sports tourism facility for baseball and softball located on

Financial Highlights (Continued)

the west side of the city. This project is designed to provide a strong tourism base as well as provide an enhanced recreation venue for residents thereby improving the quality-of-life aspects so necessary to attract businesses and retain residents.

Starkville's unemployment rate for September 2021 is roughly 6%. This is one of the lower rates for the State of Mississippi during this timeframe.

Capital improvement in fiscal year 2021 focused on improvements to electric, water, wastewater, road, bicycle and pedestrian infrastructure. The City has placed an emphasis on a long-term response for handling future projected growth by adding redundancy and improving reliability within our basic infrastructure systems.

The City was the recipient of a Federal Highway BUILD grant in the amount of $12.66 million dollars to upgrade and improve an area that is adjacent to the downtown area and that is in need of economic revitalization. That project will completely transform an area that has the potential for strong economic activity through redevelopment. The plans are in place and the completion date is projected for 2024 as the construction and engineering process is ongoing. Underground utilities and pedestrian access as well as landscaping are included to create the inclusion of the area into the downtown corridor.

The City's retail base has been stable. The newest mixed-use developments have filled with tenants for the additional spaces they have created. The SMART bus system contributes to increased transportation alternatives for the City of Starkville and the campus of MSU at no cost to the participants through grant funding. This city-wide service offers options for all the residents of Starkville to access the healthcare system and the multiple shopping venues.

The City has approved an annexation of 2.3 square miles to the east where the path of growth is strongest. This will bring into the city limits a Ford dealership, banking operations center, a Microtel and numerous other businesses as well as additional residential projects. This will increase both the sales tax base and the ad valorem tax base. This process should conclude, pending any appeals, in calendar year 2022.

Both the Starkville George M. Bryan field and the Golden Triangle Regional Airport continue to be the beneficiaries of significant Federal Aviation Administration grants that have provided additional space for lease revenue opportunities while also increasing potential flight capacity with commercial carriers and private aviation participation. The Golden Triangle Regional Airport is one of only three airports in Mississippi which operates a profitable passenger service and has expansion plans.

Fiscal Year 2021 brought significant gains in multi-family and single-family housing. Starkville continued to experience construction starts. Steady enrollment growth and successful athletic programs at Mississippi State University create an expectation that the recent construction surge will continue.

The Mill conference center has proven a huge boon for the city and the university as the number of conferences and seminars that the city is able to attract mushroomed and keeps Starkville in focus for the entire state year-round in addition to the traditional special events calendar.

<u>Financial Highlights (Continued)</u>

The City has invested in an industrial park that is the new home to Garan manufacturing. Garan has been a longtime industrial resident of the City of Starkville. They upgraded their facilities and chose to remain in our community. The property that was their site became a retail development that opened in late 2022.

Total net position increased by $15,105,619 which represents a 54.29% increase from the prior fiscal year. The City's ending cash balance decreased by $7,173,410 which represents a 16.49% decrease from the prior fiscal year which was primarily due to Park Bond funds spent.

The City had $82,566,502 in total revenues. General revenues accounted for 30,852,723 or 37.37%. Program specific revenues in the form of charges for services and grants and contributions accounted for 51,713,779 or 62.63% of total revenues.

The City had $71,900,498 in total expenses; only $51,713,779 of these expenses were offset by charges for services, grants or outside contributions. General revenues of $30,852,723 were adequate to provide for the remainder of the expenses.

Among the major funds, the General Fund, Park Bonds 2020 Fund, and ARPA Fund had $26,691,011, $76,607, and $1,688 in revenues and $23,748,206, $8,284,151, and $1,688 in expenditures. The General Fund and Parks Bond 2020 Fund's fund balance increased $3,658,425 and decreased $8,207,544, respectively, from the prior year. The ARPA Fund's fund balance did not increase nor decrease.

Capital assets, net of accumulated depreciation, increased by $11,327,338.

Long-term debt decreased by $9,765,466.

<u>Overview of the Financial Statements</u>

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The basic financial statements are comprised of 3 components: 1) Government-wide financial statements, 2) Fund financial statements and 3) Notes to the basic financial statements. Required Supplementary Information is included in addition to the basic financial statements.

Figure 1 – Required Components of the City's Annual Report

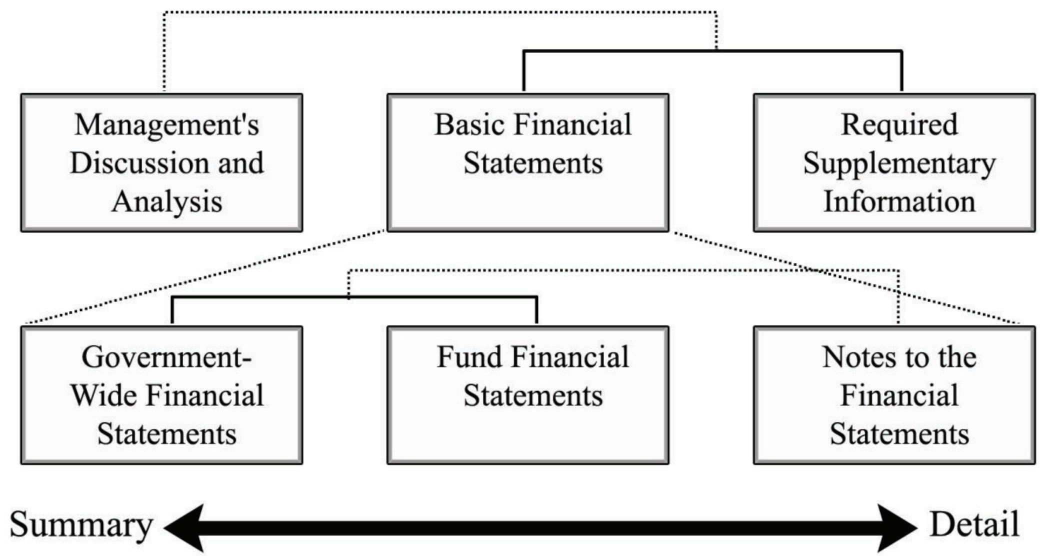

Figure 1 shows how required parts of this annual report are arranged and relate to one another.

Figure 2 summarizes the major features of the City's financial statements, including the portion of the City's government they cover and the types of information they contain. The remainder of this section of Management's Discussion and Analysis explains the structure and content of each of the statements.

	Government-Wide Financial Statements	Fund Financial Statements: Governmental Funds	Fund Financial Statements: Fiduciary Funds
Scope	Entire City government (except fiduciary funds) and component units	All activities of the City that are not business-type or fiduciary in nature	The City is the trustee or agent for someone else's resources
Required financial statements	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenues, expenditures and changes in fund balances	• Statement of fiduciary assets and liabilities
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/ liability information	All assets and liabilities, both financial and capital and short and long term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both short and long term
Type of inflow/ outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services are received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City finances, in a manner similar to private-sector businesses.

The **statement of net position** presents information on all City assets, deferred outflows of resources, deferred inflows of resources and liabilities, with the difference reported as net position. Over time, increases or decreases in net assets 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 net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Both of these 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 part of their costs through user fees and charges (business-type activities). The activities of the City include general government; public safety; public services (infrastructure); utilities; parks and recreation; sanitation; and interest on long-term debt.

The Government-wide Financial Statements can be found on pages 17 and 18 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 uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the City can be divided into two categories: governmental funds and fiduciary 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 funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a city's near-term financing requirements. Governmental funds include the general, special revenue, debt service, and capital projects funds.

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 government'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. These reconciliations are on pages 21 and 23, respectively.

The City maintains 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 all major funds. All other non-major funds are combined together and presented in these reports as other governmental funds.

Proprietary funds are used to account for services for which the City charges customers a fee is generally reported in proprietary funds. Proprietary funds, like the government wide statements, provide both long-term and short-term financial information. The City's enterprise funds are the same as its business-type activities yet provide more detail and additional information, such as cash flows. The measurement focus of proprietary fund is upon determination of net income, financial position and change in financial position. These funds are maintained on the accrual basis of accounting. The Statement of Net Position, Statement of Revenues, Expenses and Changes in Fund Net Position and Statement of Cash Flows are all required statements.

Fiduciary funds are used to account for resources held for the benefit of parties outside the City 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 accrual basis of accounting is used for fiduciary funds. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The City's fiduciary activities are presented in a separate Statement of Fiduciary Net Position, which can be found on page 27 of this report.

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 29 through 50 of this report.

In addition to the basic financial statements and accompanying notes, this report also presents **Required Supplementary Information** concerning the City's budget process.

The City adopts an annual operating budget for all governmental funds. A budgetary comparison statement has been provided for the General Fund and each major special revenue fund, if applicable. This required supplementary information can be found on page 52 of this report.

Government-wide Financial Analysis

Net Position – Net position may serve over time as a useful indicator of government's financial position. In the case of the City of Starkville, assets exceeded liabilities by $64,119,432 as of September 30, 2021.

By far, the largest portion of the City's net position reflects its investment in capital assets (e.g. roads, bridges, land, buildings, mobile equipment, furniture & equipment, leased property under capital lease and construction in progress) less related outstanding debt used to acquire such assets. The City uses these capital assets to provide services to its citizens.

The City's financial position is a product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets.

City of Starkville
Management Discussion and Analysis
September 30, 2021

The following table presents a summary of the City's net position for the fiscal year ended September 30, 2021 and 2020.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Current and Other assets	$ 33,076,829	36,776,869	23,383,249	32,086,166	56,460,078	68,863,035
Capital Assets, net	51,776,349	40,449,011	80,599,583	69,659,094	132,375,932	110,108,105
Total Asssets	84,853,178	77,225,880	103,982,832	101,745,260	188,836,010	178,971,140
Deferred outflows of resources	2,778,262	416,796	2,365,034	1,804,561	5,143,296	2,221,357
Current and other liabilities	8,413,784	4,660,834	13,082,066	13,647,916	21,495,850	18,308,750
Long-term debt	71,629,577	81,395,043	31,781,541	35,152,921	103,411,118	116,547,964
Total Liabilities	80,043,361	86,055,877	44,863,607	48,800,837	124,906,968	134,856,714
Deferred inflows of resources	5,887,328	227,591	2,269,479	298,280	8,156,807	525,871
Net Position:						
Net investment in capital assets	24,726,834	8,456,524	56,446,183	46,798,233	81,173,017	55,254,757
Restricted	22,261,423	29,707,208	4,550,440	12,443,326	26,811,863	42,150,534
Unrestricted	(45,287,506)	(46,804,524)	(1,781,843)	(4,790,855)	(47,069,349)	(51,595,379)
Total Net Position	$ 1,700,751	(8,640,792)	59,214,780	54,450,704	60,915,531	45,809,912

Changes in Net Position – The City's total revenues for the fiscal year ended September 30, 2021 was $82,566,502. The total cost for all services provided was $71,900,498. The increase in net position was $15,105,619. The following table presents a summary of the change in net position for the fiscal year ended September 30, 2021.

	2021	2020
Revenues:		
Program revenues	$ 51,713,779	51,405,558
General revenues	30,852,723	25,066,187
Total revenues	82,566,502	76,471,745
Expenses:		
Governmental Activities	23,567,865	21,329,185
Business-type Activities	48,332,633	48,237,156
Total expenses	71,900,498	69,566,341
Prior period adjustments	4,439,615	
Increase (decrease) in net position	$ 15,105,619	6,905,404

Governmental Activities – The following table presents the cost of five major functional activities of the City: General Government, Public Safety, Public Services, Parks & Recreation and Utilities.

The table also shows each function's net cost (total cost less charges for services generated by the activity and intergovernmental aid provided for that activity.) The net cost shows the financial burden that was placed on City of Starkville taxpayers by each of these functions.

	Total Costs	Net Costs
General Government	$ 5,307,012	$ 4,952,523
Public Safety	11,307,609	11,112,716
Public Services	5,199,253	5,199,253
Utilities	48,332,633	(2,831,764)
Interest on long-term debt	1,753,991	(1,753,991)

City of Starkville
Management Discussion and Analysis
September 30, 2021

Financial Analysis of the City's Funds

Governmental funds – At the close of the fiscal year, the City of Starkville's governmental funds reported a combined fund balance of $27,313,195, a decrease of $7,267,348. The primary reasons for this decrease are highlighted in the analysis of governmental activities on page 22.

The General Fund is the principal operating fund of the City.

Budgetary Highlights of Major Funds

- Over the course of the year, the City of Starkville revised its annual operating budget on several occasions.

A schedule showing the original and final budget amounts compared to the City's actual financial activity for the General Fund and other major funds is provided in this report as required supplementary information.

Capital Assets and Debt Administration

Capital Assets – As of September 30, 2021, the City of Starkville's total capital assets were $271,856,019. This includes infrastructure, land, buildings, mobile equipment, furniture and equipment, leased property under capital lease and construction in progress. This amount represents an increase over the previous year of $29,125,236.

Total accumulated depreciation as of September 30, 2021 was $139,480,087 including $6,857,409 of depreciation expense for the year. The balance in total net capital assets was $132,375,932 at year-end.

Additional information on the City of Starkville's capital assets can be found in Note 4 on pages 39 and 40 of this report.

Debt Administration – At September 30, 2021, the City of Starkville had $107,810,697 in long-term debt outstanding. This includes general obligation bonds, other loans, obligations under capital lease, and the unfunded pension liability. Of this debt, $4,399,579 is due within one year.

The State of Mississippi limits the amount of debt a City can issue to generally 15% of total assessed value. The City's outstanding debt is significantly below its current limit.

Additional information on City of Starkville's long-term debt can be found in Note 5 on pages 40 - 42 of this report.

City of Starkville
Management Discussion and Analysis
September 30, 2021

Current and Future Items of Impact

The City of Starkville's future growth continues to be encouraging. The developments that are in progress include residential and commercial projects. These projects will be of significance in not only the economic impact but also the quality of life.

There continue to be strong economic forces investing in the region. The County owned local hospital has completed an analysis of their fiscal position and is researching partnering with additional healthcare facility in the state. This increased investment in healthcare substantially increases the presence of healthcare as a dynamic economic influence in the region.

The Golden Triangle Region continues to be marketed and considered as a participant in several large projects that would impact research and development that plays to the strengths of Mississippi State University and the regional airport.

Starkville and Oktibbeha County partnered in 2017 by issuing a total of 14 million dollars in bonds for an industrial park. This partnership included major utility providers ATMOS, TVA, Mississippi Department of Transportation and Four County Electric funding a project valued at roughly 35 million dollars for new industry in the city and county.

The steady increase in the population is in part indicated by the increase in ad valorem and sales tax revenues. In the fiscal year under consideration, there was not an increase in the ad valorem tax rate.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the funds it receives. If you have questions about this report or need additional financial information, please contact the City of Starkville City Clerk's office at 110 W. Main Street, Starkville, Mississippi, 39759.

BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-wide financial statements

- Fund financial statements:

    — Governmental funds

    — Proprietary (enterprise) funds

    — Fiduciary funds

In addition, the notes to financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

City of Starkville, Mississippi
Statement of Net Position
September 30, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and cash equivalents	$ 9,676,147	11,567,909	21,244,056
Cash - restricted	22,261,423		22,261,423
Accounts receivable, net	1,021,942	6,920,311	7,942,253
Other receivables, net		132,141	132,141
Due from other departments	117,317	1,016,830	1,134,147
Prepaid expense		2,458,266	2,458,266
Inventory		1,082,624	1,082,624
Capital assets:			
Land and construction in progress	1,290,892	4,222,660	5,513,552
Property and equipment	124,952,734	141,389,733	266,342,467
Less: accumulated depreciation	(74,467,277)	(65,012,810)	(139,480,087)
Other assets		205,168	205,168
Total assets	84,853,178	103,982,832	188,836,010
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized debt expense		450,630	450,630
Deferred outflows related to pensions	2,778,262	1,914,404	4,692,666
Total deferred outflows of resources	2,778,262	2,365,034	5,143,296
LIABILITIES			
Accounts payable	2,400,361	6,465,034	8,865,395
Accrued liabilities	132,634	273,139	405,773
Due to other departments	78,800	1,012,674	1,091,474
Deferred revenue	3,151,839		3,151,839
Customer deposits		3,205,175	3,205,175
Other liabilities		310,901	310,901
Long-term liabilities:			
Due within one year	2,650,150	1,749,429	4,399,579
Due in more than one year	50,725,365	22,438,753	73,164,118
Compensated absences	581,751	65,714	647,465
Unfunded pension liability	20,322,461	9,342,788	29,665,249
Total liabilities	80,043,361	44,863,607	124,906,968
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	5,887,328	2,269,479	8,156,807
Total deferred inflows of resources	5,887,328	2,269,479	8,156,807
NET POSITION			
Invested in capital assets, net of related debt	24,726,834	56,446,183	81,173,017
Restricted	22,261,423	4,550,440	26,811,863
Unrestricted	(45,287,506)	(1,781,843)	(47,069,349)
Total net position	$ 1,700,751	59,214,780	60,915,531

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

City of Starkville, Mississippi
Statement of Activities
For the Year Ended September 30, 2021

		Program Revenues			
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Net (Expense) / Revenue**
Governmental Activities					
General government	$ 5,307,012	354,489			(4,952,523)
Public safety					
Police	6,007,624		194,893		(5,812,731)
Fire	5,054,000				(5,054,000)
Public inspection	237,906				(237,906)
Civil defense	8,079				(8,079)
Highways and streets	1,847,719				(1,847,719)
Health and sanitation	201,617				(201,617)
Culture and recreation	2,877,279				(2,877,279)
Economic development and assistance	272,638				(272,638)
Interest on long-term debt	1,753,991				(1,753,991)
Total governmental activities	23,567,865	354,489	194,893	-	(23,018,483)
Business-type Activities					
Electric utilities	37,711,746	40,264,209			2,552,463
Water and sewer utilities	7,778,769	7,784,946			6,177
Sanitation and waste	2,789,560	2,873,378			83,818
Sanitary landfill	52,558	241,864			189,306
Total business-type activities	48,332,633	51,164,397	-	-	2,831,764
Total primary government	$ 71,900,498	51,518,886	194,893	-	(20,186,719)

	Governmental Activities	**Business-type Activities**	**Total**
Changes in Net Position:			
Net (expense) / revenue	$ (23,018,483)	2,831,764	(20,186,719)
General revenues			
Taxes			
Property taxes	8,078,255		8,078,255
Sales and use taxes	11,288,128		11,288,128
Other taxes	1,193,226		1,193,226
Investment income	48,663	19,706	68,369
Other	8,407,048	1,817,697	10,224,745
Total general revenues and transfers	29,015,320	1,837,403	30,852,723
Change in net position	5,996,837	4,669,167	10,666,004
Net position, October 1, 2020, as previous reported	(8,640,792)	54,450,704	45,809,912
Prior Period Adjustments (See Note 13)	4,344,706	94,909	4,439,615
Net position, October 1, 2020, as restated	(4,296,086)	54,545,613	50,249,527
Net position, September 30, 2021	$ 1,700,751	59,214,780	60,915,531

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

City of Starkville, Mississippi
Balance Sheet - Governmental Funds
September 30, 2021

	General	Park Bonds 2020	ARPA	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 9,673,106			3,041	9,676,147
Cash - restricted	667,071	15,148,938	3,152,559	3,292,855	22,261,423
Receivables (Net)					
Accounts	1,021,942				1,021,942
Due from other departments	4,304			113,013	117,317
Total Assets	$ 11,366,423	$ 15,148,938	$ 3,152,559	3,408,909	33,076,829
LIABILITIES					
Accounts payable	$ 1,204,473	985,929	720	209,239	2,400,361
Accrued liabilities	132,634				132,634
Due to other departments	78,800				78,800
Unearned revenue			3,151,839		3,151,839
Total Liabilities	1,415,907	985,929	3,152,559	209,239	5,763,634
FUND BALANCES					
Fund balances - restricted					
Restricted for airport projects	723,236				723,236
Restricted for capital projects		14,163,009		3,196,629	17,359,638
Fund balances - assigned for budgetary purposes				3,041	3,041
Fund balances - unassigned	9,227,280				9,227,280
Total Fund Balances	9,950,516	14,163,009		3,199,670	27,313,195
Total Liabilities and Fund Balances	$ 11,366,423	$ 15,148,938	$ 3,152,559	3,408,909	33,076,829

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

City of Starkville, Mississippi
Reconciliation of the Balance Sheet to the Statement of Net Position
Governmental Funds
September 30, 2021

Fund Balances - total governmental funds		$	27,313,195
Amounts reported for governmental activities in Statement of Net Position are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:			
Governmental capital assets	126,243,626		
Less accumulated depreciation	(74,467,277)		51,776,349
Long-term liabilities are not due and payable in the current year and therefore are not reported in the governmental funds:			
Long-Term Liabilities	(74,279,727)		
Deferred Outflows of Resources	2,778,262		
Deferred Inflows of Resources	(5,887,328)		(77,388,793)
Net Position of Governmental Activities		$	1,700,751

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

City of Starkville, Mississippi
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
For the Year Ended September 30, 2021

	General	Park Bonds 2020	ARPA	Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
General property taxes	$ 8,078,255				8,078,255
Licenses and permits	354,489				354,489
Intergovernmental:					
Federal	648,375		1,494	345,542	995,411
State of Mississippi	11,804,102				11,804,102
State of Mississippi- 1% & 2% tax				2,252,094	2,252,094
Oktibbeha County and Mississippi State	1,486,907				1,486,907
Fines and forfeits	678,915				678,915
Interest income	14,876	26,607	194	6,986	48,663
Penalties and interest	26,211				26,211
Other revenues	3,598,881	50,000		188,774	3,837,655
Total Revenues	26,691,011	76,607	1,688	2,793,396	29,562,702
EXPENDITURES					
General government	4,393,338				4,393,338
Public safety:					
Police	5,795,597				5,795,597
Fire	4,823,419				4,823,419
Public inspection	239,075				239,075
Civil defense	8,079				8,079
Highways and streets	1,522,315				1,522,315
Health and sanitation	201,617				201,617
Culture and recreation	1,668,844				1,668,844
Economic Development and Assistance	137,761			134,877	272,638
Capital outlay	2,135,650	8,284,151	1,688	3,867,562	14,289,051
Debt service:					
Principal	2,105,420			390,000	2,495,420
Interest	767,091			986,900	1,753,991
Total Expenditures	23,798,206	8,284,151	1,688	5,379,339	37,463,384
Excess (deficiency) of revenues over (under) expenditures	2,892,805	(8,207,544)	-	(2,585,943)	(7,900,682)
OTHER FINANCING SOURCES (USES)					
Transfers in (out)	132,286			(132,286)	-
Sale of cemetery plots	2,000				2,000
Inception of capital leases	631,334				631,334
Net other financing sources	765,620	-	-	(132,286)	633,334
Net change in fund balances	3,658,425	(8,207,544)	-	(2,718,229)	(7,267,348)
Fund balances, October 1, 2020	6,292,091	22,370,553	-	5,917,899	34,580,543
Fund balances, September 30, 2021	$ 9,950,516	14,163,009	-	3,199,670	27,313,195

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

City of Starkville, Mississippi
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities
Governmental Funds
For the Year Ended September 30, 2021

Net change in Fund Balances - total governmental funds		$ (7,267,348)
Amounts reported for governmental activities in Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives:		
Expenditures for capital assets	14,289,051	
Less current year depreciation	(2,961,713)	11,327,338
Bond and loan proceeds provide current financial rescources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of borrowed principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which proceeds exceeded repayments:		
Proceeds from capital leases	(631,334)	
Principal payments	2,495,420	1,864,086
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 fund:		
Pension expense	155,900	
Change in unfunded pension liability	(5,017,222)	
Change in deferred outflows of resources	(64,980)	
Change in deferred inflows of resources	5,004,252	
Change in long-term compensated absences	(5,189)	72,761
Change in Net Position of Governmental Funds		$ 5,996,837

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

City of Starkville, Mississippi
Statement of Fund Net Position - Proprietary Funds
September 30, 2021

	June 30, 2021	September 30, 2021			
	Electric Department	Water & Sewer Department	Sanitation and Waste Fund	Non-major Enterprise Funds	Total Enterprise Funds
ASSETS					
Current assets:					
Cash and cash equivalents	$ 6,836,952	4,137,027	206,193	387,737	11,567,909
Accounts receivables, net	5,302,449	1,034,487	583,375		6,920,311
Other receivables, net	132,141				132,141
Due from other departments	224,813	792,017			1,016,830
Prepaid expense	2,458,266				2,458,266
Inventory	981,524	101,100			1,082,624
Total current assets	15,936,145	6,064,631	789,568	387,737	23,178,081
Non-current assets:					
Other assets	205,168				205,168
Capital assets:					
Fixed assets, net of depreciation	50,718,744	29,015,989	766,735	98,115	80,599,583
Total non-current assets	50,923,912	29,015,989	766,735	98,115	80,804,751
Total Assets	66,860,057	35,080,620	1,556,303	485,852	103,982,832
DEFERRED OUTFLOWS OF RESOURCES					
Unamortized debt expense	218,363	232,267			450,630
Deferred outflows related to pensions	916,837	530,470	467,097		1,914,404
Total Deferred Outflows of Resources	1,135,200	762,737	467,097	-	2,365,034
Total Assets and Deferred Outflows of Resources	$ 67,995,257	35,843,357	2,023,400	485,852	106,347,866
LIABILITIES					
Current liabilities:					
Accounts payable	$ 5,685,766	759,290	19,978		6,465,034
Accrued liabilities	159,637	113,502			273,139
Compensated absences			65,714		65,714
Due to other departments	1,012,674				1,012,674
Accrued interest - long-term debt	53,465				53,465
Bonds payable, current	470,000	545,257			1,015,257
Notes payable, current		533,568	200,604		734,172
Other current liabilities	62,754				62,754
Total current liabilities	7,444,296	1,951,617	286,296	-	9,682,209
Non-current liabilities:					
Bonds payable, non-current	7,575,000	9,903,066			17,478,066
Notes payable, non-current		4,359,774	600,913		4,960,687
Customer deposits	2,792,117	413,058			3,205,175
Other liabilities	15,630	179,052			194,682
Unfunded pension liability	4,802,928	2,414,132	2,125,728		9,342,788
Total non-current liabilities	15,185,675	17,269,082	2,726,641	-	35,181,398
Total Liabilities	22,629,971	19,220,699	3,012,937	-	44,863,607
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	577,374	899,799	792,306		2,269,479
Total Deferred Inflows of Resources	577,374	899,799	792,306	-	2,269,479
NET POSITION					
Invested in capital assets, net of related debt	42,673,744	13,674,324		98,115	56,446,183
Restricted	2,114,168	2,048,535		387,737	4,550,440
Unrestricted			(1,781,843)		(1,781,843)
Total Net Position	44,787,912	15,722,859	(1,781,843)	485,852	59,214,780
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 67,995,257	35,843,357	2,023,400	485,852	106,347,866

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

City of Starkville, Mississippi
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds
For the Year Ended September 30, 2021

	June 30, 2021	September 30, 2021			
	Electric Department	Water & Sewer Department	Sanitation and Waste Fund	Non-Major Enterprise Funds	Total Enterprise Funds
OPERATING REVENUES					
Charges for services	$ 40,264,209	7,784,946	2,873,378	241,864	51,164,397
Total operating revenues	40,264,209	7,784,946	2,873,378	241,864	51,164,397
OPERATING EXPENSES					
Purchased power	30,247,273				30,247,273
Operating and maintenance	5,279,252	6,419,461	2,587,463	52,493	14,338,669
Depreciation	2,185,221	1,359,308	202,097	65	3,746,691
Total operating expenses	37,711,746	7,778,769	2,789,560	52,558	48,332,633
Operating income (loss)	2,552,463	6,177	83,818	189,306	2,831,764
NON-OPERATING REVENUES (EXPENSES)					
Other revenue (expenses)		2,497,066	58,088		2,555,154
Transfers			(280)	280	-
Interest on investments	13,152	6,554			19,706
Amortization expense	(24,593)	(13,959)			(38,552)
Interest and fiscal charges	(228,921)	(444,635)	(25,349)		(698,905)
Total non-operating revenues (expenses)	(240,362)	2,045,026	32,459	280	1,837,403
Change in net position	2,312,101	2,051,203	116,277	189,586	4,669,167
Net position, October 1, 2020, as previous reported	42,475,811	13,635,827	(1,957,200)	296,266	54,450,704
Prior Period Adjustments (See Note 13)		35,829	59,080		94,909
Net position, October 1, 2020, as restated	42,475,811	13,671,656	(1,898,120)	296,266	54,545,613
Net Position, September 30, 2021	$ 44,787,912	15,722,859	(1,781,843)	485,852	59,214,780

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

City of Starkville, Mississippi
Statement of Cash Flows - Proprietary Funds
For the Year Ended September 30, 2021

	June 30, 2021	September 30, 2021			
	Electric Department	Water & Sewer Department	Sanitation and Waste Fund	Non-Major Enterprise Funds	Total Enterprise Funds
Cash Flows from Operating Activities					
Cash received from customers	$ 40,264,209	7,784,946	2,873,378	241,864	51,164,397
Cash paid to employees	(1,754,754)	(1,719,439)	(1,417,324)		(4,891,517)
Cash paid to suppliers	(34,187,292)	(1,484,896)	(1,326,132)	(582)	(36,998,902)
Net Cash Provided By Operating Activities	4,322,163	4,580,611	129,922	241,282	9,273,978
Cash Flows from Noncapital Financing Activities					
Transfers in (out)			(280)	280	-
Net Cash Provided by (Used In) Noncapital Financing Activities	-	-	(280)	280	-
Cash Flows from Capital and Related Financing Activities					
Proceeds from issuance of debt			70,170		70,170
Payment of debt	(945,000)	(1,052,253)	(197,748)		(2,195,001)
Payment of interest	(235,279)	(444,635)	(25,349)		(705,263)
Purchase of capital assets	(8,476,821)	(9,229,408)			(17,706,229)
Other receipts (payments)	(7,781)	2,497,066	58,088		2,547,373
Net Cash Flows (Used in) Capital and Related Financing Activities	(9,664,881)	(8,229,230)	(94,839)	-	(17,988,950)
Cash Flows from Investing Activities					
Interest received on investments	13,152	6,554			19,706
Change in other investments	(454)				(454)
Collections on energy conservation loans receivable	7,687				7,687
Net Cash Flows Provided by Investing Activities	20,385	6,554	-	-	26,939
Net Change in Cash	(5,322,333)	(3,642,065)	34,803	241,562	(8,688,033)
Cash and Cash Equivalents, October 1, 2020	12,159,285	7,779,092	171,390	146,175	20,255,942
Cash and Cash Equivalents, September 30, 2021	$ 6,836,952	4,137,027	206,193	387,737	11,567,909
Reconciliation of Operating Income to Net Cash Flows from Operating Activities:					
Operating Income (Loss)	$ 2,552,463	6,177	83,818	189,306	2,831,764
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	2,265,189	1,359,308	202,097	65	3,826,659
Other non-operating revenues		2,503,620			2,503,620
Changes in operating assets and liabilities:					
(Increase) decrease in receivables	(162,607)	175,218	(26,923)	51,911	37,599
(Increase) decrease in inventory	190,123	17,508			207,631
(Increase) decrease in other assets	(134,265)	(103,314)			(237,579)
(Increase) decrease in deferred outflows of resources	(54,159)	(208,231)	(183,256)		(445,646)
Increase (decrease) in payables	(673,990)	401,017	(37,709)		(310,682)
Increase (decrease) accrued liabilities		5,920	(13,039)		(7,119)
Increase (decrease) in customer deposits	94,185	45,368			139,553
Increase (decrease) in unfunded pension liability	(343,780)	(596,216)	(483,945)		(1,423,941)
Increase (decrease) in other liabilities	73,477	179,052	(52,382)		200,147
Increase (decrease) in deferred inflows of resources	515,527	795,184	641,261		1,951,972
Total adjustments	1,769,700	4,574,434	46,104	51,976	6,442,214
Net cash provided by (used in) operating activities	$ 4,322,163	4,580,611	129,922	241,282	9,273,978

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

City of Starkville, Mississippi
Statement of Fiduciary Net Position - Fiduciary Funds
September 30, 2021

	Employee Benefit Trust Fund
ASSETS	
Cash - restricted	$ 216,912
Total Assets	216,912
NET POSITION	
Restricted - held in trust	$ 216,912

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

City of Starkville, Mississippi
Statement of Changes in Fiduciary Net Position - Fiduciary Funds
For the Year Ended September 30, 2021

	Employee Benefit Trust Fund
ADDITIONS	
Investment earnings	
Interest	$ 680
Total investment earnings	680
Other additions	147,484
Total Additions	148,164
DEDUCTIONS	
Other deductions	2,369
Health Insurance	279,941
Total Deductions	282,310
Change in Net Position	(134,146)
Net Position, October 1. 2020	351,058
Net Position, September 30, 2021	$ 216,912

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

Note 1: **Summary of Significant Accounting Policies**

The City of Starkville, Mississippi's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the City has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the City has chosen not to do so. The more significant accounting policies established in GAAP and used by the City are discussed below.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Certain of the significant changes in the Statement include the following:

- Financial statements prepared using full accrual accounting for all of the City's activities, including infrastructure (roads, bridges, etc.).
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

a. **Reporting Entity**

The citizens of Starkville, Mississippi, have elected to operate under a Code Charter as permitted by Mississippi Statutes 21-3-3, which prescribes a Mayor and Board of Aldermen form of government.

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic - but not the only - criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service.

Note 1: Summary of Significant Accounting Policies (Continued)

Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, the following is a brief review of each potential component unit addressed in defining the City's reporting entity.

Included within the reporting entity:

City of Starkville Electric Department and Water and Sewer Department. The Electric Department and Water and Sewer Department's governing board is the City's governing body. The rates for user charges and bond issuance authorizations are determined by the government's governing body.

Excluded from the reporting entity:

Starkville Public Schools. The Starkville Public Schools' governing board is appointed primarily by the City's governing body (four of the five members). The City does not hold title to any of the school's assets, nor does it have any right to the school's surpluses. The City does not have the ability to exercise influence over the daily operations or approve budgets.

Starkville Public Library. The Starkville Public Library's governing board is appointed jointly by various entities. The City's governing body appoints five of the ten members but does not have the ability to exercise influence over the daily operations or approve budgets. Additionally, the City does not hold title to any of the library's assets, nor does it have any right to the library's surpluses.

b. Basic Financial Statements – Government-Wide Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. The City's police and fire protection, parks and recreation, public works, and general administrative services are classified as governmental activities. The City's electric, water and sewer, sanitation, and landfill services are classified as business-type activities.

Note 1: Summary of Significant Accounting Policies (Continued)

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are presented on a consolidated basis by column and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts – invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The City first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities (police, fire, etc.). The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (police, fire, etc.) or a business-type activity. Operating revenues include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property, sales or use taxes, intergovernmental revenues, interest income, etc.).

The government-wide focus is more on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

c. Basic Financial Statements – Fund Financial Statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

1. Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the City:

a. **General Fund** is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund includes General Activities, Multi-Unit Drug Task Force Operations, Airport Activities, Restricted Police Activities, Restricted Fire Activities, Accounts Payable Clearing and Payroll Clearing.

Note 1: **Summary of Significant Accounting Policies (Continued)**

b. **Special Revenue Funds** are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes. Special Revenue Funds are the CDBG Henderson Street Area Redevelopment Project Fund, the Law Enforcement Grants Fund, the Computer Assessments Fund, the CDBG Rehabilitation Loan Program Fund, Federal Forfeited Funds Fund and the TVA Hewlett Wood Products, Inc. Loan Fund.

c. **Debt Service Funds** are used to account for the accumulation of resources for, and the payment of general long-term debt principal, interest, and related costs. The Debt Service Funds are the City Bond and Interest Fund and the School Bond and Interest Fund.

d. **Capital Projects Funds** are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The Capital Projects Funds are the Parking Mill Project Fund, Public Improvement Bonds Fund, Parks and Recreation Bond Fund, and the Parks and Recreation Tourism Fund.

2. **Proprietary Funds**

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the City:

a. **Enterprise Funds** are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Enterprise Funds are the Electric Department Fund, the Water and Sewer Department Fund, the Sanitation Fund, and the Sanitary Landfill Fund.

Note 1: Summary of Significant Accounting Policies (Continued)

3. Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or custodial capacity for others and therefore are not available to support City programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds. The City's fiduciary fund is the Employee Benefit Trust Fund.

The City's fiduciary funds are presented in the fiduciary fund financial statement by type (employee benefit and custodial). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

d. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual:

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

Note 1: Summary of Significant Accounting Policies (Continued)

e. Financial Statement Amounts

1. Cash and Cash Equivalents:

For purposes of the statement of cash flows for the proprietary funds, the City defines cash equivalents as short-term, highly liquid investments with original maturity dates of three months or less.

2. Inventory:

Inventory is valued at the lower of cost (first-in, first-out) or market.

3. Capital Assets:

Capital assets are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20 – 50 years
Water and sewer system	30 – 50 years
Machinery and equipment	5 – 10 years
Improvements	10 – 20 years
Other infrastructure	10 – 50 years

4. Revenues:

Substantially all governmental fund revenues are accrued. Property taxes are billed and collected within the same period in which the taxes are levied. Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non-operating revenue based on GASB No. 33. In applying GASB No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

Note 1: Summary of Significant Accounting Policies (Continued)

5. Expenditures:

Expenditures are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

6. Compensated Absences:

The City accrues accumulated unpaid vacation and sick leave and associated employee-related costs when earned (or estimated to be earned) by the employee. The noncurrent portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government-wide presentations.

7. Interfund Activity:

Interfund activity is reported as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

8. Basis of Budgeting:

The City prepares its governmental fund type budgets in accordance with state statutes, which require the cash basis of accounting for revenues. Expenditures are budgeted and reported on the modified accrual basis of accounting. For purposes of budgetary comparisons in the financial statements, the City has elected to compare GAAP basis revenue to budget. This presentation provides a reasonable basis of comparison because the difference in beginning and ending receivables is immaterial.

Note 1: Summary of Significant Accounting Policies (Continued)

9. Deferred Outflows / Inflows

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

Deferred outflows related to pensions- This amount represents the City's proportionate share of the deferred outflows of resources reported by the pension plan in which the City participates. See Note 7 for additional details.

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

Deferred inflows of resources- This amount represents the City's proportionate share of the deferred inflows of resources reported by the pension plan in which the City participates. See Note 7 for additional details.

10. Long-term Liabilities

Long-term liabilities are the unmatured principal of bonds, loans, notes or other forms of noncurrent or long-term obligation indebtedness. Long-term liabilities are not limited to liabilities from debt issuances, but may also include liabilities on lease-purchase agreements and other commitments.

In the government-wide financial statements and in the Proprietary Fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or Proprietary Funds Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line 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 the debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Note 1: Summary of Significant Accounting Policies (Continued)

11. Pensions

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

12. Net Position:

GASB 63 requires the classification of net position into three components – invested in capital assets, net of related debt, restricted and unrestricted. These classifications are defined as follows:

a. Invested in capital assets, net of related debt – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount.

b. Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.

c. Unrestricted – This component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

Note 1: **Summary of Significant Accounting Policies (Continued)**

Net Position Flow Assumption

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

13. Fund Balance:

GASB 54 requires the classification of fund balance into five components – nonspendable, restricted, committed, assigned and unassigned. These classifications are defined as follows:

a. **Nonspendable fund balance** - amounts that cannot be spent due to form such as inventories, prepaid amounts, etc…

The City has the following nonspendable assets: capital assets, net of related debt, inventory and prepaid expenses.

b. **Restricted fund balance** - amounts constrained for a specific purpose by external parties, constitutional provision or enabling legislation.

The City has the following restricted assets: restricted for fire protection, restricted for police protection, restricted for airport activities, restricted for parks and recreation, restricted for debt service and restricted for capital projects.

c. **Committed fund balance** - amounts constrained for a specific purpose by an entity using its highest level of decision-making authority. It would require the same group to remove or change the constraints placed on the resources.

d. **Assigned fund balance** - for all funds other than the general fund, any remaining positive amounts not classified as nonspendable, restricted or committed.

The City classifies unspent budgeted projects that are re-budgeted in the subsequent year to assigned for budgetary purposes.

Note 1: Summary of Significant Accounting Policies (Continued)

e. **Unassigned fund balance** – the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

Fund Balance Flow Assumption:

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

14. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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.

15. Changes in Accounting Standards:

The Governmental Accounting Standards Board issued GASB 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* in May 2020. The objective of the statement was to provide temporary relief to governments in light of the COVID-19 pandemic by postponing effective dates of certain Statements and Implementation Guides. The effective dates of GASB 83-84, GASB 88-93, and Implementation Guides No. 2017-3, 2018-1, 2019-1, and 2019-2 were postponed one year. The effective dates of GASB 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, were postponed eighteen months.

GASB 84, *Fiduciary Activities*, was implemented during fiscal year 2021. The objective of the statement was to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how these activities should be reported.

Note 2: Cash, Other Deposits, and Investments

The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Depository Insurance Corporation. All of the City's funds eligible to be included in the state's collateral pool program were properly included and were fully collateralized as of September 30, 2021.

The carrying amount of the City's deposits with financial institutions was $36,885,439 on September 30, 2021 and the bank balance was $37,976,166.

The balances do not reflect cash or other deposits held in the name of Starkville Electric Department which are separately secured.

Note 3: Interfund Transactions and Balances

Transfers In/Out:

Transfers In	Transfers Out		Amount
General Fund	Other Governmental Funds	$	132,286
Non-Major Enterprise Fund	Sanitation and Waste Fund		280
Total		$	132,566

The principal purpose of inter-fund transfers was to provide funds for grant matches or to provide funds to pay for capital outlay. All inter-fund transfers were routine and consistent with the activities of the fund making the transfer.

City of Starkville, Mississippi
Notes to Financial Statements

Note 4: <u>Capital Assets</u>

Capital asset activity for the year ended September 30, 2021, was as follows:

		Balance 10/1/2020	Adjustments	Additions	Retirements	Balance 9/30/2021
Governmental Activities						
Non-depreciable						
Land	$	1,290,892				1,290,892
Total		1,290,892	-	-	-	1,290,892
Depreciable:						
Buildings		17,361,461		3,192		17,364,653
Improvements other than buildings		82,269,394		12,291,918		94,561,312
Vehicles		5,209,313		532,211		5,741,524
Machinery and equipment		5,823,515		1,461,730		7,285,245
Total		110,663,683	-	14,289,051	-	124,952,734
Less accumulated depreciation						
Buildings		(3,504,351)		(425,084)		(3,929,435)
Improvements other than buildings		(56,713,227)		(1,621,343)		(58,334,570)
Vehicles		(5,257,201)		(321,836)		(5,579,037)
Machinery and equipment		(6,030,785)		(593,450)		(6,624,235)
Total		(71,505,564)	-	(2,961,713)	-	(74,467,277)
Net book value		39,158,119	-	11,327,338	-	50,485,457
Governmental Activities Capital Assets, net	$	40,449,011	-	11,327,338	-	51,776,349
Business-type Activities						
Non-depreciable						
Land - Starkville Electric	$	695,074				695,074
Land - Landfill		96,800				96,800
Land - Water		147,084				147,084
Construction in progress - Stk Elec		5,277,093			(3,250,702)	2,026,391
Construction in progress - Stk Sewer		4,196,392		5,911,701	(8,850,782)	1,257,311
Total		10,412,443	-	5,911,701	(12,101,484)	4,222,660
Depreciable						
Starkville Electric Property & equipment		60,341,173		12,121,979	(234,463)	72,228,689
Sanitation property & equipment		5,687,431				5,687,431
Landfill property & equipment		917,931				917,931
Water property & equipment		53,417,230		9,229,408	(90,956)	62,555,682
Total		120,363,765	-	21,351,387	(325,419)	141,389,733
Less accumulated depreciation						
Starkville Electric Property & Equipment		(21,806,228)		(2,832,860)	407,678	(24,231,410)
Sanitation property & equipment		(4,718,599)		(202,097)		(4,920,696)
Landfill property & equipment		(916,551)		(65)		(916,616)
Water property & equipment		(33,675,736)		(1,359,308)	90,956	(34,944,088)
Total		(61,117,114)	-	(4,394,330)	498,634	(65,012,810)
Net book value		59,246,651	-	16,957,057	173,215	76,376,923
Business-type Activities Capital Assets, net	$	69,659,094	-	22,868,758	(11,928,269)	80,599,583

Note 4: **Capital Assets (Continued)**

When the City of Starkville updates its fixed assets subsidiary records, the adjustment column reports the appropriate corrections to the various classes of fixed assets. No corrections were required during this fiscal year.

Depreciation expense was charged to functions as follows:

Governmental activities:	
General government	$ 927,380
Public safety - Police	237,797
Public safety - Fire	256,897
Highways and streets	330,899
Culture and recreation	1,208,740
Total governmental activities depreciation expense	$ 2,961,713
Business-type activities:	
Electric	$ 2,832,860
Water and sewer	1,359,308
Sanitation	202,097
Landfill	65
Total business-type activities depreciation expense	$ 4,394,330

Note 5: **Long-Term Liabilities**

Long-term liability activity for the year ended September 30, 2021, was as follows:

	Balance 10/1/2020	Additions	Reductions	Balance 9/30/2021	Amount Due Within One Year
Governmental Activities					
General obligation bonds					
TIF Revenue Bonds, Series 2011	220,000		40,000	180,000	42,000
GO Utility Refunding Bonds, Series 2015	2,190,000		115,000	2,075,000	120,000
GO Public Improvement, Series 2016A	2,665,000		120,000	2,545,000	125,000
GO Public Improvement, Series 2016B	2,130,000		95,000	2,035,000	100,000
TIF Revenue Bonds, Series 2016	745,000		110,000	635,000	115,000
GO Refunding Bond, Series 2018	2,550,000		320,000	2,230,000	335,000
GO Development Bonds, Series 2017	6,300,000		350,000	5,950,000	350,000
2018 Refunding Bond-City Hall	3,735,000			3,735,000	
Special Obligation, Series 2018	4,500,000		395,000	4,105,000	405,000
Special Obligation, Series 2018	3,000,000		164,000	2,836,000	169,000
Special Obligation, Series 2020A	14,300,000			14,300,000	
Special Obligation, Series 2020B	9,835,000		70,000	9,765,000	85,000
Total	$ 52,170,000	-	1,779,000	50,391,000	1,846,000

City of Starkville, Mississippi
Notes to Financial Statements

Note 5: Long-Term Liabilities (Continued)

		Balance 10/1/2020	Additions	Reductions	Balance 9/30/2021	Amount Due Within One Year
Notes payable						
Tacoma Trucks	$	3,511		3,511	-	
Capital Improvements - F-250 and 2 Tacomas		21,092		10,410	10,682	10,682
Capital Improvements - City Hall		1,080,000		350,000	730,000	360,000
2018 Ford F-150		10,620		6,011	4,609	4,609
Asphalt Truck (Kenworth)			197,600	48,909	148,691	65,422
Fire Truck		851,526		110,530	740,996	100,610
John Deere Park Mower		42,809		16,679	26,130	17,268
Nissan Kicks		10,077		3,224	6,853	3,357
2 Pumper Trucks		900,595		68,931	831,664	71,265
Street Excavator		149,371		26,426	122,945	27,344
Police Dodge Chargers			433,734	71,789	361,945	143,593
Compensated absences		576,563	5,188		581,751	-
Total	$	3,646,164	636,522	716,420	3,566,266	804,150
Total Governmental Activities	$	55,816,164	636,522	2,495,420	53,957,266	2,650,150

		Balance 10/1/2020	Additions	Reductions	Balance 9/30/2021	Amount Due Within One Year
Business-type Activities						
Bonds and notes payable						
Electric System Bonds, Series 2011	$	315,000		315,000	-	
Electric System GO Refunding Bond, Series 2013		175,000		175,000	-	
Utility Revenue Bonds, Series 2019		9,665,000		350,000	9,315,000	365,000
Electric System Revenue Bond, Series 2020		8,500,000		455,000	8,045,000	470,000
GO Utility Refunding Bond Series 2012		1,310,114		176,791	1,133,323	180,257
Drinking Water Improvements Revolving Loan		330,484		52,484	278,000	53,811
Water Pollution Control Revolving Loan		1,114,941		208,006	906,935	211,676
Water Pollution Control Revolving Loan		134,944		14,610	120,334	15,917
MDA Capital Improvements Loan		322,762		15,739	307,023	16,029
MDA Capital Improvements Loan		258,972		24,300	234,672	24,749
MDA Capital Improvements Loan		513,145		49,070	464,075	49,978
MDA Capital Improvements Loan		1,091,326		58,112	1,033,214	59,186
MDA Capital Improvements Loan		239,856		36,393	203,463	34,240
MDA Capital Improvements Loan		460,835		24,688	436,147	25,145
MDA Capital Improvements Loan		691,548		30,874	660,674	31,444
MDA Capital Improvements Loan		259,991		11,186	248,805	11,393
Street Sweeper		94,997		43,291	51,706	44,239
3 Refuse Trucks & Knuckle Boom		597,110		113,394	483,716	116,331
2021 Tractor and Cutter			70,170	3,954	66,216	2,000
Garbage Truck/Front End Loader		236,989		37,110	199,879	38,034
Compensated absences		78,753		13,039	65,714	
Total	$	26,391,767	70,170	2,208,041	24,253,896	1,749,429

Note 5: **Long-Term Liabilities (Continued)**

All liabilities of The City of Starkville are secured by the full faith and credit of the municipality.

The five outstanding issues of General Obligation Bonds are due in annual installments ranging from $100,000 to $400,000 each through various dates, the last of which is the year 2035. Interest rates range from 2.75% to 5.00%.

The City has entered into bond purchase agreements to issue and sell Tax Increment Financing Revenue Bonds. The principal of the bonds is due in annual installments. The Series 2011 and Series 2016 Bonds were issued for the purpose of constructing various infrastructure improvements to support the projects. The City's tax increment financing bond indebtedness is recorded as a liability of the City to match revenue streams to the related debt for which they have been pledged. The obligation of the City to pay principal and interest on these bonds is limited solely to the tax increment financing (TIF) revenues generated from the project. Should TIF revenues not be sufficient to meet the required debt service obligations, the City is not obligated to make such bond payments from any other sources of its revenues. However, the City intends to annually appropriate funds sufficient to make all payments required by the bonds for the next fiscal year. Management does not anticipate that any of the City's general funds will be required to make up any deficiency in bond payments during the next fiscal year.

Note 6: **Unemployment Compensation Fund**

The City has elected to establish a revolving fund for unemployment compensation which is to be maintained in the amount of 2% of the first $6,000 of employee wages paid in the preceding calendar year. The Unemployment Compensation Fund was fully funded at September 30, 2021.

Note 7: **Defined Benefit Pension Plan**

General Information about the Pension Plan

Plan Description. The City contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. 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 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.

Note 7: **Defined Benefit Pension Plan (Continued)**

Benefits provided. Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi, state universities, community and junior colleges, and teachers and employees of the public-school districts. For those persons employed by political subdivisions and instrumentalities of the State of Mississippi, membership is contingent upon approval of the entity's participation in PERS by the PERS' Board of Trustees. If approved, membership for the entity's employees is a condition of employment and eligibility is granted to those who qualify upon hiring. Participating members who are vested and retire at or after age 60 or those who retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.0 percent 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 percent 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 percent 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 percent compounded for each fiscal year thereafter. Plan provisions are established and may be amended only by the State of Mississippi Legislature.

Contributions. PERS members are required to contribute 9.00% of their annual covered salary, and the City is required to contribute at an actuarially determined rate. The employer's rate as of September 30, 2021 was 17.40% of annual covered payroll. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. The City's contributions to PERS for the fiscal years ending September 30, 2021, 2020 and 2019 were $1,994,173, $1,675,067, and $1,706,834 respectively, which equaled the required contributions for each year.

Note 7: **Defined Benefit Pension Plan (Continued)**

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

At September 30, 2021, the City reported a liability of $29,665,249 of which $24,862,321 was for its proportionate share of the net pension liability and $4,802,928 was for the Starkville Electric Department's proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. At June 30, 2021, the City's proportion was 0.168211 percent. This was an increase of .8075 percent from its proportionate share used to calculate the September 30, 2020 net pension liability, which was based on a measurement date of June 30, 2020.

For the year ended September 30, 2021, the City recognized pension expense of $2,326,074. At September 30, 2021 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 431,021	-
Net difference between projected and actual earnings on pension plan investments	-	7,357,117
Changes of assumptions	1,936,762	-
Change in proportion percentage	1,557,414	799,690
City contributions subsequent to the measurement date	767,469	-
	$ 4,692,666	8,156,807

$767,469 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Note 7: **<u>Defined Benefit Pension Plan (Continued)</u>**

Year ended September 30,		
2022		604,866
2023		572,064
2024		887,029
2025		2,167,651
2026		-
	$	4,231,610

Actuarial assumptions. The total pension liability as of June 30, 2021 was determined by an actuarial valuation prepared as of June 30, 2020, by the new actuarial assumptions adopted by the Board subsequent to the June 30, 2020 valuation based on the experience investigation for the four-year period ending June 30, 30 2020, and by the investment experience for the fiscal year ending June 30, 2021. The following actuarial assumptions are applied to all periods in the measurement:

Inflation	2.40 percent
Salary increases	2.65 – 17.90 percent, including inflation
Investment rate of return	7.55 percent, net of pension plan investment expense, including inflation

Mortality rates for service retirees were based on the PubS.H-2010(B) Retiree Table with the following adjustments: For males, 95 percent of male rates up to age 60, 110% for ages 61 to 75 and 101% for ages above 77. For females, 84% of female rates up to age 72 and 100% for ages above 76. Mortality rates for disability retirees were based on the PubG.H-2010 Disabled Table adjusted 134% for males and 121% for females. Mortality rates for Contingent Annuitants were based on the PubS.H-2010(B) Contingent Annuitant Table, adjusted 97% for males and 100% for females. Mortality rates will be projected generationally using the MP-2020 projection scale to account for future improvements in life expectancy.

The actuarial assumptions used for the purposes of determining the total pension liability were based on the results of an actuarial experience study for the four-year period from July 1, 2016 to June 30, 2020. This experience report is dated April 20, 2021.

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.

Note 7: Defined Benefit Pension Plan (Continued)

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The most recent target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation		Long-Term Expected Real Rate of Return	
Domestic Equity	27	%	4.60	%
International Equity	22		4.50	
Global Equity	12		4.80	
Fixed Income	20		(0.25)	
Real Estate	10		3.75	
Private Equity	8		6.00	
Cash Equivalents	1		(1.00)	
Total	100	%		

Discount rate. The discount rate used to measure the total pension liability was 7.55 percent. 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 current employer contribution rate (17.40%). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.55 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.55 percent) or 1-percentage-point higher (8.55 percent) than the current rate:

	1% Decrease (6.55%)	Current Discount Rate (7.55%)	1% Increase (8.55%)
City's proportionate share of the net pension liability	$ 35,210,875	$ 24,862,321	$ 16,334,289
Starkville Electric Department's proportionate share of the net pension liability	$ 6,216,800	$ 4,802,928	$ 3,635,915

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: Joint Ventures

The City of Starkville entered into an agreement with the Golden Triangle Solid Waste Management Authority. This Authority was organized under laws of the State of Mississippi (Section 17-17-301 et seq. Miss. Code of 1972 as amended). The Authority's purpose is to operate and maintain a landfill facility. The project was permitted by DEQ in December, 1994. The City of Starkville's share of expense and liability is based on a pro rata share of waste tonnage. The City's portion of this expense was $430,601 in 2021. The members, in addition to the City of Starkville, are Noxubee County, City of West Point, Clay County, City of Columbus, Lowndes County, City of Macon, Oktibbeha County, Webster County, City of Eupora, Choctaw County, and the Town of Ackerman. Because of the nature of the Authority's operations there is no determinable equity interest of the City of Starkville. The Authority is designed to generate revenues from its members in an amount adequate only to cover its operating costs. The Authority is audited separately and financial statements are available upon request.

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 for these risks. Settled claims resulting from these insured risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Under GASB Statement No. 10, *Accounting and Financial Reporting for Risks Financing and Related Insurance Issues,* a liability for claims must be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and that the amount of the loss can be reasonably estimated. As of the date of this audit report, there were no known claims above the amount of coverage purchased for risks of loss related to torts, theft of, damage to, and the destruction of assets, errors and omissions, injuries to employees, and natural disasters at September 30, 2021, therefore no liability has been accrued at this time.

Note 10: Property Tax

Numerous statutes exist under which the Mayor and Board of Aldermen may levy property taxes. The selection of authorities is made based on the objectives and responsibilities of the City. Restrictions associated with property tax levies vary with the statutory authority. The amount of increase in certain property taxes is limited by state law. Generally, this restriction provides that these tax levies shall produce no more than 110% of the amount which resulted from the assessments of the previous year.

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

Note 10: Property Tax (Continued)

Taxes on motor vehicles and mobile homes become a lien and are due in the month that coincides with the month of original purchase. The City taxes are collected and remitted to the City by the Oktibbeha County Tax Collector.

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

The distribution of taxes to funds was made in accordance with prescribed tax levies, and uncollected taxes were properly handled.

Delinquent taxes are not recorded as assets.

Note 11: Economic Development, Tourism, and Convention Tax

In 2004, the Legislature of the State of Mississippi passed a local and private bill on behalf of the City of Starkville authorizing a 2 % tax on the gross income of restaurants derived from the sale of prepared food and alcoholic and nonalcoholic beverages. The tax is collected by the Mississippi State Tax Commission in the same manner that sales taxes are collected. The proceeds of the tax less 3% are paid monthly to the City of Starkville to be distributed to the appropriate entities as follows:

Economic Development Authority – 15%
Visitor and Convention Council – 15%
Starkville Parks and Recreation – 40%
Mississippi State University – 20%
Used for economic and community development projects, initiatives or opportunities – 10%

The distribution of the tax is audited in the course of this audit.

Note 12: Contingent Liabilities

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 government expects such amounts, if any, to be immaterial.

Note 12: Contingent Liabilities (Continued)

Since the advent of the COVID-19 pandemic in March 2020, the City has maintained relative operating normalcy. To date, national COVID-19 related regulation has not adversely impacted operations. Per discussion with management, comparative to last year, cash receipts have decreased slightly since the beginning of the outbreak. Additionally, the City has had no ongoing projects that have been impacted by the pandemic. As of the date of the audit report, management declines to speculate on when a return to pre-COVID-19 operations will occur, but does not anticipate a material impact on normal operations for the City.

Note 13: Prior Period Adjustments

A summary of the significant net position/fund balance adjustments are as follows:

Explanation		Amount
Error in reporting 2018 refunding bond for FYE 9/30/20	$	3,692,887
Error in reporting Sanitation debt for FYE9/30/20		141,081
Error in GASB 68 calculation for FYE 9/30/20		605,647
Total Prior Period Adjustment	$	4,439,615

Note 14: Effect of Deferred Amounts on Net Position

The governmental activities' unrestricted net position amount of $ (45,287,506) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflows of resources related to pensions in the amount of $388,282 resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2022. The $ 2,389,980 balance of the deferred outflows of resources related to pensions at September 30, 2021, will be recognized in pension expense over the next 3 years.

The governmental activities' unrestricted net position amount of $ (45,287,506) includes the effect of deferred inflows of resources related to pensions. The $ 5,887,328 balance of the deferred inflows of resources related to pensions at September 30, 2021, will be recognized in pension expense over the next 4 years.

The business-type activities' unrestricted net position amount of $ (1,781,843) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflows of resources related to pension in the amount of $ 39,607 resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2022. The $ 427,490 balance of the deferred outflows of resources related to pensions at September 30, 2021, will be recognized in pension expense over the next 3 years.

Note 14: Effect of Deferred Amounts on Net Position (Continued)

The business-type activities' unrestricted net position amount of $ (1,781,843) includes the effect of deferred inflows of resources related to pensions. The $ 792,306 balance of the deferred inflows of resources related to pensions at September 30, 2021, will be recognized in pension expense over the next 4 years.

The business-type activities' restricted net position amount of $ 4,550,440 includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflows of resources related to pension in the amount of $ 342,855 resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2022. The $ 1,104,452 balance of the deferred outflows of resources related to pensions at September 30, 2021, will be recognized in pension expense over the next 3 years.

The business-type activities' restricted net position amount of $ 4,550,440 includes the effect of deferred inflows of resources related to pensions. The $ 1,477,173 balance of the deferred inflows of resources related to pensions at September 30, 2021, will be recognized in pension expense over the next 4 years.

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 are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes.

Management of the City of Starkville, Mississippi evaluated the activity of the City through June 26, 2023, the date the financial statements were available to be issued, and determined that there were no subsequent events that should be noted in the financial statements.

City of Starkville, Mississippi
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual (Non-GAAP Budgetary Basis) - General Fund
For the Year Ended September 30, 2021

	Original Budget	Revisions	Revised Budget	Actual	Variance
REVENUES					
General property taxes	$ 8,155,000	-	8,155,000	8,078,255	(76,745)
Licenses and permits	226,250	3,000	229,250	354,489	125,239
Intergovernmental	11,518,091	1,548,760	13,066,851	13,939,384	872,533
Fines and forfeitures	422,500	53,000	475,500	678,915	203,415
Charges for services	494,408	17,660	512,068	41,087	(470,981)
Other revenues	1,403,200	28,197	1,431,397	3,598,881	2,167,484
Total Revenues before Prior Year Fund Balance	22,219,449	1,650,617	23,870,066	26,691,011	2,820,945
Prior year fund balance:					
Appropriated for current year budget	2,400,000	-	2,400,000	-	(2,400,000)
Total Revenues and Prior Year Fund Balance	24,619,449	1,650,617	26,270,066	26,691,011	420,945
EXPENDITURES					
General government	3,552,815	389,279	3,942,094	4,393,338	(451,244)
Public safety:					
Police	6,135,555	334,082	6,469,637	5,795,597	674,040
Fire	5,412,455	104,841	5,517,296	4,823,419	693,877
Public inspection	327,615	(73,850)	253,765	239,075	14,690
Civil defense	22,500	(12,150)	10,350	8,079	2,271
Highways and streets	1,691,923	41,155	1,733,078	1,522,315	210,763
Health and sanitation	230,970	-	230,970	201,617	29,353
Culture and recreation	3,259,113	364,799	3,623,912	1,756,605	1,867,307
Capital outlay	3,933,786	(163,314)	3,770,472	2,135,650	1,634,822
Debt service	2,543,237	94,845	2,638,082	2,872,511	(234,429)
Total Expenditures	27,109,969	1,079,687	28,189,656	23,748,206	4,441,450
Excess (deficiency) of revenues over (under) expenditures	(2,490,520)	570,930	(1,919,590)	2,942,805	4,862,395
OTHER FINANCING SOURCES (USES)					
Other financing sources (uses)	1,901,000	18,590	1,919,590	715,620	(1,203,970)
Net other financing sources (uses)	1,901,000	18,590	1,919,590	715,620	(1,203,970)
Excess of revenues and other sources over expenditures and other uses	$ (589,520)	589,520	-	3,658,425	3,658,425
Fund balances, October 1, 2020				6,292,091	
Fund balances, September 30, 2021 (Non-GAAP budgetary basis)				$ 9,950,516	

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

City of Starkville, Mississippi
Schedule of the City's Proportionate Share of the Net Pension Liability
(Excluding Starkville Electric Department)
Last 10 Fiscal Years*

	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability	$ 24,862,321	$ 30,003,804	$ 28,206,446	$ 26,575,995	$ 25,103,652	$ 25,575,881	$ 22,392,036
City's proportionate share of the net pension liability	0.168211%	0.160136%	0.161264%	0.159779%	0.151014%	0.143182%	0.144857%
City's covered-employee payroll	$ 11,178,723	$ 9,621,576	$ 9,586,602	$ 9,880,331	$ 9,623,365	$ 9,568,019	$ 9,049,841
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	222.41%	311.84%	294.23%	268.98%	260.86%	267.31%	247.43%
Plan fiduciary net position as a percentage of the total pension liability	70.44%	58.97%	61.59%	62.53%	61.49%	57.47%	61.70%

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

The schedule is presented to illustrate the requirement to show information for 10 years. However, GASB 68 was implemented in FYE 9/30/15, and, until a full 10-year trend is compiled, the City has only presented information for the years in which information is available.

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

City of Starkville, Mississippi
Schedule of the City's Contributions
(Excluding Starkville Electric Department)
Last 10 Fiscal Years

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 1,994,173	$ 1,675,067	$ 1,706,834	$ 1,556,152	$ 1,515,680	$ 1,506,965	$ 1,425,350
Contribution in relation to the contractually required contribution	1,994,173	1,675,067	1,706,834	1,556,152	1,515,680	1,506,965	1,425,350
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City's covered-employee payroll	11,460,764	9,626,822	10,549,036	9,880,331	9,623,365	9,568,019	9,049,841
Contributions as a percentage of covered-employee payroll	17.40%	17.40%	16.18%	15.75%	15.75%	15.75%	15.75%

The schedule is presented to illustrate the requirement to show information for 10 years. However, GASB 68 was implemented in FYE 9/30/15, and, until a full 10-year trend is compiled, the City has only presented information for the years in which information is available.

Effective 7/1/19, the employer contribution rate increased from 15.75% of covered payroll to 17.40%. The City paid all required contributions at the legal rate.

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

<u>Budgetary Comparison Schedule</u>

NOTE 1 – BASIS OF PRESENTATION

The Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) presents the original legally adopted budget, the final legally adopted budget, the actual data on the GAAP basis, variances between the original budget and the final budget, and variances between the final budget and the actual data.

NOTE 2 – BUDGET AMENDMENTS AND REVISIONS

The budget is adopted by the Board of Alderman. Amendments can be made on the approval of the Board. By statute, final budget revisions must be approved on or before October 15. A budgetary comparison for the general fund and each major special revenue fund is presented on a cash basis of accounting.

<u>Pension Schedules</u>

NOTE 1 – CHANGES OF ASSUMPTIONS

<u>2015</u>

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.

2016

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

2017

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

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

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

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

2019

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

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

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

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

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%.

<u>2021</u>

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 the 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 PubG.H-2010 Disabled Table for disabled retirees with the following adjustments:

- For males, 134% of male rates at all ages.
- For females, 121% of female rates at all ages.
- Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
- The expectation of contingent annuitant mortality was based on PubS.H-2010(B).

Contingent Annuitant Table with the following adjustments:

- For males, 97% of male rates at all ages.
- For females, 110% of female rates at all ages.
- Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
- The price inflation assumption was reduced from 2.75% to 2.40%.
- The wage inflation assumption was reduced from 3.00% to 2.65%.
- The investment rate of return assumption was changed from 7.75% to 7.55%.
- The assumed load for administrative expenses was increased from 0.25% to 0.28% of payroll.
- Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to reflect actual experience more closely.
- The percentage of active member disabilities assumed to be in the line of duty was increased from 9.00% to 12.00%.
- The percentage of active member deaths assumed to be in the line of duty was decreased from 6.00% to 4.00%.

NOTE 2 – CHANGES IN BENEFIT PROVISIONS

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 five percent.

NOTE 3 – METHOD AND ASSUMPTIONS USED IN CALCULATIONS OF ACTUARIALLY DETERMINED CONTRIBUTIONS

Method and assumptions used in calculations of actuarially determined contributions:

The actuarially determined contribution rates in the schedule of employer contributions are calculated as June 30, two years prior to the end of the fiscal year in which contributions are reported (June 30, 2019 valuation for the June 30, 2021 fiscal year end). The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in that schedule:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	28.8 years
Asset valuation method	5-year smoothed market
Price inflation	2.75%
Salary increase	3.00% to 18.25%, including inflation
Investment rate of return	7.55%, net of pension plan investment expense, including inflation

City of Starkville, Mississippi
Combining Balance Sheet by Activity
General Fund
September 30, 2021

	General Activities	Restricted Police Activities	Restricted Fire Activities	Airport Activities	Payroll Clearing	Accounts Payable Clearing	Total General Fund
Assets							
Cash and cash equivalents	$ 9,416,202				158,952	97,952	9,673,106
Cash - restricted		(27,726)	(52,026)	746,823			667,071
Receivables (Net)							
Accounts	1,021,942						1,021,942
Due from other departments	4,302				2		4,304
Due from other funds	100,000				73,680		173,680
Total Assets	$ 10,542,446	(27,726)	(52,026)	746,823	232,634	97,952	11,540,103
Liabilities							
Accounts payable	$ 1,079,177	3,757		23,587		97,952	1,204,473
Accrued Liabilities					132,634		132,634
Due to other departments	78,800						78,800
Due to other funds	73,680				100,000		173,680
Total Liabilities	1,231,657	3,757	-	23,587	232,634	97,952	1,589,587
Fund Equity							
Fund balances - restricted							
Restricted for fire protection							-
Restricted for police protection							-
Restricted for airport projects				723,236			723,236
Fund balances - unassigned	9,310,789	(31,483)	(52,026)				9,227,280
Total Fund Equity	9,310,789	(31,483)	(52,026)	723,236	-	-	9,950,516
Total Liabilities and Fund Equity	$ 10,542,446	(27,726)	(52,026)	746,823	232,634	97,952	11,540,103

City of Starkville, Mississippi
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance by Activity
General Fund
For the Year Ended September 30, 2021

	General Activities	Restricted Police Activities	Restricted Fire Activities	Airport Activities	Total
Revenues					
Taxes					
General property taxes	$ 8,078,255				8,078,255
Licenses and permits					
Privilege license	68,111				68,111
Permits and inspections	224,356				224,356
Franchise fees	62,022				62,022
Intergovernmental					
Federal					
DUI	68,830				68,830
JAG	81,815				81,815
FAA				35,065	35,065
COVID reimbursements	9,890				9,890
Homeland security grants	11,052				11,052
Other	164,204			277,519	441,723
State of Mississippi					
General sales and use tax	9,036,034				9,036,034
Liquor licenses	78,900				78,900
Municipal aid - gas tax	23,727				23,727
Law enforcement assistance grants	30,395	13,853			44,248
Municipal aid	11,913				11,913
Homestead	231,790				231,790
Tennesse Valley Authority	397,030				397,030
COVID reimbursements	562,801				562,801
Emergency road and bridge fund	1,369,084				1,369,084

City of Starkville, Mississippi
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance by Activity
General Fund
For the Year Ended September 30, 2021

	General Activities	Restricted Police Activities	Restricted Fire Activities	Airport Activities	Total
Miscellaneous	45,000		3,575		48,575
Oktibbeha County and Mississippi State					
Road maintenance	807,160				807,160
Airport support				47,005	47,005
Fire control	600,000				600,000
Lieu of tax	8,379				8,379
TIF Reimbursement	24,363				24,363
Fines and forfeits	678,915				678,915
Interest income	14,876				14,876
Penalties and interest	26,211				26,211
Miscellaneous					
Administration/Electric	1,571,536				1,571,536
Administration/Sanitation	50,000				50,000
Atmos Energy	97,582				97,582
Rents	62,183			99,957	162,140
TV Cable Franchise	154,852				154,852
Administration/Water	75,000				75,000
Administration/Airport	12,500				12,500
Telephone Utility Tax	25,723				25,723
Parks and Recreation Fees, Donations and Grants	105,766				105,766
Housing Project Tax	52,544				52,544
Other	553,854		200,000	537,384	1,291,238
Total Revenues	25,476,653	13,853	203,575	996,930	26,691,011

Expenditures

City of Starkville, Mississippi
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance by Activity
General Fund
For the Year Ended September 30, 2021

	General Activities	Restricted Police Activities	Restricted Fire Activities	Airport Activities	Total
General government:					
Legislative					
Personnel services	216,778				216,778
Contractual services	15,912				15,912
Total Legislative	232,690	-	-	-	232,690
Judicial					
Personnel services	339,621				339,621
Supplies	7,166				7,166
Contractual services	20,230				20,230
Capital outlay	16,432				16,432
Total Judicial	383,449	-	-	-	383,449
Executive					
Personnel services	502,908				502,908
Supplies	1,776				1,776
Contractual services	273,461				273,461
Capital outlay	51,007				51,007
Total Executive	829,152	-	-	-	829,152
Elections					
Supplies	1,561				1,561
Contractual services	7,601				7,601
Total Elections	9,162	-	-	-	9,162
City Clerk and Tax Collector					
Personnel services	390,221				390,221
Contractual services	50,000				50,000
Total City Clerk and Tax Collector	440,221	-	-	-	440,221

City of Starkville, Mississippi
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance by Activity
General Fund
For the Year Ended September 30, 2021

	General Activities	Restricted Police Activities	Restricted Fire Activities	Airport Activities	Total
Legal					
Personnel services	70,023				70,023
Contractual services	221,131				221,131
Total Legal	291,154	-	-	-	291,154
City Planner					
Personnel services	287,161				287,161
Supplies	1,803				1,803
Contractual services	62,833				62,833
Capital outlay	20,287				20,287
Total City Planner	372,084	-	-	-	372,084
Other Administrative					
Personnel services	248,682				248,682
Supplies	13,838				13,838
Contractual services	90,963				90,963
Capital outlay	4,045				4,045
Total Other Administrative	357,528	-	-	-	357,528

City of Starkville, Mississippi
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance by Activity
General Fund
For the Year Ended September 30, 2021

	General Activities	Restricted Police Activities	Restricted Fire Activities	Airport Activities	Total
City Hall					
Personnel services					-
Supplies	4,529				4,529
Contractual services	138,104				138,104
Capital outlay	25,547				25,547
Total City Hall	168,180	-	-	-	168,180
Other Miscellaneous					
Personnel services	311,723			116,539	428,262
Supplies	9,760			405,770	415,530
Contractual services	77,881			101,339	179,220
Capital outlay	10,896			275,810	286,706
Total Other Miscellaneous	410,260	-	-	899,458	1,309,718
Total General Government	3,493,880	-	-	899,458	4,393,338
Public Safety					
Public Safety - Police and E911					
Personnel services	4,817,937				4,817,937
Supplies	276,306	9,025			285,331
Contractual services	654,447	1,137			655,584
Capital outlay	36,745				36,745
Total Public Safety - Police and E911	5,785,435	10,162	-	-	5,795,597
Public Safety - Fire					
Personnel services	4,224,083				4,224,083
Supplies	107,509		506		108,015
Contractual services	267,605		5,620		273,225

City of Starkville, Mississippi
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance by Activity
General Fund
For the Year Ended September 30, 2021

	General Activities	Restricted Police Activities	Restricted Fire Activities	Airport Activities	Total
Capital outlay	218,096		-		218,096
Total Public Safety - Fire	4,817,293	-	6,126	-	4,823,419
Public Safety - Public Inspection					
Personnel services	218,413				218,413
Supplies	6,656				6,656
Contractual services	14,006				14,006
Total Public Safety - Public Inspection	239,075	-	-	-	239,075
Public Safety - Civil Defense					
Contractual services	8,079				8,079
Capital outlay					-
Total Public Safety - Civil Defense	8,079	-	-	-	8,079
Public Safety - Other					
Capital outlay					-
Total Public Safety - Other	-	-	-	-	-
Total Public Safety	10,849,882	10,162	6,126	-	10,866,170

City of Starkville, Mississippi
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance by Activity
General Fund
For the Year Ended September 30, 2021

	General Activities	Restricted Police Activities	Restricted Fire Activities	Airport Activities	Total
Highways and Streets					
City Streets					
Personnel services	665,353				665,353
Supplies	238,837				238,837
Contractual services	133,964				133,964
Capital outlay	39,063				39,063
Total City Streets	1,077,217	-	-	-	1,077,217
Street Lights					
Contractual services	445,098				445,098
Total Street Lights	445,098	-	-	-	445,098
Total Highways and Streets	1,522,315	-	-	-	1,522,315
Health and Sanitation					
Health and welfare - animals					
Personnel services	69,580				69,580
Supplies	2,772				2,772
Contractual services	4,265				4,265
Transfer to Humane Society	125,000				125,000
Total Health and Welfare - Animals	201,617	-	-	-	201,617
Total Health and Sanitation	201,617	-	-	-	201,617

City of Starkville, Mississippi
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance by Activity
General Fund
For the Year Ended September 30, 2021

	General Activities	Restricted Police Activities	Restricted Fire Activities	Airport Activities	Total
Culture and Recreation					
Parks and Recreation					
Personnel services	848,601				848,601
Supplies	179,800				179,800
Contractual services	588,496				588,496
Library	51,947				51,947
Total Parks and Recreation	1,668,844	-	-	-	1,668,844
Total Culture and Recreation	1,668,844	-	-	-	1,668,844
Economic Development and Assistance					
Contractual services	50,000				50,000
Capital Outlay					-
Total Economic Delopment and Assistance	50,000	-	-	-	50,000
Debt Service					
Principal	1,919,948		185,472		2,105,420
Interest	765,004		2,087		767,091
Total Debt Service	2,684,952	-	187,559	-	2,872,511

City of Starkville, Mississippi
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance by Activity
General Fund
For the Year Ended September 30, 2021

	General Activities	Restricted Police Activities	Restricted Fire Activities	Airport Activities	Total
Miscellaneous					
Capital outlays	2,089,580	7,149		38,921	2,135,650
Other miscellaneous	87,761				87,761
Total Miscellaneous	2,177,341	7,149	-	38,921	2,223,411
Total Expenditures	22,648,831	17,311	193,685	938,379	23,798,206
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,827,822	(3,458)	9,890	58,551	2,892,805
Other Financing Sources (Uses)					
Operating transfers in	183,859			23,946	207,805
Operating transfers out	(75,519)				(75,519)
Sale of cemetery plots	2,000				2,000
Inception of capital leases	631,334				631,334
Total Other Financing Sources (Uses)	741,674	-	-	23,946	765,620
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	3,569,496	(3,458)	9,890	82,497	3,658,425

City of Starkville, Mississippi
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance by Activity
General Fund
For the Year Ended September 30, 2021

	General Activities	Restricted Police Activities	Restricted Fire Activities	Airport Activities	Total
Fund Balances					
09/30/2020	5,741,293	(28,025)	(61,916)	640,739	6,292,091
09/30/2021	$ 9,310,789	(31,483)	(52,026)	723,236	9,950,516

City of Starkville, Mississippi
Balance Sheet - Non-Major Governmental Funds
September 30, 2021

	Special Revenue Fund	Capital Projects Fund	Total
ASSETS			
Cash and cash equivalents	$ 3,041		3,041
Cash - restricted		3,292,855	3,292,855
Due from other departments		113,013	113,013
Total Assets	$ 3,041	3,405,868	3,408,909
LIABILITIES			
Accounts payable	$	209,239	209,239
Total Liabilities	-	209,239	209,239
FUND BALANCES			
Restricted for capital projects		3,196,629	3,196,629
Fund balances - assigned for budgetary purposes	3,041		3,041
Total Fund Balances	3,041	3,196,629	3,199,670
Total Liabilities and Fund Balances	$ 3,041	3,405,868	3,408,909

City of Starkville, Mississippi
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Non-Major Governmental Funds
For the Year Ended September 30, 2021

	Special Revenue Fund	Capital Projects Fund	Total
Revenues			
Intergovernmental:			
BUILD grant	$	345,542	345,542
Special 1% Tax		1,302,755	1,302,755
Special 2% Tax		949,339	949,339
Interest income		6,986	6,986
Miscellaneous income	47,957	140,817	188,774
Total Revenues	47,957	2,745,439	2,793,396
Expenditures			
Debt Service:			
Principal		390,000	390,000
Interest		986,900	986,900
Capital outlay		3,867,562	3,867,562
Miscellaneous	133,983	894	134,877
Total Expenditures	133,983	5,245,356	5,379,339
Excess (Deficiency) of Revenues Over (Under) Expenditures	(86,026)	(2,499,917)	(2,585,943)
Other Financing Sources (Uses)			
Operating transfers in	42,714		42,714
Operating transfers out		(175,000)	(175,000)
Total Other Financing Sources (Uses)	42,714	(175,000)	(132,286)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(43,312)	(2,674,917)	(2,718,229)
Fund Balances			
09/30/2020	46,353	5,871,546	5,917,899
09/30/2021	$ 3,041	3,196,629	3,199,670

City of Starkville, Mississippi
Statement of Net Position - Non-Major Enterprise Funds
September 30, 2021

	Landfill Fund
ASSETS	
Current assets:	
Cash and cash equivalents	$ 387,737
Total current assets	387,737
Non-current assets:	
Capital assets:	
Fixed assets, net of depreciation	98,115
Total non-current assets	98,115
Total Assets	485,852
Total Assets and Deferred Outflows of Resources	$ 485,852
NET POSITION	
Invested in capital assets, net of related debt	98,115
Unrestricted	387,737
Total Net Position	485,852
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 485,852

City of Starkville, Mississippi
Statement of Revenues, Expenses, and Changes in Fund Net Position -
Non-Major Enterprise Funds
For the Year Ended September 30, 2021

	Landfill Fund
OPERATING REVENUES	
Charges for services	$ 241,864
Total operating revenues	241,864
OPERATING EXPENSES	
Operating and maintenance	52,493
Depreciation	65
Total operating expenses	52,558
Operating profit	189,306
NON-OPERATING REVENUES (EXPENSES)	
Transfers in	280
Change in net position	189,586
Total net position, beginning	296,266
Total net position, ending	$ 485,852

City of Starkville, Mississippi
Statement of Cash Flows - Non-Major Enterprise Funds
For the Year Ended September 30, 2021

	Landfill Fund
Cash Flows from Operating Activities	
Cash received from customers	$ 241,864
Cash paid to suppliers	(582)
Net cash flows provided by operating activities	241,282
Cash Flows from Noncapital Financing Activities	
Cash deficit covered by pooled cash	
Transfers	280
Net cash flows provided by noncapital financing activities	280
Cash Flows from Capital and Related Financing Activities	
Other receipts (payments)	
Net cash flows provided by capital and related financing activities	-
Cash Flows from Investing Activities	
Receipt of interest	
Net cash flows provided by investing activities	-
Net change in cash	241,562
Cash and cash equivalents, October 1, 2020	146,175
Cash and cash equivalents, September 30, 2021	$ 387,737
Reconciliation of Operating Income to Net Cash Flows from Operating Activities:	
Operating Income	$ 189,306
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	65
Changes in operating assets and liabilities:	
Decrease in receivables	51,911
Total adjustments	51,976
Net cash used in operating activities	$ 241,282

City of Starkville, Mississippi
Schedule of Surety Bonds for Municipal Officials
September 30, 2021

Name	Position	Bonding Company	Bond Amount
Lynn Spruill	Mayor	Travelers Casualty	$ 100,000
Sandra Sistrunk	Alderman	Travelers Casualty	$ 100,000
Ben Carver	Alderman	Travelers Casualty	$ 100,000
Jeffrey Rupp	Alderman	Travelers Casualty	$ 100,000
William Michael Brooks	Alderman	Travelers Casualty	$ 100,000
Preston Beatty	Alderman	Travelers Casualty	$ 100,000
Roy A. Perkins	Alderman	Travelers Casualty	$ 100,000
Henry Vaughn, Sr.	Alderman	Travelers Casualty	$ 100,000
Lesa Hardin	City Clerk	Western Surety Co.	$ 50,000
Joanna McLaurin	Grants Coordinator	Western Surety Co.	$ 50,000
Lashonda Wilson	Accounts Receivable Clerk	Western Surety Co.	$ 50,000
Jameika Smith	Accounting Assistant	Western Surety Co.	$ 50,000
Karen Patricia Crecink	Payroll Clerk	Western Surety Co.	$ 50,000
Mary Ivy	Payroll Clerk	Western Surety Co.	$ 50,000
Leanne McGarr	Deputy Clerk	Western Surety Co.	$ 50,000
Alexis Robinson	Deputy Court Clerk	Western Surety Co.	$ 50,000
Jodi Leigh Hogue	Court Clerk	Western Surety Co.	$ 50,000
Vanyette Shay Holmes	Deputy Court Clerk	Western Surety Co.	$ 50,000
Chana Brooks	Deputy Court Clerk	Western Surety Co.	$ 50,000
Monica Lairy	Court Clerk	Western Surety Co.	$ 50,000
Christopher P. Thompson	Deputy Court Clerk	Western Surety Co.	$ 50,000
Edward Schultz	Deputy Court Clerk	Western Surety Co.	$ 50,000
Leigh Ann Sallis	Court Clerk	Western Surety Co.	$ 50,000
Alicia Hu	Deputy Court Clerk	Western Surety Co.	$ 50,000
Charles Yarbrough	Fire Chief	Western Surety Co.	$ 50,000
Lashonda Malone	Executive Admin Asst.	Western Surety Co.	$ 50,000
Mark Ballard	Police Chief	Western Surety Co.	$ 50,000
Paul Stratton Woods, Jr.	Police Officer	Western Surety Co.	$ 50,000
Steven Shane Kelly	Police Officer	Western Surety Co.	$ 50,000
Bobby Donte Thomas	Police Officer	Western Surety Co.	$ 50,000
Thomas Roberson	Police Officer	Western Surety Co.	$ 50,000
Jonathan Headley	Police Officer	Western Surety Co.	$ 50,000
Scotty Carrithers	Narcotics Agent	Western Surety Co.	$ 50,000
Matthew Davis	Police Officer	Western Surety Co.	$ 25,000
Kenneth Watkins	Police Officer	Western Surety Co.	$ 50,000
Parker Madeen	Corporal	Western Surety Co.	$ 50,000
James Justin Jarvis	Detective	Western Surety Co.	$ 50,000
Garrett Peters Mittan	Detective	Western Surety Co.	$ 50,000
Caryl Elise Pritchard	Staff Support - Police Dept.	Western Surety Co.	$ 50,000
Donna B. Lott	Staff Support - Police Dept.	Western Surety Co.	$ 50,000
Jerald Lyle McCaskey	Code Compliance	Western Surety Co.	$ 50,000
Molly Bears	Permit Technician	Western Surety Co.	$ 50,000
Rodney Lincoln	Airport Director	Western Surety Co.	$ 50,000
Brandon Doherty	Director of Parks & Rec.	Western Surety Co.	$ 50,000
Gerry Michael Logan, Jr.	Director of Sports & Rec.	Western Surety Co.	$ 50,000
Preston Trent Helms	Director of Maint. Parks & Rec.	Western Surety Co.	$ 50,000
Michael Tate	Supervisor	Western Surety Co.	$ 50,000
Keith Thompson	Gym Supervisor Parks & Rec.	Western Surety Co.	$ 50,000
Kaneshia Hendrix	Park Admin. Assistant	Western Surety Co.	$ 50,000
Timothy Neal	Admin. Asst. Parks & Rec.	Western Surety Co.	$ 50,000
Samuel Willcutt	Admin. Asst. Parks & Rec.	Western Surety Co.	$ 50,000

City of Starkville, Mississippi
Schedule of Bonded Indebtedness
September 30, 2021

Name and Date	Maturity Date	Interest Percent	Balance 9/30/2020	Transactions Issued	Transactions Redeemed	Balance 9/30/2021
General Obligation Bonds						
Governmental Activities:						
2018 Refunding Bond-City Hall	5/1/2021	3.00	-			-
	5/1/2022	3.00	-			-
	5/1/2023	3.00	-			-
	5/1/2024	3.00	290,000			290,000
	5/1/2025	3.00	320,000			320,000
	5/1/2026	3.00	335,000			335,000
	Thereafter	3.00	2,790,000			2,790,000
			3,735,000	-	-	3,735,000
TIF Revenue Bonds, Series 2011	5/1/2021	4.50	40,000		40,000	-
	5/1/2022	4.50	42,000			42,000
	5/1/2023	4.50	44,000			44,000
	5/1/2024	4.50	46,000			46,000
	5/1/2025	4.50	48,000			48,000
Total			220,000	-	40,000	180,000
GO Utililty Refunding Bonds, Series 2015	6/1/2021	3.00	115,000		115,000	-
	6/1/2022	3.00	120,000			120,000
	6/1/2023	3.00	120,000			120,000
	6/1/2024	3.00	125,000			125,000
	6/1/2025	2.50	130,000			130,000
	6/1/2026	2.50	135,000			135,000
Total	Thereafter	2.50 - 3.00	1,445,000			1,445,000
			2,190,000	-	115,000	2,075,000
TIF Revenue Bonds, Series 2016	7/1/2021	5.00	110,000		110,000	-
	7/1/2022	5.00	115,000			115,000
	7/1/2023	5.00	120,000			120,000
	7/1/2024	5.00	125,000			125,000
	7/1/2025	5.00	135,000			135,000
Total	7/1/2026	5.00	140,000			140,000
			745,000	-	110,000	635,000
GO Public Improvement Bonds, Series 2016A	7/1/2021	5.00	120,000		120,000	-
	7/1/2022	5.00	125,000			125,000
	7/1/2023	5.00	130,000			130,000
	7/1/2024	5.00	130,000			130,000
	7/1/2025	5.00	135,000			135,000
	7/1/2026	5.00	140,000			140,000
Total	Thereafter	5.00	1,885,000			1,885,000
			2,665,000	-	120,000	2,545,000
GO Public Improvement Bonds, Series 2016B	7/1/2021	5.00	95,000		95,000	-
	7/1/2022	5.00	100,000			100,000
	7/1/2023	5.00	105,000			105,000
	7/1/2024	5.00	110,000			110,000
	7/1/2025	5.00	115,000			115,000
	7/1/2026	5.00	115,000			115,000
Total	Thereafter	5.00	1,490,000			1,490,000
			2,130,000	-	95,000	2,035,000
GO Development Bonds, Series 2017	7/1/2021	5.00	350,000		350,000	-
	7/1/2022	5.00	350,000			350,000
	7/1/2023	5.00	350,000			350,000
	7/1/2024	5.00	350,000			350,000
	7/1/2025	5.00	350,000			350,000
	7/1/2026	5.00	350,000			350,000
Total	Thereafter	5.00	4,200,000			4,200,000
			6,300,000	-	350,000	5,950,000

City of Starkville, Mississippi
Schedule of Bonded Indebtedness
September 30, 2021

GO Refunding Bonds, Series 2018	6/1/2021	5.00	320,000		320,000	-
	6/1/2022	5.00	335,000			335,000
	6/1/2023	5.00	350,000			350,000
	6/1/2024	5.00	380,000			380,000
	6/1/2025	5.00	375,000			375,000
	6/1/2026	5.00	390,000			390,000
Total	Thereafter	5.00	400,000			400,000
			2,550,000	-	320,000	2,230,000
MSDB Special Obligation Bond, Series 2018	5/1/2021	5.00	395,000		395,000	-
	5/1/2022	5.00	405,000			405,000
	5/1/2023	5.00	415,000			415,000
	5/1/2024	5.00	430,000			430,000
	5/1/2025	5.00	440,000			440,000
	5/1/2026	5.00	455,000			455,000
	Thereafter	5.00	1,960,000			1,960,000
Total			4,500,000		395,000	4,105,000
MSDB Special Obligation Bond, Series 2018	11/1/2021	2.32	164,000		164,000	-
	11/1/2022	2.32	169,000		-	169,000
	11/1/2023	2.32	173,000			173,000
	11/1/2024	2.32	178,000			178,000
	11/1/2025	2.32	183,000			183,000
	11/1/2026	2.32	188,000			188,000
	Thereafter	2.32	1,945,000			1,945,000
Total			3,000,000	-	164,000	2,836,000
MSDB Special Obligation Bond, Series 2020A	9/30/2021					-
	9/30/2022					-
	9/30/2023	1.75	55,000			55,000
	9/30/2024	1.75	55,000			55,000
	9/30/2025	3.00	60,000			60,000
	9/30/2026	3.00	60,000			60,000
	Thereafter	3.00-5.00	14,070,000			14,070,000
Total			14,300,000	-	-	14,300,000
MSDB Special Obligation Bond, Series 2020B	3/1/2021	3.00	70,000		70,000	-
	3/1/2022	3.00	85,000			85,000
	3/1/2023	3.00	30,000			30,000
	3/1/2024	3.00	30,000			30,000
	3/1/2025	3.00	30,000			30,000
	3/1/2026	3.00	30,000			30,000
	Thereafter	2.50-4.00	9,560,000			9,560,000
Total			9,835,000	-	70,000	9,765,000
Total Bond Liability, Governmental Activities			52,170,000	-	1,779,000	50,391,000
Business-type Activities:						
GO Utility Refunding Bonds, Series 2011	4/1/2021	4.50	315,000		315,000	-
Total			315,000	-	315,000	-
GO Utility Refunding Bonds, Series 2013	6/30/2021	2.00	175,000		175,000	-
Total			175,000	-	175,000	-
Utility Revenue Bonds, Series 2019	5/1/2021	3.00	350,000		350,000	-
	5/1/2022	3.00	365,000			365,000
	5/1/2023	4.00	380,000			380,000
	5/1/2024	4.00	395,000			395,000
	5/1/2025	4.00	410,000			410,000
	5/1/2026	4.00	425,000			425,000
	Thereafter	3.00-4.00	7,340,000			7,340,000
Total			9,665,000	-	350,000	9,315,000
Electric System Revenue Bonds, Series 2020	3/1/2021	2.38	455,000		455,000	-
	3/1/2022	2.38	470,000			470,000
	3/1/2023	2.25	485,000			485,000
	3/1/2024	2.25	500,000			500,000
	3/1/2025	2.25	515,000			515,000
	3/1/2025	2.13	530,000			530,000
	Thereafter	1.75-2.125	5,545,000			5,545,000
Total			8,500,000	-	455,000	8,045,000

City of Starkville, Mississippi
Schedule of Bonded Indebtedness
September 30, 2021

GO Utility Refunding Bond Series 2012	FY21	2.12	176,791		176,791	-
	FY22	2.12	180,257			180,257
	FY23	2.12	184,116			184,116
	FY24	2.12	188,058			188,058
	FY25	2.12	192,083			192,083
	FY26	2.12	196,195			196,195
	Thereafter	2.12	192,614			192,614
			1,310,114	-	176,791	1,133,323
Total Bond Liability, Business-type Activities			19,965,114	-	1,471,791	18,493,323
Total Bond Liability			$ 72,135,114	-	3,250,791	68,884,323

City of Starkville, Mississippi
Schedule of Long-Term Notes
September 30, 2021

Payee	Maturity Date	Interest Percent	Balance 9/30/2020	Transactions Issued	Transactions Redeemed	Balance 9/30/2021
Notes Payable						
Governmental Activities:						
Capital Improvements-2 Toyota Tacomas						
	FY21	2.59%	3,511		3,511	-
Total			3,511	-	3,511	-
Capital Improvements - Ford F250 And 2 Toyota Tacomas						
	FY21	2.59%	10,410		10,410	-
	FY22	2.59%	10,682			10,682
Total			21,092	-	10,410	10,682
Capital Improvements - City Hall						
	FY21	2.50%	350,000		350,000	-
	FY22	2.50%	360,000			360,000
	FY23	2.75%	370,000			370,000
Total			1,080,000	-	350,000	730,000
2018 Ford F-150						
	FY21	2.17%	6,011		6,011	-
	FY22	2.17%	4,609			4,609
Total			10,620	-	6,011	4,609
2019 John Deere Park Mower						
	FY21	3.49%	16,679		16,679	-
	FY22	3.49%	17,268			17,268
	FY23	3.49%	8,862			8,862
Total			42,809	-	16,679	26,130
2019 Nissan Kicks						
	FY21	4.08%	3,224		3,224	-
	FY22	4.08%	3,357			3,357
	FY23	4.08%	3,496			3,496
Total			10,077	-	3,224	6,853
2019 Street Excavator						
	FY21	3.43%	26,426		26,426	-
	FY22	3.43%	27,344			27,344
	FY23	3.43%	28,294			28,294
	FY24	3.43%	29,277			29,277
	FY25	3.43%	30,294			30,294
	FY26	3.43%	7,736			7,736
Total			149,371	-	26,426	122,945
2 Pumper Trucks						
	FY21		68,931		68,931	-
	FY22		71,265			71,265
	FY23		73,679			73,679
	FY24		76,173			76,173
	FY25		78,753			78,753
	FY26		81,420			81,420
	Thereafter		450,374			450,374
Total			900,595	-	68,931	831,664
Fire Truck						
	FY 21		110,530		110,530	-
	FY 22		100,610			100,610
	FY 23		102,310			102,310
	FY 24		104,039			104,039
	FY 25		105,797			105,797
	FY 26		107,585			107,585
	Thereafter		220,655			220,655
Total			851,526	-	110,530	740,996

City of Starkville, Mississippi
Schedule of Long-Term Notes
September 30, 2021

Payee	Maturity Date	Interest Percent	Balance 9/30/2020	Transactions Issued	Transactions Redeemed	Balance 9/30/2021
Notes Payable						
Governmental Activities:						
Asphalt Turck (2021 Kenworth T370						
	FY 21			48,909	48,909	-
	FY 22			65,422		65,422
	FY 23			66,481		66,481
	FY 24			16,788		16,788
	FY 25					
Total			-	197,600	48,909	148,691
Police Dodge Chargers						
	FY 21			71,789	71,789	-
	FY 22			143,593		143,593
	FY 23			145,170		145,170
	FY 24			73,182		73,182
Total			-	433,734	71,789	361,945
Total Notes Payable, Governmental Activities			$ 3,069,601	$ 631,334	$ 716,420	$ 2,984,515

City of Starkville, Mississippi
Schedule of Long-Term Notes
September 30, 2021

Business-type activities:

Payee	Maturity Date	Interest Percent	Balance 9/30/2020	Transactions Issued	Transactions Redeemed	Balance 9/30/2021
Water Pollution Control Revolving Loan						
	FY21	1.75%	208,006		208,006	-
	FY22	1.75%	211,676			211,676
	FY23	1.75%	215,419			215,419
	FY24	1.75%	219,210			219,210
	FY25	1.75%	223,977			223,977
	FY 26	1.75%	36,653			36,653
Total			1,114,941	-	208,006	906,935
Drinking Water Systems Improvements Revolving Loan						
	FY21	2.50%	52,484		52,484	-
	FY22	2.50%	53,811			53,811
	FY23	2.50%	55,172			55,172
	FY24	2.50%	56,567			56,567
	FY25	2.50%	57,998			57,998
	FY26	2.50%	54,452			54,452
Total			330,484	-	52,484	278,000
Water Pollution Control Revolving Loan						
	FY21	2.75%	14,610		14,610	-
	FY22	2.75%	15,917			15,917
	FY23	2.75%	15,436			15,436
	FY24	2.75%	15,865			15,865
	FY25	2.75%	16,307			16,307
	FY26	2.75%	16,981			16,981
	Thereafter	2.75%	39,828			39,828
Total			134,944	-	14,610	120,334
MDA Capital Improvements Loan Prom Note #06-347-CP-01						
	FY21	2.00%	49,071		49,071	-
	FY22	2.00%	49,978			49,978
	FY23	2.00%	50,987			50,987
	FY24	2.00%	52,016			52,016
	FY25	2.00%	53,066			53,066
	FY26	2.00%	54,017			54,017
	Thereafter	2.00%	204,010			204,010
Total			513,145	-	49,071	464,074
Drinking Water Systems Improvements Revolving Loan						
	FY21	2.00%	24,300		24,300	-
	FY22	2.00%	24,749			24,749
	FY23	2.00%	25,248			25,248
	FY24	2.00%	25,758			25,758
	FY25	2.00%	26,278			26,278
	FY26	2.00%	26,788			26,788
	Thereafter	2.00%	105,851			105,851
Total			258,972	-	24,300	234,672

City of Starkville, Mississippi
Schedule of Long-Term Notes
September 30, 2021

Payee	Maturity Date	Interest Percent	Balance 9/30/2020	Transactions Issued	Transactions Redeemed	Balance 9/30/2021
MDA Capital Improvements Loan						
Prom Note #07-347-CP-01						
	FY21	2.00%	36,393		36,393	-
	FY22	2.00%	34,240			34,240
	FY23	2.00%	37,814			37,814
	FY24	2.00%	38,577			38,577
	FY25	2.00%	39,356			39,356
	FY26	2.00%	40,136			40,136
	Thereafter	2.00%	13,340			13,340
Total			239,856	-	36,393	203,463
MDA Capital Improvements Loan	FY21	2.00%	58,112		58,112	-
Prom Note #12-347-CP-01	FY22	2.00%	59,186			59,186
	FY23	2.00%	60,381			60,381
	FY24	2.00%	61,600			61,600
	FY25	2.00%	62,843			62,843
	FY26	2.00%	54,088			54,088
	Thereafter	2.00%	735,116			735,116
Total			1,091,326	-	58,112	1,033,214
MDA Capital Improvements Loan						
Prom Note #17-347-CP-01						
	FY21	2.00%	30,874		30,874	-
	FY22	2.00%	31,444			31,444
	FY23	2.00%	32,079			32,079
	FY24	2.00%	32,727			32,727
	FY25	2.00%	33,387			33,387
	FY26	2.00%	34,047			34,047
	Thereafter	2.00%	496,990			496,990
Total			691,548	-	30,874	660,674
3 Refuse Trucks & Knuckle Boom						
	FY21	2.59%	113,394		113,394	-
	FY22	2.59%	116,331			116,331
	FY23	2.59%	119,344			119,344
	FY24	2.59%	122,435			122,435
	FY25	2.59%	125,606			125,606
Total			597,110	-	113,394	483,716
Street Sweeper Lease	FY21	2.17%	43,291		43,291	-
	FY22	2.17%	44,239			44,239
	FY23	2.17%	7,467			7,467
			-			-
Total			94,997	-	43,291	51,706
Garbage Truck/Front End Loader	FY21	7.00%	37,110		37,110	-
	FY22	7.00%	38,034			38,034
	FY23	7.00%	38,981			38,981
	FY24	7.00%	39,952			39,952
	FY25	7.00%	40,946			40,946
	FY26	7.00%	41,966			41,966
Total			236,989	-	37,110	199,879
MDA Capital Improvements Loan	FY21	2.00%	15,739		15,739	-
Prom Note #16-347-CP-01	FY22	2.00%	16,029			16,029
	FY23	2.00%	16,353			16,353
	FY24	2.00%	16,683			16,683
	FY25	2.00%	17,020			17,020
	FY26	2.00%	17,482			17,482
	Thereafter	2.00%	223,456			223,456
Total			322,762	-	15,739	307,023

City of Starkville, Mississippi
Schedule of Long-Term Notes
September 30, 2021

Payee	Maturity Date	Interest Percent	Balance 9/30/2020	Transactions Issued	Transactions Redeemed	Balance 9/30/2021
MDA Capital Improvements Loan	FY21	2.00%	24,688		24,688	-
Prom Note #16-347-CP-02	FY22	2.00%	25,145			25,145
	FY23	2.00%	25,652			25,652
	FY24	2.00%	26,170			26,170
	FY25	2.00%	26,698			26,698
	FY26	2.00%	27,227			27,227
	Thereafter	2.00%	305,255			305,255
Total			460,835	-	24,688	436,147
MDA Capital Improvements Loan						
Prom Note #17-347-CP-02						
	FY20	2.00%	11,186		11,186	-
	FY21	2.00%	11,393			11,393
	FY22	2.00%	11,623			11,623
	FY23	2.00%	11,857			11,857
	FY24	2.00%	12,097			12,097
	FY25	2.00%	12,314			12,314
	Thereafter	2.00%	189,521			189,521
Total			259,991	-	11,186	248,805
2021 Tractor and Cutter						
	FY21	5.00%		3,954	3,954	-
	FY22	5.00%		2,000		2,000
	FY23	5.00%		23,083		23,083
	FY24	5.00%		23,389		23,389
	FY25	5.00%		17,744		17,744
Total			-	70,170	3,954	66,216
Total Notes Payable, Business-type Activities			6,347,900	70,170	723,212	5,694,858
Total Notes Payable			- $ 9,417,501	$ 701,504	$ 1,439,632	$ 8,679,373

City of Starkville, Mississippi
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2021

Federal Agency/ Pass-through Entity/ Program Title	Catalog of Federal Domestic Assistance Number	Pass-through Grantor's Number	Pass-through to Sub-Recipients	Federal Expenditures
U.S. Department of Justice				
Passed through Mississippi Department of Public Safety:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	$ -	$ 92,866
Total U.S. Department of Justice			-	92,866
U. S. Department of Transportation				
Passed through Mississippi Department of Transportation:				
Airport Improvement Program (ARRA)	20.106	N/A	-	312,583
Highway Planning and Construction (BUILD)	20.205	N/A	-	345,542
Passed through Mississippi Department of Public Safety:				
State and Community Highway Safety	20.600	N/A	-	3,597
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	N/A	-	68,830
Total U. S. Department of Transportation			-	730,552
U.S Department of Treasury				
Direct Program:				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	11,578
Total U.S. Department of Treasury			-	11,578
Appalachian Regional Commission:				
Passed through Tennessee Valley Authority:				
Appalachian Area Development	23.002	N/A	-	408,945
Total Appalachian Regional Commission			-	408,945
U.S. Department of Homeland Security				
Passed through Mississippi Department of Public Safety:				
Assistance to Firefighters Grant	97.044	N/A	-	160,606
Total U.S. Department of Homeland Security			-	160,606
U.S. Army Corps of Engineers				
Direct Program:				
Project Partnership Agreement (Section 592)		N/A	-	110,032
Total U.S. Army Corps of Engineers			-	110,032
Total Expenditures of Federal Awards			$ -	$ 1,514,579

The accompanying notes to Schedule of Expenditures of Federal Awards is an integral part of this schedule.

City of Starkville, Mississippi
Notes to Schedule of Expenditures of Federal Awards
September 30, 2021

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Starkville under programs of the federal government for the year ended September 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Starkville, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City of Starkville.

Note 2: Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Entire program costs, including the City's portion, are more than shown. Such expenditures are recognized following cost principles contained in Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* wherein certain types of expenditures are not allowable or are limited as to reimbursements.

Note 3: Indirect Cost

The City of Starkville has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

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

To the Honorable Mayor and Board of Aldermen
Starkville, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Starkville, Mississippi, as of and for the year ended September 30, 2021, and the related notes to financial statements, which collectively comprise the City of Starkville, Mississippi's basic financial statements and have issued our report thereon dated June 26, 2023.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Watkins Ward and Stafford, PLLC

Starkville, Mississippi
June 26, 2023

WWS

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

To the Honorable Mayor and Board of Alderman
City of Starkville, Mississippi

Report on Compliance for Each Major Federal Program

We have audited the City of Starkville, Mississippi's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Starkville, Mississippi's major federal programs for the year ended September 30, 2021. City of Starkville, Mississippi's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Starkville, Mississippi's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Starkville, Mississippi's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Starkville, Mississippi's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Starkville, Mississippi, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2021.

Report on Internal Control over Compliance

Management of the City of Starkville, Mississippi, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Starkville, Mississippi's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Starkville, Mississippi's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

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.

Watkins Ward and Stafford, PLLC

Starkville, Mississippi
June 26, 2023

WWS

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Professional Limited Liability Company
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

The Honorable Mayor and Board of Aldermen
Starkville, Mississippi

We have audited the financial statements of the City of Starkville, Mississippi, as of and for the year ended September 30, 2021, and have issued our report thereon dated June 26, 2023. 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 our tests and our audit of the financial statements disclosed no material instances of noncompliance with state laws and regulations.

This report is intended for the information and use of the Board of Aldermen, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Watkins Ward and Stafford, PLLC

Starkville, Mississippi
June 26, 2023

City of Starkville, Mississippi
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2021

Section 1: Summary of Auditors' Results

Financial Statements:

Type of auditors' report issued on the financial statements:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Noncompliance material to the financial statements noted?	No

Federal Awards:

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

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
20.106	Airport Improvement Program
23.002	Appalachian Area Development

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as a low-risk auditee?	No
Prior fiscal year audit findings and questioned costs relative to federal awards which would require the auditee to prepare a summary schedule of prior audit findings in accordance with 2 CFR 200.511(b)	No

City of Starkville, Mississippi
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2021

Section 2: Financial Statement Findings

The results of our tests did not disclose any findings related to the financial statements that are required to be reported under *Government Auditing Standards*.

Section 3: Federal Award Findings and Questioned Costs

The results of our tests did not disclose any findings and questioned costs related to federal awards.

14. CONSIDERATION TO PURCHASE 3 (THREE) PORTABLE RADIOS PROGRAMMED FOR USE WITH MSWIN AND MSU RADIO SYSTEMS, AND 3 (THREE) EXTENDED WARRANTIES OFF STATE CONTRACT FROM TELETEC COMMUNICATIONS OF COLUMBUS FOR THE STARKVILLE FIRE DEPARTMENT IN THE AMOUNT OF $ 6,795.00 TO BE PURCHASED WITH GRANT FUNDS.

Upon the motion of Alderman Brooks, duly seconded by Alderman Rupp, and adopted by the Board to approve the August 1, 2023 Official Agenda, and to accept items for consent, whereby the "approval to purchase 3 (three) portable radios programmed for use with MSWIN and MSU radio systems, and 3 (three) extended warranties off state contract from Teletec Communications of Columbus for the Starkville Fire Department in the amount of $6,795.00 to be purchased with grant funds" is enumerated, this consent item is thereby approved.

15. APPROVAL TO HIRE ANTHONY NORWOOD AND TERENCE BOWEN AS RESIDENTIAL DRIVERS IN THE SANITATION & ENVIRONMENTAL SERVICES DEPARTMENT.

Upon the motion of Alderman Brooks, duly seconded by Alderman Rupp, and adopted by the Board to approve the August 1, 2023 Official Agenda, and to accept items for consent, whereby the "approval to hire Anthony Norwood and Terence Bowen as Residential Drivers in the Sanitation & Environmental Services Department" is enumerated, this consent item is thereby approved.

16. APPROVAL TO HIRE JOSH MCNEILL AS AN ACCOUNTANT IN THE UTILITIES DEPARTMENT.

Upon the motion of Alderman Brooks, duly seconded by Alderman Rupp, and adopted by the Board to approve the August 1, 2023 Official Agenda, and to accept items for consent, whereby the "approval to hire Josh McNeill as an Accountant in the Utilities Department" is enumerated, this consent item is thereby approved.

17. CONSIDERATION TO HIRE HELLENTHAL ASH AS A WASTE WATER/SLUDGE OPERATOR IN THE STARKVILLE UTILITIES DEPARTMENT.

Upon the motion of Alderman Brooks, duly seconded by Alderman Rupp, and adopted by the Board to approve the August 1, 2023 Official Agenda, and to accept items for consent, whereby the "approval to hire Hellenthal Ash as a Waste Water/Sludge Operator in the Starkville Utilities Department" is enumerated, this consent item is thereby approved.

18. CONSIDERATION TO HIRE GARY RIVERS AS A GROUNDS MAINTENANCE WORKER FOR THE AIRPORT DEPARTMENT.

Upon the motion of Alderman Brooks, duly seconded by Alderman Rupp, and adopted by the Board to approve the August 1, 2023 Official Agenda, and to accept items for consent, whereby the "approval to hire Gary Rivers as a Grounds Maintenance Worker for the Airport Department" is enumerated, this consent item is thereby approved.

19. CONSIDERATION TO HIRE JAMES REYES AS A STARKVILLE POLICE RADIO OPERATOR (DISPATCHER).

Upon the motion of Alderman Brooks, duly seconded by Alderman Rupp, and adopted by the Board to approve the August 1, 2023 Official Agenda, and to accept items for consent, whereby the "approval to hire James Reyes as a Radio Operator (Dispatcher) in the Starkville Police Department" is enumerated, this consent item is thereby approved.

20. CONSIDERATION OF THE DISCIPLINE RECOMMENDED BY STARKVILLE POLICE CHIEF MARK BALLARD AS A RESULT OF I.A. 23-07-001 FOR A STARKVILLE POLICE OFFICER.

Upon the motion of Alderman Brooks, duly seconded by Alderman Rupp, and adopted by the Board to approve the August 1, 2023 Official Agenda, and to accept items for consent, whereby the "approval of the discipline recommended by Starkville Police Chief Mark Ballard as a result of I.A. 23-07-001 for a Starkville Police Officer" is enumerated, this consent item is thereby approved.

21. CONSIDERATION TO HIRE VANYETTA (SHAY) HOLMES AS THE ASSISTANT COURT CLERK.

Upon the motion of Alderman Brooks, duly seconded by Alderman Rupp, and adopted by the Board to approve the August 1, 2023 Official Agenda, and to accept items for consent, whereby the "approval to hire Vanyetta (Shay) Holmes as Assistant Court Clerk in the Municipal Court Department" is enumerated, this consent item is thereby approved.

22. CONSIDERATION TO AWARD THE LOWEST BID FROM GENTRY SIGNS FOR CORNERSTONE LIGHT POLE BANNERS, DUGOUT BANNERS, AND FACILITY SIGNAGE IN THE AMOUNT OF $15,182.00.

Upon the motion of Alderman Brooks, duly seconded by Alderman Rupp, and adopted by the Board to approve the August 1, 2023 Official Agenda, and to accept items for consent, whereby the "approval of lowest bid from Gentry Signs for Cornerstone Light Pole Banners, Dugout Banners, and facility signage in the amount of $15,182.00" is enumerated, this consent item is thereby approved.

(1) Directory Map rolling stand	$ 1,450.00
(1) Playground dedication Plaque	$ 2,995.00
(69) Light Pole Banners, $118 per,	$ 8,142.00
(11) Dugout Banners, $95 per,	$ 1,045.00
(6) Cornerstone Rule Sign, $175 per,	$ 1,050.00
(4) Cornerstone Directional Sign Arrow, $125 each	$ 500.00
Totaling:	$15,182.00

23. CONSIDERATION TO APPROVE THE T & M STEEL PHASE 3 CHANGE ORDER 13 FOR ADDITIONAL IRRIGATION, SOD, ELECTRICAL PANEL, CONCRETE WORK AND CANOPY AND THE REMOVAL OF HYDROSEEDING AT NO COST.

Upon the motion of Alderman Brooks, duly seconded by Alderman Rupp, and adopted by the Board to approve the August 1, 2023 Official Agenda, and to accept items for consent, whereby the "approval of the Phase 3 change order with T & M for Cornerstone Park for additional irrigation, sod, electrical panel, concrete work and canopy and the removal of hydroseeding at no cost" is enumerated, this consent item is thereby approved.
The change order follows this page.

24. CONSIDERATION TO ACCEPT PHASE 2 CHANGE ORDER 6 WITH T & M FOR CORNERSTONE SPORTS PARK IN THE AMOUNT OF $2,500.00 FOR SOIL TESTING.

Upon the motion of Alderman Brooks, duly seconded by Alderman Rupp, and adopted by the Board to approve the August 1, 2023 Official Agenda, and to accept items for consent, whereby the "approval to accept the Phase 2 Change Order 6 with T & M for Cornerstone Park in the amount of $2,500.00 for soil testing" is enumerated, this consent item is thereby approved. The change order follows the change order in item 23.

Cornerstone Park - Phase 3
CONTRACT CHANGE ORDER FORM

CONTRACT FOR:	Cornerstone Park - Phase 3	CHANGE ORDER NO. 13	
OWNER:	City of Starkville	DATE:	7/18/2023
CONTRACTOR:	T & M Steel Erectors, Inc.		

You are hereby requested to comply with the following changes from the contract plans and specifications:

ITEM NO.	DESCRIPTION OF CHANGES	DECREASE IN CONTRACT AMOUNT	INCREASE IN CONTRACT AMOUNT
1	Delete the Hydroseeding		$0.00
2	Reduce the amount of sod primarily along the walking trail, around Detention areas and outside of the outfield fences		$0.00
3	Add irrigation to all areas receiving new sod		$0.00
4	Add irrigation to the landscape beds on the south side of Batters Blvd.		$0.00
5	Provide concrete base and brick paver splash pads at the Pavilion Concession and Restroom buildings		$0.00
6	Add aluminum canopy over the AC units on the east side of the Pavilion Restroom building		$0.00
7	Add one (1) Knox Box at the Pavilion as required by the Fire Marshall		$0.00
8	Replace dead sod in areas that did not have irrigation		$0.00
9	Provide additional anchorage for Batter's Eye Screens as the perimeter grommets were insufficient		$0.00
10	Additional supervision expense due to weather delays		$0.00
	TOTALS	**$0.00**	**$0.00**
		OVERALL TOTAL	**$0.00**

JUSTIFICATION: .

The amount of the Original Contract was:	$9,073,064.00
Change Order #1 increased the contract amount by:	$7,417.00
Change Order #2 increased the contract amount by:	$35,747.00
Change Order #3 increased the contract amount by:	$7,943.00
Change Order #4 increased the contract amount by:	$103,120.00
Change Order #5 increased the contract amount by:	$0.00
Change Order #6 increased the contract amount by:	$214,894.00
Change Order #7 increased the contract amount by:	$12,773.00
Change Order #8 increased the contract amount by:	$19,380.00
Change Order #9 increased the contract amount by:	$3,000.00
Change Order #10 increased the contract amount by:	$25,000.00
Change Order #11 increased the contract amount by:	$9,971.00
Change Order #12 increased the contract amount by:	$12,564.00
Change Order #13 increased the contract amount by:	$0.00
The Contract Total including this change order will be:	$9,524,873.00

The Original Contract Completion Date was:	April 22, 2022
Change Order 1 increased the Contract Completion Date by the following # of days:	"20"
Change Order 2 increased the Contract Completion Date by the following # of days:	"10"
Change Order 3 increased the Contract Completion Date by the following # of days:	"28"

Change Order 4 increased the Contract Completion Date by the following # of days:	"21"
Change Order 5 increased the Contract Completion Date by the following # of days:	"175"
Change Order 6 increased the Contract Completion Date by the following # of days:	"0"
Change Order 7 increased the Contract Completion Date by the following # of days:	"0"
Change Order 8 increased the Contract Completion Date by the following # of days:	"0"
Change Order 9 increased the Contract Completion Date by the following # of days:	"0"
Change Order 10 increased the Contract Completion Date by the following # of days:	"0"
Change Order 11 increased the Contract Completion Date by the following # of days:	"0"
Change Order 12 increased the Contract Completion Date by the following # of days:	"0"
Change Order 13 increased the Contract Completion Date by the following # of days:	"90"
The new Contract Completion Date will be:	August 31, 2023

This document will become a supplement to the signed contract agreement and all provisions will apply hereto.

Requested	David D'Aquilla **Phase Manager - David D'Aquilla**	07.21.23 **Date**
Recommended	Sam Henry **Project Manager - Sam Henry**	07.18.23 **Date**
Accepted	Tom Snead **Contractor - T & M Steel Erectors, Inc.**	07.18.23 **Date**
Approved	**City of Starkville Mayor Lynn Spruill**	8.1.23 **Date**

Cornerstone Park - Phase 2
CONTRACT CHANGE ORDER FORM

CONTRACT FOR:	Cornerstone Park - Phase 2	CHANGE ORDER NO. 6	
OWNER:	City of Starkville	DATE:	7/26/2023
CONTRACTOR:	T & M Steel Erectors, Inc.		

You are hereby requested to comply with the following changes from the contract plans and specifications:

	DESCRIPTION OF CHANGES	DECREASE IN CONTRACT AMOUNT	INCREASE IN CONTRACT AMOUNT
1	Test and Balancing (Air Balance Professionals)		$2,500.00
	TOTALS	$0.00	$2,500.00
		OVERALL TOTAL	$2,500.00

JUSTIFICATION: Actual test and balance costs exceeded allowance by $2500.

The amount of the Original Contract was:	$3,192,000.00
Change Order #1 increased the contract amount by:	$8,067.42
Change Order #2 increased the contract amount by:	$55,425.00
Change Order #3 increased the contract amount by:	$49,719.00
Change Order #4 increased the contract amount by:	$150,000.00
Change Order #5 increased the contract amount by:	$23,714.00
Change Order #6 increased the contract amount by:	$2,500.00
The Contract Total including this change order will be:	$3,481,425.42

The Original Contract Completion Date was:	October 28, 2021
Change Order 1 increased the Contract Completion Date by the following # of days:	"0"
Change Order 2 increased the Contract Completion Date by the following # of days:	"25"
Change Order 3 increased the Contract Completion Date by the following # of days:	"10"
Change Order 4 increased the Contract Completion Date by the following # of days:	"7"
Change Order 5 increased the Contract Completion Date by the following # of days:	"0"
Change Order 6 increased the Contract Completion Date by the following # of days:	"0"
The new Contract Completion Date will be:	December 9, 2021

This document will become a supplement to the signed contract agreement and all provisions will apply hereto.

Requested	Justin Zahner		7-27-2023
	Phase Manager - Justin Zahner		Date
Recommended	Sam Henry		07.26.2023
	Project Manager - Sam Henry		Date
Accepted	Tom Sneed		07.27.2023
	Contractor - T & M Steel Erectors, Inc.		Date
Approved			8.1.2023
	City of Starkville Mayor Lynn Spruill		Date

25. CONSIDERATION TO PURCHASE (WITH INSURANCE PROCEEDS OF THE WRECKED 2017 FORD POLICE INTERCEPTOR VIN#7165) A USED BLACK 2016 FORD EXPLORER VIN#5924 WITH 77,683 MILES, FROM ASIA MOTORS, INC IN MELROSE PARK, ILLINOIS FOR A TOTAL COST OF $14,590.00, WHICH IS WITHIN THE ESTIMATED KELLEY BLUE BOOK RANGE.

Upon the motion of Alderman Brooks, duly seconded by Alderman Rupp, and adopted by the Board to approve the August 1, 2023 Official Agenda, and to accept items for consent, whereby the "approval of the purchase of a used black 2016 Ford Explorer VIN#5924 with 77,683 miles, from Asia Motors, Inc in Melrose Park, Illinois for a total cost of $14,590.00, which is within the estimated standard Kelley Blue Book range for this used vehicle, with funding for the purchase to be from the insurance proceeds of the wrecked 2017 Ford Police Interceptor VIN#7165" is enumerated, this consent item is thereby approved.

26. CONSIDERATION TO PURCHASE THE SKYDIO 2+ DRONE WITH ITS ASSOCIATED SOFTWARE, BATTERIES, LANDING PAD AND WARRANTIES FROM SKYDIO, INC, AS A SOLE SOURCE ALLOWABLE ITEM PER FEDERAL REQUIREMENTS AT A COST OF $6,993.99 FUNDED THROUGH THE DRONE DONATIONS LINE ACCOUNT.

Upon the motion of Alderman Brooks, duly seconded by Alderman Rupp, and adopted by the Board to approve the August 1, 2023 Official Agenda, and to accept items for consent, whereby the "approval to purchase the Skydio 2+ drone with its associated software, batteries, landing pad and warranties from Skydio, Inc, as a sole source allowable item per Federal requirements at a cost of $6,993.99 to be funded through the drone donations account " is enumerated, this consent item is thereby approved.

27. CONSIDERATION OF THE 100% REIMBURSABLE FY24 405D ALCOHOL AND DRUG IMPAIRED DRIVING ENFORCEMENT GRANT IN THE AMOUNT OF $100,000.00.

Upon the motion of Alderman Brooks, duly seconded by Alderman Rupp, and adopted by the Board to approve the August 1, 2023 Official Agenda, and to accept items for consent, whereby the "approval to accept the 100% reimbursable grant funding in the area of Driving Under the Influence Enforcement in the amount of $100,000.00" is enumerated, this consent item is thereby approved.

28. CONSIDERATION OF THE 100% REIMBURSABLE FY24 402 POLICE TRAFFIC SERVICES GRANT FOR THE CONTINUATION PROJECT OF POLICE TRAFFIC SERVICES (SEATBELT, SPEEDING, AND CHILD RESTRAINT) ENFORCEMENT IN THE AMOUNT OF $20,655.00.

Upon the motion of Alderman Brooks, duly seconded by Alderman Rupp, and adopted by the Board to approve the August 1, 2023 Official Agenda, and to accept items for consent, whereby the "approval to accept the FY24 402 Police Traffic Services Grant for the continuation project of Police Traffic Services (Seatbelt, Speeding, and Child Restraint) enforcement in the amount of $20,655.00" is enumerated, this consent item is thereby approved.

29. CONSIDERATION OF CALLING FOR A PUBLIC HEARING UNDER MISS. CODE ANN. § 21-19-11 TO DETERMINE WHETHER THE STRUCTURES LOCATED AT NORTH LONG STREET, STARKVILLE, MS WITH PARCEL NUMBER 118O-00-031.00 IS A MENACE TO THE PUBLIC HEALTH, SAFETY, AND WELFARE OF THE COMMUNITY.

Upon the motion of Alderman Brooks, duly seconded by Alderman Rupp, and adopted by the Board to approve the August 1, 2023 Official Agenda, and to accept items for consent, whereby the "approval of calling for a Public Hearing under Miss. Code Ann. § 21-19-11 to determine whether the structures located at 118O-00-031.00 North Long Street, Starkville, MS 39759 with parcel number 118O-00-031.00 is a menace to the public health, safety, and welfare of the community" is enumerated, this consent item is thereby approved.

30. CONSIDERATION OF CALLING FOR A PUBLIC HEARING UNDER MISS. CODE ANN. § 21-19-11 TO DETERMINE WHETHER THE STRUCTURES LOCATED AT NORTH LONG STREET, STARKVILLE, MS WITH PARCEL NUMBER 118O-00-087.00 IS A MENACE TO THE PUBLIC HEALTH, SAFETY, AND WELFARE OF THE COMMUNITY.

Upon the motion of Alderman Brooks, duly seconded by Alderman Rupp, and adopted by the Board to approve the August 1, 2023 Official Agenda, and to accept items for consent, whereby the "approval of calling for a Public Hearing under Miss. Code Ann. § 21-19-11 to determine whether the structures located at North Long Street, Starkville, MS 39759 with parcel number 118O-00-087.00 is a menace to the public health, safety, and welfare of the community" is enumerated, this consent item is thereby approved.

31. CONSIDERATION OF CALLING FOR A PUBLIC HEARING UNDER MISS. CODE ANN. § 21-19-11 TO DETERMINE WHETHER THE STRUCTURES LOCATED AT 301 EVERGLADE AVE. STARKVILLE, MS WITH PARCEL NUMBER 118J-00-072.00 IS A MENACE TO THE PUBLIC HEALTH, SAFETY, AND WELFARE OF THE COMMUNITY.

Upon the motion of Alderman Brooks, duly seconded by Alderman Rupp, and adopted by the Board to approve the August 1, 2023 Official Agenda, and to accept items for consent, whereby the "approval of calling for a Public Hearing under Miss. Code Ann. § 21-19-11 to determine whether the structures located at 301 Everglade Ave. Starkville, MS 39759, parcel number 118J-00-072.00 is a menace to the public health, safety, and welfare of the community" is enumerated, this consent item is thereby approved.

32. CONSIDERATION TO ADVERTISE FOR BIDS FOR THE PURCHASE OF GARBAGE BAGS.

Upon the motion of Alderman Brooks, duly seconded by Alderman Rupp, and adopted by the Board to approve the August 1, 2023 Official Agenda, and to accept items for consent, whereby the "approval to advertise for bids for the purchase of garbage bags for distribution to Starkville sanitation customers" is enumerated, this consent item is thereby approved.

33. CONSIDERATION TO APPROVE THE LOWEST QUOTE FROM HACH FOR LAB EQUIPMENT FOR THE WASTEWATER TREATMENT PLANT IN THE AMOUNT OF $6,519.00.

Upon the motion of Alderman Brooks, duly seconded by Alderman Rupp, and adopted by the Board to approve the August 1, 2023 Official Agenda, and to accept items for consent, whereby the "approval of the lowest quote from Hach for lab equipment for the Wastewater Treatment Plant in the amount of $6,519.00" is enumerated, this consent item is thereby approved. Two quotes: Hach - $6,519.00 and USA Blue Book - $6,781.00

34. CONSIDERATION TO EXECUTE THE FUNDING AGREEMENT AND APPROVE FUNDS RECEIVED FOR THE HAZARD MITIGATION GRANT PROGRAM FOR A GENERATOR FOR THE ADMINISTRATION BUILDING FOR STARKVILLE UTILITIES IN THE AMOUNT OF $125,000.00 WITH A FEDERAL SHARE OF $112,500.00 AND $12,500.00 TO BE PAID BY STARKVILLE UTILITIES.

Upon the motion of Alderman Brooks, duly seconded by Alderman Rupp, and adopted by the Board to approve the August 1, 2023 Official Agenda, and to accept items for consent, whereby the "approval to execute the funding agreement and approve funds received for the Hazard Mitigation Grant Program for a generator for the administration building for Starkville Utilities in the amount of $125,000.00 with a federal share of $112,500.00 and $12,500.00 to be paid by Starkville Utilities" is enumerated, this consent item is thereby approved.
The agreement follows this page.

U.S. Department of Homeland Security
Region 4
3005 Chamblee Tucker Road
Atlanta Georgia 30341

FEMA

July 23, 2023

Mr. Stephen McCraney, Executive Director
Mississippi Emergency Management Agency
Post Office Box 5644
Pearl, MS 39288

Attention: Ms. Jana Henderson
State Hazard Mitigation Officer

Reference: Hazard Mitigation Grant Program
(HMGP) Project DR-4576-0028-R
City of Starkville – Starkville Utilities Main Office Generator

Dear Mr. McCraney,

We are pleased to inform you that the project referenced above has been approved for $125,000.00 with a federal share of $112,500.00 (90%) and a non-federal share of $12,500.00 (10%) to be paid by Starkville Electric Department.

The following is the approved Scope of Work (SOW) for the project:

The Starkville Electric Department will acquire and install a 55kW diesel generator with associated components on a newly constructed concrete pad at the Starkville Utilities Main Office. The backup power for the phone network switches and data servers will allow the company to provide communication services to their 14,000 customers during times of crisis.

Project Site Location:
200 North Lafayette Street
Starkville, MS 39759
(33.465337, -88.814604)

The National Environmental Policy Act (NEPA) stipulates those additions or amendments to a HMGP subrecipient SOW may have to be reviewed by all State and Federal agencies participating in the NEPA process. After a review of the proposed project and its environment, and provided that the conditions listed below are met, it was determined that no extraordinary circumstances, as defined in FEMA Directive 108-1, exist regarding this proposed project.

Standard Conditions:

- Any change to the approved scope of work will require re-evaluation for compliance with NEPA and other Laws and Executive Orders.
- This review does not address all federal, state, and local requirements. Acceptance of federal funding requires recipient to comply with all federal, state and local laws. Failure to obtain all appropriate federal, state, and local environmental permits and clearances may jeopardize federal funding.
- If ground disturbing activities occur during construction, applicant will monitor ground disturbance and if any potential archeological resources are discovered, will immediately cease construction in that area and notify the State and FEMA.

Quarterly Progress Reporting:
Per 44 CFR 206.438(c), recipients must provide a quarterly progress report to FEMA

indicating the status and completion date for each project funded. The report should also include any problems or circumstances affecting completion dates, scope of work, or project cost that may result in non-compliance with the approved grant conditions. Please include this HMGP project in your future quarterly reports.

Scope of Work Changes:
The recipient must obtain prior approval from FEMA before implementing changes to the approved project SOW. Per the Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, 2 CFR 200:

- The Recipient must obtain prior written approval for any budget revision which would result in a need for additional funds.
- A change in the scope of work must be approved by FEMA in advance regardless of the budget implications.
- The Recipient must notify FEMA as soon as significant developments become known, such as delays or adverse conditions that might raise costs or delay completion, or favorable conditions allowing lower cost or earlier completion.

Period of Performance:
FEMA does not establish activity completion timeframes for individual subawards. Recipients are responsible for ensuring that all approved activities are completed by the end of the grant Period of Performance (POP). The POP for DR-4576 is July 1, 2026. Any extensions of the grant POP must be submitted to FEMA 60 days prior to the expiration date.

Project Closure:
In accordance with 44 CFR, Section 206.438(d) the Governor's Authorized Representative (GAR) is required to "certify that reported costs were incurred in the performance of eligible work, that the approved work was completed, and that the mitigation measure is in compliance with the provisions of the FEMA-State Agreement." Therefore, to close this project, the GAR shall send a letter requesting closure to include the above certifications, as well as the following:

- Date work on the project was fully completed
- Date of the recipient's final site inspection for the project
- Total final project cost, with the Federal and Non-Federal share
- Identified cost underrun (Fed and non-Fed share) as applicable
- Documentation that any conditions of the grant have been complied with, to include programmatic, environmental, and/or other conditions as identified in the award letter or Record of Environmental Consideration (REC)

The obligation report and REC are included for your records. The obligated funds are available for withdrawal from the **Payment Management System** on sub-account number **4576DRMSP000000285.**

If you have any questions, please contact Jenifer Holderman at (202) 374-9159.

Sincerely,

Valerie Rhoads, Chief
Hazard Mitigation Assistance Branch
Mitigation Division

Enclosures:
Obligation Report Supplemental No 16
Record of Environmental Consideration

FEDERAL EMERGENCY MANAGEMENT AGENCY

HAZARD MITIGATION GRANT PROGRAM

Obligation

Disaster No	FEMA Project No	Amendment No	State Application ID	Action No	Supplemental No	State	Recipient
4576	28 -R	0	33	1	16	MS	Statewide

Subrecipient: STARKVILLE ELECTRIC DEPT

Project Title : City of Starkville- Starkville Utilites' Main Office Generator

Subrecipient FIPS Code: 105-041B9

Total Amount Previously Allocated	Total Amount Previously Obligated	Total Amount Pending Obligation	Total Amount Available for New Obligation
$112,500.00	$112,500.00	$0.00	$0.00

Project Amount	Subrecipient Management Cost Amount	Total Obligation	IFMIS Date	IFMIS Status	FY
$112,500.00	$0.00	$112,500.00	07/13/2023	Accept	2023

Comments

Date: 07/13/2023 User Id: DBURKETT

Comment: 4576-0028-R-DR-MS-HM Starkville Electric Dept Grant POP 6/29/2025 Application 33 City of Starkville, Starkville Utilities Main Office Generator Allocation 11 included in the July Spend Plan Federal share $112,500.00 Supplement 16 approved HMO

Date: 07/13/2023 User Id: JHOLDERM

Comment: 4576DR 7.01.2026 #0028 City of Starkville (Oktibbeha County) expires 2.20.2025 Generator $112,500.00 July 2023 Spend Plan approved

Authorization

Preparer Name: JENIFER HOLDERMAN

Preparation Date: 07/13/2023

HMO Authorization Name: DEBORAH BURKETT

HMO Authorization Date: 07/13/2023

FEDERAL EMERGENCY MANAGEMENT AGENCY

RECORD OF ENVIRONMENTAL CONSIDERATION (REC)

Project HMGP-4576-0028-MS (1)

Title: Starkville Utilities Department Generator

NEPA DETERMINATION

Non Compliant Flag:	No	**EA Draft Date:**		**EA Final Date:**	
EA Public Notice Date:		**EA Fonsi**		**Level:**	CATEX
EIS Notice of Intent		**EIS ROD Date:**			

Comment SOW: Starkville Utilities Department, Oktibbeha County, MS, applicant proposes to purchase and install a 55 kW generator and associated features at Starkville Utilities Main Office 200 N. Lafayette St. Starkville, MS (33.465337, -88.814604). Previously reviewed under 4576-0019, no SOWC, this REC is for new project number. - vyin - 07/05/2023 14:07:01 GMT

CATEX CATEGORIES

Catex Category Code	Description	Selected
*n18	(*n18) Federal Assistance for Construction or Installation of Structures, Facilities, or Equipment to Ensure Continuity of Operations. Federal assistance for the construction or installation of measures for the purpose of ensuring the continuity of operations during incidents such as emergencies, disasters, flooding, and power outages involving less than one acre of ground disturbance. Examples include the installation of generators, installation of storage tanks of up to 10,000 gallons, installation of pumps, construction of structures to house emergency equipment, and utility line installation. This CATEX covers associated ground disturbing activities, such as trenching, excavation, and vegetation removal of less than one acre, as well as modification of existing structures.	Yes

EXTRAORDINARY

Extraordinary Circumstance Code	Description	Selected ?
	No Extraordinary Circumstances were selected	

ENVIRONMENTAL LAW / EXECUTIVE ORDER

Environmental Law/ Executive Order	Status	Description	Comment
Clean Air Act (CAA)	Completed	Project will not result in permanent air emissions - Review concluded	
Coastal Barrier Resources Act (CBRA)	Completed	Project is not on or connected to CBRA Unit or otherwise protected area - Review concluded	
Clean Water Act (CWA)	Completed	Project would not affect any water of the U.S. - Review concluded	
Coastal Zone Management Act (CZMA)	Completed	Project is not located in a coastal zone area and does not affect a coastal zone area - Review concluded	

FEDERAL EMERGENCY MANAGEMENT AGENCY

RECORD OF ENVIRONMENTAL CONSIDERATION (REC)

Project HMGP-4576-0028-MS (1)

Title: Starkville Utilities Department Generator

Environmental Law/ Executive Order	Status	Description	Comment
Executive Order 11988 - Floodplains	Completed	No effect on floodplain/flood levels and project outside floodplain - Review concluded	EO 11988: The project is located within an Unshaded X zone per [Name of Community] flood insurance rate map (FIRM) panel number # 28105C0154E dated 02/17/2010. - vyin - 07/05/2023 14:09:17 GMT
Executive Order 11990 - Wetlands	Completed	No effects on wetlands and project outside wetlands - Review concluded	EO 11990: Project is not located in wetlands per review of USFWS National Wetlands Inventory (NWI) mapper, accessed 03/09/2023. - vyin - 07/05/2023 14:09:30 GMT
Executive Order 12898 - Environmental Justice for Low Income and Minority Populations	Completed	Low income or minority population in or near project area	EO 12898: Minority or low-income populations were identified through program coordination and public involvement, state EJ community lists or maps, or EJSCREEN reports for the area around Starkville Utilities Main Office 200 N. Lafayette St. Starkville, MS. Review of the project scope of work revealed no adverse effects on these populations. Therefore, no additional review for potential EJ concerns is required. The maps, reports, and other information are saved to the project files. - vyin - 07/05/2023 14:09:45 GMT
	Completed	No disproportionately high and adverse impact on low income or minority population - Review concluded	
Endangered Species Act (ESA)	Completed	Listed species and/or designated critical habitat present in areas affected directly or indirectly by the federal action	ESA: Per review of Mississippi USFWS website listing of threatened and endangered species for Oktibbeha County, accessed 03/09/2023. - vyin - 07/05/2023 14:08:14 GMT
	Completed	No effect to species or designated critical habitat (See comments for justification) - Review concluded	
Farmland Protection Policy Act (FPPA)	Completed	Project does not affect designated prime or unique farmland - Review concluded	
Fish and Wildlife Coordination Act (FWCA)	Completed	Project does not affect, control, or modify a waterway/body of water - Review concluded	
Migratory Bird Treaty Act (MBTA)	Completed	Project located within a flyway zone	
	Completed	Project does not have potential to take migratory birds - Review concluded	

FEDERAL EMERGENCY MANAGEMENT AGENCY

RECORD OF ENVIRONMENTAL CONSIDERATION (REC)

Project HMGP-4576-0028-MS (1)

Title: Starkville Utilities Department Generator

Environmental Law/ Executive Order	Status	Description	Comment
Magnuson-Stevens Fishery Conservation and Management Act (MSA)	Completed	Project not located in or near Essential Fish Habitat - Review concluded	
National Historic Preservation Act (NHPA)	Completed	Applicable executed Programmatic Agreement. Activity meets Programmatic Allowance (enter date and # in comments) - Review concluded	NHPA: Per the executed Programmatic Agreement for Mississippi executed September 15, 2016 and amended (2) August 25, 2022, the SOW meets Allowance II.D.2.a as per SOI Qualified David Abbott. - vyin - 07/05/2023 14:08:00 GMT
Wild and Scenic Rivers Act (WSR)	Completed	Project is not along and does not affect Wild and Scenic River - Review concluded	

CONDITIONS

Standard Conditions:

Any change to the approved scope of work will require re-evaluation for compliance with NEPA and other Laws and Executive Orders.

This review does not address all federal, state and local requirements. Acceptance of federal funding requires recipient to comply with all federal, state and local laws. Failure to obtain all appropriate federal, state and local environmental permits and clearances may jeopardize federal funding.

If ground disturbing activities occur during construction, applicant will monitor ground disturbance and if any potential archeological resources are discovered, will immediately cease construction in that area and notify the State and FEMA.

Mississippi Emergency Management Agency
P.O. Box 5644
Pearl, MS 39208

Jul 24, 2023

Eileen Hill, Executive Admin. Assistant
Starkville Electric Dept
Starkville, MS 397600927

RE: Starkville Electric Dept 4576-28

We are pleased to inform you that the above referenced Hazard Mitigation Grant has been approved and funded as indicated on the attached Hazard Mitigation Grant Program Agreement. The Hazard Mitigation Grant Program agreement should be signed and returned to this office prior to commencing any activities under your grant.

The following conditions are applicable to this grant:

1. A quarterly report detailing all project activities during the quarter must be submitted within 15 days after the end of each calendar quarter.
2. Any change in the scope of work, period of performance or budget must be requested in writing and have prior approval by MEMA and FEMA.
3. Reimbursement request of eligible cost should be submitted through MitigationMS.org and include copies of all invoices and receipts.
4. Staff from this office will meet with you prior to commencing work to discuss project and financial documentation and reporting requirements.

If you have questions concerning this matter, please contact your district Mitigation Grants Specialist or call 601-933-6884.

Sincerely,

Jana N. Henderson, SHMO
Director, Mitigation Grants Bureau
Office of Mitigation

HAZARD MITIGATION GRANT PROGRAM AGREEMENT

Under this Agreement, the interests and responsibilities of the Recipient, herein after referred to as the State, will be executed by the Mississippi Emergency Management Agency. The individual designated to represent the State Stephen C. McCraney Governor's Authorized Representative (GAR). The Sub-recipient to this Agreement is **Starkville Electric Dept**. The interests and responsibilities of the Sub-recipient will be executed by the Sub-recipient's designated applicant's agent.

Pursuant to the Hazard Mitigation Grant **4576-28** (FEMA Project Number), funds in the amount of **$112,500.00** are hereby awarded to the Sub-recipient as stated below under the following conditions:

Approved Total Project Cost:	$ **$125,000.00**	
Federal Cost Share:	$ **$112,500.00**	**90.00%**
State Cost Share:	$ **$0.00**	**0.00%**
Local Cost Share:	$ **$12,500.00**	**10.00%**

The Sub-recipient agrees and understands that:

1. He/She has legal authority to apply for assistance on behalf of the Sub-recipient.

2. The Sub-recipient will provide all necessary financial and managerial resources to meet the terms and conditions of receiving federal and state disaster assistance.

3. The Sub-recipient will use disaster assistance funds solely for the purposes for which these funds are provided and as approved by the Governor's Authorized Representative. Allowable costs shall be determined in accordance with the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 44 CFR § 206 and 44 CFR Part 13.

4. The payments for approved projects will be on an eligible cost reimbursement basis and subject to receipt and approval of invoices.

5. The Sub-recipient is aware that limited funding available for mitigation requires cost sharing, and that the Sub-recipient is required to provide the full non-federal share for such mitigation activities.

6. The Sub-recipient will establish and maintain a proper accounting system to record expenditures of disaster assistance funds in accordance with generally accepted accounting

standards or as directed by the Governor’s Authorized Representative.

7. The local cost share funding will be available within the specified time.

8. The Sub-recipient will give state and federal agencies designated by the Governor’s Authorized Representative, access to and the right to examine all records and documents related to use of disaster assistance funds.

9. The Sub-recipient will return to the state, within 15 days of such request by the Governor’s Authorized Representative, any advance funds which are not supported by audit or other federal or state review of documentation maintained by the Sub-recipient.

10. The Sub-recipient will comply with all applicable codes and standards as pertains to this project and agree to provide maintenance as appropriate.

11. The Sub-recipient will comply with all applicable provisions of federal and state laws and regulations regarding procurement of goods and services.

12. The Sub-recipient will comply with all federal and state statutes and regulations relating to non-discrimination The Sub-recipient will establish and maintain an active program of nondiscrimination in disaster assistance as outlined in implementing regulations. This program will encompass all Sub-recipient actions pursuant to this Agreement.

13. The Sub-recipient will comply with provisions of the Hatch Act limiting the political activities of public employees.

14. The Sub-recipient will comply, as applicable, with provisions of the Davis Bacon Act relating to labor standards.

15. The Sub-recipient will comply with the National Flood Insurance Program and the community’s flood protection ordinance.

16. The Sub-recipient will not enter into cost-plus-percentage-of-cost contracts for completion of Hazard Mitigation Grant projects.

17. The Sub-recipient will not enter into any contract with any party that is debarred or suspended from participating in State or Federal assistance programs.

18. The Sub-recipient will provide the Recipient copies of audit reports that include funds provided under this agreement.

19. The Sub-recipient agrees that the disaster relief project contained in this Agreement will be completed by **July 1, 2026** . Completion dates may be extended upon justification by the Sub-recipient and approval by the Governor's Authorized Representative and the Federal

Emergency Management Agency.

20. There shall be no changes to this Agreement unless mutually agreed upon, in writing, by both parties to the Agreement.

If the Sub-recipient violates any of the conditions of this Agreement, or applicable federal and state regulations; the State shall notify the Sub-recipient that financial assistance for the project in which the violation occurred will be withheld until such violation has been corrected to the satisfaction of the State. In addition, the State may also withhold all or any portion of financial assistance which has been or is to be made available to the Sub-recipient for other disaster relief projects under the Act, this or other agreements, and applicable federal and state regulations until adequate corrective action is taken.

The undersigned does hereby agree with all terms and conditions of this agreement.

______________________________	______________________________
Stephen C. McCraney Governor's Authorized Representative	Sub-Recipient's Authorized Representative
____________________	____________________
Date	Date

35. CONSIDERATION TO PURCHASE A 2023 FORD F250 4X2 CREW CAB IN THE AMOUNT OF $67,639.30, THE LOWER OF TWO QUOTES, TO REPLACE A PREVIOUSLY APPROVED SURPLUS VEHICLE.

Upon the motion of Alderman Brooks, duly seconded by Alderman Rupp, and adopted by the Board to approve the August 1, 2023 Official Agenda, and to accept items for consent, whereby the "approval to purchase a 2023 Ford F250 4x2 Crew Cab in the amount of $67,639.30, the lower of two quotes, to replace a previously approved surplus vehicle" is enumerated, this consent item is thereby approved.

Two quotes: Ford Store Morgan Hill - $71,895.00 and Lamarque Cresent City Ford (+Wren Body Works) - $67,639.30

36. CONSIDERATION FOR MISSISSIPPI STATE UNIVERSITY ATHLETICS OFFICE TO PROVIDE AN INSERT INTO ONE MONTH'S UTILITY BILLS AT NO COST TO STARKVILLE UTILITIES TO PROMOTE THE 2023 FOOTBALL SEASON AND SCHEDULE.

Upon the motion of Alderman Brooks, duly seconded by Alderman Rupp, and adopted by the Board to approve the August 1, 2023 Official Agenda, and to accept items for consent, whereby the "approval for Mississippi State University Athletics Office to provide an insert into one month's utility bills at no cost to Starkville Utilities to promote the 2023 Football season and schedule" is enumerated, this consent item is thereby approved.

<u>ANNOUNCEMENTS AND COMMENTS:</u>

MAYOR'S COMMENTS:

Mayor Spruill introduced new employee Jacob Mitchell, apprentice lineman for Starkville Utilities.
She then reminded everyone that National Night Out on Crime would be beginning soon and go until 9 p.m. at the Sportsplex.
Mayor Spruill also congratulated Starkville Utilities' Water Division which earned a perfect score again on the latest drinking water supply inspection report issued by the Mississippi State Department of Health. For the second year in a row, Starkville Utilities earned a maximum overall score of "5" and was credited for a long-range infrastructure investment program to ensure Starkville's water supply system operates safely, reliably and sustainably for many years to come. Starkville Utilities processed and delivered more than 1.838 billion gallons of safe drinking water to customers last year.

BOARD OF ALDERMEN COMMENTS:

<u>Vice-Mayor Perkins</u> wished the Mayor a Happy Birthday and thanked her for spending it with them at a City meeting.
<u>Alderman Sistrunk</u> reminded everyone that August 8 is election day for County and State elections.
<u>Alderman Carver</u> encouraged everyone to serve on Committees or Boards as a contribution to their communities.

CITIZEN COMMENTS:

<u>Alvin Turner</u>, Ward 7, stated he felt safe in Starkville and thanked the Police Department. He also asked that the "open carry law" be explained to the public.

<u>PUBLIC APPEARANCE</u>: None

PUBLIC HEARING:

SECOND PUBLIC HEARING AND CONSIDERATION OF VA 23-08: A REQUEST FOR A VARIANCE FROM LOT FRONTAGE BUILDOUT AND LOT WIDTH REQUIREMENTS FOR CADENCE BANK AT 400 UNIVERSITY DRIVE IN A T-5C ZONING DISTRICT.

City Planner Daniel Havelin presented Variance request 23-08. On behalf of Cadence Bank, the applicant, Stephens Daniel of Daniel Design Studio, P.C., is seeking a variance to decrease the requirement for lot frontage buildout and increase the lot width criteria. The property is located at 400 University Drive in a T-5C zoning district with the parcel numbers 117M-00-16100 and 117M-00-162.00. The applicant is proposing to redevelop the existing Cadence Bank building and site. The proposed design is to replace the existing building with a new three-story building. The existing building and parking lot are currently on two separate lots. In order to develop the site as one project and avoid any setback issues and use issues, the two lots will be aggregated into one lot. The proposed building and the newly created lot do not meet the requirements of the Unified Development Code. The applicant will need a variance from lot frontage buildout percentage and maximum lot width. With variance approval, the lots can be aggregated into one lot. The variance is from two requirements. The first is the minimum lot frontage buildout requirement of 65%. The request is to allow for a lot frontage buildout of +/- 57% along University Drive and +/- 36% along South Montgomery Street. The second is the maximum lot width requirement of 120'. The request is to allow for an increase to +/- 302' so the lots can be aggregated together.

Mayor Spruill opened the Public Hearing. There being no comments, the Mayor closed the Public Hearing.

37. MOTION TO APPROVE VA 23-08: A REQUEST FOR A VARIANCE FROM LOT FRONTAGE BUILDOUT AND LOT WIDTH REQUIREMENTS FOR CADENCE BANK AT 400 UNIVERSITY DRIVE IN A T-5C ZONING DISTRICT.

Upon the motion of Alderman Carver, duly seconded by Alderman Vaughn, for the Board of Aldermen to approve VA 23-08: request for a variance from lot frontage buildout and lot width requirements for Cadence Bank at 400 University Drive, the Board voted as follows:

Alderman Ben Carver	Voted: Yea
Alderman Sandra Sistrunk	Voted: Yea
Alderman Jeffrey Rupp	Voted: Yea
Alderman Mike Brooks	Voted: Yea
Alderman Hamp Beatty	Voted: Yea
Alderman Roy A'. Perkins	Voted: Yea
Alderman Henry Vaughn, Sr.	Voted: Yea

Having received a majority affirmative vote, Mayor Spruill declared the motion passed.

38. CONSIDERATION OF CALLING FOR PUBLIC HEARINGS ON THE 2023-2024 BUDGET AND TAX MILLAGE IN THE AMOUNT OF 1.87 FOR THE CITY OF STARKVILLE.

Upon the motion of Alderman Sistrunk, duly seconded by Alderman Vaughn, to advertise public hearings on the 2023 – 2024 Budget and Tax millage in the amount of 32.00 mils for the City of Starkville, the Board voted as follows:

Alderman Ben Carver	Voted: Nay
Alderman Sandra Sistrunk	Voted: Yea
Alderman Jeffrey Rupp	Voted: Yea
Alderman Mike Brooks	Voted: Nay
Alderman Hamp Beatty	Voted: Nay
Alderman Roy A'. Perkins	Voted: Yea
Alderman Henry Vaughn, Sr.	Voted: Yea

Having received a majority affirmative vote, Mayor Spruill declared the motion passed.

39. CONSIDERATION OF A SPECIAL EVENT REQUEST BY THE MISSISSIPPI STATE UNIVERSITY STUDENT ASSOCIATION TO HOLD THE 2023 BULLDOG BASH ON OCTOBER 20, 2023, AND HAVE CITY PARTICIPATION WITH IN-KIND SERVICES.

Upon the motion of Alderman Vaughn, duly seconded by Alderman Sistrunk, to approve Special Event request by the Mississippi State University Student Association to hold the 2023 Bulldog Bash on October 20, 2023, and have City participation with in-kind services with the condition that Proof of Insurance, as required in Section 2 of the Special Events Policy, shall be provided no later than September 27, 2023, by 5 pm for review by the City Attorney, the Board voted as follows:

Alderman Ben Carver	Voted: Yea
Alderman Sandra Sistrunk	Voted: Yea
Alderman Jeffrey Rupp	Voted: Yea
Alderman Mike Brooks	Voted: Yea
Alderman Hamp Beatty	Voted: Yea
Alderman Roy A'. Perkins	Voted: Yea
Alderman Henry Vaughn, Sr.	Voted: Yea

Having received a majority affirmative vote, Mayor Spruill declared the motion passed.

40. CONSIDERATION OF THE CITY OF STARKVILLE CLAIMS DOCKET

Upon the motion of Alderman Rupp, duly seconded by Alderman Brooks, to approve the City of Starkville Claims Docket for all departments including Starkville Utilities, as of July 24, 2023 for fiscal year ending 9/30/23, acknowledging that the City Clerk has attested and certified on the cover of the claims docket that all claims on the docket are true, accurate, lawful and proper to the best of her knowledge, for payment pursuant to her duties under Miss. Code Sections 21-39-5, 21-39-7, 21-39-9, 21-39-17 and 21-15-21. The Board voted as follows:

Alderman Ben Carver	Voted: Yea
Alderman Sandra Sistrunk	Voted: Yea
Alderman Jeffrey Rupp	Voted: Yea
Alderman Mike Brooks	Voted: Yea
Alderman Hamp Beatty	Voted: Yea
Alderman Roy A'. Perkins	Voted: Nay
Alderman Henry Vaughn, Sr.	Voted: Nay

Having received a majority affirmative vote, the Mayor declared the motion passed.

General Fund	001	$ 348,545.88
Restricted Police Fund	002	928.96
Airport Fund	015	86,917.40
Restricted Airport	016	80,974.60
Sanitation	022	13,891.61
Modernization Use Tax	120	724,027.75
2022 GO Public Improv Bonds	305	1,344,303.65
2022 Local Improvements Fund	306	31,065.00
American Relief Fund	309	184,119.52
Parks Capital Project Fund (2023)	312	600.00
Park and Rec Tourism	375	7,480.00
BUILD Grant	377	1,379.75
Park Bonds 2020	380	224,928.58
Economic Dev, Tourism & Conv	630	164,353.64
Sub Total Before Utilities		$ 3,213,516.34
Utilities Dept.	SED	317,916.53
Total Claims	Total	$ 3,531,432.87

31. MOTION TO RECESS UNTIL AUGUST 15, 2023 @ 5:30 IN THE COURT ROOM AT 110 WEST MAIN STREET.

Upon the motion of Alderman Vaughn, duly seconded by Alderman Rupp, for the Board of Aldermen to recess the meeting until August 15, 2023 @ 5:30 at 110 West Main Street in the Court Room of City Hall, the Board voted as follows:

Alderman Ben Carver Voted: Yea
Alderman Sandra Sistrunk Voted: Yea
Alderman Jeffrey Rupp Voted: Yea
Alderman Mike Brooks Voted: Yea
Alderman Hamp Beatty Voted: Yea
Alderman Roy A'. Perkins Voted: Yea
Alderman Henry Vaughn, Sr. Voted: Yea

Having received a majority affirmative vote, Mayor Spruill declared the motion passed.

SIGNED AND SEALED THIS THE 15th DAY OF AUGUST, 2023.

Attest:

D. LYNN SPRUILL, MAYOR

LESA HARDIN, CITY CLERK