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CITY OF COLUMBIA, MISSISSIPPI

Audit Report

September 30, 2018

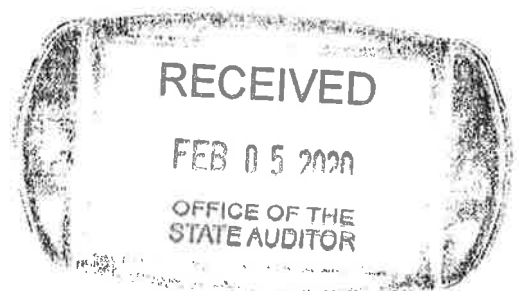


CITY OF COLUMBIA, MISSISSIPPI
AUDIT REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2018

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INDEPENDENT AUDITOR'S REPORT



Scotty McDaniel, CPA
Certified Public Accountants / Financial Consultants

Scotty McDaniel, CPA

MEMBER

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Board of Alderpersons
City of Columbia, Mississippi

We have audited the accompanying financial statement of cash receipts and disbursements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Columbia, Mississippi for the year ended September 30, 2018, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the cash basis of accounting described in Note 1, this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express opinions on this financial statement 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 statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, 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 statement 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

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Auditor's Responsibility - continued

of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement. 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 statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the governmental activities, business-type activities, each major fund, and the remaining fund information of the City of Columbia, Mississippi for the year ended September 30, 2018 in accordance with the basis of accounting as described in Note 1.

Basis of Accounting

As discussed in Note 1, the City of Columbia, Mississippi prepares its financial statements on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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 operational, economic, or historical context. Our opinions on the financial statement are not affected by this missing information.

Accounting principles generally accepted in the United States of America require the budgetary comparison information on pages 14-15 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statement of the City of Columbia, Mississippi. The supplementary information section is presented for purposes of additional analysis and is not a required part of the basic financial statement.

The supplemental information section, which includes the Schedule of Capital Assets, Schedule of Surety Bonds, and Schedule of Long-term Debt is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures

applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2019, on our consideration of the City of Columbia, 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Scotty McDaniel, CPA

December 10, 2019



BASIC FINANCIAL STATEMENTS



CITY OF COLUMBIA, MISSISSIPPI
Statement of Cash Basis Assets and Fund Balances and
Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
As of and For the Year Ended September 30, 2018

	Governmental Activities		Business-Type Activities	
	General Fund	Other Nonmajor Funds	Water, Sewer and Sanitation Funds	Total
RECEIPTS				
Property taxes	\$ 721,100	276,355		997,455
Sales taxes	3,122,661			3,122,661
Franchise fees	347,394			347,394
Pro rata road and privilege tax	216,215			216,215
Licenses and other revenue	20,782			20,782
Fines and forfeitures	244,955			244,955
Grant revenues	147,539	21,576	25,516	25,516
Privilege license	32,776			32,776
Intergovernmental revenues	58,349	45,946		104,295
Charges for services		49,400	2,870,867	2,870,867
Interest income	4,457	1,407	9,964	9,964
Miscellaneous revenues	66,847		77,561	77,561
Total receipts	4,983,075	394,684	2,983,908	5,377,759
DISBURSEMENTS				
General government	1,195,953	339,314		1,535,267
Public safety	2,811,856	2,142		2,813,998
Public works	623,298			623,298
Culture and recreation	272,332			272,332
Economic development	118,299			118,299
Enterprises:				
Water, sewer, and sanitation			1,802,399	1,802,399
Interest on loans	33,310			33,310
Total disbursements	5,055,048	341,456	1,802,399	5,396,504
Excess of Receipts over (under) Disbursements	(71,973)	53,228	1,181,509	1,181,509

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

CITY OF COLUMBIA, MISSISSIPPI
Statement of Cash Basis Assets and Fund Balances and
Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
As of and For the Year Ended September 30, 2018

OTHER CASH SOURCES (USES)

	Governmental Activities		Business-Type Activities	
	General Fund	Other Nonmajor Funds	Water, Sewer and Sanitation Funds	Total
Debt repaid	(390,425)	-	(116,002)	(116,002)
	<u>(390,425)</u>	<u>-</u>	<u>(116,002)</u>	<u>(116,002)</u>
Total other cash sources and (uses)				
	(462,398)	53,228	1,065,507	1,065,507

Excess (Deficiency) of Receipts and
Other Cash Sources Over Disbursements
and Other Cash Uses

Cash Basis Assets - End of Year

Cash and cash equivalents	830,724	337,280	2,394,407	2,394,407
	<u>830,724</u>	<u>337,280</u>	<u>2,394,407</u>	<u>2,394,407</u>
Total Cash Basis Assets				
	<u>830,724</u>	<u>337,280</u>	<u>2,394,407</u>	<u>2,394,407</u>

Cash Basis Fund Balances - End of Year

Unreserved	830,724	337,280	2,394,407	2,394,407
	<u>830,724</u>	<u>337,280</u>	<u>2,394,407</u>	<u>2,394,407</u>
Total Cash Basis Fund Balance				
	<u>830,724</u>	<u>337,280</u>	<u>2,394,407</u>	<u>2,394,407</u>

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

NOTES TO FINANCIAL STATEMENTS

CITY OF COLUMBIA, MISSISSIPPI
Notes to Financial Statements
September 30, 2018

Note 1 – Summary of Significant Accounting Policies

A. Financial Reporting Entity

The City of Columbia, Mississippi, (the City) was incorporated in 1819. The City operates under a Mayor-Board of Alderpersons form of government and provides all of the rights and privileges provided by statute for municipalities. Elected officials include the Mayor and five Aldermen. Services provided by the City include: Public Safety – Police and Fire, Highways and Street, Water, Sewer and Sanitation, Health and Social Services, Culture and Recreation, Public Improvements, Planning and Zoning, and General Administrative Services. A public school system is available to residents of the City of Columbia but is not under the jurisdiction of the City government.

The financial statements of the City have been prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

B. Fund Financial Statements.

Basic financial statements consist of the following:

- Statement of cash basis assets and fund balances and cash receipts, disbursements and changes in cash basis fund balances.

The City reports the following major government fund:

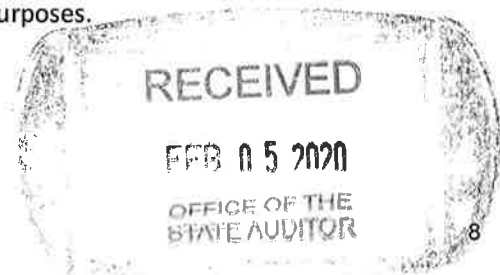
The general fund is the government's primary operating fund. It accounts for all the financial resources and the legally authorized activities of the City except those required to be accounted for in other specialized funds.

The City reports the following major proprietary fund:

The water and sewer fund accounts for the activities of providing water and sewer services to citizens of the City.

Additionally, the City reports the following fund type:

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.



CITY OF COLUMBIA, MISSISSIPPI
Notes to Financial Statements
September 30, 2018

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 primary revenue source is local property taxes levied for Debt Service.

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds)

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

Governmental fund financial statements are reported using the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recognized as soon as they are collected. Expenditures generally are recorded when cash is spent.

D. Assets and Net Assets or Equity

1. Cash and Investments

The government's cash and cash equivalents are considered to be cash on hand or invested in certificates of deposit.

2. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Note 2 – Cash and Cash Equivalents

The collateral for public entities, deposits in financial institutes is now held in the name of the State Treasurer under a program established by the Mississippi Legislature and governed by Section 27-105-5, Mississippi 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.

Custodial Credit Risks – Deposits. Custodial credit risks is defined as the risk that , in the event of a failure of a financial institute, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City does not have a

CITY OF COLUMBIA, MISSISSIPPI
Notes to Financial Statements
September 30, 2018

formal policy for custodial credit risk. However, the Mississippi State Treasury manages the risk on behalf of the City. Deposits above FDIC coverage are collateralized by the pledging financial institutions trust department or agent in the name of the Mississippi State Treasurer on behalf of the City. As of September 30, 2018, none of the City's bank balance of \$ 3,610,100, was exposed to custodial credit risk.

Interest Rate Risk. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. State law limits investments to those prescribed in Section 27-105-33 (d) and 27-105-33 (e) Miss. Code Ann. (1972). The City does not have a formal investment policy that would further limit its investment choices or one that addresses credit risk.

Custodial Credit Risk – Investments. Custodial credit risk is defined as the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The City does not have a formal investment policy that addresses custodial risk. However, the Mississippi State Treasurer manages the risk on behalf of the City. Deposits above FDIC coverage are collateralized by the pledging financial institutions trust department or agent in the name of the Mississippi State Treasurer on behalf of the City. As of September 30, 2018, none of the City's bank balance of \$ 3,610,100 was exposed to custodial credit risk.

Concentration of Credit Risk. Disclosures of investments by amount and issuer for any issuer that represents five percent or more of total investments is required. This requirement does not apply to investment issued or explicitly guaranteed by the U.S. government, investments in mutual funds and external investment pools, and other pooled investments. As of September 30, 2018, the City had no investments.

Following is a list of the City's eligible investments, which in accordance with state statute are limited to the investment of funds in excess of sums required for immediate expenditure or current obligations:

Certificates of deposit with municipal depositories approved annually by the State Treasurer bonds or direct obligations of the:

- United States of America
- State of Mississippi
- County or Municipality of Mississippi
- School Districts

State statute allow the investment of funds received from the sale of bonds, notes or certificates of indebtedness which are not immediately required for disbursement for the

CITY OF COLUMBIA, MISSISSIPPI
Notes to Financial Statements
September 30, 2018

purpose issued, in direct obligations issued by or guaranteed in full by the United States of America, or in certificates of deposit with approved municipal depositories.

Note 3 – Property Tax

Numerous statutes exist under which the Board of Alderpersons may levy property taxes. The selection of statutes is made based on the objectives and responsibilities of the City. Restrictions associated with property tax levies vary with the statutory authority.

Each September, the Board of Alderperson levies the City's and City School District's property taxes for the ensuing fiscal year which begins on October 1. Levied taxes attach as an enforceable lien on real property on January 1 of each year and March 1 of each year for personal property. The City's tax collector collects the property taxes and in the month following collection settles them to the appropriate funds of the various taxing authorities.

Note 4 – Defined Benefit Pension Plan

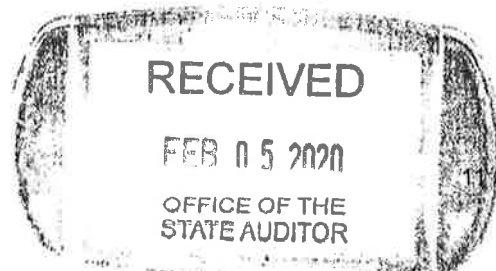
Public Employees' Retirement System

A. Plan Description and Provisions

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

B. Plan Funding Policy

PERS members are required to contribute 9.00% of their annual covered salary and the City of Columbia, Mississippi is required to contribute at an actuarially determined rate. This rate was 15.6% of annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The City of Columbia, Mississippi's contributions to PERS for the years ended September 30, 2018, 2017, and 2016 were \$ 452,100, \$ 449,820, and \$ 444,617, respectively, equal to the required contributions for each year.



CITY OF COLUMBIA, MISSISSIPPI
Notes to Financial Statements
September 30, 2018

Note 5 - 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 years.

Note 6 – Contingencies – Pending or Threatened Litigation

According to the city attorney, there are currently several matters under litigation and investigation. The board of alderpersons are aware of these cases.

Note 7 – Mississippi Municipal Compliance Questionnaire

The Mississippi Compliance Questionnaire was completed and entered into the minutes as prescribed by law. A review of the questionnaire revealed that all items were answered yes or not applicable.

Note 8 - Subsequent Events

The City had no subsequent events of a material nature requiring adjustment to or disclosure in the financial statement through December 10, 2019.

Note 9 - Insurance

Insurance coverage appears adequate for the year end September 30, 2018.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF COLUMBIA, MISSISSIPPI

 Budgetary Comparison Schedule for the General Fund
 For the Year Ended September 30, 2018

Schedule 1

	Budgeted Amounts		Variance Positive (Negative)
	Final	Actual	Final to Actual
RECEIPTS			
Property taxes	\$ 721,100	\$ 721,100	-
Sales taxes	3,122,661	3,122,661	-
Franchise fees	347,394	347,394	-
Pro rata road and privilege tax	216,215	216,215	-
Licenses and misc revenue	20,782	20,782	-
Fines and forfeitures	244,955	244,955	-
Grant revenues	147,539	147,539	-
Privilege license	32,776	32,776	-
Intergovernmental revenues	58,349	58,349	-
Interest income	4,457	4,457	-
Other revenues	66,847	66,847	-
Total Receipts	4,983,075	4,983,075	-
DISBURSEMENTS			
General government	1,195,953	1,195,953	-
Public safety	2,811,856	2,811,856	-
Public works	623,298	623,298	-
Culture and recreation	272,332	272,332	-
Economic development	118,299	118,299	-
Interest on loans	33,310	33,310	-
Total Disbursements	5,055,048	5,055,048	-
Excess of Receipts over (under) Disbursements	(71,973)	(71,973)	-
OTHER CASH SOURCES (USES)			
Debt repaid	(390,425)	(390,425)	-
Total Other Cash Sources and Uses	(390,425)	(390,425)	-
Net Change in Cash Basis Fund Balances	(462,398)	(462,398)	-
Cash Basis Fund Balances - Ending	\$ 830,724	\$ 830,724	-

CITY OF COLUMBIA, MISSISSIPPI

Notes to the Required Supplementary Information For the Year Ended September 30, 2018

Note A – Budgetary Information

Generally, in the of August, prior to the ensuing fiscal year beginning October 1, the Board of Alderpersons of the City, using historical and anticipated fiscal data, prepares an original budget for the general fund for said fiscal year. The completed budget for the fiscal year includes every source of revenue, each general item of expenditure, and the cash and investment balances. When during the fiscal year it appears to the Board of Alderpersons that budgetary estimates will not be met, it may make revisions to the budget.

The City's budget is prepared on the cash basis of accounting.

Note B -Basis of Presentation.

The Budgetary Comparison Schedule presents the original legally adopted budget, the final legally adopted budget, the actual amounts on a budgetary basis, and variances between the final budget and the actual data.

As discussed in Note 1, the financial statements are prepared on the cash basis of cash receipts and disbursements which is the same as the basis used for budget preparation.

SUPPLEMENTAL INFORMATION



CITY OF COLUMBIA, MISSISSIPPI

SCHEDULE OF CAPITAL ASSETS

For the Fiscal Year Ended September 30, 2018

	Balance 10/1/2017	Increases	Decreases	Balance 9/30/2018
Governmental Activities:				
Capital Assets:				
Land	\$ 1,457,934	-	-	\$ 1,457,934
Buildings	3,443,982	-	-	3,443,982
Improvements other than buildings	334,395	-	-	334,395
Machinery and equipment	2,859,253	182,746	-	3,041,999
Infrastructure	9,466,500	-	-	9,466,500
Total Governmental activities capital assets	17,562,064	182,746	-	17,744,810

	Balance 10/1/2017	Increases	Decreases	Balance 9/30/2018
Business-type Activities:				
Capital Assets:				
Land	\$ 24,339	-	-	24,339
Buildings	30,925	-	-	30,925
Plant and distribution system	15,494,442	317,342	-	15,811,784
Machinery and equipment	856,893	41,775	-	898,668
Total Business-type activities capital assets	16,406,599	359,117	-	16,765,716

CITY OF COLUMBIA, MISSISSIPPI**Schedule of Surety Bonds for Municipal Officials**

September 30, 2018

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Bond Amount</u>
Justin McKenzie	Mayor	Travelers	\$ 100,000
Mike Smith	Aldersperson	Travelers	\$ 100,000
Anna Evans	Aldersperson	Travelers	\$ 100,000
Wendell Hammond	Aldersperson	Travelers	\$ 100,000
Edward Hough	Aldersperson	Travelers	\$ 100,000
Jason Stinger	Aldersperson	Travelers	\$ 100,000
Maria Temples	City Clerk	Brierfield	\$ 50,000
Office personnel	Various	Various	\$ 50,000

CITY OF COLUMBIA, MISSISSIPPI

Schedule of Long-Term Debt

September 30, 2018

	Balance Outstanding Oct. 1, 2017	Issued	Redeemed	Balance Outstanding Sept. 30, 2018
<u>General Obligation Bonds:</u>				
2011 Special obligation bonds, series 2011	2,510,000		(380,000)	2,130,000
Total G.O. Bonds	<u>2,510,000</u>	<u>-</u>	<u>(380,000)</u>	<u>2,130,000</u>
<u>Notes:</u>				
Mississippi Department of Health	1,453,321		(81,863)	1,371,458
Total Notes	<u>1,453,321</u>	<u>-</u>	<u>(81,863)</u>	<u>1,371,458</u>
Total Debt	<u>\$ 3,963,321</u>	<u>-</u>	<u>(461,863)</u>	<u>\$ 3,501,458</u>



REPORT ON INTERNAL CONTROL AND STATE COMPLIANCE

McDaniel CPA Firm
Certified Public Accountant / Financial Consultant

Scotty McDaniel, CPA

MEMBER

Mississippi Society
of Certified Public
Accountants

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

Mayor and Members of the City Board
City of Columbia, Mississippi

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Columbia, Mississippi as of and for the year ended September 30, 2018, which collectively comprise the City of Columbia, Mississippi's basic financial statements and have issued our report thereon dated December 10, 2019. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the city's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the city's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the city's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in the internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood

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that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the city's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses.

Compliance and Other Matters

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

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

Scotty McDaniel, CPA
December 10, 2019

McDaniel CPA Firm
Certified Public Accountant / Financial Consultant

Scotty McDaniel, CPA

MEMBER
Mississippi Society
of Certified Public
Accountants

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

Mayor and Members of the City Board
City of Columbia, Mississippi

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Columbia, Mississippi as of and for the year ended September 30, 2018, and have issued our report hereon dated December 10, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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

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

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

McDaniel CPA Firm
December 10, 2019



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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**CITY OF COLUMBIA, MISSISSIPPI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2018**

Section 1: Summary of Auditor's Results

Financial Statements:

- | | | |
|----|--|------------|
| 1. | Type of auditor's report issued on the basic financial statements. | Unmodified |
| 2. | Material noncompliance relating to the financial statements. | No |
| 3. | Internal control over financial reporting: | |
| a. | Material weakness identified ? | No |
| b. | Significant deficiency identified that is not considered to be a material weakness ? | No |

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 to be reported under *Government Auditing Standards*.