

OFFICE OF THE STATE AUDITOR REPORT NOTE:

Section 7-7-211, Mississippi Code Annotated (1972) gives the Office of the State Auditor the authority to audit, with the exception of municipalities, any governmental entity in the state. In the case of municipalities, *Section 21-35-31, Mississippi Code Annotated (1972)* requires municipalities to obtain an annual audit performed by a private CPA firm and submit that audit report to the Office of the State Auditor. The Office of the State Auditor files these audit reports for review in case questions arise related to the municipality.

As a result, the following document was not prepared by the Office of the State Auditor. Instead, it was prepared by a private CPA firm and submitted to the Office of the State Auditor. The document was placed on this web page as it was submitted and no review of the report was performed by the Office of the State Auditor prior to finalization of the report. The Office of the State Auditor assumes no responsibility for its content or for any errors located in the document. Any questions of accuracy or authenticity concerning this document should be submitted to the CPA firm that prepared the document. The name and address of the CPA firm appears in the document.

City of Macon, Mississippi

Audit Report

September 30, 2021

City of Macon, Mississippi

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

James L. Stafford, CPA	Stephen D. Flake, CPA
Harry W. Stevens, CPA	John N. Russell, CPA
S. Keith Winfield, CPA	Anita L. Goodrum, CPA
William B. Staggers, CPA	Ricky D. Allen, CPA
Michael W. McCully, CPA	Jason D. Brooks, CPA
R. Steve Sinclair, CPA	Robert E. Cordle, Jr., CPA
Marsha L. McDonald, CPA	Perry C. Rackley, Jr., CPA
Wanda S. Holley, CPA	Jerry L. Gammel, CPA
Robin Y. McCormick, CPA/PFS	Michael C. Knox, CPA
J. Randy Scrivner, CPA	Clifford P. Stewart, CPA
Kimberly S. Caskey, CPA	Edward A. Maxwell, CPA
Susan M. Lummus, CPA	

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Board of Aldermen
City of Macon
Macon, Mississippi

We have audited the accompanying Combined Statement of Cash Receipts and Disbursements All Funds Excluding the Electric Proprietary Fund – Cash Basis of the City of Macon, Mississippi for the year ended September 30, 2021, and the related notes to financial statement, as listed in the contents.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the cash basis of accounting as described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the presentation 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 a financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion 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 the auditors' 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 auditors consider 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 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 opinion.

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the respective results of operations—cash basis of the governmental funds, one proprietary fund, and fiduciary fund of the City of Macon, Mississippi for the year ended September 30, 2021, in accordance with the cash basis of accounting described in Note 1. The financial statement does not include the results

of operations-cash basis of the electric proprietary fund of the City of Macon, Mississippi for the year ended September 30, 2021, in accordance with the cash basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statement, which describes the basis of accounting. The financial statement is prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the Combined Statement of Cash Receipts and Disbursements All Funds Excluding the Electric Proprietary Fund – Cash Basis of the City of Macon, Mississippi. The schedule of capital assets, long-term debt, schedule of investments, and schedule of surety bonds for municipal officials are presented for purposes of additional analysis and are not a required part of the Combined Statement of Cash Receipts and Disbursements All Funds Excluding the Electric Proprietary Fund – Cash Basis.

The schedule of capital assets, long-term debt, schedule of investments and schedule of surety bonds, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the Combined Statement of Cash Receipts and Disbursements All Funds Excluding the Electric Proprietary Fund – Cash Basis. Such information has been subjected to the auditing procedures applied in the audit of the Combined Statement of Cash Receipts and Disbursements All Funds Excluding the Electric Proprietary Fund – Cash Basis and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the Combined Statement of Cash Receipts and Disbursements All Funds Excluding the Electric Proprietary Fund – Cash Basis or to the Combined Statement of Cash Receipts and Disbursements All Funds Excluding the Electric Proprietary Fund – Cash Basis itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of capital assets, long-term debt, schedule of investments and schedule of surety bonds, are fairly stated, in all material respects, in relation to the Combined Statement of Cash Receipts and Disbursements All Funds Excluding the Electric Proprietary Fund – Cash Basis.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 6, 2023 on our consideration of the City of Macon, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City of Macon'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 Macon, Mississippi's internal control over financial reporting and compliance.

Starkville, Mississippi
January 6, 2023

Watkins Ward and Stafford, P.C.

CITY OF MACON, MISSISSIPPI
Combined Statement Of Cash Receipts And Disbursements
All Funds Excluding The Electric Proprietary Fund - Cash Basis
For The Year Ended September 30, 2021

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Proprietary Fund</u>	<u>Fiduciary Fund</u>
Receipts						
General Property Taxes	\$ 603,979			\$ 204,462		
Penalties and interest on delinquent taxes	1,258					
Licenses and permits	12,190					
In lieu of taxes/franchise taxes:						
Four-County	4,872					
Atmos Gas	7,207					
Mississippi Cable	2,393					
Tennessee Valley Authority	28,336					
Macon Electric Department	119,557					
Mississippi Housing Authority	1,004					
Intergovernmental Revenues:						
Federal Revenue:						
American Rescue Plan Act Grant	297,596					
Community Facilities Disaster Grant	36,400					
Rural Housing Service Community Facilities Grant	9,750					
Local Shared Revenues:						
County allocations	74,285					
State Shared Revenues:						
State grants	98,418		90,124			
Sales tax	633,657					
Homestead reimbursement	43,900					
Liquor privilege tax	1,800					
Gasoline tax	8,304					
Charges for Services:						
Water Utility					1,102,511	
Refuse collection	223,252					
Fines and forfeitures	20,786					
Interest	2,666	1	399	355		321
Rents and royalties	147,997					
Perpetual care and sale of lots						4,050
Sportsplex supplement	51,600					
Miscellaneous	49,653					
Total Receipts	<u>2,480,860</u>	<u>1</u>	<u>90,523</u>	<u>204,817</u>	<u>1,102,511</u>	<u>4,371</u>

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

CITY OF MACON, MISSISSIPPI
Combined Statement Of Cash Receipts And Disbursements
All Funds Excluding The Electric Proprietary Fund - Cash Basis
For The Year Ended September 30, 2021

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Proprietary Fund</u>	<u>Fiduciary Fund</u>
Disbursements:						
General government	\$ 675,043					
Public safety:						
Police	721,493					
Fire	64,466					
Public works	463,175		15,628			
Health and welfare	195,293					
Culture and recreation	140,586					
Maintenance	7,614		600			1,841
Enterprise:						
Water Utility					773,294	
Interest on Bonds				23,279	56,262	
Total Disbursements	<u>2,267,670</u>	<u>-</u>	<u>16,228</u>	<u>23,279</u>	<u>829,556</u>	<u>1,841</u>
Excess of receipts over disbursements	<u>213,190</u>	<u>1</u>	<u>74,295</u>	<u>181,538</u>	<u>272,955</u>	<u>2,530</u>
Other Financing Sources (Uses):						
Bonds Retired				(134,000)	(89,123)	
Capital Outlay	(7,573)		-		(65,821)	
Loans and Transfers	254,707		-		-	(1,125)
Total Other Financing Sources (Uses)	<u>247,134</u>	<u>-</u>	<u>-</u>	<u>(134,000)</u>	<u>(154,944)</u>	<u>(1,125)</u>
Excess of receipts and other financing sources over disbursements and other financing uses	<u>460,324</u>	<u>1</u>	<u>74,295</u>	<u>47,538</u>	<u>118,011</u>	<u>1,405</u>
Cash Balance - Beginning of Year,	<u>457,754</u>	<u>15,621</u>	<u>81,638</u>	<u>87,500</u>	<u>461,333</u>	<u>58,828</u>
Cash Balance - End of Year	<u>\$ 918,078</u>	<u>15,622</u>	<u>155,933</u>	<u>135,038</u>	<u>579,344</u>	<u>60,233</u>

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

CITY OF MACON, MISSISSIPPI
Notes to Financial Statement

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

The citizens of Macon, Mississippi have elected to operate under a Code Charter as permitted by Mississippi Statue 21-3-3, which prescribes a Mayor and Board of Alderman 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 accounting principles generally accepted in the United States of America. The basic-but not only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, the following is a brief review of each potential component unit addressed in defining the City of Macon, Mississippi's reporting entity.

Not included within the reporting entity:

City of Macon Electric Department: The Electric Department's governing board is the City of Macon, Mississippi's governing body. The rates for user charges and bond issuance authorizations are determined by the government's governing body. The Electric Department has been excluded from the City of Macon's financial statement. The Electric Department prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the provision of the power contract between the Electric Department and the Tennessee Valley Authority, and are consistent with the requirements of the Federal Energy Regulatory Commission's system of accounts which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The fiscal year end for the Electric Department is June 30, and a separate audit report has been issued.

CITY OF MACON, MISSISSIPPI
Notes to Financial Statement

Note 1 - Summary of Significant Accounting Policies (Continued)

The following is a summary of the more significant accounting principles:

Fund Accounting

The accounts of the City of Macon, Mississippi are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped into five generic fund types and three broad fund categories as follows:

Governmental Funds

General Fund - The General Fund is the general operating fund of the City of Macon, Mississippi. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue sources that are legally restricted for specific expenditure purposes. The Special Revenue Fund is the Environmental Protection Agency Fund.

Debt Service Fund - The Debt Service Fund is 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 specifically for debt service.

Capital Projects Fund - The Capital Projects Funds are used to account for the acquisition of fixed assets or construction of major capital projects not being financed by Proprietary or Nonexpendable Trust Funds. The Capital Projects Funds are the Street Bond Fund, Infrastructure Act Fund, and Project Fund.

Fiduciary Funds

Trust and Agency Fund - The Trust and Agency Fund is used to account for assets held by the City of Macon, Mississippi in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Nonexpendable Trust Funds are used to account for the principal portion of Trust Funds, the part which cannot be expended. They are accounted for in essentially the same manner as proprietary funds since capital maintenance is critical. The Trust and Agency Fund is the Cemetery Fund.

CITY OF MACON, MISSISSIPPI
Notes to Financial Statement

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

Proprietary Funds

Enterprise Funds – 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 Proprietary Funds are the Electric System and the Water and Sewer Department. The Electric System operates under the Tennessee Valley Authority and is accounted for and reported on separately with a fiscal year end of June 30.

Basis of Accounting

The financial statement is prepared on a cash basis, in compliance with the requirements of the Office of the State Auditor. Consequently, certain revenues are recognized when received (cash receipts) rather than when earned and certain expenses are recognized when paid (cash disbursements) rather than when the obligation is incurred.

Use of Estimates

The preparation of financial statements in conformity with the cash basis, in compliance with the requirements of the Office of the State Auditor requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Encumbrances

An encumbrance system is not maintained to account for commitments resulting from approved purchase orders, work orders and contracts.

CITY OF MACON, MISSISSIPPI
Notes to Financial Statement

Note 1 - Summary of Significant Accounting Policies (Continued)

Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefit Accounts

For proprietary funds (including Macon Electric and Water and Sewer) the City of Macon, Mississippi records expense and liability for compensated absences as the benefit is earned. Because the focus of the General Fund is “spendable resources” the expenditure is not recorded until the liability is discharged. However, the obligation is recorded in the Schedule of Long-Term Debt as the benefit is earned by the employees. The City of Macon, Mississippi’s policy on annual leave is it must be taken within the year accrued. Except for certain situations, five workdays may be carried over into the next year. The carryover of annual leave is immaterial; therefore it is not recorded in the Schedule of Long-Term Debt.

Note 2 - Cash and Other Deposits

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 \$1,864,248 on September 30, 2021, and the total of all bank balances was \$1,792,248.

Note 3 - Report Classifications

Receipts and disbursements were classified according to requirements for small towns in the State of Mississippi as prescribed by the Office of the State Auditor.

Note 4 - Joint Ventures

The City of Macon, Mississippi entered into an agreement on November 8, 1994, with the Golden Triangle Regional Solid Waste Management Authority. This authority was organized under laws of the state of Mississippi (Section 17-17-301 et seq. Ms. 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 Macon, Mississippi’s share of expense and liability is based on a pro rata share of waste tonnage. The other members of the Authority are Noxubee County, City of West Point, Clay County, City of Columbus, Lowndes County, City of

CITY OF MACON, MISSISSIPPI
Notes to Financial Statement

Note 4 - Joint Ventures (Continued)

Starkville, Oktibbeha County, City of Eupora, Webster County, the Town of Ackerman and Choctaw County.

The City of Macon, Mississippi entered into an inter-local cooperative agreement with Noxubee County, Mississippi and Noxubee County School District on December 11, 2007, to develop and operate the Noxubee Sportsplex. The agreement shall be governed by and construed in accordance with the laws of the State of Mississippi, specifically Sections 17-13-1 et seq., Mississippi Code of 1972, Annotated, as amended, being the Interlocal Government Cooperation Act of 1974, as amended. The parties agreed to cooperate in the development of the Noxubee Sportsplex that was completed in two stages over a period of approximately two years with financial and in-kind contributions from each party. The board of Aldermen of the City of Macon agreed to commit \$50,000 for the first stage and \$50,000 for the second stage plus five years of maintenance and grounds keeping for the ball fields located on the Sportsplex valued at approximately \$50,000 for a five year period. A Board of Governors consisting of five persons was appointed by the three governmental entities to serve as a joint board for the cooperative undertaking contained in the interlocal agreement. Two members were appointed by the Board of Education of Noxubee County, two members were appointed by the Board of Supervisors of Noxubee County and one member was appointed by the City of Macon. The appointees shall be elected or appointed members of their respective governmental bodies. The two year budget for constructing the Sportsplex, including in-kind services, totaled \$1,050,000.

The City of Macon's total contribution to the project was \$150,000 with \$50,000 paid on February 1, 2008, \$50,000 on February 1, 2009, and the balance of \$50,000 satisfied with in-kind services consisting of maintenance and grounds keeping for the ball fields for the first five years of operation. In the event of a shortfall in the operation of the Sportsplex, the shortfall will be covered as follows: Noxubee County 29%, City of Macon 14% and the Noxubee School District 57%. In the event of a profit from the operation of the Sportsplex, the entities may decide to invest all profits back into the Sportsplex; however, each entity reserves the right to withdraw profits based on the following percentages: Noxubee County 29%, City of Macon 14% and the Noxubee School District 57%. In the event that this agreement is not fulfilled or is cancelled in the future, it is understood that the entire ball field complex will be forfeited to the Noxubee County School District. The \$100,000 cash contribution of the City of Macon will be repaid in five equal annual installments of \$20,000 with the first payment being due six months after the complex is turned over to the Noxubee County School District and the remaining payments being due on the anniversary of that date.

On March 1, 2016, Noxubee County School System, Noxubee County Board of Supervisors, and the City of Macon, with respect to Noxubee County Sportsplex agreed that Noxubee County School System would pay the City of Macon \$34,200 after July 1, 2016, for City of Macon's agreement to maintain the Sportsplex for one year. The Noxubee County Board of Supervisors

CITY OF MACON, MISSISSIPPI
Notes to Financial Statement

Note 4 - Joint Ventures (Continued)

agreed to pay the City of Macon \$17,400 after October 1, 2016 for the City of Macon's agreement to maintain the Sportsplex for one year. The City of Macon maintained and bore all responsibility and expenses of maintenance of the Sportsplex for the period of one year. Noxubee County Board of Supervisors satisfied their agreement on March 9, 2016, and Noxubee County School System satisfied its agreement on September 23, 2016.

Note 5 - Risk Management

The City of Macon, Mississippi 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 of Macon, Mississippi 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 6 - 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, levy 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.

CITY OF MACON, MISSISSIPPI
Notes to Financial Statement

Note 6 – 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 Noxubee 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 7 – Commitments & Contingencies

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. 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 8 - Subsequent Events

Events that occur after the Combined Statement of Cash Receipts and Disbursements All Funds Excluding the Electric Proprietary Fund – Cash Basis 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 Combined Statement of Cash Receipts and Disbursements All Funds Excluding the Electric Proprietary Fund – Cash Basis date are recognized in the accompanying financial statement. Subsequent events which provide evidence about conditions that existed after the Combined Statement of Cash Receipts and Disbursements All Funds Excluding the Electric Proprietary Fund – Cash Basis date require disclosure in the accompanying notes. The City has evaluated subsequent events through January 6, 2023, the date the financial statements were available to be issued, and determined that there were no subsequent events requiring disclosure.

SUPPLEMENTARY INFORMATION

CITY OF MACON, MISSISSIPPI
Schedule of Investments – All Funds
For the Year Ended September 30, 2021

Ownership	Type of Investment	Interest Rate	Acquisition Date	Maturity Date	Other Information	Investment Cost/Value
Special Revenue Fund	Certificate of Deposit	0.25%	3/21/2021	3/21/2022	BankFirst Financial Services	<u>\$ 10,000</u>
Total Investments						<u>\$ 10,000</u>

CITY OF MACON, MISSISSIPPI
Schedule of Capital Assets
For the Year Ended September 30, 2021

	<u>Balance</u> <u>9/30/2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>9/30/2020</u>
Governmental activities:				
Buildings	\$ 205,645	-	-	\$ 205,645
Vehicles, machinery, and equipment	105,851	7,573	-	113,424
Infrastructure	6,653,546	-	-	6,653,546
Total Governmental activities capital assets	<u>\$ 6,965,042</u>	<u>7,573</u>	<u>-</u>	<u>\$ 6,972,615</u>
 Business-type activities:				
Buildings	\$ 200,027	-	-	\$ 200,027
Vehicles, machinery, and equipment	523,658	-	-	523,658
Infrastructure	14,398,455	75,826	-	14,474,281
Construction in process	10,005	-	10,005	-
Total Governmental activities capital assets	<u>\$ 15,132,145</u>	<u>75,826</u>	<u>10,005</u>	<u>\$ 15,197,966</u>

CITY OF MACON, MISSISSIPPI
Schedule of Long-Term Debt
For the Year Ended September 30, 2021

Definition and Purpose	Balance Outstanding 9/30/2020	Issued	Retired	Balance Outstanding 9/30/2021
General Obligation Bonds:				
G O Bonds - 2015	\$ 1,041,000		134,000	\$ 907,000
Revenue Bonds:				
W & S Revenue Bond - 1999	407,237		25,011	382,226
W & S Revenue Bond - 2003	585,489		24,031	561,458
Other Long-term Debt:				
Capital Improvements- Sewer Improvements (Phase 1)	180,643		16,749	163,894
Capital Improvements- Sewer Improvements (Phase 2)	306,352		20,216	286,136
USDA Rural Development Loan	22,132		3,117	19,015
Totals	<u>\$ 2,542,853</u>	<u>-</u>	<u>223,124</u>	<u>\$ 2,319,729</u>

All liabilities of the City of Macon, Mississippi except for Revenue Bonds are secured by the full faith and credit of the municipality.

CITY OF MACON, MISSISSIPPI
Schedule of Surety Bonds for Municipal Officials
September 30, 2021

Name	Position	Surety	Bond Amount
Robert Boykin	Mayor	Western Surety	\$ 150,000.00
Phillip McGuire	Mayor	Travelers	\$ 50,000.00
Thomas Campbell	Alderman	Travelers	\$ 50,000.00
Willie Dixon, Jr.	Alderman	MS Muni Bond Prog.	\$ 50,000.00
Earnest Harmon	Alderman	Travelers	\$ 50,000.00
Patrick Hopkins	Alderman	Travelers	\$ 50,000.00
Travonder Dixon	Alderman	Travelers	\$ 50,000.00
Beverly Hunter	Alderman	Travelers	\$ 50,000.00
Beverly Shelton	City Clerk	Western Surety	\$ 50,000.00
Peggy Brown	Clerk	Travelers	\$ 50,000.00
Yolanda Atkins	Court Clerk	Western Surety	\$ 50,000.00
Lisa Ricks	Court Clerk	Travelers	\$ 50,000.00
Cassandra Dew	City Clerk	Travelers	\$ 50,000.00
Laphilbia Smith	Deputy Clerk	Travelers	\$ 50,000.00
Davine Beck	Police Chief	Travelers	\$ 50,000.00
Eddie C. Hill	Assistant Police Chief	Travelers	\$ 50,000.00
Douglas E. Triplett	Assistant Police Chief	Travelers	\$ 50,000.00
Jerry Ledbetter	Water Dept. Superintendent	Travelers	\$ 50,000.00
Twanda Sanders	Water Dept. Manager	Travelers	\$ 50,000.00
Janice Harlan	Water Dept. Clerk	Western Surety	\$ 50,000.00
Annie Johnson	Water Dept. Clerk	Travelers	\$ 50,000.00
Lenore Welch	Water Dept. Clerk	Travelers	\$ 50,000.00
Lacey Johnson	Water Dept. Clerk	Travelers	\$ 50,000.00
Anthony Little	Water Dept. Operator	Travelers	\$ 50,000.00
Morgan Windham	Laborer/Helper	Travelers	\$ 50,000.00
Jeremy Campbell	Water Dept. Operator	Travelers	\$ 50,000.00
Tyrone Pope	Lineman	Travelers	\$ 50,000.00
Otis Anderson	Lineman	Travelers	\$ 50,000.00



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

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William B. Staggers, CPA
Michael W. McCully, CPA
R. Steve Sinclair, CPA
Marsha L. McDonald, CPA
Wanda S. Holley, CPA
Robin Y. McCormick, CPA/PFS
J. Randy Scrivner, CPA
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Edward A. Maxwell, CPA

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

Honorable Mayor and Board of Alderman
City of Macon
Macon, Mississippi

We have audited the Combined Statement of Cash Receipts and Disbursements All Funds Excluding the Electric Proprietary Fund – Cash Basis and supplementary information of the City of Macon, Mississippi, as of and for the year ended September 30, 2021, and have issued our report dated January 6, 2023. We have 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*.

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 Combined Statement of Cash Receipts and Disbursements All Funds Excluding the Electric Proprietary Fund – Cash Basis and supplementary information indicate that, with respect to the items tested, the City of Macon, Mississippi complied with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe the City of Macon, Mississippi had not complied with those provisions.

This report is intended solely for the information and use of management, the Board of Alderman, federal awarding agencies, the Office of the State Auditor 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.

Starkville, Mississippi
January 6, 2023

Watkins Ward and Stafford, PLLC



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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***

The Honorable Mayor and Board of Alderman
City of Macon
Macon, 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 Combined Statement of Cash Receipts and Disbursements All Funds Excluding the Electric Proprietary Fund – Cash Basis of the City of Macon, Mississippi for the year ended September 30, 2021, and the related notes to the financial statement, and have issued our report thereon dated January 6, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Macon, Mississippi's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the City of Macon, Mississippi's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Macon, 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 Macon, Mississippi's financial statement is 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 statement. 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.

Starkville, Mississippi
January 6, 2022

Watkins Ward and Stafford, P.C.