

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.

**Town of Sandersville, Mississippi
Statement of Cash Receipts
and Disbursements
For the Year Ended September 30, 2021**

**Town of Sandersville, Mississippi
Year Ended September 30, 2021**

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INDEPENDENT AUDITORS'S REPORT

Honorable Mayor and Board of Alderpersons
Sandersville, Mississippi

We have audited the accompanying cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Sandersville, Mississippi, as of and for the year ended September 30, 2021 and the related notes to financial statements, which collectively comprise the Town'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 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 statements 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 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. 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 auditor's 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the business-type activities, and the aggregate remaining fund information of the Town of Sandersville, Mississippi, as of September 30, 2021 and the respective changes in cash basis financial position for the year then ended in accordance with the cash basis of accounting described in Note 1.

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Basis of Accounting

We draw attention to note 1 of the financial statement, which describes that the Town of Sandersville, Mississippi prepares its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the Town of Sandersville, Mississippi's basic financial statements. The Schedule of Investments, Schedule of Capital Assets (Unaudited), Schedule of Long-Term Debt, and Schedule of Surety Bonds for Municipal Officials, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Investments, Schedule of Long-Term Debt, 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 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 budgetary comparison schedule, schedule of investments, schedule of fixed assets, schedule of long-term debt, and schedule of surety bonds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other information section, which includes the Schedule of Capital Assets (Unaudited), has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 9, 2022 on our consideration of the Town of Sandersville, Mississippi's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of this 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 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 Town of Sandersville, Mississippi's internal control over financial reporting and compliance.

Holt & Associates, PLLC

Laurel, MS
September 9, 2022

Town of Sandersville, Mississippi
Statement of Cash Receipts and Disbursements
Governmental and Business-Type Activities
For the Year Ended September 30, 2021

| | Governmental Activities | Business-Type Activities |
|---|----------------------------|-----------------------------|
| | General Fund | Water & Sewer Fund |
| Receipts | | |
| Property taxes | \$ 107,583 | \$ - |
| Licenses and permits | | |
| Privilege licenses | 2,888 | - |
| Franchise charges - utilities | 35,965 | - |
| Intergovernmental receipts | | |
| Federal grants | | |
| American Recovery Funds | 89,488 | - |
| Community Development Block Grant | - | 366,931 |
| Assistance to Firefighters Grant | 91,905 | |
| General municipal aid | | |
| Small Municipalities and Limited Population Counties Grant | - | 110,794 |
| State shared revenues | | |
| Sales taxes | 159,942 | - |
| Gasoline tax | 2,056 | - |
| Railcar tax | 9,953 | - |
| Homestead reimbursement | 8,455 | - |
| Modernization use tax | 39,548 | - |
| MEMA Relief | 17,121 | - |
| Other Aid | 533 | - |
| Charges for services | | |
| Sanitation | - | 70,066 |
| Water utility | - | 98,974 |
| Interest | 2,271 | 527 |
| Fines and Penalties | 30,044 | 3,919 |
| Miscellaneous receipts | 18,731 | 26,019 |
| Total receipts | <u>616,483</u> | <u>677,230</u> |

The accompanying notes are an integral part of this statement.

Town of Sandersville, Mississippi
Statement of Cash Receipts and Disbursements
Governmental and Business-Type Activities
For the Year Ended September 30, 2021

| | Governmental Activities <u>General Fund</u> | Business-Type Activities <u>Water & Sewer Fund</u> |
|---|---|--|
| Disbursements | | |
| General government | \$ 183,224 | \$ - |
| Public safety: | | |
| Police | 220,406 | - |
| Fire | 103,674 | - |
| Health and welfare | 161,775 | - |
| Culture and recreation | 158 | - |
| Enterprise: water and sanitation | - | 801,290 |
| Redemption of principal | 19,246 | 10,625 |
| Interest on debt service | 2,603 | 825 |
| Total disbursements | <u>691,086</u> | <u>812,740</u> |
| Excess (deficiency) of receipts over disbursements | <u>(74,603)</u> | <u>(135,510)</u> |
| Other Cash Sources (Uses) | | |
| Loan proceeds | - | 43,495 |
| Interfund loans and transfer | <u>(101,935)</u> | <u>101,935</u> |
| Total other cash sources (uses) | <u>(101,935)</u> | <u>145,430</u> |
| Excess (deficiency) of receipts and other cash sources over disbursement and other cash uses | (176,538) | 9,920 |
| Cash Basis Fund Balance - Beginning of Year | <u>771,575</u> | <u>175,200</u> |
| Cash Basis Fund Balance - End of Year | <u><u>\$ 595,037</u></u> | <u><u>\$ 185,120</u></u> |

The accompanying notes are an integral part of this statement.

TOWN OF SANDERSVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Sandersville, Mississippi operates under the Mayor – Board of Alderpersons form of government and provides all of the rights and privileges provided by statute for municipalities.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statement is reported using the basis of cash receipts and disbursements, as permitted by the Mississippi Office of the State Auditor, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Consequently, certain revenues are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligation is incurred.

Fund financial statements of the Town are organized into funds, each of which is considered to be separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues and expenditures/expenses. The individual funds account for governmental resources allocated to them for the purpose of carrying on specific activities in accordance with laws, regulations, or other restrictions.

The following Funds are groups of accounts that are used by the Town:

Governmental Activities

The Town reports the following major governmental fund:

General Fund – The general fund is the general operating fund of the Town. It accounts for all financial resources of the Town, except those required to be accounted for in another fund. All general tax revenues and other sources of revenue used to finance the fundamental operations of the Town are included in this fund. The fund is charged with all cost of operating the government for which a separate fund has not been established.

Business-Type Activities

The Town reports the following major proprietary fund:

Water & Sewer Fund – The Water and Sewer Fund accounts for the activities of providing water and sewer services to citizens of the Town.

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

NOTE 2 – PROPERTY TAXES

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied as of January 1 and payable on or before February 1. Automobile ad valorem taxes are collected by Jones County and remitted to the Town. The County retains a collection fee of \$2,850. Lien dates for personal and real property are in August. Delinquent tax payments, received throughout the year, are recognized as revenue in the year received. The millage rate for the Town for January through December was 26.0 mills broken down as follows:

| | |
|--------------|-------------|
| General Fund | <u>26.0</u> |
|--------------|-------------|

Restrictions associated with property tax levies are established by State law which provides that the tax levy for general purposes shall produce no more than 110% of the amount which results from those levies' assessments of the previous year. Uncollected taxes were determined to be properly handled.

TOWN OF SANDERSVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 3 – CASH AND CASH EQUIVALENTS 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. The carrying amount of the Town's deposits with financial institutions was \$780,157 (which includes \$465,522 of certificates of deposit with original maturities beyond three months) for 2021, and the bank balance was \$1,814,716 (which includes \$465,522 for investments) for 2021.

Custodial credit risk is defined as the risk that, in the event of the failure of a financial institution, the town will not be able to recover deposits or collateral securities that are in the possession of an outside party. The town does not have a deposit policy for custodial credit risk. However, the Mississippi State Treasurer manages that risk on behalf of the district. 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 town. As of September 30, 2021, the town's bank balance did not have any exposure to custodial credit risk.

Interest Rate Risk. The town 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 21-33-323, Miss. Code Ann. (1972). The town does not have a formal investment policy that would further limit its investment choices or one that addresses credit risk.

NOTE 4 – INTERFUND LOANS AND TRANSFERS

Inter-fund transactions and balances during the year were as follows:

| <u>Type</u> | <u>To</u> | <u>From</u> | <u>Amount</u> |
|--------------------|--------------------|--------------|---------------|
| Interfund Loan | Water & Sewer Fund | General Fund | \$ 30,433 |
| Interfund Transfer | Water & Sewer Fund | General Fund | 71,502 |

The interfund transfers were necessary for operating expenses.

TOWN OF SANDERSVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 5 –LONG TERM DEBT

The following is a summary of long-term debt transactions for the year ended September 30, 2021:

| | Interest Rate | Maturity Date | Balance 10/1/2020 | Additions | Reductions | Balance 9/30/2021 | Due within One Year |
|---------------------------------|------------------|------------------|----------------------|-----------|-------------|----------------------|------------------------|
| Governmental activities: | | | | | | | |
| Capital Lease- Ford Interceptor | 2.89% | 9/12/2021 | \$ 5,778 | - | (5,778) | \$ - | \$ - |
| Capital Lease- Backhoe | 4% | 11/27/2022 | 42,054 | - | (13,468) | 28,586 | 14,011 |
| Total governmental activities | | | 47,832 | - | (19,246) | 28,586 | 14,011 |
| Proprietary activities: | | | | | | | |
| Water lagoon- MDEQ | 4% | 1/1/2023 | \$ 25,468 | \$ - | \$ (10,625) | \$ 14,843 | \$ 11,057 |
| Total proprietary activities | | | \$ 25,468 | \$ - | \$ (10,625) | \$ 14,843 | \$ 11,057 |

Governmental activities:

The Town entered into a lease agreement with Hancock Bank on August 1, 2017, for the purchase of a Ford Interceptor in the amount of \$24,918, paid in annual payments of \$6,685.99. The lease is secured by the vehicle.

The Town entered into a lease agreement with Hancock Bank on November 27, 2018, for the purchase of a backhoe in the amount of \$55,000, paid in annual payments of \$15,162.67. The lease is secured by the backhoe.

Proprietary activities:

The Town received a Water Pollution Control Emergency Loan from the State of Mississippi through the Mississippi Department of Environmental Quality in November 18, 2011 in the amount of \$91,670. The purpose of the loan is to provide funding emergency construction/repair of water and sewer improvements. Beginning May, 2013, payments are made at a monthly amount of \$954.16, including interest of 4%. The Town has pledged its share of general sales tax collected by the State of Mississippi (the State) to secure its notes payable to the State for the following notes for various public improvements and utility improvement projects. The Town received general sales tax revenue totaling \$159,942 for the current year and made principal and interest payments on the notes payable to the state totaling \$11,492.92 during the current year. As of September 30, 2021, the future principal and interest requirements for the note payable totaled \$15,299 and the maturity date of the note payable extend through September 30, 2023.

Schedule of principal and interest

The following is a schedule of principal payments on long-term debt for the next 5 years and for 5-year increments thereafter:

| | Governmental activities | | | | Business-type activities | | |
|------|-------------------------|-----------------|------------------|------|--------------------------|---------------|------------------|
| | Principal | Interest | Total | | Principal | Interest | Total |
| 2022 | \$ 14,011 | \$ 1,152 | \$ 15,163 | 2022 | \$ 11,057 | \$ 417 | \$ 11,474 |
| 2023 | 14,575 | 588 | 15,163 | 2023 | 3,786 | 39 | 3,825 |
| | <u>\$ 28,586</u> | <u>\$ 1,740</u> | <u>\$ 30,326</u> | | <u>\$ 14,843</u> | <u>\$ 456</u> | <u>\$ 15,299</u> |

TOWN OF SANDERSVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 6 – DEFINED BENEFIT PENSION PLAN

Plan Description. The Town of Sandersville, Mississippi 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 is available at www.pers.ms.gov.

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.

Contributions. PERS members are required to contribute 9.00% of their annual covered salary, and the school district is required to contribute at an actuarially determined rate. The employer's rate as of June 30, 2021 was 17.40% of annual covered payroll. Plan provisions and the Board of Trustees' authority to determine contribution rates are established by Section 25-11-1 of the Mississippi Code of 1972, as amended, and may be amended only by the Mississippi Legislature. The Town's contributions to PERS for the fiscal year ending September 30, 2021, were \$53,182, which equaled the required contributions for each year.

NOTE 7 – RISK MANAGEMENT

The Town 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 Town 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.

TOWN OF SANDERSVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 8 – CONTINGENCIES

Federal Grants – The Town has received federal grants for specific purposes that are subject to audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowances resulting from the grantor audit may become a liability of the school district

NOTE 9 – SUBSEQUENT EVENTS

The Town had no subsequent events of a material nature requiring adjustment to or disclosure in the accompanying financial statement through September 9, 2022, the date which the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

Schedule I

Town of Sandersville, Mississippi
Schedule of Investments - All Funds
For the Fiscal Year Ended September 30, 2021

| <u>OWNERSHIP</u> | <u>TYPE OF INVESTMENT</u> | <u>INTEREST RATE</u> | <u>ACQUISITION DATE</u> | <u>MATURITY DATE</u> | <u>OTHER INFORMATION</u> | <u>INVESTMENT COST/VALUE</u> |
|--------------------------|---------------------------|----------------------|-------------------------|----------------------|--------------------------|------------------------------|
| General Fund | Certificate of Deposit | 0.16% | 10/17/2021 | 6 months | Community Bank | \$ 16,326 |
| General Fund | Certificate of Deposit | 0.16% | 10/17/2021 | 6 months | Community Bank | 16,326 |
| General Fund | Certificate of Deposit | 0.16% | 10/17/2021 | 6 months | Community Bank | 16,326 |
| General Fund | Certificate of Deposit | 0.16% | 3/20/2022 | 6 months | Community Bank | 21,015 |
| General Fund | Certificate of Deposit | 0.16% | 11/17/2021 | 6 months | Community Bank | 37,320 |
| General Fund | Certificate of Deposit | 0.20% | 10/16/2021 | 6 months | Community Bank | 27,760 |
| General Fund | Certificate of Deposit | 0.16% | 3/27/2022 | 6 months | Community Bank | 29,306 |
| General Fund | Certificate of Deposit | 0.16% | 3/27/2022 | 6 months | Community Bank | 29,306 |
| General Fund | Certificate of Deposit | 0.20% | 10/16/2021 | 6 months | Community Bank | 27,760 |
| General Fund | Certificate of Deposit | 0.20% | 10/16/2021 | 6 months | Community Bank | 19,987 |
| General Fund | Certificate of Deposit | 0.16% | 1/4/2022 | 6 months | Community Bank | 28,675 |
| General Fund | Certificate of Deposit | 0.20% | 10/16/2021 | 12 months | Community Bank | 27,760 |
| General Fund | Certificate of Deposit | 0.20% | 11/13/2021 | 12 months | Community Bank | 11,561 |
| General Fund | Certificate of Deposit | 0.20% | 11/13/2021 | 12 months | Community Bank | 11,561 |
| General Fund | Certificate of Deposit | 0.20% | 11/13/2021 | 12 months | Community Bank | 11,561 |
| General Fund | Certificate of Deposit | 0.20% | 11/13/2021 | 12 months | Community Bank | 11,561 |
| TOTAL GENERAL | | | | | | <u>344,111</u> |
| Proprietary Fund | Certificate of Deposit | 0.16% | 9/28/2022 | 6 months | Community Bank | 5,085 |
| Proprietary Fund | Certificate of Deposit | 0.16% | 12/9/2021 | 6 months | Community Bank | 108,707 |
| Proprietary Fund | Certificate of Deposit | 0.16% | 10/17/2021 | 6 months | Community Bank | 7,619 |
| TOTAL PROPRIETARY | | | | | | <u>121,411</u> |
| TOTAL INVESTMENTS | | | | | | <u><u>\$ 465,522</u></u> |

Town of Sandersville, Mississippi
Schedule of Capital Assets
For the Fiscal Year Ended September 30, 2021

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|--|------------------------------|-------------------|--------------------|---------------------------|
| Governmental activities: | | | | |
| Capital assets: | | | | |
| Buildings and improvements | \$ 132,808 | \$ - | \$ - | \$ 67,808 |
| Machinery and Equipment | 512,445 | - | - | 291,527 |
| Total Governmental activities capital assets | \$ 645,253 | \$ - | \$ - | \$ 359,335 |
| Business-type activities | | | | |
| Capital assets: | | | | |
| Plant and buildings | \$ 534,771 | \$ 617,917 | \$ - | \$ 1,152,688 |
| Machinery and Equipment | 7,903 | | | 7,903 |
| Construction in progress | 47,200 | - | (47,200) | - |
| Total Business-type activities capital assets | \$ 589,874 | \$ 617,917 | \$ (47,200) | \$ 1,160,591 |

Town of Sandersville, Mississippi
Schedule of Surety Bonds of Municipal Officials
September 30, 2021

Schedule III

| <u>Name</u> | <u>Position</u> | <u>Surety</u> | <u>Bond Amount</u> |
|--------------------|------------------------|----------------------|---------------------------|
| Bob White | Mayor | St. Paul Travelers | \$ 25,000 |
| Karen Langley | Deputy Clerk | St. Paul Travelers | 50,000 |
| Karen Langley | Court Clerk | St. Paul Travelers | 50,000 |
| Paula Byrd | Town Clerk | St. Paul Travelers | 100,000 |
| Darlene Hill | Aldersperson | St. Paul Travelers | 25,000 |
| Walter Jack | Aldersperson | St. Paul Travelers | 25,000 |
| Max Sanders | Aldersperson | St. Paul Travelers | 25,000 |
| William Hill | Aldersperson | St. Paul Travelers | 25,000 |
| Tony Helton | Aldersperson | St. Paul Travelers | 25,000 |
| Shane Barlow | Police Chief | St. Paul Travelers | 50,000 |
| Joey Decuir | Police Officer | St. Paul Travelers | 25,000 |
| Brian Lilly | Police Officer | St. Paul Travelers | 25,000 |
| Franklin Spurlin | Police Officer | St. Paul Travelers | 25,000 |
| Tommy Hartfield | Police Officer | St. Paul Travelers | 25,000 |
| Deandre Billiot | Police Officer | St. Paul Travelers | 25,000 |
| Cody Bell | Police Officer | St. Paul Travelers | 25,000 |
| Elizabeth Walley | Police Officer | St. Paul Travelers | 25,000 |
| Dalton Gieger | Police Officer | St. Paul Travelers | 25,000 |
| Lake Hancock | Police Officer | St. Paul Travelers | 25,000 |
| Steven Welborn | Police Officer | St. Paul Travelers | 25,000 |
| Brad Anderson | Police Officer | St. Paul Travelers | 25,000 |
| Evan Miles | Police Officer | St. Paul Travelers | 25,000 |
| Derek Fowler | Police Officer | St. Paul Travelers | 25,000 |

Town of Sandersville, Mississippi
Schedule of Long-Term Debt
For the Fiscal Year Ended September 30, 2021

| Definition and Purpose | Balance | Transactions During Fiscal Year | | Balance |
|---------------------------------|-------------------------|---------------------------------|----------------------|---------------------------|
| | <u>October 1, 2020</u> | <u>Issued</u> | <u>Redeemed</u> | <u>September 30, 2021</u> |
| Other Long-term Debt: | | | | |
| Governmental activities: | | | | |
| Hancock Bank - Backhoe | \$ 42,054 | - | 13,468 | 28,586 |
| Hancock Bank - Ford Interceptor | <u>5,778</u> | <u>-</u> | <u>5,778</u> | <u>-</u> |
| Total governmental activities | <u>47,832</u> | <u>-</u> | <u>19,246</u> | <u>28,586</u> |
| Proprietary activities: | | | | |
| Water Lagoon-MDEQ | <u>25,467</u> | <u>-</u> | <u>10,625</u> | <u>14,842</u> |
| Total proprietaryactivities | <u>25,467</u> | <u>-</u> | <u>10,625</u> | <u>14,842</u> |
| Total Long-Term Debt | \$ <u><u>73,299</u></u> | <u><u>-</u></u> | <u><u>29,871</u></u> | <u><u>43,428</u></u> |



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H. I. Holt, CPA
Founder (1915-1997)
W. David Dill, CPA (Retired)

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*

Members of the Town Council
Town of Sandersville, 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 Town of Sandersville, Mississippi as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise Town of Sandersville, Mississippi's basic financial statements, and have issued our report thereon dated September 9, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Sandersville, 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 Town of Sandersville, Mississippi's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Sandersville, 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be material weaknesses. Finding 2021-001 and 2021-002.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of Sandersville, 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 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*.

Town of Sandersville, Mississippi's Response to Findings

Town of Sandersville, Mississippi's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Town of Sandersville, Mississippi's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Holt & Associates, PLLC

Laurel, Mississippi
September 9, 2022



Julie M. Uher, CPA
Kari M. Blackledge, CPA
Sheri A. Kelly, CPA

H. I. Holt, CPA
Founder (1915-1997)
W. David Dill, CPA (Retired)

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

Honorable Mayor and Members of the Town Council
Town of Sandersville, Mississippi

We have audited the basic financial statements of the Town of Sandersville, Mississippi as of and for the year ended September 30, 2021, and have issued our report thereon dated September 9, 2022. 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.

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 other state laws and regulations. However, providing an opinion on compliance with all 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 performed to test compliance with certain other state laws and regulations and our audit of the financial statements disclosed the following immaterial instances of noncompliance with other state laws and regulations. Our findings and recommendations and your responses are as follows:

Finding #1

Condition: The Town's expenditures exceeded amounts budgeted. According to Section 21-35-15, Miss. Code Ann. (1972), expenditures shall not exceed budget estimates, measured at the lowest level adopted in the budget, except for capital outlay, election expenses and payment of emergency warrants.

Recommendation: We recommend the Town take greater care in reviewing operations and amending the budget as circumstances require.

Response: During non-election years, the Administration will usually recommend budget amendments to cover budget expenditure overruns. However, since FY 2021 was an election year, the Town was limited to its last budget amendment in August and was therefore unable to make its usual end-of-the-year budget amendments in September. The Town will closely monitor and amend the city's budget as necessary.

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Finding #2

Condition: The Town does not have a formal system to tagging fixed assets.

Recommendation: We recommend the Town implement a system in accordance with state law.

Response: The Town agrees with the finding and is currently updating the procedures to make sure all fixed assets are properly accounted for.

The Office of the State Auditor or a public accounting firm will review, on a subsequent year's audit engagement, the findings in this report to ensure that corrective action has been taken.

Holt & Associates, PLLC

Laurel, Mississippi
September 9, 2022

TOWN OF SANDERSVILLE, MISSISSIPPI

Schedule of Findings and Responses Year Ended September 30, 2021

Section II: Summary of Auditors' Results

Financial Statements

- | | |
|---|---------------|
| 1. Type of auditors' report issued on the primary government financial statements: | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | Yes |
| b. Significant deficiencies identified that are not considered to be material weaknesses? | None reported |
| 3. Noncompliance material to the financial statements? | No |

Section II: Financial Statement Findings

Material Weaknesses:

FINDING 2021-1

Criteria: In order to achieve a high level of internal control, the functions of executing transactions, recording transactions, and maintaining accountability for assets should be performed by different employees or be maintained under dual control.

Condition: The City does not currently have an internal control system to allow for proper segregation of duties in certain areas of the accounting function.

Cause: The City has limited staff and cannot justify staffing the number of positions necessary to have proper segregation of duties across all areas.

Effect: Inadequate segregation of duties could adversely affect the City's ability to detect and correct misstatements in a timely period by employees in the normal course of performing their assigned functions.

Recommendation: The cost of hiring additional personnel versus the benefit of a proper segregation of duties must be weighed. Under this condition, the most effective control is management and the board's oversight and knowledge of matters relating to the operations of the City.

Response: Lack of segregation of duties has been a recurring deficiency. Since the cost to hire additional personnel is cost prohibited, this will continue to be a deficiency in future audits. Procedures are in place to segregate duties with the staff available.

FINDING 2021-2

Criteria: To ensure proper cash disbursements, all invoices should be readily available for approval by the governing board.

Condition: During the test of expenditures, one invoice could not be located.

Cause: The invoice was misfiled.

Effect: Missing invoices could cause duplicate payments of expenditures and also opens the door for fraud.

Recommendation: In order to ensure proper cash disbursements, we recommend the Town be more diligent on properly filing invoices.

Response: The Town will be more diligent in filing receipts in the proper file. The invoice was available to the authorized check signer for review.