

## 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 WAYNESBORO, MISSISSIPPI**

**Audited Financial Statements  
and Special Reports**

**For the Year Ended September 30, 2021**



# CITY OF WAYNESBORO, MISSISSIPPI

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Certified Public Accountants*

## **INDEPENDENT AUDITOR'S REPORT**

Members of the Board of Aldermen  
and Honorable Mayor  
City of Waynesboro, Mississippi

### **Report on the Audit of the Financial Statements**

#### **Opinions**

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Waynesboro, Mississippi, as of September 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with the cash basis of accounting which is a basis of accounting other than accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

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

#### **Emphasis of Matter - Basis of Accounting**

We draw attention to Note 1 of the financial statements which describes that the City of Waynesboro, 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.

#### **Responsibilities of Management for the Financial Statements**

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

## **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Waynesboro, Mississippi's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the Budgetary Comparison Schedules-Budget and Actual (Non-GAAP Basis), Notes to the Budgetary Comparison Schedules, Schedule of Investments, Schedule of Capital Assets, Schedule of Changes in Long-term Debt, and Schedule of Surety Bonds for Municipal Officials but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 7, 2022, on our consideration of the City of Waynesboro, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Waynesboro, Mississippi's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Waynesboro, Mississippi's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Stephen D. Myrick CPA LLC". The signature is written in a cursive, flowing style.

Stephen D. Myrick, C.P.A., L.L.C.

Quitman, Mississippi

June 7, 2022



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## **FINANCIAL STATEMENTS**

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## CITY OF WAYNESBORO, MISSISSIPPI

## Statement of Net Position - Cash Basis

September 30, 2021

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash	\$ 2,570,427	\$ 975,934	\$ 3,546,361
Restricted cash	45,880	89,779	135,659
Total Assets	<u>\$ 2,616,307</u>	<u>\$ 1,065,713</u>	<u>\$ 3,682,020</u>
<b>NET POSITION</b>			
Restricted for:			
Expendable:			
Public safety	\$ 204,683	\$ -	\$ 204,683
Public works	864,340	1,065,713	1,930,053
Health and welfare	25,031	-	25,031
Culture and recreation	417,430	-	417,430
Unemployment compensation	7,713	-	7,713
Other purposes	56,162	-	56,162
Unrestricted	1,040,948	-	1,040,948
Total Net Position	<u>\$ 2,616,307</u>	<u>\$ 1,065,713</u>	<u>\$ 3,682,020</u>

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

**CITY OF WAYNESBORO, MISSISSIPPI**  
**Statement of Activities - Cash Basis**  
**For the Year Ended September 30, 2021**

<u>Functions/Programs</u>	<u>Program Cash Receipts</u>			<u>Net (Disbursements) Receipts and Changes in Net Position</u>		<u>Total</u>
	<u>Cash Disbursements</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	
Governmental Activities:						
General government	\$ 1,057,779	\$ -	\$ -	\$ (1,057,779)	\$ -	\$ (1,057,779)
Public safety	1,747,991	229,182	-	(1,518,809)	-	(1,518,809)
Public works	2,891,751	623,551	1,698,185	(570,015)	-	(570,015)
Culture and recreation	468,626	-	-	(468,626)	-	(468,626)
Debt service:						
Principal	55,909	-	-	(55,909)	-	(55,909)
Interest	6,311	-	-	(6,311)	-	(6,311)
Total Governmental Activities	<u>6,228,367</u>	<u>852,733</u>	<u>1,698,185</u>	<u>(3,677,449)</u>	<u>-</u>	<u>(3,677,449)</u>
Business-type Activities:						
Water and sewer	<u>1,466,992</u>	<u>1,307,460</u>	<u>-</u>	<u>-</u>	<u>(159,532)</u>	<u>(159,532)</u>
Total Business-type Activities	<u>1,466,992</u>	<u>1,307,460</u>	<u>-</u>	<u>-</u>	<u>(159,532)</u>	<u>(159,532)</u>
Total Government	<u>\$ 7,695,359</u>	<u>\$ 2,160,193</u>	<u>\$ 1,698,185</u>	<u>(3,677,449)</u>	<u>(159,532)</u>	<u>(3,836,981)</u>
General Receipts:						
Property taxes				1,359,394	-	1,359,394
Road and bridge privilege taxes				279,328	-	279,328
Sales tax				2,553,545	-	2,553,545
Licenses and permits				299,742	-	299,742
Unrestricted interest income				24,805	14,230	39,035
Miscellaneous				58,638	-	58,638
Total General Receipts				<u>4,575,452</u>	<u>14,230</u>	<u>4,589,682</u>
Changes in Net Position				898,003	(145,302)	752,701
Net Position - Beginning				1,718,304	1,211,015	2,929,319
Net Position - Ending				<u>\$ 2,616,307</u>	<u>\$ 1,065,713</u>	<u>\$ 3,682,020</u>

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

**CITY OF WAYNESBORO, MISSISSIPPI**  
**Statement of Assets and Fund Balances - Cash Basis**  
**Governmental Funds**  
**September 30, 2021**

	<b>Major Funds</b>					
	<b>General Fund</b>	<b>1 % Special Tourism Tax Fund</b>	<b>Mississippi Infrastructure Fund</b>	<b>American Rescue Plan Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>						
Cash	\$ 1,040,948	\$ 411,466	\$ 272,328	\$ 592,012	\$ 253,673	\$ 2,570,427
Restricted cash	-	-	-	-	45,880	45,880
Total Assets	<u>1,040,948</u>	<u>411,466</u>	<u>272,328</u>	<u>592,012</u>	<u>299,553</u>	<u>2,616,307</u>
<b>FUND BALANCES</b>						
Restricted for:						
Public safety	-	-	-	-	204,683	204,683
Public works	-	-	272,328	592,012	-	864,340
Health and welfare	-	-	-	-	25,031	25,031
Culture and recreation	-	411,466	-	-	5,964	417,430
Unemployment compensation	-	-	-	-	7,713	7,713
Other purposes	-	-	-	-	56,162	56,162
Unassigned	1,040,948	-	-	-	-	1,040,948
Total Fund Balances	<u>\$ 1,040,948</u>	<u>\$ 411,466</u>	<u>\$ 272,328</u>	<u>\$ 592,012</u>	<u>\$ 299,553</u>	<u>\$ 2,616,307</u>

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

**CITY OF WAYNESBORO, MISSISSIPPI**  
**Statement of Cash Receipts, Disbursements and Changes in Fund Balances - Cash Basis**  
**Governmental Funds**  
**For the Year Ended September 30, 2021**

	<b>Major Funds</b>					
	<b>General Fund</b>	<b>1% Special Tourism Tax Fund</b>	<b>Mississippi Infrastructure Fund</b>	<b>American Rescue Plan Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>RECEIPTS</b>						
Property taxes	\$ 1,013,439	\$ -	\$ -	\$ -	\$ 345,955	\$ 1,359,394
Road and bridge privilege taxes	279,328	-	-	-	-	279,328
Sales tax	2,323,115	230,430	-	-	-	2,553,545
Licenses, commissions and other receipts	297,842	-	-	-	1,900	299,742
Fines and forfeitures	224,499	-	-	-	4,683	229,182
Intergovernmental receipts	533,660	-	213,457	590,643	360,425	1,698,185
Charge for services	623,551	-	-	-	-	623,551
Interest income	15,466	4,538	2,513	1,369	919	24,805
Miscellaneous receipts	39,886	-	-	-	60	39,946
Total Receipts	<u>5,350,786</u>	<u>234,968</u>	<u>215,970</u>	<u>592,012</u>	<u>713,942</u>	<u>7,107,678</u>
<b>DISBURSEMENTS</b>						
General government	720,665	-	-	-	337,114	1,057,779
Public safety	1,448,688	-	-	-	299,303	1,747,991
Public works	2,873,089	-	16,720	-	1,942	2,891,751
Culture and recreation	427,471	41,155	-	-	-	468,626
Debt service:						
Principal	29,391	-	-	-	26,518	55,909
Interest	733	-	-	-	5,578	6,311
Total Disbursements	<u>5,500,037</u>	<u>41,155</u>	<u>16,720</u>	<u>-</u>	<u>670,455</u>	<u>6,228,367</u>
Excess (Deficiency) of Receipts over (under) Disbursements	<u>(149,251)</u>	<u>193,813</u>	<u>199,250</u>	<u>592,012</u>	<u>43,487</u>	<u>879,311</u>
<b>OTHER CASH SOURCES (USES)</b>						
Insurance recoveries	18,692	-	-	-	-	18,692
Transfers in	15,243	-	-	-	6,200	21,443
Transfers out	(6,200)	-	-	-	(15,243)	(21,443)
Total Other Cash Sources (Uses)	<u>27,735</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,043)</u>	<u>18,692</u>
Excess (Deficiency) of Receipts and Other Cash Sources over (under) Disbursements and Other Cash Uses	<u>(121,516)</u>	<u>193,813</u>	<u>199,250</u>	<u>592,012</u>	<u>34,444</u>	<u>898,003</u>
Fund Balances - Beginning	<u>1,162,464</u>	<u>217,653</u>	<u>73,078</u>	<u>-</u>	<u>265,109</u>	<u>1,718,304</u>
Fund Balances - Ending	<u>\$ 1,040,948</u>	<u>\$ 411,466</u>	<u>\$ 272,328</u>	<u>\$ 592,012</u>	<u>\$ 299,553</u>	<u>\$ 2,616,307</u>

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

## CITY OF WAYNESBORO, MISSISSIPPI

## Statement of Net Position - Cash Basis

## Proprietary Fund

September 30, 2021

	<b>Business-type Activities - Enterprise Fund</b>	
	<b>Water and Sewer Fund</b>	<b>Total</b>
<b>ASSETS</b>		
Current Assets:		
Cash	\$ 975,934	\$ 975,934
Total Current Assets	975,934	975,934
Noncurrent Assets:		
Restricted cash	89,779	89,779
Total Noncurrent Assets	89,779	89,779
Total Assets	1,065,713	1,065,713
<b>NET POSITION</b>		
Restricted for:		
Public works	1,065,713	1,065,713
Total Net Position	\$ 1,065,713	\$ 1,065,713

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



**CITY OF WAYNESBORO, MISSISSIPPI**  
**Statement of Cash Receipts, Disbursements and Changes in Net Position - Cash Basis**  
**Proprietary Fund**  
**For the Year Ended September 30, 2021**

	<b>Business-type Activities - Enterprise Fund</b>	
	<b>Water and Sewer</b>	
	<b>Fund</b>	<b>Total</b>
<b>Operating Receipts</b>		
Charges for sales and services	\$ 1,265,770	\$ 1,265,770
Other services	41,690	41,690
Total Operating Receipts	1,307,460	1,307,460
<b>Operating Disbursements</b>		
Personal services	389,021	389,021
Contractual services	761,737	761,737
Materials and supplies	106,583	106,583
Miscellaneous	150,237	150,237
Total Operating Disbursements	1,407,578	1,407,578
Operating Income (Loss)	(100,118)	(100,118)
<b>Nonoperating Receipts (Disbursements)</b>		
Interest income	14,230	14,230
Principal paid	(39,331)	(39,331)
Interest expense	(20,083)	(20,083)
Net Nonoperating Receipts (Disbursements)	(45,184)	(45,184)
Changes in Net Position	(145,302)	(145,302)
Net Position - Beginning	1,211,015	1,211,015
Net Position - Ending	\$ 1,065,713	\$ 1,065,713

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

**CITY OF WAYNESBORO, MISSISSIPPI**  
**Notes to the Financial Statements**  
**For the Year Ended September 30, 2021**

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

**A. Financial Reporting Entity.**

The City of Waynesboro, Mississippi (the City) is a municipal corporation governed by a mayor elected from the citizens of the City at-large and a five-member board of aldermen. Four aldermen are elected by the citizens from a specific district and one alderman is elected by the citizens of the City at-large. The financial statements of the City are presented on a cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America as established by the Governmental Accounting Standards Board. These accounting principles require the City to present these financial statements on the primary government and its component units which have significant operational or financial relationships with the City. There are no outside organizations that should be included as component units of the City's reporting entity.

**B. Basis of Presentation.**

The City's basic financial statements consist of government-wide statements, including a Statement of Net Position – Cash Basis and a Statement of Activities – Cash Basis, fund financial statements and accompanying note disclosures which provide a detailed level of financial information.

Government-wide Financial Statements:

The Statement of Net Position – Cash Basis and Statement of Activities – Cash Basis display information concerning the City as a whole. The statements include all nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are generally financed through taxes, intergovernmental receipts and other nonexchange receipts and are reported separately from business-type activities. Business-type activities rely mainly on fees and charges for support.

The Statement of Net Position – Cash Basis presents the financial condition of the governmental activities and business-type activities of the County at year-end. The Government-wide Statement of Activities – Cash Basis presents a comparison between direct disbursements and program receipts for each function or program of the City's governmental activities and business-type activities. Direct disbursements are those that are specifically associated with a service, program or department and therefore, are clearly identifiable to a particular function. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other receipts not classified as program receipts are presented as general receipts of the City, with certain limited exceptions. Internal service fund balances have been eliminated against the disbursements and program receipts. The comparison of direct disbursements with program receipts identifies the extent to which each business-type activity or governmental function is self-financing or draws from the general receipts of the City.

Fund Financial Statements:

Fund financial statements of the City are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, fund balances, receipts and disbursements. Funds are organized into governmental, proprietary and fiduciary. Major individual Governmental Funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column as Other Governmental Funds.

**C. Measurement Focus and Basis of Accounting.**

The Government-wide, Governmental Funds, and Proprietary Funds financial statements are presented on a cash basis of accounting which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. This basis of accounting involves the reporting of only cash and cash equivalents and the changes therein resulting from cash inflows (cash receipts) and cash outflows (cash disbursements) reported in the period in which they occurred. This cash basis of accounting differs from GAAP primarily because revenues (cash receipts) are recognized when received in cash rather than when earned and susceptible to accrual, and expenditures or expenses (cash disbursements) are recognized when paid rather than when incurred or subject to accrual.

**CITY OF WAYNESBORO, MISSISSIPPI**  
**Notes to the Financial Statements**  
**For the Year Ended September 30, 2021**

The City reports the following major Governmental Funds:

General Fund – This fund is used to account for and report all financial resources not accounted for and reported in another fund.

1% Special Tourism Tax Fund – This fund is used to account for monies from specific revenue sources that are restricted for 1% Special Tourism Tax.

Mississippi Infrastructure Fund – This fund is used to account for monies from state sources that are restricted for public works infrastructure.

American Rescue Plan Fund – This fund is used to account for monies from federal sources that are restricted for public works infrastructure.

The City reports the following major Enterprise Fund:

Water and Sewer Fund – This fund is used to account for the activities associated with the City's water distribution and sewage collection systems.

Additionally, the City reports the following fund types:

**GOVERNMENTAL FUND TYPES**

Special Revenue Funds – These funds are used to account for and report the proceeds of specific cash sources that are restricted or committed to disbursement for specified purposes other than debt service or capital projects.

Debt Service Funds – These funds are used to account for and report financial resources that are restricted, committed, or assigned to disbursement for principal and interest.

Capital Projects Funds – These funds are used to account for and report financial resources that are restricted, committed, or assigned to disbursement for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

**PROPRIETARY FUND TYPES**

Enterprise Funds – These funds are used to account for those operations that are financed and operated in a manner similar to private business enterprises or where the City has decided that periodic determination of receipts collected, disbursements paid and/or net income is necessary for management accountability.

**D. Account Classifications.**

The account classifications used in the financial statements conform to the broad classifications recommended in *Governmental Accounting, Auditing and Financial Reporting* as issued in 2012 by the Government Finance Officers Association.

**E. Deposits.**

State law authorizes the City to invest in interest bearing time certificates of deposit for periods of fourteen days to one year with depositories and in obligations of the U.S. Treasury, State of Mississippi, or any county, municipality or school district of this state. Further, the City may invest in certain repurchase agreements.

Cash includes cash on hand, demand deposits, and all certificates of deposit and cash equivalents, which are short-term highly liquid investments that are readily convertible to cash (generally twelve months or less).

**CITY OF WAYNESBORO, MISSISSIPPI**  
**Notes to the Financial Statements**  
**For the Year Ended September 30, 2021**

**F. Restricted Cash.**

In Other Governmental Funds, the City maintains a trust reserved specifically for cemetery improvements, restitution funds and unreleased seized funds that are representative of restricted cash.

In Water and Sewer Fund, the City maintains meter deposits that it requires new users of its water and sewer system to pay up front in order to use the City's water and sewer systems. The City is required to maintain these deposits in a separate bank account and return this deposit less any outstanding balance owed the City to the customer upon discontinuation of service. Additionally, the City maintains a separate bank account as required by the United States Department of Agriculture – Rural Development in its loan covenant which requires a debt service reserve in a separate bank account in an amount equivalent to one year's maintenance cost for the City's notes payable with the United States Department of Agriculture – Rural Development.

**G. Equity Classifications.**

Government-wide Financial Statements:

Equity is classified as net position and displayed in two components:

Restricted net position – Consists of net position with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or law through constitutional provisions or enabling legislation.

Unrestricted net position – All other net position not meeting the definition of "restricted".

Net Position Flow Assumption:

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

Fund Financial Statements:

Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Governmental fund balance is classified as nonspendable, restricted, committed, assigned or unassigned. The following are descriptions of fund classifications used by the City:

*Restricted fund balance* includes amounts that have constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.

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

**CITY OF WAYNESBORO, MISSISSIPPI**  
**Notes to the Financial Statements**  
**For the Year Ended September 30, 2021**

**Fund Balance Flow Assumption:**

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

**H. Property Tax Receipts.**

Numerous statutes exist under which the 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 Board of Aldermen, each year at a meeting in September, levies property taxes for the ensuing fiscal year which begins on October 1. Real property taxes become a lien on January 1 of the current year, and personal property taxes become a lien as of 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. Taxes on motor vehicles and mobile homes become a lien and are due in the month that coincides with the month of original purchase. All property taxes are recognized as receipts when collected. The Wayne County Tax Collector serves as the collector for the City's property taxes and remits the collections monthly to the City.

**Note 2: Deposits.**

The carrying amount of the City's total deposits with financial institutions at September 30, 2021 was \$3,682,020 (which included \$1,309 in petty cash), and the bank balance was \$3,699,186. 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, *Mississippi Code of 1972 Annotated*. 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 Deposit Insurance Companies (FDIC).

**Custodial Credit Risk – Deposits.** Custodial credit risk is the risk that in the event of the failure of a financial institution, 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 formal policy for custodial credit risk. 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 Deposit Insurance Corporation (FDIC). Deposits above FDIC coverage are collateralized by the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on behalf of the City.

**Note 3: Restricted Cash.**

The restricted cash amount included in Other Governmental Funds represents a trust reserved specifically for cemetery improvements in the amount of \$23,395, restitution funds in the amount of \$5,516, and seized funds unreleased for use in the amount of \$16,969. The restricted cash amount in the Water and Sewer Fund represents customer meter deposits in the amount of \$64,181 and a debt service reserve of \$25,598 required by the United States Department of Agriculture - Rural Development in its loan covenants requiring the City to maintain a debt service reserve in a separate bank account. These amounts are included in the deposits reported in Note 2.

**CITY OF WAYNESBORO, MISSISSIPPI**  
**Notes to the Financial Statements**  
**For the Year Ended September 30, 2021**

**Note 4: Transfers.**

The following is a summary of interfund transfers at September 30, 2021:

Transfers In/Out:

Transfers In	Transfers Out	Amount
General Fund	Other Governmental Funds	\$ 15,243
Other Governmental Funds	General Fund	6,200
		<hr/>
Total		<u>\$ 21,443</u>

The purpose of the transfers was to reimburse funds for related expenses. All interfund transfers were routine and consistent with the activities of the fund making the transfer.

**Note 5: Claims and Judgements.**

**Risk Financing.**

The City finances its exposure to risk of loss related to workers' compensation for injuries to its employees through the Mississippi Public Entity Workers' Compensation Trust, a public entity risk pool. The City pays premiums to the pool for its workers' compensation insurance coverage, and the participation agreement provides that the pool will be self-sustaining through member premiums. The retention for the pool is \$1,000,000 for each accident and completely covers statutory limits set by the Workers' Compensation Commission. Risk of loss is remote for claims exceeding the pool's retention liability. However, the pool also has catastrophic reinsurance coverage for statutory limits above the pool's retention, provided by Safety National Casualty Corporation, effective from January 1, 2021, to January 1, 2022. The pool may make an overall supplemental assessment or declare a refund depending on the loss experience of all the entities it insures.

**Note 6: Contingencies.**

Federal Grants – The City 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 grant agreements and applicable federal regulations, including the disbursements of resources for allowable purposes. The City may be responsible for any disallowances.

Litigation - The City is party to legal proceedings, many of which occur in the normal course of governmental operations. It is not possible at the present time to estimate ultimate outcome or liability, if any, of the City with respect to the various proceedings. However, the City's legal counsel believes that ultimate liability resulting from these lawsuits will not have a material adverse effect on the financial condition of the City.

**Note 7: Related Party.**

For the fiscal year ended September 30, 2021, the City of Waynesboro paid the brother of an Alderman approximately \$261,538 for bushhogging and street right-of-way repair services. It is the representation of management with the City of Waynesboro, Mississippi that these services were consummated on terms equivalent to those that prevail in other arm's-length transactions by requiring competitive quotes where applicable in accordance with Mississippi Purchasing Laws.

**Note 8: Related Organization.**

The City's Board of Aldermen are responsible for appointing five members to the board of trustees of the Waynesboro-Wayne County Library System, one from the respective ward of the Alderman who appoints them, but the City's accountability for this organization does not extend beyond making the appointments. The City appropriated \$112,114 for an operating grant to the Waynesboro-Wayne County Library System for the 2021 fiscal year.

**CITY OF WAYNESBORO, MISSISSIPPI**  
**Notes to the Financial Statements**  
**For the Year Ended September 30, 2021**

**Note 9: Joint Ventures.**

The City participates in the following joint venture:

Chickasawhay Natural Gas District - The City is a participant with the City of Quitman and the City of Shubuta in a joint venture to operate Chickasawhay Natural Gas District ("The District"), a special governmental unit established by state statute to provide natural gas service to the residences of the three cities' citizens and as well as to citizens of certain areas of Clarke and Wayne counties. The District is governed by a seven-member board of trustees composed of the mayor of each of the three participating cities, four members elected by the customers, two each from Clarke and Wayne counties. Each of the three cities is not presently obligated by contract to supplement the District's operating revenues. The District's board minutes are silent to a specific formula outlining each participant's claim to joint venture assets, and there is no written joint venture agreement among the participants. Therefore, no explicit and measurable equity interest is deemed to exist. Complete financial statements for the District can be obtained from the District's administrative office at 306 S. Archusa Avenue, Quitman, MS 39355 or call (601) 776-8887.

**Note 10: Defined Benefit Pension Plan.**

Plan Description. The City of Waynesboro, 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 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 1-800-444-PERS.

Funding Policy. At September 30, 2021, PERS members were required to contribute 9% of their annual covered salary, and the City is required to contribute at an actuarially determined rate. The rate at September 30, 2021 was 17.40% 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's contributions (employer share only) to PERS for the years ending September 30, 2021, 2020 and 2019 were \$299,110, \$289,879, and \$278,478, respectively, equal to the required contributions for each year.

**Note 11: Tax Abatements.**

Tax abatements are available to manufacturers and other new enterprises as authorized in Sections 27-31-101 and 27-31-105 of Mississippi Code Annotated (1972) and are granted by the Board of Aldermen to encourage businesses to locate or expand operations in the City and to create new job opportunities for City residents.

The City negotiates property taxes on an individual basis and approves all abatements for up to ten years. The City has one type of abatement under Section 27-31-102, Miss. Code Annotated (1972) for all allowable property tax levies, which does not provide for the abatement of school or state tax levies. Current agreements do not have any provisions for recapturing abated taxes.

The City has a total of twenty-six ad valorem tax abatement agreements with fourteen different industries as of September 30, 2021:

Category	Percentage of Taxes Abated	Amount of Taxes Abated during the Year
Construction and expansion of an existing facility	100%	\$ 108,442

**CITY OF WAYNESBORO, MISSISSIPPI**  
**Notes to the Financial Statements**  
**For the Year Ended September 30, 2021**

**Note 12: Insurance Recoveries.**

The City received \$18,692 in insurance loss recoveries related to property damage during the 2020-2021 fiscal year. In the government-wide Statement of Activities – Cash Basis, the insurance loss recoveries were reported as miscellaneous receipts.

**Note 13: Subsequent Events.**

Events that occur after the Statement of Net Position-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 Statement of Net Position-Cash Basis date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position-Cash Basis date require disclosure in the accompanying notes. Management of the City evaluated the activity of the City through June 7, 2022, (the date the financial statements were available to be issued) and determined that no subsequent events have occurred requiring disclosure in the notes to the financial statements.



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## **SUPPLEMENTARY INFORMATION**

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**CITY OF WAYNESBORO, MISSISSIPPI**  
**Supplementary Information**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended September 30, 2021**

<b>Federal Grantor/ Pass-through Grantor/ Program Title or Cluster</b>	<b>Catalog of Federal Domestic Assistance No.</b>	<b>Grant Identification Number</b>	<b>Pass-through Entity Identifying Number</b>	<b>Federal Expenditures</b>
<b><u>U.S. Department of Transportation</u></b>				
Passed-through the Federal Aviation Administration:				
Airport Improvement Program - CARES Act	20.106	AIP 3-28-0076-14-2021	N/A	\$ 9,000
Airport Improvement Program	20.106	AIP 3-28-0076-14-2021	N/A	332,025
Total Passed-through Federal Aviation Administration				341,025
<b>Total U.S. Department of Transportation</b>				<b>341,025</b>
<b><u>U.S. Department of the Treasury</u></b>				
Passed-through the Mississippi Emergency Management Agency:				
Coronavirus Relief Fund	21.019	N/A	153-78360-00	118,117
Total Passed-through Mississippi Emergency Management Agency				118,117
<b>Total U.S. Department of the Treasury</b>				<b>118,117</b>
<b><u>U.S. Department of Homeland Security</u></b>				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	N/A	153-78360-00	411,946 *
Total Passed-through Mississippi Emergency Management Agency				411,946
<b>Total U.S. Department of Homeland Security</b>				<b>411,946</b>
<b>Total Expenditures of Federal Awards</b>				<b>\$ 871,088</b>

\* Denotes major federal award program

**Note A - Basis of Presentation.**

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

**Note B - Summary of Significant Accounting Policies.**

Expenditures reported on the Schedule are reported on the cash basis of accounting.

**Note C - Indirect Cost Rate.**

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

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## **OTHER INFORMATION**

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**CITY OF WAYNESBORO, MISSISSIPPI**  
**Budgetary Comparison Schedule - Budget and Actual (Non-GAAP Basis)**  
**General Fund**  
**For the Year Ended September 30, 2021**  
**UNAUDITED**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Property taxes	\$ 975,000	\$ 1,020,000	\$ 1,013,439	\$ (6,561)
Road and bridge taxes	258,000	280,000	279,328	(672)
State shared revenues	2,160,000	2,270,000	2,323,115	53,115
Licenses and permits	34,200	33,300	36,155	2,855
Fines and forfeitures	175,000	215,000	224,499	9,499
Loan/grant proceeds	400,000	200,000	533,660	333,660
Franchise taxes	273,600	257,600	261,687	4,087
Charges for services	585,000	657,000	623,551	(33,449)
Other sources	122,675	129,581	55,352	(74,229)
Total Receipts	<u>4,983,475</u>	<u>5,062,481</u>	<u>5,350,786</u>	<u>288,305</u>
<b>DISBURSEMENTS</b>				
General government	813,167	812,158	720,665	91,493
Public safety	1,849,081	1,765,911	1,448,688	317,223
Public works	2,454,650	2,994,225	2,873,089	121,136
Culture and recreation	525,123	468,123	427,471	40,652
Debt service:				
Principal	-	-	29,391	(29,391)
Interest	-	-	733	(733)
Total Disbursements	<u>5,642,021</u>	<u>6,040,417</u>	<u>5,500,037</u>	<u>540,380</u>
Excess (Deficiency) of Receipts over (under) Disbursements	<u>(658,546)</u>	<u>(977,936)</u>	<u>(149,251)</u>	<u>828,685</u>
<b>OTHER CASH SOURCES (USES)</b>				
Insurance recoveries	-	-	18,692	18,692
Transfers in	-	-	15,243	15,243
Transfers out	-	-	(6,200)	(6,200)
Total Other Cash Sources (Uses)	<u>-</u>	<u>-</u>	<u>27,735</u>	<u>27,735</u>
Excess (Deficiency) of Receipts and Other Cash Sources over (under) Disbursements and other Cash Uses	<u>(658,546)</u>	<u>(977,936)</u>	<u>(121,516)</u>	<u>856,420</u>
Fund Balances - Beginning	<u>658,546</u>	<u>1,161,607</u>	<u>1,162,464</u>	<u>857</u>
Fund Balances - Ending	<u>\$ -</u>	<u>\$ 183,671</u>	<u>\$ 1,040,948</u>	<u>\$ 857,277</u>

The accompanying notes to the Other Information are an integral part of this statement.



**CITY OF WAYNESBORO, MISSISSIPPI**  
**Budgetary Comparison Schedule - Budget and Actual (Non-GAAP Basis)**  
**1 % Special Tourism Tax Fund**  
**For the Year Ended September 30, 2021**  
**UNAUDITED**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>RECEIPTS</b>				
State shared revenues	\$ 192,000	\$ 230,000	\$ 230,430	\$ 430
Interest/other sources	1,800	3,400	4,538	1,138
Total Receipts	<u>193,800</u>	<u>233,400</u>	<u>234,968</u>	<u>1,568</u>
<b>DISBURSEMENTS</b>				
Personnel, fixed assets and other	<u>61,100</u>	<u>50,000</u>	<u>41,155</u>	<u>8,845</u>
Total Disbursements	<u>61,100</u>	<u>50,000</u>	<u>41,155</u>	<u>8,845</u>
Excess (Deficiency) of Receipts over (under) Disbursements	132,700	183,400	193,813	10,413
Fund Balances - Beginning	<u>-</u>	<u>217,653</u>	<u>217,653</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 132,700</u>	<u>\$ 401,053</u>	<u>\$ 411,466</u>	<u>\$ 10,413</u>

The accompanying notes to the Other Information are an integral part of this statement.

**CITY OF WAYNESBORO, MISSISSIPPI**  
**Budgetary Comparison Schedule - Budget and Actual (Non-GAAP Basis)**  
**Mississippi Infrastructure Fund**  
**For the Year Ended September 30, 2021**  
**UNAUDITED**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Intergovernmental receipts	\$ -	\$ -	\$ 213,457	\$ 213,457
Interest income	-	-	2,513	2,513
Total Receipts	-	-	215,970	215,970
<b>DISBURSEMENTS</b>				
Public works	-	-	16,720	(16,720)
Total Disbursements	-	-	16,720	(16,720)
Excess (Deficiency) of Receipts over (under) Disbursements	-	-	199,250	199,250
Fund Balances - Beginning	-	-	73,078	73,078
Fund Balances - Ending	\$ -	\$ -	\$ 272,328	\$ 272,328

The accompanying notes to the Other Information are an integral part of this statement.

**CITY OF WAYNESBORO, MISSISSIPPI**  
**Budgetary Comparison Schedule - Budget and Actual (Non-GAAP Basis)**  
**American Rescue Plan Fund**  
**For the Year Ended September 30, 2021**  
**UNAUDITED**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Intergovernmental receipts	\$ -	\$ -	\$ 590,643	\$ 590,643
Interest income	-	-	1,369	1,369
Total Receipts	-	-	592,012	592,012
<b>DISBURSEMENTS</b>				
Public works	-	-	-	-
Total Disbursements	-	-	-	-
Excess (Deficiency) of Receipts over (under) Disbursements	-	-	592,012	592,012
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending	\$ -	\$ -	\$ 592,012	\$ 592,012

The accompanying notes to the Other Information are an integral part of this statement.

**City of Waynesboro, Mississippi**  
**Notes to the Other Information**  
**For the Year Ended September 30, 2021**

**Budgetary Comparison Information.**

**A. Budgetary Information.**

Statutory requirements dictate how and when the City's budget is to be prepared. Generally, in the month of August, prior to the ensuing fiscal year beginning each October 1, the Board of Aldermen of the City, using historical and anticipated fiscal data and proposed budgets submitted by the department managers for their departments, prepares an original budget for each of the Governmental Funds for said fiscal year. The completed budget for the fiscal year includes for each fund every source of receipt, each general item of disbursement, and the unencumbered cash and investment balances. When, during the fiscal year, it appears to the Board of Aldermen that budgetary estimates will not be met, it may make revisions to the budget.

The City's budget is prepared principally on the cash basis of accounting except for disbursements where the City follows Section 21-35-23, Miss. Code Ann. (1972) which allows disbursements made within 30 days after September 30 to be charged back to the budget for fiscal year ending on September 30. This provision applies to obligations incurred prior to the end of the fiscal year ended September 30 and intended appropriated to be paid from that fiscal year's budget. To qualify for this charge back, the claim for payment [Section 21-39-9, Miss. Code Ann. 1972] must be approved and the check for payment dated no later than October 30. All appropriations lapse at year end, and there are no encumbrances to budget because state law does not require that funds be available when goods or services are ordered, only when payment is made.

**B. Basis of Presentation.**

The Budgetary Comparison Schedule – Budget and Actual presents the original legally adopted budget, the final legally adopted budget, actual amounts on a budgetary basis and variances between the final budget and the actual amounts. The schedule is presented for the General Fund and each major Special Revenue Fund.

**C. Unbudgeted Funds.**

The following funds were not budgeted for the year ended September 30, 2021:

- Cemetery Fund
- MS Infrastructure Fund
- American Rescue Plan Fund
- Restitution Fund
- Non-Cleared Forfeiture Fund
- Narcotics Cleared Forfeitures Fund
- Parks and Recreation Fund
- Municipal Airport Grant Fund
- Transportation and Infrastructure Fund

The unbudgeted funds are in violation of state law. However, the City has no obligation associated with the violation.

**CITY OF WAYNESBORO, MISSISSIPPI**  
**Schedule of Investments - All Funds**  
**For the Year Ended September 30, 2021**  
**UNAUDITED**

<u>Fund</u>	<u>Type of Investment</u>	<u>Interest Rate</u>	<u>Original Acquisition Date</u>	<u>Renewal Date</u>	<u>Maturity Date</u>	<u>Investment Cost/Value</u>
Other Governmental Funds						
Cemetery Fund	Certificate of Deposit	2.00%	4/23/1986	1/23/2021	1/23/2022	<u>\$ 22,588</u>
Total Other Governmental Funds						<u><u>\$ 22,588</u></u>
Enterprise Fund						
Water and Sewer Fund	Certificate of Deposit	0.35%	8/26/1988	8/26/2021	8/26/2022	\$ 10,000
	Certificate of Deposit	0.35%	8/26/1988	8/26/2021	8/26/2022	10,000
	Certificate of Deposit	1.51%	8/23/1990	8/23/2021	8/26/2022	27,150
	Certificate of Deposit	1.51%	8/23/1990	8/23/2021	8/26/2022	27,150
	Certificate of Deposit	1.51%	8/23/1990	8/23/2021	8/26/2022	54,300
	Certificate of Deposit	1.24%	1/12/1989	12/2/2020	12/2/2021	<u>11,250</u>
Total Water and Sewer Fund						<u><u>\$ 139,850</u></u>

**CITY OF WAYNESBORO, MISSISSIPPI**  
**Schedule of Capital Assets**  
**For the Fiscal Year Ended September 30, 2021**  
**UNAUDITED**

**Governmental Activities:**

	Balance October 1, 2020	Additions	Deletions	Balance September 30, 2021
Land	\$ 224,332	\$ -	\$ -	\$ 224,332
Construction in progress	458,278	-	-	458,278
Infrastructure	5,274,477	540,035	-	5,814,512
Buildings	4,023,192	-	-	4,023,192
Improvements other than buildings	644,445	-	-	644,445
Mobile equipment	1,986,256	37,683	-	2,023,939
Furniture and equipment	483,739	11,333	-	495,072
Leased property under capital leases	1,640,898	-	-	1,640,898
Total Capital Assets	<u>\$ 14,735,617</u>	<u>\$ 589,051</u>	<u>\$ -</u>	<u>\$ 15,324,668</u>

**Business-type Activities:**

	Balance October 1, 2020	Additions	Deletions	Balance September 30, 2021
Infrastructure	\$ 14,638,369	\$ 105,944	\$ -	\$ 14,744,313
Buildings	1,398,914	-	-	1,398,914
Improvements other than buildings	103,348	-	-	103,348
Mobile equipment	346,322	28,158	-	374,480
Furniture and equipment	379,239	-	-	379,239
Leased property under capital leases	29,292	-	-	29,292
Total Capital Assets	<u>\$ 16,895,484</u>	<u>\$ 134,102</u>	<u>\$ -</u>	<u>\$ 17,029,586</u>

**CITY OF WAYNESBORO, MISSISSIPPI**  
**Schedule of Changes in Long-term Debt**  
**For the Year Ended September 30, 2021**  
**UNAUDITED**

<u>Description and Purpose</u>	<u>Issue Date</u>	<u>Original Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance October 1, 2020</u>	<u>Issued</u>	<u>Principal Payments</u>	<u>Balance September 30, 2021</u>	<u>Interest Paid</u>
<b>Governmental Activities:</b>									
<b>A. Other Loans</b>									
2018 Western Star Knuckleboom Truck	4/3/2017	\$ 142,500	4/3/2022	2.17%	\$ 46,800	\$ -	\$ 29,391	\$ 17,409	\$ 733
2018 Fire Truck	11/16/2017	279,000	11/15/2027	2.85%	<u>207,828</u>	<u>-</u>	<u>26,518</u>	<u>181,310</u>	<u>5,578</u>
Total Governmental Activities Debt					<u>\$ 254,628</u>	<u>\$ -</u>	<u>\$ 55,909</u>	<u>\$ 198,719</u>	<u>\$ 6,311</u>
 <b>Business-type Activities</b>									
<b>A. Other Loans</b>									
Jones Branch Project	3/5/2004	\$ 422,300	3/5/2039	4.50%	\$ 306,157	\$ -	\$ 12,431	\$ 293,726	\$ 12,385
Big Well	3/21/2014	556,326	8/21/2033	2.00%	<u>391,832</u>	<u>-</u>	<u>26,900</u>	<u>364,932</u>	<u>7,698</u>
Total Business-type Activities Debt					<u>\$ 697,989</u>	<u>\$ -</u>	<u>\$ 39,331</u>	<u>\$ 658,658</u>	<u>\$ 20,083</u>

**CITY OF WAYNESBORO, MISSISSIPPI**  
**Schedule of Surety Bonds for Municipal Officials**  
**September 30, 2021**  
**UNAUDITED**

<b>Name</b>	<b>Position</b>	<b>Company</b>	<b>Bond Amount</b>
Richard E. Johnson	Mayor	RLI Surety	\$ 50,000
Mary Joyce Davis / Kevin Stevens	Alderman	RLI Surety / Western Surety Company	100,000 *
George Timothy Cochran	Alderman	RLI Surety	100,000 *
Albert D. Busby	Alderman	Western Surety Company	100,000 *
Tammie Wilson	Alderman	Western Surety Company	100,000 *
Johnny Gray / Michael Norsworthy	Alderman	Western Surety Company	100,000 *

\* Bond was increased from \$40,000 to \$100,000 during fiscal year based on prior year audit finding.



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## **SPECIAL REPORTS**

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# Stephen D. Myrick C.P.A., L.L.C.

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## **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 Board of Aldermen  
and Honorable Mayor  
City of Waynesboro, Mississippi

We have audited, 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, the cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Waynesboro, Mississippi, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Waynesboro, Mississippi's basic financial statements, and have issued our report thereon dated June 7, 2022.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Waynesboro, 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Waynesboro, Mississippi's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control 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 or significant deficiencies may exist that were not identified.

### **Report on Compliance and Other Matters**

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

**Purpose of this Report**

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

A handwritten signature in black ink that reads "Stephen D. Myrick CPA LLC". The signature is written in a cursive, flowing style.

Stephen D. Myrick, C.P.A., L.L.C.

Quitman, Mississippi

June 7, 2022

# *Stephen D. Myrick C.P.A., L.L.C.*

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

Members of the Board of Aldermen  
and Honorable Mayor  
City of Waynesboro, Mississippi

### **Report on Compliance for the Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited the City of Waynesboro, Mississippi's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the City of Waynesboro, Mississippi's major federal program for the year ended September 30, 2021. The City of Waynesboro, Mississippi's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

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

#### ***Basis for Opinion on the Major Federal Program***

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

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

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City of Waynesboro, Mississippi's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Waynesboro, Mississippi's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Waynesboro, Mississippi's compliance with the requirements of its major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Waynesboro, Mississippi's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Waynesboro, Mississippi's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Waynesboro, Mississippi's internal control over compliance. Accordingly, no such opinion is expressed.

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

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2021-001. Our opinion on the major federal program is not modified with respect to these matters.

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

### **Report on Internal Control over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2021-001 to be a material weakness.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the City of Waynesboro, Mississippi's response to the internal control over compliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The City of Waynesboro, Mississippi's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Stephen D. Myrick CPA LLC". The signature is written in a cursive, flowing style.

Stephen D. Myrick, C.P.A., L.L.C.

Quitman, Mississippi

June 7, 2022



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

Members of the Board of Aldermen  
and Honorable Mayor  
City of Waynesboro, Mississippi

We have audited the basic financial statements of the City of Waynesboro, Mississippi as of and for the year ended September 30, 2021, and have issued our report dated June 7, 2022. 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 basic financial statements disclosed the following instance of noncompliance with state laws and regulations:

**1. Officials and employees are not properly bonded as required by Section 21 of the Mississippi Code Ann. (1972) and the Municipal Audit and Accounting Guide.**

**Repeat Finding:** Yes

**Criteria:** Various general state statutes within Section 21 of the Mississippi Code Ann. (1972) and the Municipal Audit and Accounting Guide requires the Municipal Clerk, Deputy Clerk, Chief of Police, anyone handling money, and Board or Council to be bonded with a surety bond.

**Condition:** We observed that the municipal clerk, deputy municipal clerk, chief of police and others handling money were not properly bonded as prescribed in the Municipal Audit and Accounting Guide and Section 21 of the Mississippi Code Ann. (1972).

**Cause:** The City did not comply with state statutes.

**Effect:** Failure to comply with state law would limit the amount available for recovery if a loss occurred.

**Recommendation:** The City should implement additional internal controls to ensure that all City officials and employees be properly bonded.

**View of Respective Official(s):** We have contacted the insurance agency concerning the bonds listed. The bonds are being reissued as required to correct this issue.

**2. Management and Purchase Clerk should maintain adequate controls of purchasing.**

**Repeat Finding:** Yes

**Criteria:** Section 31-7-13(c)(i), Mississippi Code Ann. (1972) states that purchases which involve an expenditure of more than Fifty Thousand Dollars (\$50,000.00), exclusive of freight and shipping charges, may be made from the lowest and best bidder after advertising for competitive bids once each week for two (2) consecutive weeks in a regular newspaper published in the county or municipality in which such agency or governing authority is located.

**Condition:** We observed one instance where the City could not document that it properly advertised for a construction project for overlay of a street.

**Cause:** The City did not comply with state statutes.

**Effect:** Failure to maintain adequate controls over purchasing could result in improper payments to vendors, theft of assets, and misappropriation of funds.

**Recommendation:** Management and Purchase Clerk should maintain adequate internal controls over purchasing to ensure compliance with purchasing laws.

**View of Respective Official(s):** We have established additional internal controls to ensure that the City fully complies with Mississippi purchasing laws.

**3. Budgets for all special revenue funds were not adopted. Budgets were not adopted at the appropriate level as required by the Municipal Audit and Accounting Guide. Adopted budgets were exceeded in certain expenditure categories.**

**Repeat Finding:** No

**Criteria:** The Municipal Audit and Accounting Guide as prepared by the Office of State Auditor of Mississippi requires municipalities to budget all funds of the municipality at the appropriate minimum expenditure level (Personnel Services, Supplies, Contractual Services, Capital Outlay & Debt Service) for each department. It requires that final amended budgets not be exceeded.

**Condition:** As a part of our audit procedures on budgetary compliance, we observed the following:

1. The City did not adopt a budget for all special revenue funds.
2. Of the adopted budgets, the City did not budget expenditures at the appropriate minimum level.
3. In three expenditure categories, the City's actual expenditures exceeded its final amended budget.

**Cause:** The municipal clerk was unaware that budgets were required for all funds of the City, that the budget for individual funds should be categorized by department into the following groups as applicable: Personnel Services, Supplies, Contractual Services, Capital Outlay and Debt Service and that actual expenditures should not exceed the final amended budget.

**Effect:** Failure to properly budget all funds and the appropriate expenditure level could result in an over-expenditure of funds by the City and result in noncompliance with state statutes.

**Recommendation:** We recommend that the City implement additional internal controls to ensure that the City budgets for all individual funds at the appropriate expenditure level and that it doesn't exceed its budget as required by the Municipal Audit and Accounting Guide prepared by the Office of State Auditor of Mississippi.

**View of Respective**

**Official(s):** In the future, the City will be sure to budget all funds at the appropriate expenditure level as required by State Statute.

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.

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.

A handwritten signature in black ink that reads "Stephen D. Myrick CPA LLC". The signature is written in a cursive, flowing style.

Stephen D. Myrick, C.P.A., L.L.C.

Quitman, Mississippi

June 7, 2022

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

**Section 1: Summary of Auditor's Results**

***Financial Statements:***

1. Type of auditor's report issued on the financial statements:
 

Governmental activities	Unmodified
Business-type activities	Unmodified
General Fund	Unmodified
1% Special Tourism Tax Fund	Unmodified
Mississippi Infrastructure Fund	Unmodified
American Rescue Plan Fund	Unmodified
Water and Sewer Fund	Unmodified
Aggregate remaining fund information	Unmodified
2. Internal control over financial reporting:
  - a. Material weaknesses identified? No
  - b. Significant deficiencies identified? No
3. Noncompliance material to the financial statements noted? No

***Federal Awards:***

4. Internal control over major federal programs:
  - a. Material weakness identified? Yes
  - b. Significant deficiency identified? No
5. Type of auditor's report issued on compliance for major federal program: Unmodified
6. Any audit finding(s) disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes
7. Identification of major federal program:
 

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)
8. Dollar threshold used to distinguish between type A and type B programs: \$750,000
9. Auditee qualified as low-risk auditee? No
10. Prior fiscal year audit finding(s) and questioned costs relative to federal awards which would require the auditee to prepare a summary schedule of prior audit findings in accordance with 2 CFR 200.511(b)? Yes

**City of Waynesboro, Mississippi**  
**Schedule of Findings and Questioned Costs - Continued**  
**For the Year Ended September 30, 2021**

**Section 2: Financial Statement Findings**

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

**Section 3: Federal Award Findings and Questioned Costs**

**Compliance**

**Requirements:** Activities Allowed or Unallowed; Allowable Costs/Cost Principles; Period of Performance; Reporting; Special Tests and Provisions

**Material Weakness**

**Material Noncompliance**

**2021-001.**

**Finding**

**Program:** 97.036; Disaster Grants – Public Assistance (Presidentially Declared Disasters)

**Pass-through Entity**

**Identifying Number:** FEMA-4415-DR-MS

**Pass-through Agency:** Mississippi Emergency Management Agency

**Criteria:** U. S. Code of Federal Regulations, Title 2, Subtitle A, Chapter II, Part 200, Subpart D, section 200.303(a) states that the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

**Condition:** The City has not established and maintained an effective internal control system over the Federal award as required by U. S. Code of Federal Regulations, Title 2, Subtitle A, Chapter II, Part 200, Subpart D, section 200.303(a) necessary to ensure that the City is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award that contained in various sections of U. S. Code of Federal Regulations, Title 2, Subtitle A, Chapter II, Part 200, Subpart D, section 200.

As a result, the City could not document that it fulfilled compliance requirements contained in Office of Management and Budget 2022 Compliance Supplement as follows:

1. Four instances where quotes or bids that were required could not be located.
2. One instance where an expenditure for services related to the Federal award appeared to be outside of the “Period of Performance”.
3. One instance where Force Labor on a “Large Project” included a duplication of labor costs that had been already charged to another project.

**City of Waynesboro, Mississippi**  
**Schedule of Findings and Questioned Costs - Continued**  
**For the Year Ended September 30, 2021**

4. Multiple instances where the City could not document that it had properly filed the Quarterly Reports required for two "Large Projects".

<b>Cause:</b>	The City did not establish effective internal control system over the Federal award at the beginning of Federal award operations to ensure that the City properly administered the Federal award in accordance with U. S. Code of Federal Regulations, Title 2, Subtitle A, Chapter II, Part 200, Subpart D, section 200.303(a) to ensure that the City fulfills Federal statutes, regulations, and the terms and conditions of the Federal award.
<b>Questioned Costs:</b>	\$151,404
<b>Effect:</b>	The United States Department of Homeland Security could demand repayment of federal funds, and the City's ability to receive federal funds in the future could be hindered.
<b>Repeat Finding:</b>	Yes
<b>Recommendation:</b>	The City should establish and maintain an effective internal control system over its Federal award necessary to ensure that it is managing the Federal award in compliance with Federal Statutes, regulations and the terms and conditions of the Federal award as required in the U. S. Code of Federal Regulations, Title 2, Subtitle A, Chapter II, Part 200, Subpart D, section 200.303(a).
<b>Views of Responsible Officials:</b>	The Auditee's Corrective Action Plan on page 55 and Summary Schedule of Prior Audit Findings and Questioned Costs page 56 lists the City's response to the finding.



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**AUDITEE'S CORRECTIVE ACTION PLAN AND  
SUMMARY SCHEDULE OF  
PRIOR AUDIT FINDINGS AND QUESTIONED COSTS**

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## **AUDITEE'S CORRECTIVE ACTION PLAN**

**SEPTEMBER 30, 2021**

**Finding 2021-001.**

**Corrective Action:**

Internal controls are being established over Federal awards to manage Federal awards in compliance with Federal Statutes, regulations and the terms and conditions of the Federal award as is required in the U.S. Code of Federal Regulation, Title 2, Subtitle A, Chapter II, Part 200, Subpart D, section 200.303(a). See also the Summary of Prior Audit Findings and Questioned Costs on page 57 of this report.

**Responsible Parties:**

Dwayne Rawson, Municipal Clerk  
Angela Atchison, Grant Administrator

**Corrective Action Start Date:** June 10, 2022

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**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS  
SEPTEMBER 30, 2021**

**Finding 2020-002.**

**Condition:**

The City has not established and maintained an effective internal control system over the Federal award as required by U. S. Code of Federal Regulations, Title 2, Subtitle A, Chapter II, Part 200, Subpart D, section 200.303(a) necessary to ensure that the City is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award that are contained in various sections of U. S. Code of Federal Regulations, Title 2, Subtitle A, Chapter II, Part 200, Subpart D, section 200.

**Status:**

We are in the process of developing internal control policies and procedures over Federal awards to ensure we properly manage Federal awards in compliance with Federal Statutes, regulations and the terms and conditions of the Federal award as required in the U. S. Code of Federal Regulations, Title 2, Subtitle A, Chapter II, Part 200, Subpart D, section 200.303(a). See also the Auditee's Corrective Action Plan on page 55 of this report.