

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 PRENTISS, MISSISSIPPI

**AUDITED FINANCIAL STATEMENTS
and
SPECIAL REPORT**

SEPTEMBER 30, 2022

TOWN OF PRENTISS, MISSISSIPPI

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TOWN OF PRENTISS, MISSISSIPPI

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and
Members of the Board of Aldermen
Town of Prentiss, Mississippi

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 Town of Prentiss, Mississippi, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Town of Prentiss, Mississippi's cash basis 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 Town of Prentiss, Mississippi, as of September 30, 2022, and the respective changes in cash basis financial position thereof for the year then ended in accordance with cash basis of accounting.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Prentiss, 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with cash basis of accounting, 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 Town of Prentiss, 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.

Auditors' 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 Auditors' 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 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, 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 Town of Prentiss, 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 Town of Prentiss, Mississippi's ability to continue as a going concern for a reasonable period of time.

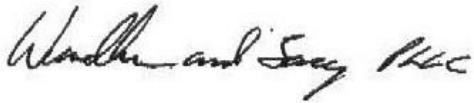
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Prentiss, Mississippi's cash basis financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are 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 cash basis financial statements. The information has been subjected to the auditing procedures applied in the audit of the cash basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements are fairly stated, in all material respects, in relation to the cash basis financial statements as a whole.

A handwritten signature in black ink, appearing to read "Windham and Lacey, PLLC". The signature is written in a cursive, flowing style.

Windham and Lacey, PLLC
May 9, 2023

TOWN OF PRENTISS, MISSISSIPPI

FINANCIAL STATEMENTS

TOWN OF PRENTISS, MISSISSIPPI
Statement of Activities and Net Position - Cash Basis
As of and for the Year Ended September 30, 2022

	Cash Disbursements	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position		
		Fees, Fines & Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs							
Governmental Activities:							
General government	\$ 483,175	6,347	13,500		(463,328)		(463,328)
Public safety	725,834	26,729	245,799		(453,306)		(453,306)
Public works	285,946	84,368		57,781	(143,797)		(143,797)
Culture and recreation	37,380				(37,380)		(37,380)
Interest on long-term debt	1,942				(1,942)		(1,942)
Total Governmental Activities	<u>1,534,277</u>	<u>117,444</u>	<u>259,299</u>	<u>57,781</u>	<u>(1,099,753)</u>	<u>0</u>	<u>(1,099,753)</u>
Business-type Activities:							
Water/Sewer	641,443	730,971		12,066		101,594	101,594
Total Business-type Activities	<u>641,443</u>	<u>730,971</u>	<u>0</u>	<u>12,066</u>	<u>0</u>	<u>101,594</u>	<u>101,594</u>
Total Government	<u>\$ 2,175,720</u>	<u>848,415</u>	<u>259,299</u>	<u>69,847</u>	<u>(1,099,753)</u>	<u>101,594</u>	<u>(998,159)</u>
General Receipts							
Taxes:							
Property taxes					\$ 401,940		401,940
Road & bridge privilege taxes					57,976		57,976
Sales tax					375,181		375,181
Homestead exemption reimbursement					11,159		11,159
Franchise taxes					39,406		39,406
Grants and contributions not restricted to specific programs					18,347		18,347
Unrestricted investment income					13	286	299
Miscellaneous					33,923		33,923
Proceeds from loan						122,455	122,455
Transfers					49,998	(49,998)	
Total General Receipts					<u>987,943</u>	<u>72,743</u>	<u>1,060,686</u>
Change in Net Position					(111,810)	174,337	62,527
Net Position - Beginning					<u>189,664</u>	<u>139,054</u>	<u>328,718</u>
Net Position - Ending					<u>\$ 77,854</u>	<u>313,391</u>	<u>391,245</u>

(Continued)

TOWN OF PRENTISS, MISSISSIPPI
Statement of Activities and Net Position - Cash Basis
As of and for the Year Ended September 30, 2022

ASSETS

Cash and cash equivalents	\$ 113,848
Restricted cash	<u>277,397</u>
Total Assets	\$ <u><u>391,245</u></u>

NET POSITION

Restricted:	
Restricted for capital projects	\$ 596
Restricted for court bonds and restitution	4,434
Restricted for library	3,746
Restricted for municipal fire	
Restricted for police seizures	5,027
Restricted for debt service	357
Restricted for water meter deposits	263,237
Unrestricted	<u>113,848</u>
Total Net Position	\$ <u><u>391,245</u></u>

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

TOWN OF PRENTISS, MISSISSIPPI
Statement of Cash Basis Assets and Fund Balances and
Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental and Business-type Funds
As of and for the Year Ended September 30, 2022

	<u>Governmental Activities</u>			<u>Business-type Activities</u>	
	<u>Major Fund</u>			<u>Major Fund</u>	
	<u>General Fund</u>	<u>Non-Major Funds</u>	<u>Total</u>	<u>Water/Sewer Fund</u>	<u>Total</u>
RECEIPTS					
Ad valorem taxes	\$ 378,838	23,102	401,940		
Road and bridge tax	57,976		57,976		
License and permits	6,347		6,347		
Franchise taxes on utilities	39,406		39,406		
Grand Gulf payments in lieu of tax	13,437		13,437		
Intergovernmental revenues:					
Federal revenues:					
Grant	221,624	44,979	266,603	12,066	12,066
State shared revenues:					
Sales taxes	375,181		375,181		
Homestead exemption reimbursement	11,159		11,159		
Alcoholic beverage tax	1,350		1,350		
General municipal aid	538		538		
Gasoline tax	3,022		3,022		
Other grant	13,500	13,412	26,912		
Local shared revenues:					
Fire insurance rebate	326	23,239	23,565		
Charges for services:					
Garbage	84,368		84,368		
Water and sewer utility				730,971	730,971
Fines and forfeits	26,729		26,729		
Interest income	10	3	13	286	286
Miscellaneous revenue	31,230	2,693	33,923		
Total Receipts	<u>1,265,041</u>	<u>107,428</u>	<u>1,372,469</u>	<u>743,323</u>	<u>743,323</u>

(Continued)

TOWN OF PRENTISS, MISSISSIPPI
Statement of Cash Basis Assets and Fund Balances and
Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental and Business-type Funds
As of and for the Year Ended September 30, 2022

	Governmental Activities			Business-type Activities	
	Major Fund			Major Fund	
	General Fund	Non-Major Funds	Total	Water/Sewer Fund	Total
DISBURSEMENTS					
General government	482,175	1,000	483,175		
Public safety	643,891	16,034	659,925		
Public works	208,361	20,000	228,361		
Culture and recreation	15,380	22,000	37,380		
Water and sewer utility:					
Personal services				265,589	265,589
Supplies				87,385	87,385
Utilities				61,685	61,685
Other services and charges				49,124	49,124
Total Disbursements	<u>1,349,807</u>	<u>59,034</u>	<u>1,408,841</u>	<u>463,783</u>	<u>463,783</u>
Excess of Receipts Over (Under) Disbursements	<u>(84,766)</u>	<u>48,394</u>	<u>(36,372)</u>	<u>279,540</u>	<u>279,540</u>
OTHER CASH SOURCES (USES)					
Proceeds from loan				122,455	122,455
Capital outlay	(44,257)	(62,160)	(106,417)	(148,704)	(148,704)
Principal paid on bonds and notes	(17,077)		(17,077)	(26,995)	(26,995)
Interest paid on bonds and notes	(1,942)		(1,942)	(1,961)	(1,961)
Transfer	49,998		49,998	(49,998)	(49,998)
Total Other Cash Sources and (Uses)	<u>(13,278)</u>	<u>(62,160)</u>	<u>(75,438)</u>	<u>(105,203)</u>	<u>(105,203)</u>

(Continued)

TOWN OF PRENTISS, MISSISSIPPI
Statement of Cash Basis Assets and Fund Balances and
Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental and Business-type Funds
As of and for the Year Ended September 30, 2022

	Governmental Activities			Business-type Activities	
	Major Fund			Major Fund	
	General Fund	Non-Major Funds	Total	Water/Sewer Fund	Total
Excess (Deficiency) of Receipts and Other Cash Sources Over Disbursements and Other Cash Uses	(98,044)	(13,766)	(111,810)	174,337	174,337
CASH BASIS FUND BALANCE - Beginning of Year	<u>161,398</u>	<u>28,266</u>	<u>189,664</u>	<u>139,054</u>	<u>139,054</u>
CASH BASIS FUND BALANCE - End of Year	<u>\$ 63,354</u>	<u>14,500</u>	<u>77,854</u>	<u>313,391</u>	<u>313,391</u>
CASH BASIS ASSETS - End of Year					
Cash and cash equivalents	\$ 58,920	4,774	63,694	50,154	50,154
Restricted cash	<u>4,434</u>	<u>9,726</u>	<u>14,160</u>	<u>263,237</u>	<u>263,237</u>
Total Cash Basis Assets	<u>\$ 63,354</u>	<u>14,500</u>	<u>77,854</u>	<u>313,391</u>	<u>313,391</u>
CASH BASIS FUND BALANCES - End of Year					
Restricted:					
Restricted for capital projects	\$	596	596		
Restricted for court bonds and restitution	4,434		4,434		
Restricted for library		3,746	3,746		
Restricted for police seizures		5,027	5,027		
Restricted for debt service		357	357		
Restricted for meter deposits				263,237	263,237
Unassigned	<u>58,920</u>	<u>4,774</u>	<u>63,694</u>	<u>50,154</u>	<u>50,154</u>
Total Cash Basis Fund Balances	<u>\$ 63,354</u>	<u>14,500</u>	<u>77,854</u>	<u>313,391</u>	<u>313,391</u>

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

TOWN OF PRENTISS, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2022

(1) Summary of Significant Accounting Policies.

A. Financial Reporting Entity.

The Town of Prentiss, Mississippi, (the Town) was incorporated March 3, 1903. The Town operates under an alderman/mayor form of government and provides all of the rights and privileges provided by statute for municipalities.

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

B. Government-wide and Fund Financial Statements.

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Changes in Net Position) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Town combines the Statement of Activities and Statement of Net Position.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct disbursements* are those that are clearly identifiable with a specific function or segment. *Program receipts* include (1) receipts from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program receipts are reported instead as *general receipts*.

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

The government-wide financial statements are reported using the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when collected and expenditures are recorded when cash is spent.

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

The Town reports the following major Governmental Funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Town reports the following major proprietary fund:

The *water and sewer fund* accounts for the activities of the water and sewer system.

TOWN OF PRENTISS, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2022

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program receipts* include (1) receipts from customers or applicants for goods, services or privileges provided, (2) operating grants and contributions and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general receipts* rather than as program receipts.

D. Assets and Net Position or Fund Balance.

1. *Cash and Investments.*

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

2. *Net Position.*

Restricted net position - Consists of cash 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".

3. *Fund Balances.*

In accordance with Government Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the Town classifies governmental fund balances as follows:

Restricted - Includes fund balance amounts that are constrained for specific purposes which are internally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Unassigned – Includes positive fund balance with the General Fund which has not been classified within the abovementioned categories and negative fund balances in other governmental funds.

The Town uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the Town would first use committed, then assigned, and lastly, unassigned amounts of unrestricted fund balance when expenditures are made.

TOWN OF PRENTISS, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2022

(2) Cash and Cash Equivalents.

At year-end, the Town's carrying amount of deposits was \$391,245 and the bank balance was \$209,149. The collateral for public entities' deposits in financial institutions are 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.

Custodial Credit Risk - Deposits and Investments: Custodial credit risk is defined as the risk that, in the event of a 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 formal policy for custodial credit risk. However, the Mississippi State Treasury manages the risk on behalf of the Town. 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 the behalf of the Town. As of September 30, 2022, none of the Town's bank balance of \$209,149 was exposed to custodial risk.

Interest Rate Risk: The Town does not have a formal investment policy that limits investments 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 Sections 27-105-33(d) and 27-105-33(e), 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.

(3) Defined Benefit Pension Plan.

Plan Description: The Town of Prentiss, 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. Benefit provisions are established by State law and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to Public Employees' Retirement System, PERS Building, at 429 Mississippi Street, Jackson, MS 39201-1005 or by calling (601) 359-3589 or 1-800-444-PERS.

Funding Policy: PERS members are required to contribute 9.00% of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The current rate is 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 Town's contributions to PERS for the years ended September 30, 2022, 2021, and 2020 were \$101,841, \$101,052, and \$93,663, respectively, which is equal to the required contributions for each year.

(4) Subsequent Events.

Events that occur after the Statement of Net Cash Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Cash Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management of the Town evaluated the activity of the Town through May 9, 2023, and determined that no subsequent event has occurred requiring disclosure in the notes to the financial statements.

TOWN OF PRENTISS, MISSISSIPPI

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF PRENTISS, MISSISSIPPI
Budgetary Comparison Schedule -
Budget and Actual
General Fund - UNAUDITED
For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUE				
General property taxes	\$ 360,000	360,000	378,838	18,838
Road and bridge tax	60,000	60,000	57,976	(2,024)
License and permits	3,250	3,250	6,347	3,097
Franchise taxes on utilities	50,000	50,000	39,406	(10,594)
Grand Gulf payments in lieu of tax	14,000	14,000	13,437	(563)
General municipal aid	3,000	3,000	538	(2,462)
Grant			235,124	235,124
Sales taxes	385,000	385,000	375,181	(9,819)
Homestead exemption			11,159	11,159
Gasoline tax	1,500	1,500	3,022	1,522
Alcoholic beverage tax	1,800	1,800	1,350	(450)
Fire insurance rebate	13,500	13,500	326	(13,174)
Garbage	90,000	90,000	84,368	(5,632)
Fines and forfeits	30,000	30,000	26,729	(3,271)
Interest income			10	10
Miscellaneous revenue	11,150	11,150	31,230	20,080
Total Revenue	<u>1,023,200</u>	<u>1,023,200</u>	<u>1,265,041</u>	<u>241,841</u>
EXPENDITURES				
General government	244,200	244,200	482,175	(237,975)
Public safety	649,050	649,050	643,891	5,159
Public works	144,200	144,200	208,361	(64,161)
Culture and recreation	16,700	16,700	15,380	1,320
Economic development	8,500	8,500		8,500
Total Expenditures	<u>1,062,650</u>	<u>1,062,650</u>	<u>1,349,807</u>	<u>(287,157)</u>
Excess of Revenue Over (Under) Expenditures	<u>(39,450)</u>	<u>(39,450)</u>	<u>(84,766)</u>	<u>(45,316)</u>
OTHER CASH SOURCES (USES)				
Capital outlay			(44,257)	(44,257)
Loan payment principal			(17,077)	(17,077)
Interest expense			(1,942)	(1,942)
Transfer			49,998	49,998
Total Other Cash Sources and Uses	<u>0</u>	<u>0</u>	<u>(13,278)</u>	<u>(13,278)</u>
Net Change in Cash Basis Fund Balance	(39,450)	(39,450)	(98,044)	(58,594)
Cash Basis Fund Balances - Beginning	<u>(35,300)</u>	<u>(35,300)</u>	<u>161,398</u>	<u>0</u>
Cash Basis Fund Balances - Ending	<u>\$ (74,750)</u>	<u>(74,750)</u>	<u>63,354</u>	<u>(58,594)</u>

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

TOWN OF PRENTISS, MISSISSIPPI

**Notes to the Required Supplementary Information
For the Year Ended September 30, 2022
UNAUDITED**

A. Budgetary Information.

Generally, in the month of August, prior to the ensuing fiscal year beginning each October 1, the Board of Aldermen of the Town, using historical and anticipated fiscal data, prepares an original budget for the General Fund for said fiscal year. The completed budget for the fiscal year includes every source of revenue, each general item of expenditure, and the 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 Town's budget is prepared on the cash basis of accounting. 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 (Non-GAAP Basis) presents the original adopted budget, the final adopted budget, actual amounts on a budgetary (Non-GAAP Basis) and variances between the final budget and the actual amounts. The schedule is presented for the General Fund.

C. Budget Reconciliation.

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

TOWN OF PRENTISS, MISSISSIPPI

OTHER REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF PRENTISS, MISSISSIPPI
Schedule of Changes in Long-term Debt - UNAUDITED
For the Year Ended September 30, 2022

Definition and Purpose	Balance Outstanding October 1, 2021	Transactions During Fiscal Year		Balance Outstanding September 30, 2022
		Issued	Redeemed	
CDBG loan - Prentiss Complex	\$ 457,000			457,000
Regions promissory note	4,508		4,508	
Fire truck - CAP loan	100,496		12,569	87,927
Trustmark - tractor loan		122,455	26,995	95,460
Total	\$ 562,004	122,455	44,072	640,387

TOWN OF PRENTISS, MISSISSIPPI
Schedule of Investments - All Funds - UNAUDITED
September 30, 2022

	<u>Balance</u>
Water and Sewer Fund:	
.05% Certificate of Deposit, dated September 20, 202x, due 90 days after date (Allocated*)	\$ <u>51,836</u>
Total Water and Sewer Fund investments	<u>51,836</u>
 Total All Funds	 \$ <u><u>51,836</u></u>

TOWN OF PRENTISS, MISSISSIPPI
Schedule of Surety Bonds for Municipal Officials and Employees - UNAUDITED
September 30, 2022

Name	Position	Surety Company	Coverage
Patty King	Alderwoman	Old Republic Surety Company	\$ 25,000
Hal Speights	Alderman	Old Republic Surety Company	\$ 25,000
Willard Davis	Alderman	Old Republic Surety Company	\$ 25,000
Randy Stamps	Alderman	Old Republic Surety Company	\$ 25,000
Rudy McNease	Alderman	Old Republic Surety Company	\$ 25,000
Charles A. Dumas	Mayor	Old Republic Surety Company	\$ 25,000
Dana Jones	Municipal Clerk	Western Surety Company	\$ 50,000
Juanita B. Griffith	Office Clerk/Deputy Municipal Clerk	Western Surety Company	\$ 50,000
Kathy A. Johnson	Deputy Municipal Court Clerk	Western Surety Company	\$ 50,000
Theresa Hall	Municipal Court Clerk	Western Surety Company	\$ 50,000
Joseph W. Bullock	Police Chief	Western Surety Company	\$ 50,000
Deborah Rider	Police Officer	Western Surety Company	\$ 50,000
Chuck Pruitt	Fire Dispatcher	Western Surety Company	\$ 50,000
Robert Wayne Bass	Fire Dispatcher - Chief	Western Surety Company	\$ 50,000

TOWN OF PRENTISS, MISSISSIPPI
Schedule of Capital Assets - UNAUDITED
For the Year Ended September 30, 2022

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental Activities					
Capital Assets:					
Land	\$ 63,000				63,000
Construction in progress	767,217	57,585			824,802
Buildings	1,470,158				1,470,158
Improvements other than buildings	208,098				208,098
Machinery, equipment, and vehicles	<u>948,988</u>	<u>48,832</u>			<u>997,820</u>
Total Governmental Activities Capital Assets	<u>\$ 3,457,461</u>	<u>106,417</u>	<u>0</u>	<u>0</u>	<u>3,563,878</u>
Business-type Activities					
Capital Assets:					
Land	\$ 17,000				17,000
Construction in progress	416,192	13,900			430,092
Buildings	179,805				179,805
Machinery, equipment, and vehicles	218,372	134,804	12,440		340,736
Water tanks, treatment plants, and lines	<u>4,530,307</u>				<u>4,530,307</u>
Total Business-type Activities Capital Assets	<u>\$ 5,361,676</u>	<u>148,704</u>	<u>12,440</u>	<u>0</u>	<u>5,497,940</u>

* Finished projects transferred

TOWN OF PRENTISS, MISSISSIPPI

SPECIAL REPORT

Windham and Lacey, PLLC

Certified Public Accountants

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American Institute of CPAs
Mississippi Society of CPAs

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS


Honorable Mayor and
Members of the Board of Aldermen
Town of Prentiss, Mississippi

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Prentiss, Mississippi, as of and for the year ended September 30, 2022, and have issued our report thereon dated May 9, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the procedures prescribed by the Office of the State Auditor, and accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

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. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Town's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures and our audit of the basic financial statements disclosed no instances of noncompliance with state laws and regulations.

This report is intended solely for the information and use of 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.



Windham and Lacey, PLLC
May 9, 2023

TOWN OF PRENTISS, MISSISSIPPI

SCHEDULE OF FINDINGS

TOWN OF PRENTISS, MISSISSIPPI
Schedule of Findings
For the Year Ended September 30, 2022

Section 1: 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? | No |
| b. | Significant deficiencies identified that are not considered to be material weaknesses? | None Reported |
| 3. | Noncompliance material to the financial statements? | No |

Section 2: Financial Statement Findings

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