

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 RAYMOND, MISSISSIPPI
AUDITED FINANCIAL STATEMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2022

**CITY OF RAYMOND, MISSISSIPPI
AUDITED FINANCIAL STATEMENT
For the Year Ended September 30, 2022**

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1-3
Combined Statement of Cash Receipts and Disbursements - Governmental and Business-Type Activities	4-5
Notes to the Financial Statement	6

SUPPLEMENTARY INFORMATION

Schedule of Investments	7
Schedule of Capital Assets	8
Schedule of Changes in Long-Term Debt	9
Schedule of Surety Bonds for City Officials	10

COMPLIANCE REPORTS

Independent Auditor's Report on Compliance with State Laws and Regulations	11
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William Newman Price, CPA

1927-2011

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Board of Aldermen
Town of Raymond, Mississippi

Opinions

We have audited the accompanying cash basis financial statement of the governmental activities, the business-type activities, and each major fund of the Town of Raymond, Mississippi, as of and for the year ended September 30, 2022, and the related notes to the financial statement, which collectively comprise the Town of Raymond, Mississippi's basic financial statement as listed in the table of contents.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the respective cash basis financial position of the governmental activities, the business-type activities, and each major fund, of the Town of Raymond, Mississippi, as of September 30, 2022, and the respective changes in cash basis financial position, for the year then ended in accordance with the cash basis of accounting described in Note 1.

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 Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the Town of Raymond, 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 statement, which describes the basis of accounting. The financial statement is prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the cash basis of accounting described in Note 1, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control

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relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is 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 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 Raymond, 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 Raymond, 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.

Other Matters

Omission of Required Supplementary Information

Management has omitted the Management's Discussion and Analysis and budgetary comparison information that accounting principles generally accepted in the United States of America require to be

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presented to supplement the basic financial statement. Such missing information, although not a part of the basic financial statement, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statement in appropriate operational, economic, or historical context. Our opinion on the basic financial statement is not affected by this missing information.

Other Information

Management is responsible for the schedules in the supplementary information section. The other information comprises the 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 statement and our auditor's report thereon. Our opinion on the basic financial statement does 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 statement, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statement, 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 Requirements required by the Office of State Auditor

In accordance with requirements set forth by the Office of State Auditor of Mississippi, we have issued our report dated October 20, 2023, on our consideration of the Town of Raymond, Mississippi's compliance with state laws and regulations. The purpose of this report is to describe the scope of our testing of compliance with certain laws and regulations and the results of that testing, and not provide an opinion on compliance.

A handwritten signature in blue ink that reads "Price & Co." with a stylized flourish at the end.

Price & Co.
Forest, Mississippi

October 20, 2023

CITY OF RAYMOND, MISSISSIPPI
COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
For the Year Ended September 30, 2022

	<u>Governmental Activities</u>			<u>Business-Type Activities</u>	<u>T o t a l s</u>	
	<u>General Fund</u>	<u>Fire Protection Fund</u>	<u>Capital Projects Fund</u>	<u>Water and Sewer Fund</u>	<u>(Memorandum Only)</u>	
					<u>2022</u>	<u>2021</u>
RECEIPTS						
Taxes						
General Property Taxes	\$ 305,777	\$ -	\$ -	\$ -	\$ 305,777	\$ 331,882
Liquor Tax	1,350	-	-	-	1,350	1,125
Licenses and Permits	9,101	-	-	-	9,101	20,371
Franchise Charges	81,168	-	-	-	81,168	72,986
Utility	48,934	-	-	-	48,934	43,568
General Municipal Aid (From State)	962	-	-	-	962	964
State Shared Revenues:						
Sales Taxes	255,392	-	-	-	255,392	261,210
Gasoline Tax	5,145	-	-	-	5,145	5,074
Fire Insurance Premium Distribution	-	24,773	-	-	24,773	-
Homestead Exemption	17,224	-	-	-	17,224	16,727
Grand Gulf in Lieu of Taxes	17,086	-	-	-	17,086	17,529
Use Tax	-	-	-	103,327	103,327	57,100
FEMA/MEMA	3,321	-	-	-	3,321	45,275
BP Settlement	-	-	-	-	-	150,000
State Settlement Funds	-	-	250,000	-	250,000	-
Federal ARPA Funds	-	-	259,981	-	259,981	259,981
Interest income	961	-	237	2,690	3,888	4,230
Cemetery Charges	31,475	-	-	-	31,475	40,075
Rent	54,455	-	-	3,600	58,055	57,980
Asset Sales	1,002	-	-	-	1,002	-
Charges For Services:						
Water and Sewer	-	-	-	854,264	854,264	980,732
Sanitation	-	-	-	54,655	54,655	49,587
Hinds County Reimbursement	-	-	-	-	-	63,971
Fines and Forfeits	71,240	-	-	-	71,240	69,734
Miscellaneous Receipts	515	-	-	-	515	711
Total Receipts	\$ 905,108	\$ 24,773	\$ 510,218	\$ 1,018,536	\$ 2,458,635	\$ 2,550,812

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

CITY OF RAYMOND, MISSISSIPPI
COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
For the Year Ended September 30, 2022

	<u>Governmental Activities</u>			<u>Business-Type Activities</u>	<u>T o t a l s</u> (Memorandum Only)	
	<u>General Fund</u>	<u>Fire Protection Fund</u>	<u>Capital Projects Fund</u>	<u>Water and Sewer Fund</u>	<u>2022</u>	<u>2021</u>
DISBURSEMENTS						
General Government (Executive and Financial)	\$ 264,255	\$ -	\$ -	\$ -	\$ 264,255	\$ 319,598
Public Safety:						
Police	455,698	-	2,600	-	458,298	400,876
Fire	-	8,020	-	-	8,020	7,822
Streets	161,637	-	-	-	161,637	157,674
Cemetery	8,950	-	-	-	8,950	6,925
Enterprise:						
Water and Sewer Utility	-	-	-	727,608	727,608	560,021
Sanitation	-	-	-	49,618	49,618	53,025
Bond and Notes Repaid	9,532	-	-	81,769	91,301	59,168
Total Disbursements	900,072	8,020	2,600	858,995	1,769,687	1,565,109
Excess (Deficiency) of receipts over disbursements	5,036	16,753	507,618	159,541	688,948	985,703
OTHER CASH SOURCES (USES)						
Transfers	141,850	8,150	-	(150,000)	-	-
Capital Outlay	-	(35,700)	-	(22,825)	(58,525)	(395,691)
Loan Proceeds	-	-	-	22,825	22,825	381,743
Total other Cash sources (uses)	141,850	(27,550)	-	(150,000)	(35,700)	(13,948)
Net Changes in Cash	146,886	(10,797)	507,618	9,541	653,248	971,755
CASH - BEGINNING	705,574	72,905	409,625	1,963,930	3,152,034	2,180,279
CASH - ENDING	\$ 852,460	\$ 62,108	\$ 917,243	\$ 1,973,471	\$ 3,805,282	\$ 3,152,034

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

**CITY OF RAYMOND, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENT
September 30, 2022**

Note 1 Summary of Significant Accounting Policies

A. General Information

The City operates under the mayor/board of alderman form of government and provides services as authorized by law.

Reporting Entity

The financial statement of the City consists of all the funds of the City.

Fund Accounting

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity.

Basis of Accounting

The financial statement is prepared on the cash basis of accounting, as prescribed by the Office of the State Auditor. Consequently, certain revenues are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred.

B. Report Classifications

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

Note 2 Economic Dependency

Four customers provided 38% of the water and sewer revenue in the Water and Sewer Fund.

Note 3 Subsequent Events

Management has evaluated events and transactions for potential recognition or disclosure through October 20, 2023, which is the date the financial statement was available to be issued.

**CITY OF RAYMOND, MISSISSIPPI
SCHEDULE OF INVESTMENTS
September 30, 2022**

<u>TYPE OF INVESTMENT</u>	<u>INTEREST RATE</u>	<u>ISSUE DATE</u>	<u>MATURITY DATE</u>	<u>AMOUNT</u>
Certificate of Deposit	.25%	11/4/2021	11/4/2022	\$ 116,915
Certificate of Deposit	.25%	6/7/2021	12/7/2022	146,186
Certificate of Deposit	.25%	8/7/2022	8/7/2023	104,975
Certificate of Deposit	.25%	12/7/2021	12/7/2022	<u>349,718</u>
				<u>\$ 717,794</u>

See accompanying notes and accountant's report.

CITY OF RAYMOND, MISSISSIPPI
SCHEDULE OF CAPITAL ASSETS
For the Year Ended September 30, 2022

	<u>Balance</u> <u>October 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>September 30, 2022</u>
Governmental activities:				
<u>Non-depreciable Capital Assets:</u>				
Land	\$ 71,541	\$ -	\$ -	\$ 71,541
<u>Depreciable Capital Assets:</u>				
Buildings	723,921	-	-	723,921
Improvements	880,964	-	-	880,964
Machinery and Equipment	427,336	35,700	38,105	424,931
Total Depreciable Capital Assets	2,032,221	35,700	38,105	2,029,816
Total Governmental activities capital assets	<u>\$ 2,103,762</u>	<u>\$ 35,700</u>	<u>\$ 38,105</u>	<u>\$ 2,101,357</u>
Business-type activities:				
Capital Assets:				
Land	\$ 46,985	\$ -	\$ -	\$ 46,985
Buildings	160,446	188,700	-	349,146
Improvements	4,880,618	-	-	4,880,618
Machinery and Equipment	376,068	22,825	-	398,893
Construction in Progress	304,284	-	168,616	135,668
Total Depreciable Capital Assets	5,721,416	211,525	168,616	5,764,325
Total Business-type activities capital assets	<u>\$ 5,768,401</u>	<u>\$ 211,525</u>	<u>\$ 168,616</u>	<u>\$ 5,811,310</u>

See accompanying notes and accountant's report.

CITY OF RAYMOND, MISSISSIPPI
SCHEDULE OF CHANGES IN LONG TERM DEBT
For the Year Ended September 30, 2022

	Balance Outstanding <u>September 30, 2021</u>	<u>Transactions During Fiscal Year</u>		Balance Outstanding <u>September 30, 2022</u>
		<u>Borrowed</u>	<u>Retired</u>	
State of Mississippi				
- Clean Water SRF Loans	\$ 189,678	\$ -	\$ 24,904	\$ 164,774
State of Mississippi				
- Water Pollution Loan	55,436	-	5,854	49,582
Bancorp South Equipment Finance				
- 2020 Dodge Charger	15,532	-	9,238	6,294
Government Capital Corporation				
- Wastewater System Improvements	188,700	-	17,255	171,445
Inframark				
- Wastewater System Improvements	178,566	-	19,305	159,261
Bancorp South Equipment Finance				
- 2021 Dodge 1500	-	22,825	4,935	17,890
TOTAL	\$ 627,912	\$ 22,825	\$ 81,491	\$ 569,246

See accompanying notes and accountant's report.

CITY OF RAYMOND, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR CITY OFFICIALS
September 30, 2022

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Bond Amount</u>
Isla O. Tullos	Mayor	Travelers Casualty & Surety Co.	\$ 25,000
Jennifer Benton	City Clerk	Travelers Casualty & Surety Co.	\$ 50,000
Reagan Hataway	Police Chief	Travelers Casualty & Surety Co.	\$ 50,000
Lisa Raney	Court Clerk	Travelers Casualty & Surety Co.	\$ 50,000
Brenda A. Hubbard	Deputy City Clerk	Travelers Casualty & Surety Co.	\$ 50,000
Reagan Hataway	Deputy Court Clerk	Travelers Casualty & Surety Co.	\$ 50,000
Al Barlow	Deputy Court Clerk	Travelers Casualty & Surety Co.	\$ 50,000
Lori Porter	Office Clerk	Travelers Casualty & Surety Co.	\$ 50,000
Jack G. Moss	Alderman	MS Municipalities Bond Program	\$ 50,000
Aubrey C. Barnette	Alderman	MS Municipalities Bond Program	\$ 50,000
Lou Anne Askew	Alderman	MS Municipalities Bond Program	\$ 50,000
Randall Harris	Alderman	MS Municipalities Bond Program	\$ 50,000
Bridget Smith	Alderman	MS Municipalities Bond Program	\$ 50,000

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William Newman Price, CPA

1927-2011

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

Honorable Mayor and Board of Aldermen
City of Raymond, Mississippi

We have audited the cash basis financial statement of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Raymond, Mississippi, ("City") as of and for the year ended September 30, 2022, and the related notes to the financial statement, which collectively comprise the City's basic financial statements and have issued our report thereon dated October 20, 2023. We conducted our audit 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 (GAAP) as established by the Governmental Accounting Standards Board.

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.

Due to the reduced scope, these compliance tests cannot and do not provide absolute assurance that all state legal requirements have been complied with. The results of our compliance tests and our audit of the financial statement of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information disclosed no material instance of noncompliance with state laws and regulations.

The purpose of this report is solely to describe the scope of our testing of compliance with certain state laws and regulations and the results of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.



Price & Co.
Forest, Mississippi

October 20, 2023