

## 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 CRYSTAL SPRINGS, MISSISSIPPI**

**AUDITED FINANCIAL STATEMENTS  
AND  
SPECIAL REPORT**

**SEPTEMBER 30, 2023**

# CITY OF CRYSTAL SPRINGS, MISSISSIPPI

## TABLE OF CONTENTS

FINANCIAL SECTION .....	1
INDEPENDENT AUDITORS' REPORT .....	2-4
FINANCIAL STATEMENTS .....	5
Statement of Activities and Net Cash Position - Cash Basis .....	6-7
Statement of Cash Basis Assets and Fund Balances and Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances - Governmental and Business-type Funds .....	8-13
Notes to Financial Statements .....	14-17
OTHER INFORMATION .....	18
Budgetary Comparison Schedules - Budget and Actual (Non-GAAP Basis) General Fund .....	19
ARPA Fund .....	20
Walkway Lighting Fund .....	21
Chautauqua Park Amphitheatre Fund .....	22
Settlement Fund .....	23
MDOT – LPA Fund .....	24
MS Infrastructure Modernization Fund .....	25
Statement of Cash Receipts and Disbursements - Water/Sewer Funds .....	26
Schedule of Changes in Long-term Debt .....	27
Schedule of Investments - All Funds .....	28
Schedule of Capital Assets .....	29
Schedule of Surety Bonds for Municipal Officials and Employees .....	30
Notes to the Other Information .....	31
SUPPLEMENTARY INFORMATION .....	32
Schedule of Expenditures of Federal Awards .....	33
SPECIAL REPORTS .....	34
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 <i>Government Auditing Standards</i> .....	35-36
Independent Auditors' Report on Compliance for the Major Federal Program and on Internal Control Over Compliance Required by <i>Uniform Guidance</i> .....	37-39
Independent Auditors' Report on Compliance with State Laws and Regulations .....	40
SCHEDULE OF FINDINGS AND QUESTIONED COSTS .....	41-42

**CITY OF CRYSTAL SPRINGS, MISSISSIPPI**

**FINANCIAL SECTION**

# Windham and Lacey, PLLC

## *Certified Public Accountants*

---

2708 Old Brandon Road  
Pearl, MS 39208  
(601)939-8676 Fax (601)939-8761  
windhamandlacey.com

P. O. Box 759  
Crystal Springs, MS 39059  
(601)892-4001 Fax (601)892-5978

Members:  
American Institute of CPAs  
Mississippi Society of CPAs

### **INDEPENDENT AUDITORS' REPORT**

Honorable Mayor and  
Members of the Board of Aldermen  
City of Crystal Springs, Mississippi

#### **Opinion**

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City of Crystal Springs, Mississippi, as of and for the year ended September 30, 2023, and the related Notes to the Financial Statements, which collectively comprise the City of Crystal Springs, 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 financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Crystal Springs, Mississippi, as of September 30, 2023, and the respective changes in cash basis financial position thereof for the year then ended in accordance with cash basis of accounting.

#### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 City of Crystal Springs, 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 opinion.

#### **Emphasis of Matter**

As discussed in Note 1, the City of Crystal Springs, 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.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with cash basis 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 City of Crystal Springs, 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 City of Crystal Springs, 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 Crystal Springs, 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 Crystal Springs, Mississippi's cash basis financial statements. The 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*, 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 Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the cash basis financial statements as a whole.

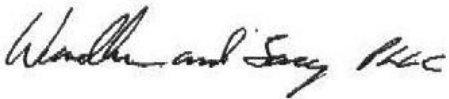
## Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Budgetary Comparison Schedules, the Statement of Cash Receipts and Disbursements – Water/Sewer Funds, the Schedule of Changes in Long-term Debt, the Schedule of Investments – All Funds, the Schedule of Capital Assets, the Schedule of Surety Bonds for Municipal Officials and Employees of Crystal Springs, Mississippi, and the corresponding notes, but does not include the basic financial statements and our auditors' 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 February 5, 2024, on our consideration of the City of Crystal Springs's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City of Crystal Springs'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 City of Crystal Springs's internal control over financial reporting and compliance.



Windham and Lacey, PLLC  
February 5, 2024

**CITY OF CRYSTAL SPRINGS, MISSISSIPPI**

**FINANCIAL STATEMENTS**

**CITY OF CRYSTAL SPRINGS, MISSISSIPPI**  
**Statement of Activities and Net Cash Position - Cash Basis**  
**As of and for the Year Ended September 30, 2023**

Functions/Programs	Cash Disbursements	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Cash Position		
		Fines, Fees and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General government	\$ 2,634,387	31,500	2,430	25,000	(2,575,457)		(2,575,457)
Public safety	1,716,351	205,122	61,646		(1,449,583)		(1,449,583)
Public works	2,873,740	477,819		2,344,640	(51,281)		(51,281)
Health and welfare	2,100	23,184			21,084		21,084
Culture and recreation	590,414	28,434		500,001	(61,979)		(61,979)
Economic development	15,000				(15,000)		(15,000)
Interest on long-term debt	24,719				(24,719)		(24,719)
Total Governmental Activities	<u>7,856,711</u>	<u>766,059</u>	<u>64,076</u>	<u>2,869,641</u>	<u>(4,156,935)</u>	<u>0</u>	<u>(4,156,935)</u>
Business-type Activities:							
Water/Sewer	1,271,538	1,161,054	14,500			(95,984)	(95,984)
Cemetery		20,762				20,762	20,762
Total Business-type Activities	<u>1,271,538</u>	<u>1,181,816</u>	<u>14,500</u>	<u>0</u>	<u>0</u>	<u>(75,222)</u>	<u>(75,222)</u>
Total Government	\$ <u>9,128,249</u>	<u>1,947,875</u>	<u>78,576</u>	<u>2,869,641</u>	<u>(4,156,935)</u>	<u>(75,222)</u>	<u>(4,232,157)</u>
General Receipts							
Taxes:							
Property taxes					\$ 1,475,218		1,475,218
Road & bridge privilege taxes					185,838		185,838
Sales tax					925,225		925,225
Franchise taxes					51,417		51,417
Grants and contributions not restricted to specific programs					141,851		141,851
Unrestricted investment income					9,448	197	9,645
Miscellaneous					733,519	108,720	842,239
Proceeds from debt						18,951	18,951
Transfers					(54,520)	54,520	
Total General Receipts					<u>3,467,996</u>	<u>182,388</u>	<u>3,650,384</u>
Change in Net Cash Position					(688,939)	107,166	(581,773)
Net Cash Position - Beginning					<u>2,367,082</u>	<u>1,391,690</u>	<u>3,758,772</u>
Net Cash Position - Ending					<u>\$ 1,678,143</u>	<u>1,498,856</u>	<u>3,176,999</u>

**CITY OF CRYSTAL SPRINGS, MISSISSIPPI**  
**Statement of Activities and Net Cash Position - Cash Basis**  
**As of and for the Year Ended September 30, 2023**

**(Continued)**

**ASSETS**

Cash and cash equivalents	\$ 2,719,219
Restricted cash	<u>457,780</u>
Total Assets	\$ <u><u>3,176,999</u></u>

**NET CASH POSITION**

Restricted:	
Restricted for unemployment compensation	\$ 25,377
Restricted for meter deposits	219,751
Restricted for public work	179,772
Restricted for public safety	32,880
Unrestricted	<u>2,719,220</u>
Total Net Cash Position	\$ <u><u>3,176,999</u></u>

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

**CITY OF CRYSTAL SPRINGS, 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, 2023**

	<b>Governmental Activities</b>						
	<b>Major Funds</b>						
	<b>General Fund</b>	<b>ARPA Fund</b>	<b>Walkway Lighting Project Fund</b>	<b>Chautauqua Park Amphitheatre Fund</b>	<b>Settlement Fund</b>	<b>MDOT-LPA Fund</b>	<b>Debt Service Fund</b>
<b>RECEIPTS</b>							
Ad valorem taxes	\$ 1,346,165						129,053
Road and bridge tax	185,838						
License and permits	35,454						
Franchise taxes on utilities	51,417						
Intergovernmental revenues:							
Federal revenues:							
Grants	36,811				1,218,259	711,194	
State shared revenues:							
Sales taxes	925,225						
Homestead exemption reimbursement	86,312						6,687
Grants				500,001		345,116	
General municipal aid	2,430						
Gasoline tax	4,331						
Fire rebate							
Grand Gulf	44,520						
Other	16,628	70,070					
Charges for services:							
Garbage	477,819						
Industrial rents	30,600						
Other	28,434						
Water and sewer utility							
Fines and forfeits	159,570						
Interest income	8,380	284	238	474	26		41
Miscellaneous revenue	355,089						
Total Receipts	<u>3,795,023</u>	<u>70,354</u>	<u>238</u>	<u>500,475</u>	<u>1,218,285</u>	<u>1,056,310</u>	<u>135,781</u>

**(Continued)**

**CITY OF CRYSTAL SPRINGS, 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, 2023**

	<u>Governmental Activities (Continued)</u>			<u>Business-type Activities</u>		
	<u>Infrastructure Fund</u>	<u>Non-Major Funds</u>	<u>Total</u>	<u>Major Funds</u>	<u>Non-Major Business-type Fund</u>	<u>Total</u>
<b>RECEIPTS</b>						
Ad valorem taxes	\$		1,475,218			
Road and bridge tax			185,838			
License and permits			35,454			
Franchise taxes on utilities			51,417			
Intergovernmental revenues:						
Federal revenues:						
Grants			1,966,264			
State shared revenues:						
Sales taxes			925,225			
Homestead exemption reimbursement			92,999			
Grants			845,117	14,500		14,500
General municipal aid			2,430			
Gasoline tax			4,331			
Fire rebate		33,209	33,209			
Grand Gulf			44,520			
Other			86,698			
Charges for services:						
Garbage			477,819			
Industrial rents			30,600			
Other			28,434			
Water and sewer utility				995,804	186,012	1,181,816
Fines and forfeits		34,182	193,752			
Interest income		5	9,448	149	48	197
Miscellaneous revenue	328,430	50,000	733,519	55,432	53,288	108,720
Total Receipts	<u>328,430</u>	<u>117,396</u>	<u>7,222,292</u>	<u>1,065,885</u>	<u>239,348</u>	<u>1,305,233</u>

**(Continued)**

**CITY OF CRYSTAL SPRINGS, 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, 2023**

	<b>Governmental Activities</b>						
	<b>Major Funds</b>						
	<b>General Fund</b>	<b>ARPA Fund</b>	<b>Walkway Lighting Project Fund</b>	<b>Chautauqua Park Amphitheatre Fund</b>	<b>Settlement Fund</b>	<b>MDOT-LPA Fund</b>	<b>Debt Service Fund</b>
<b>DISBURSEMENTS</b>							
General government	858,106						1,500
Public safety	1,585,088						
Public works	886,856	249,632					
Health and welfare	2,100						
Culture and recreation	365,137			40			
Economic development	15,000						
Water and sewer utility and cemetery:							
Personal services							
Supplies							
Maintenance & repairs							
Utilities							
Total Disbursements	<u>3,712,287</u>	<u>249,632</u>	<u>0</u>	<u>40</u>	<u>0</u>	<u>0</u>	<u>1,500</u>
Excess of Receipts over (under) Disbursements	<u>82,736</u>	<u>(179,278)</u>	<u>238</u>	<u>500,435</u>	<u>1,218,285</u>	<u>1,056,310</u>	<u>134,281</u>
<b>OTHER CASH SOURCES (USES)</b>							
Capital outlay	(48,514)		(1,927)	(41,181)	(1,691,781)	(1,430,745)	
Proceeds from debt							
Principal paid on loan and lease purchase	(14,677)						
Interest paid on loan and lease purchase							
Principal paid on bonds							(83,000)
Interest and fiscal fees paid on bonds							(21,099)
Transfers in (out) to other funds	<u>(41,026)</u>						
Total Other Cash Sources and (Uses)	<u>(104,217)</u>	<u>0</u>	<u>(1,927)</u>	<u>(41,181)</u>	<u>(1,691,781)</u>	<u>(1,430,745)</u>	<u>(104,099)</u>

**(Continued)**

**CITY OF CRYSTAL SPRINGS, 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, 2023**

	<b>Governmental Activities (Continued)</b>			<b>Business-type Activities</b>		
				<b>Major Funds</b>		
	<b>Infrastructure Fund</b>	<b>Non-Major Funds</b>	<b>Total</b>	<b>Water/Sewer Funds</b>	<b>Non-Major Business-type Fund</b>	<b>Total</b>
<b>DISBURSEMENTS</b>						
General government			859,606			
Public safety		26,973	1,612,061			
Public works			1,136,488			
Health and welfare			2,100			
Culture and recreation		5,850	371,027			
Economic development			15,000			
Water and sewer utility and cemetery:						
Personal services				359,916		359,916
Supplies				103,473		103,473
Maintenance & repairs				276,833	36,034	312,867
Utilities				160,818		160,818
Total Disbursements	<u>0</u>	<u>32,823</u>	<u>3,996,282</u>	<u>901,040</u>	<u>36,034</u>	<u>937,074</u>
Excess of Receipts over (under) Disbursements	<u>328,430</u>	<u>84,573</u>	<u>3,226,010</u>	<u>164,845</u>	<u>203,314</u>	<u>368,159</u>
<b>OTHER CASH SOURCES (USES)</b>						
Capital outlay	(297,701)	(191,983)	(3,703,832)	(18,951)		(18,951)
Proceeds from debt				18,951		18,951
Principal paid on loan and lease purchase		(34,201)	(48,878)	(52,218)	(211,671)	(263,889)
Interest paid on loan and lease purchase		(3,620)	(3,620)	(3,088)	(48,536)	(51,624)
Principal paid on bonds			(83,000)			
Interest and fiscal fees paid on bonds			(21,099)			
Transfers in (out) to other funds		(13,494)	(54,520)	(341,263)	395,783	54,520
Total Other Cash Sources and (Uses)	<u>(297,701)</u>	<u>(243,298)</u>	<u>(3,914,949)</u>	<u>(396,569)</u>	<u>135,576</u>	<u>(260,993)</u>

**(Continued)**

**CITY OF CRYSTAL SPRINGS, 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, 2023**

	<b>Governmental Activities</b>						
	<b>Major Funds</b>						
	<b>General Fund</b>	<b>ARPA Fund</b>	<b>Walkway Lighting Project Fund</b>	<b>Chautauqua Park Amphitheatre Fund</b>	<b>Settlement Fund</b>	<b>MDOT-LPA Fund</b>	<b>Debt Service Fund</b>
Excess (Deficiency) of Receipts and Other Cash Sources over Disbursements and Other Cash Uses	(21,481)	(179,278)	(1,689)	459,254	(473,496)	(374,435)	30,182
<b>CASH BASIS FUND BALANCE – Beginning of Year</b>	<u>297,145</u>	<u>359,050</u>	<u>250,005</u>	<u>481,906</u>	<u>473,496</u>	<u>(12,751)</u>	<u>191,223</u>
<b>CASH BASIS FUND BALANCE – End of Year</b>	<u>\$ 275,664</u>	<u>179,772</u>	<u>248,316</u>	<u>941,160</u>	<u>0</u>	<u>(387,186)</u>	<u>221,405</u>
<b>CASH BASIS ASSETS – End of Year</b>							
Cash and cash equivalents	\$ 249,787		248,316	941,160	0	(387,186)	221,405
Restricted cash	<u>25,877</u>	<u>179,772</u>					
Total Cash Basis Assets	<u>\$ 275,664</u>	<u>179,772</u>	<u>248,316</u>	<u>941,160</u>	<u>0</u>	<u>(387,186)</u>	<u>221,405</u>
<b>CASH BASIS FUND BALANCES – End of Year</b>							
Restricted:							
Restricted for unemployment compensation	\$ 25,377						
Restricted for meter deposits							
Restricted for public works		179,772					
Restricted for public safety	500						
Unassigned	<u>249,787</u>		<u>248,316</u>	<u>941,160</u>	<u>0</u>	<u>(387,186)</u>	<u>221,405</u>
Total Cash Basis Fund Balances	<u>\$ 275,664</u>	<u>179,772</u>	<u>248,316</u>	<u>941,160</u>	<u>0</u>	<u>(387,186)</u>	<u>221,405</u>

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

**(Continued)**

**CITY OF CRYSTAL SPRINGS, 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, 2023**

	<u>Governmental Activities (Continued)</u>			<u>Business-type Activities</u>		
				<u>Major Funds</u>		
	<u>Infrastructure Fund</u>	<u>Non-Major Funds</u>	<u>Total</u>	<u>Water/Sewer Funds</u>	<u>Non-Major Business-type Fund</u>	<u>Total</u>
Excess (Deficiency) of Receipts and Other Cash						
Sources over Disbursements and Other Cash Uses	30,729	(158,725)	(688,939)	(231,724)	338,890	107,166
<b>CASH BASIS FUND BALANCE - Beginning of Year</b>	<u>228,263</u>	<u>98,745</u>	<u>2,367,082</u>	<u>1,533,234</u>	<u>(141,544)</u>	<u>1,391,690</u>
<b>CASH BASIS FUND BALANCE - End of Year</b>	<u>\$ 258,992</u>	<u>(59,980)</u>	<u>1,678,143</u>	<u>1,301,510</u>	<u>197,346</u>	<u>1,498,856</u>
<b>CASH BASIS ASSETS - End of Year</b>						
Cash and cash equivalents	\$ 258,992	(92,360)	1,440,114	1,081,759	197,346	1,279,105
Restricted cash	<u>                    </u>	<u>32,380</u>	<u>238,029</u>	<u>219,751</u>	<u>                    </u>	<u>219,751</u>
Total Cash Basis Assets	<u>\$ 258,992</u>	<u>(59,980)</u>	<u>1,678,143</u>	<u>1,301,510</u>	<u>197,346</u>	<u>1,498,856</u>
<b>CASH BASIS FUND BALANCES - End of Year</b>						
Restricted:						
Restricted for unemployment compensation	\$		25,377			
Restricted for meter deposits				219,751		219,751
Restricted for public works			179,772			
Restricted for public safety		32,380	32,880			
Unassigned	<u>258,992</u>	<u>(92,360)</u>	<u>1,440,114</u>	<u>1,081,759</u>	<u>197,346</u>	<u>1,279,105</u>
Total Cash Basis Fund Balances	<u>\$ 258,992</u>	<u>(59,980)</u>	<u>1,678,143</u>	<u>1,301,510</u>	<u>197,346</u>	<u>1,498,856</u>

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

# CITY OF CRYSTAL SPRINGS, MISSISSIPPI

## Notes to Financial Statements For the Year Ended September 30, 2023

### (1) Summary of Significant Accounting Policies.

#### A. Financial Reporting Entity.

The City of Crystal Springs, Mississippi, (the City) was incorporated on February 19, 1867. The City 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 City 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 Cash Position and the Statement of Activities) 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 receipts, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The City combines the Statement of Activities and Statement of Net Cash Position.

The Statement of Activities demonstrates the degree to which the direct disbursements of a given function or segment are offset by program receipts. *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*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

#### 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 disbursements 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 recorded when collected and disbursements are recorded when cash is spent.

The government 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 *ARPA Fund* is a special revenue fund that accounts for grant funds.

## CITY OF CRYSTAL SPRINGS, MISSISSIPPI

### Notes to Financial Statements For the Year Ended September 30, 2023

The *Walkway Lighting Project Fund* is a capital projects fund that accounts for a special project.

The *Chautauqua Park Amphitheatre Fund* is a capital projects fund that accounts for a special project.

The *Settlement Fund* is a special revenue fund that accounts for grant funds.

The *MDOT-LPA Fund* is a capital projects fund that accounts for grant funds.

The *MS Infrastructure Modernization Fund* is a special revenue fund that accounts for grant funds.

The *Debt Service Fund* accounts for ad valorem taxes to be used for debt service on long-term debt.

The government reports the following major Proprietary Fund:

The *Water/Sewer Fund* accounts for the activities of providing water and sewer services to citizens of the City.

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.

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

#### **D. Assets and Net Assets or Equity.**

##### *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. 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".

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.

## **CITY OF CRYSTAL SPRINGS, MISSISSIPPI**

### **Notes to Financial Statements For the Year Ended September 30, 2023**

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

**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** - 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 expenditures incurred for specific purposes exceeded the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

The City 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 City would first use committed, then assigned, and lastly, unassigned amounts of unrestricted fund balance when expenditures are made.

#### **E. Property Tax Receipts.**

State 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 on March 1 of the current year. Taxes on both real and personal property, however, are due on or before February 1 of the next succeeding year. Taxes on motor vehicles and mobile homes become a lien and are due in the month that coincides with the month of original purchase.

#### **(2) Cash and Cash Equivalents.**

At year-end, the City's carrying amount of deposits was \$3,176,999 and the bank balance was \$3,315,059. 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 City'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.

## **CITY OF CRYSTAL SPRINGS, MISSISSIPPI**

### **Notes to Financial Statements For the Year Ended September 30, 2023**

**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 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. However, the Mississippi State Treasury manages the risk on behalf of the City.

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.

**Interest Rate Risk:** The City 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 City 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 City of Crystal Springs, 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, 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 City 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 City's contributions to PERS for the years ended September 30, 2023, 2022, and 2021 were \$260,163, \$261,006, and \$246,947, 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 Cash Position date require disclosure in the accompanying notes. Management of the City evaluated the activity of the City through February 5, 2024, and determined that no subsequent event has occurred requiring disclosure in the notes to the financial statements.

#### **(5) Tax Abatements.**

For the year beginning October 1, 2016, the Governmental Accounting Standards Board (GASB) implemented Statement No. 77, *Tax Abatement Disclosures*. This statement requires governmental entities to disclose the reduction in tax revenues resulting from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments. The city had no tax abatements for the year ended September 30, 2023.

**CITY OF CRYSTAL SPRINGS, MISSISSIPPI**

**Notes to Financial Statements  
For the Year Ended September 30, 2023**

**CITY OF CRYSTAL SPRINGS, MISSISSIPPI**

**OTHER INFORMATION**

**CITY OF CRYSTAL SPRINGS, MISSISSIPPI**  
**Budgetary Comparison Schedule -**  
**Budget and Actual**  
**General Fund - UNAUDITED**  
**For the Year Ended September 30, 2023**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>RECEIPTS</b>				
Ad valorem taxes	\$ 1,155,600	1,346,165	1,346,165	
Road and bridge tax	160,000	185,838	185,838	
License and permits	23,000	35,454	35,454	
Franchise taxes on utilities	83,000	51,417	51,417	
Intergovernmental revenues:				
Federal revenues:				
Grants		36,811	36,811	
State shared revenues:				
Sales taxes	761,000	925,225	925,225	
Homestead exemption reimbursement	80,000	86,312	86,312	
Grants	36,811			
General municipal aid	2,516	2,430	2,430	
Gasoline tax	4,380	4,331	4,331	
Grand Gulf	44,000	44,520	44,520	
Other		16,628	16,628	
Charges for services:				
Garbage	480,000	477,819	477,819	
Industrial rents	60,100	30,600	30,600	
Other	17,125	28,434	28,434	
Fines and forfeits	72,700	159,570	159,570	
Interest income	15,250	8,380	8,380	
Miscellaneous revenue	130,626	355,089	355,089	
Total Receipts	<u>3,126,108</u>	<u>3,795,023</u>	<u>3,795,023</u>	<u>0</u>
<b>EXPENDITURES</b>				
General government	449,383	858,106	858,106	
Public safety	1,566,777	1,585,088	1,585,088	
Public works	784,233	886,856	886,856	
Health and welfare	2,100	2,100	2,100	
Culture and recreation	390,315	365,137	365,137	
Economic development	15,000	15,000	15,000	
Capital outlay		48,514	48,514	
Debt service		14,677	14,677	
Total Expenditures	<u>3,207,808</u>	<u>3,775,478</u>	<u>3,775,478</u>	<u>0</u>
Excess of Receipts over (under) Expenditures	<u>(81,700)</u>	<u>19,545</u>	<u>19,545</u>	<u>0</u>
<b>OTHER CASH SOURCES (USES)</b>				
Transfers in (out) to other funds	<u>113,480</u>	<u>(41,026)</u>	<u>(41,026)</u>	
Total Other Cash Sources and Uses	<u>113,480</u>	<u>(41,026)</u>	<u>(41,026)</u>	<u>0</u>
Net Change in Cash Basis Fund Balance	31,780	(21,481)	(21,481)	0
Cash Basis Fund Balances - Beginning	<u>190,231</u>	<u>297,145</u>	<u>297,145</u>	<u>0</u>
Cash Basis Fund Balances - Ending	<u>\$ 222,011</u>	<u>275,664</u>	<u>275,664</u>	<u>0</u>

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

**CITY OF CRYSTAL SPRINGS, MISSISSIPPI**  
**Budgetary Comparison Schedule -**  
**Budget and Actual**  
**ARPA Fund - UNAUDITED**  
**For the Year Ended September 30, 2023**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>RECEIPTS</b>				
Intergovernmental revenues:				
State shared revenues:				
Other	\$ 70,070	70,070	70,070	
Interest income	284	284	284	
Total Receipts	<u>70,354</u>	<u>70,354</u>	<u>70,354</u>	<u>0</u>
<b>EXPENDITURES</b>				
Public safety	57,550			
Public works	192,082	249,632	249,632	
Total Expenditures	<u>249,632</u>	<u>249,632</u>	<u>249,632</u>	<u>0</u>
Excess of Receipts over (under) Expenditures	<u>(179,278)</u>	<u>(179,278)</u>	<u>(179,278)</u>	<u>0</u>
<b>OTHER CASH SOURCES (USES)</b>				
Total Other Cash Sources and Uses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Cash Basis Fund Balance	(179,278)	(179,278)	(179,278)	0
Cash Basis Fund Balances - Beginning	<u>359,050</u>	<u>359,050</u>	<u>359,050</u>	<u>0</u>
Cash Basis Fund Balances - Ending	<u>\$ 179,772</u>	<u>179,772</u>	<u>179,772</u>	<u>0</u>

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

**CITY OF CRYSTAL SPRINGS, MISSISSIPPI**  
**Budgetary Comparison Schedule -**  
**Budget and Actual**  
**Walkway Lighting Fund - UNAUDITED**  
**For the Year Ended September 30, 2023**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>RECEIPTS</b>				
Interest income	\$ 238	238	238	
Total Receipts	<u>238</u>	<u>238</u>	<u>238</u>	<u>0</u>
<b>EXPENDITURES</b>				
Culture and recreation	1,928			
Capital outlay		1,927	1,927	
Total Expenditures	<u>1,928</u>	<u>1,927</u>	<u>1,927</u>	<u>0</u>
Excess of Receipts over (under) Expenditures	<u>(1,690)</u>	<u>(1,689)</u>	<u>(1,689)</u>	<u>0</u>
<b>OTHER CASH SOURCES (USES)</b>				
Total Other Cash Sources and Uses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Cash Basis Fund Balance	(1,690)	(1,689)	(1,689)	0
Cash Basis Fund Balances - Beginning	<u>250,005</u>	<u>250,005</u>	<u>250,005</u>	<u>0</u>
Cash Basis Fund Balances - Ending	<u>\$ 248,315</u>	<u>248,316</u>	<u>248,316</u>	<u>0</u>

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

**CITY OF CRYSTAL SPRINGS, MISSISSIPPI**  
**Budgetary Comparison Schedule -**  
**Budget and Actual**  
**Chautauqua Park Amphitheatre Fund - UNAUDITED**  
**For the Year Ended September 30, 2023**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>RECEIPTS</b>				
Intergovernmental revenues:				
State shared revenues:				
Grants	\$ 500,001	500,001	500,001	
Interest income	474	474	474	
Total Receipts	<u>500,475</u>	<u>500,475</u>	<u>500,475</u>	<u>0</u>
<b>EXPENDITURES</b>				
Culture and recreation	41,222	40	40	
Capital outlay		41,181	41,181	
Total Expenditures	<u>41,222</u>	<u>41,221</u>	<u>41,221</u>	<u>0</u>
Excess of Receipts over (under) Expenditures	<u>459,253</u>	<u>459,254</u>	<u>459,254</u>	<u>0</u>
<b>OTHER CASH SOURCES (USES)</b>				
Total Other Cash Sources and Uses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Cash Basis Fund Balance	459,253	459,254	459,254	0
Cash Basis Fund Balances - Beginning	<u>481,906</u>	<u>481,906</u>	<u>481,906</u>	<u>0</u>
Cash Basis Fund Balances - Ending	<u>\$ 941,159</u>	<u>941,160</u>	<u>941,160</u>	<u>0</u>

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

**CITY OF CRYSTAL SPRINGS, MISSISSIPPI**  
**Budgetary Comparison Schedule -**  
**Budget and Actual**  
**Settlement Fund - UNAUDITED**  
**For the Year Ended September 30, 2023**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>RECEIPTS</b>				
Intergovernmental revenues:				
Federal revenues:				
Grants	\$ 1,218,260	1,218,259	1,218,259	
Interest income	26	26	26	
Total Receipts	<u>1,218,286</u>	<u>1,218,285</u>	<u>1,218,285</u>	<u>0</u>
<b>EXPENDITURES</b>				
General government	1,691,691			
Capital outlay		1,691,781	1,691,781	
Total Expenditures	<u>1,691,691</u>	<u>1,691,781</u>	<u>1,691,781</u>	<u>0</u>
Excess of Receipts over (under) Expenditures	<u>(473,405)</u>	<u>(473,496)</u>	<u>(473,496)</u>	<u>0</u>
<b>OTHER CASH SOURCES (USES)</b>				
Total Other Cash Sources and Uses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Cash Basis Fund Balance	(473,405)	(473,496)	(473,496)	0
Cash Basis Fund Balances - Beginning	<u>473,496</u>	<u>473,496</u>	<u>473,496</u>	<u>0</u>
Cash Basis Fund Balances - Ending	<u>\$ 91</u>	<u>0</u>	<u>0</u>	<u>0</u>

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

**CITY OF CRYSTAL SPRINGS, MISSISSIPPI**  
**Budgetary Comparison Schedule -**  
**Budget and Actual**  
**MDOT-LPA Fund - UNAUDITED**  
**For the Year Ended September 30, 2023**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>RECEIPTS</b>				
Intergovernmental revenues:				
Federal revenues:				
Grants	\$ 300,193	711,194	711,194	
State shared revenues:				
Grants	756,117	345,116	345,116	
Total Receipts	<u>1,056,310</u>	<u>1,056,310</u>	<u>1,056,310</u>	<u>0</u>
<b>EXPENDITURES</b>				
Public works	1,430,480			
Capital outlay		1,430,745	1,430,745	
Total Expenditures	<u>1,430,480</u>	<u>1,430,745</u>	<u>1,430,745</u>	<u>0</u>
Excess of Receipts over (under) Expenditures	<u>(374,170)</u>	<u>(374,435)</u>	<u>(374,435)</u>	<u>0</u>
<b>OTHER CASH SOURCES (USES)</b>				
Total Other Cash Sources and Uses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Cash Basis Fund Balance	(374,170)	(374,435)	(374,435)	0
Cash Basis Fund Balances - Beginning	<u>(12,751)</u>	<u>(12,751)</u>	<u>(12,751)</u>	<u>0</u>
Cash Basis Fund Balances - Ending	<u>\$ (386,921)</u>	<u>(387,186)</u>	<u>(387,186)</u>	<u>0</u>

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

**CITY OF CRYSTAL SPRINGS, MISSISSIPPI**  
**Budgetary Comparison Schedule -**  
**Budget and Actual**  
**MS Infrastructure Modernization Fund - UNAUDITED**  
**For the Year Ended September 30, 2023**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>RECEIPTS</b>				
Miscellaneous revenue	\$ 328,431	328,430	328,430	
Total Receipts	<u>328,431</u>	<u>328,430</u>	<u>328,430</u>	<u>0</u>
<b>EXPENDITURES</b>				
Public works	297,701			
Capital outlay		297,701	297,701	
Total Expenditures	<u>297,701</u>	<u>297,701</u>	<u>297,701</u>	<u>0</u>
Excess of Receipts over (under) Expenditures	<u>30,730</u>	<u>30,729</u>	<u>30,729</u>	<u>0</u>
<b>OTHER CASH SOURCES (USES)</b>				
Total Other Cash Sources and Uses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Cash Basis Fund Balance	30,730	30,729	30,729	0
Cash Basis Fund Balances - Beginning	<u>228,263</u>	<u>228,263</u>	<u>228,263</u>	<u>0</u>
Cash Basis Fund Balances - Ending	<u>\$ 258,993</u>	<u>258,992</u>	<u>258,992</u>	<u>0</u>

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

**CITY OF CRYSTAL SPRINGS, MISSISSIPPI**  
**Statement of Cash Receipts and Disbursements**  
**Water/Sewer Funds - UNAUDITED**  
**For the Year Ended September 30, 2023**

	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Total</b>
<b>RECEIPTS</b>			
Grant	\$ 14,500		14,500
Charges for services	667,242	514,574	1,181,816
Interest income	197		197
Miscellaneous revenue	108,720		108,720
Total Receipts	<u>790,659</u>	<u>514,574</u>	<u>1,305,233</u>
<b>DISBURSEMENTS</b>			
Water and sewer utility:			
Personal services	225,739	134,177	359,916
Supplies	64,898	38,575	103,473
Maintenance & repairs	196,230	116,637	312,867
Utilities	100,865	59,953	160,818
Total Disbursements	<u>587,733</u>	<u>349,341</u>	<u>937,074</u>
Excess of Receipts over (under) Disbursements	<u>202,926</u>	<u>165,233</u>	<u>368,159</u>
<b>OTHER CASH SOURCES (USES)</b>			
Capital outlay	(18,951)		(18,951)
Principal paid on loan and lease purchase	(51,661)		(263,889)
Interest paid on loan and lease purchase	(3,416)		(51,624)
Proceeds from debt	18,951		18,951
Transfers in (out) to other funds	(58,481)		54,520
Total Other Cash Sources and (Uses)	<u>(113,558)</u>	<u>0</u>	<u>(260,993)</u>
Excess (Deficiency) of Receipts and Other Cash Sources over Disbursements and Other Cash Uses	<u>\$ 89,368</u>	<u>165,233</u>	<u>107,166</u>

**CITY OF CRYSTAL SPRINGS, MISSISSIPPI**  
**Schedule of Changes in Long-term Debt - UNAUDITED**  
**For the Year Ended September 30, 2023**

<b>Description</b>	<b>Outstanding Balance Sept. 30, 2022</b>	<b>Issued</b>	<b>Redeemed</b>	<b>Adjusted</b>	<b>Outstanding Balance Sept. 30, 2023</b>	<b>Interest Paid</b>
<b><u>Bonds</u></b>						
Governmental Activities:						
General obligation bonds, Series 2016	\$ 853,000		83,000		770,000	21,099
Total Bonds	<u>853,000</u>	<u>0</u>	<u>83,000</u>	<u>0</u>	<u>770,000</u>	<u>21,099</u>
<b><u>Other Long-term Debt</u></b>						
Governmental Activities:						
Lease purchase - 5 lawn mowers	16,933		14,677		2,256	
Lease purchase - 2017 Pierce pumper	<u>155,682</u>		<u>34,201</u>		<u>121,481</u>	<u>3,620</u>
Total Governmental Activities	<u>172,615</u>	<u>0</u>	<u>48,878</u>	<u>0</u>	<u>123,737</u>	<u>3,620</u>
Business-type Activities:						
WWTP roof and Phase II sewer	27,705		20,153		7,552	699
Sewer project - Jackson Street	46,617		7,997		38,620	1,589
Water meters	664,408		94,238		570,170	18,885
Lawn mower	3,388		2,938		450	
Phase III Sewer - Department of Environmental Quality - State revolving loan	55,694		21,130		34,564	800
Department of Environmental Quality - State revolving loan	1,752,124		117,433		1,634,691	29,651
2022 Ford Maverick		<u>18,951</u>			<u>18,951</u>	
Total Business-type Activities	<u>2,549,936</u>	<u>18,951</u>	<u>263,889</u>	<u>0</u>	<u>2,304,998</u>	<u>51,624</u>
Total Other Long-term Debt	<u>2,722,551</u>	<u>18,951</u>	<u>312,767</u>	<u>0</u>	<u>2,428,735</u>	<u>55,244</u>
Total Long-term Debt	\$ <u>3,575,551</u>	<u>18,951</u>	<u>395,767</u>	<u>0</u>	<u>3,198,735</u>	<u>76,343</u>

Adjustment. To record accrued interest on the loan since the inception of the loan.

**CITY OF CRYSTAL SPRINGS, MISSISSIPPI**  
**Schedule of Investments - All Funds - UNAUDITED**  
**September 30, 2023**

	<b><u>Deposit Amount</u></b>
Certificate of Deposit with Copiah Bank; maturing July 10, 2024; interest rate of 5.15%.	\$ 406,612
Certificate of Deposit with Copiah Bank; maturing January 9, 2024; interest rate of 3.55%.	272,436
Certificate of Deposit with Copiah Bank; maturing April 21, 2024; interest rate of 4.00%.	17,742
Certificate of Deposit with Copiah Bank; maturing December 11, 2023; interest rate of 2.50%.	<u>13,123</u>
	\$ <u><u>709,913</u></u>
 Fund Recap:	
General Fund	\$ 627,463
Debt Service Fund	43,421
Water and Sewer Fund	<u>39,029</u>
	\$ <u><u>709,913</u></u>

**CITY OF CRYSTAL SPRINGS, MISSISSIPPI**  
**Schedule of Capital Assets - UNAUDITED**  
**For the Fiscal Year Ended September 30, 2023**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital Assets:				
Land	\$ 697,923			697,923
Construction in progress	18,105	3,336,042		3,354,147
Buildings	2,550,566			2,550,566
Improvements other than buildings	5,341,891			5,341,891
Mobile equipment	1,816,429	335,911	(44,785)	2,107,555
Furniture and equipment	704,480	31,879		736,359
Equipment under capital lease	373,344			373,344
Total Governmental Activities Capital Assets	<u>\$ 11,502,738</u>	<u>3,703,832</u>	<u>(44,785)</u>	<u>15,161,785</u>
<b>Business-type Activities</b>				
Capital Assets:				
Land	\$ 254,800			254,800
Construction in progress				
Buildings	253,700			253,700
Improvements other than buildings	7,635,404			7,635,404
Mobile equipment	228,799	18,951		247,750
Furniture and equipment	321,871			321,871
Equipment under capital lease	1,316,129			1,316,129
Total Business-type Activities Capital Assets	<u>\$ 10,010,703</u>	<u>18,951</u>	<u>0</u>	<u>10,029,654</u>

**CITY OF CRYSTAL SPRINGS, MISSISSIPPI**  
**Schedule of Surety Bonds for Municipal Officials and Employees - UNAUDITED**  
**September 30, 2023**

<b>Name</b>	<b>Position</b>	<b>Surety Company</b>	<b>Coverage</b>
Warren C. Thornton	Alderman	Travelers	\$ 50,000
Ray Brown, Jr.	Alderman	Travelers	\$ 50,000
Charles S. Singleton	Alderman	Travelers	\$ 50,000
Darren J. Powell	Alderman	Travelers	\$ 50,000
Tamra Michelle Terrebonne	Alderwoman	Travelers	\$ 50,000
Sally Garland	Mayor	Travelers	\$ 50,000
Kimberly Vaughn	City Clerk	Travelers	\$ 50,000
Tracey Welch	Deputy City Clerk	Travelers	\$ 50,000
Lakeidra Kangar	Municipal Court Clerk	Travelers	\$ 50,000
Jacqueline Little	Deputy Court Clerk	Travelers	\$ 50,000
Felicia Thompson	Parks & Recreation Director	Travelers	\$ 50,000
Rebecca Dionne	Interdepartmental Clerk	Travelers	\$ 50,000
Tony Hemphill	Police Chief	Travelers	\$ 50,000
Misheila Johnson	Office Manager	Travelers	\$ 50,000
Lexy Green	Assistant Office Manager	Travelers	\$ 50,000
Jamie Dejean	Maintenance Supervisor	Travelers	\$ 50,000
Susan Brewer	Pool Manager	Travelers	\$ 50,000
Various	Dispatcher	Travelers	\$ 50,000
Joseph McKenny	Police Captain	Travelers	\$ 50,000
Various	Police Officer	Travelers	\$ 50,000
Bobby Herron	Investigator	Travelers	\$ 50,000
Angela Cooper	Tac Officer	Travelers	\$ 50,000

## **CITY OF CRYSTAL SPRINGS, MISSISSIPPI**

### **Notes to the Other Information For the Year Ended September 30, 2023 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 City, 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 City'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 and the Special Revenue Funds.

**CITY OF CRYSTAL SPRINGS, MISSISSIPPI**

**SUPPLEMENTARY INFORMATION**

**CITY OF CRYSTAL SPRINGS, MISSISSIPPI**  
**Schedule of Expenditures of Federal Awards**  
**September 30, 2023**

<b>Federal Grantor/Pass-through Grantor/ Program Title</b>	<b>Federal Assistance Listing Number</b>	<b>Pass-through Entity Identifying Number</b>	<b>Federal Expenditures</b>
<b>Major Program:</b>			
U. S. Department of Transportation/ Mississippi Department of Transportation/ Highway Planning and Construction	20.205	STP-0130-00(013)LPA/107363- 701000	\$ <u>2,100,000</u>
Total Major Program			<u>2,100,000</u>
<b>Non-Major Programs:</b>			
U. S. Department of Transportation/ Mississippi Department of Wildlife, Fisheries, and Parks/ Recreational Trail Program	20.219	22-RTP-360	120,000
U. S. Department of Transportation/ Mississippi Office of Highway Safety/ 402 Police Traffic Services FY23	20.614	PT-2023-PT-20-81	11,811
U.S. Department of Treasury/ Conronavirus State and Local/ ARPA	21.027		249,632
U.S. Department of Treasury/ Conronavirus State and Local/ Premium Pay	21.027	IO HB 1542.A	<u>25,000</u>
Total Non-Major Programs			<u>406,443</u>
Total Major and Non-Major Programs			\$ <u><u>2,506,443</u></u>

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Note A - Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the City of Crystal Springs under programs of the federal government for the year ended September 30, 2023. 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 Crystal Springs, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Crystal Springs.

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

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**Note C - Indirect Cost Rate**

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

**CITY OF CRYSTAL SPRINGS, MISSISSIPPI**

**SPECIAL REPORTS**

# Windham and Lacey, PLLC

## *Certified Public Accountants*

---

2708 Old Brandon Road  
Pearl, MS 39208  
(601)939-8676 Fax (601)939-8761  
windhamandlacey.com

P. O. Box 759  
Crystal Springs, MS 39059  
(601)892-4001 Fax (601)892-5978

Members:  
American Institute of CPAs  
Mississippi Society of CPAs

### **INDEPENDENT AUDITORS' 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**

Honorable Mayor and  
Members of the Board of Aldermen  
City of Crystal Springs, 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 (*Government Auditing Standards*), the cash basis financial statements of the governmental activities, the business-type activities, and each major fund of City of Crystal Springs (the City), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 5, 2024.

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

In planning and performing our audit of the financial statements, we considered City of Crystal Springs'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 City of Crystal Springs'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 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.

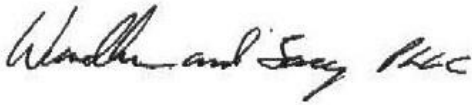
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

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

As part of obtaining reasonable assurance about whether the City of Crystal Springs'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 result of that testing, and not to provide an opinion on the effectiveness of the County'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 County's internal control and 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.

A handwritten signature in black ink, appearing to read "Windham and Lacey, PLLC".

Windham and Lacey, PLLC  
February 5, 2024

# Windham and Lacey, PLLC

## *Certified Public Accountants*

---

2708 Old Brandon Road  
Pearl, MS 39208  
(601)939-8676 Fax (601)939-8761  
windhamandlacey.com

P. O. Box 759  
Crystal Springs, MS 39059  
(601)892-4001 Fax (601)892-5978

Members:  
American Institute of CPAs  
Mississippi Society of CPAs

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

Honorable Mayor and  
Members of the Board of Aldermen  
City of Crystal Springs, Mississippi

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

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

We have audited the City of Crystal Springs'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 Crystal Springs's major federal program for the year ended September 30, 2023. The City of Crystal Springs'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 Crystal Springs, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended September 30, 2023.

##### ***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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 Crystal Springs 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 Crystal Springs's compliance with the compliance requirements referred to above.

##### ***Responsibility 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 Crystal Springs's federal programs.

### ***Auditors' Responsibility 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 Crystal Springs'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 GAAS, *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 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 that judgment made by a reasonable user of the report on compliance about the City of Crystal Springs's compliance with the requirements of the major program as a whole.

In performing an audit in accordance with GAAS, *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 Crystal Springs'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 Crystal Springs'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 Crystal Springs'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 did not disclose any 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 items. Our opinion on the major federal program is not modified with respects to these matters.

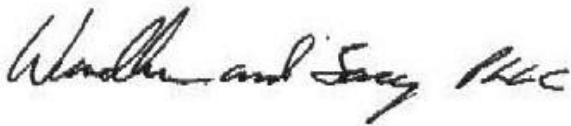
### **Report on Internal Control Over Compliance**

*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 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. *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 consideration of the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we considered to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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

Windham and Lacey, PLLC  
February 5, 2024

# Windham and Lacey, PLLC

## *Certified Public Accountants*

---

2708 Old Brandon Road  
Pearl, MS 39208  
(601)939-8676 Fax (601)939-8761  
windhamandlacey.com

P. O. Box 759  
Crystal Springs, MS 39059  
(601)892-4001 Fax (601)892-5978

Members:  
American Institute of CPAs  
Mississippi Society of CPAs

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

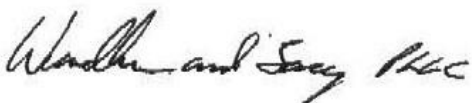
Honorable Mayor and  
Members of the Board of Aldermen  
City of Crystal Springs, Mississippi

We have audited the financial statements of the governmental activities, the business-type activities, the major fund and the aggregate remaining fund information of the City of Crystal Springs, Mississippi, as of and for the year ended September 30, 2023, and have issued our report thereon dated February 5, 2024. 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 City's compliance with these requirements. 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 statements of the governmental activities, the business-type activities, the 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 result 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.



Windham and Lacey, PLLC  
February 5, 2024

**CITY OF CRYSTAL SPRINGS, MISSISSIPPI**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

## CITY OF CRYSTAL SPRINGS, MISSISSIPPI

### Schedule of Findings and Questioned Costs For the Year Ended September 30, 2023

#### **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            |

##### ***Federal Awards:***

- |     |   |               |
|-----|---|---------------|
| 4.  | Internal control over major program:  |               |
| a.  | Material weaknesses identified?   | No            |
| b.  | Significant deficiencies identified that are not considered to be material weaknesses?  | None Reported |
| 5.  | Type of auditors' report issued on compliance for major federal program:  | Unmodified    |
| 6.  | Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?  | No            |
| 7.  | Federal program identified as a major program:  |               |
|     | U. S. Department of Transportation/Mississippi Department of Transportation/Highway Planning and Construction, Assistance Listing #20.205   |               |
| 8.  | The dollar threshold used to distinguish between type A and type B programs:  | \$750,000     |
| 9.  | Qualified as a low-risk auditee?  | No            |
| 10. | Prior fiscal year audit findings and questioned costs relative to federal awards which require the auditee to prepare a Summary Schedule of Prio Audit Findings in accordance with 2CFR 200.511(b)? | No            |

#### **Section 2: Financial Statement Findings**

The results of our tests did not disclose any findings related to the financial statements.

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

The results of our tests did not disclose any findings and questioned costs related to federal awards.