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TOWN OF STONEWALL, MISSISSIPPI
SPECIAL REPORT ON AGREED-UPON
PROCEDURES AND
COMPILATION REPORT

For the fiscal year ended September 30, 2015

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TOWN OF STONEWALL, MISSISSIPPI

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SPECIAL REPORT ON AGREED-UPON PROCEDURES FOR SMALL MUNICIPALITIES (TOWNS)

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

We have applied certain agreed-upon procedures, as discussed below, to the accounting records of the Town of Stonewall, Mississippi, as of September 30, 2015, and for the year then ended, as required by the Office of the State Auditor, under the provisions of Section 21-35-31, Miss. Code Ann (1972). It is understood the report is solely for the use of the governing body of the Town of Stonewall, Mississippi, and the Office of the State Auditor and should not be used for any other purposes. Our procedures and findings are as follows:

1. We reconciled cash on deposit with the following banks to balances in the respective general ledger accounts and obtained confirmation of the related balances from the banks.

<u>Bank</u>	<u>Fund</u>	<u>General Ledger</u>
BankPlus	General Fund	<u>\$ 276,971</u>
BankPlus	Grant Fund	<u>\$ 58,767</u>
BankPlus	Fire Protection Fund	<u>\$ 53,461</u>
BankPlus	Economic Development Fund	<u>\$ 714</u>
BankPlus	Water & Sewer Fund	<u>\$ 156,824</u>
BankPlus	Sanitation Fund	<u>\$ 55,030</u>
BankPlus	Clearing Fund	<u>\$ 12,456</u>
BankPlus	Payroll Clearing Fund	<u>\$ 4,161</u>

2. We performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:
 - a. Traced levies to governing body minutes;
 - b. Traced distribution of taxes collected to proper funds; and
 - c. Analyzed increase in taxes for most recent period for completion with increase limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

The distribution of taxes to funds was found to be in accordance with prescribed tax levies.

Ad valorem tax collections were found to have exceeded the limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

3. We obtained a statement of payments made by the Department of Finance and Administration to the municipality. Payments indicated were traced to deposit in the respective bank accounts and recorded in the general ledger without exception. Payments traced were as follows:

<u>Payment Purpose</u>	<u>Receiving Fund</u>	<u>Balance Per General Ledger</u>
Sales Tax Allocation	General Fund	\$ 74,003
Municipal Aid	General Fund	543
Gasoline Taxes	General Fund	3,332
Homestead Exemption	General Fund	15,820
Fire Protection	General Fund	5,920
LLEBG Police Grant	General Fund	2,472
Sewer Grant	Grant Fund	80,843
Total		<u>\$ 182,933</u>

4. We selected a sample of purchases made by the municipality during the fiscal year. Each sample item was evaluated for proper approval and compliance with purchasing requirements set forth in Title 31, Chapter 7, Miss. Code Ann. (1972), as applicable.

The sample consisted of the following:

Number of Sample Items	10
Total Dollar Value of Sample	\$15,277

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We found the municipality's purchasing procedures to be in agreement with the requirements of the above-mentioned.

5. We have read the Municipal Compliance Questionnaire completed by the municipality. The responses to the questionnaire do not indicate noncompliance with state requirements.

6. We selected a sample of collection of fines and forfeitures and verified that the municipal court clerk had settled daily with the municipal clerk. We also selected a sample of state-imposed court assessments collected and determined that the municipal clerk had settled monthly with the Department of Finance and Administration.

We found the municipality to be in agreement with the requirements of the above-mentioned sections.

Because the above procedures do not constitute an audit in accordance with generally accepted auditing standards, we do not express an opinion on any of the specific accounts or classes of transactions referred to above. In connection with the procedures referred to above, no matters came to our attention that caused us to believe the items specified in Paragraphs 1, 2 and 3 should be adjusted. Had we performed additional procedures or had we conducted an audit of the financial statements in accordance with generally accepted auditing standards, matters might have come to our attention that would have been reported to you. This report should not be associated with the financial statements of the Town of Stonewall, Mississippi, for the year ended September 30, 2015.



Stephen D. Myrick
Certified Public Accountant

July 15, 2016
Quitman, Mississippi

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ACCOUNTANT'S COMPILATION REPORT

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

Management is responsible for the accompanying Statement of Cash Receipts and Disbursements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Stonewall, Mississippi, as of and for the year ended September 30, 2015, which collectively comprise the Town's basic financial statement as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America for the cash basis of accounting. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America ordinarily included in financial statements prepared on the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's cash receipts and disbursements. Accordingly, the financial statement is not designed for those who are not informed about such matters.

Town officials have not presented government-wide financial statements to display the cash basis financial position and changes in cash basis financial position of its governmental activities and business-type activities. Accounting principles generally accepted in the United States of America, as applied to the Town of Stonewall, Mississippi's cash basis accounting, require the presentation of government-wide financial statements. The amounts that would be reported in government-wide financial statements resulting from the cash basis transactions for the Town of Stonewall, Mississippi's governmental activities and business-type activities are not reasonably determinable.

The supplementary information, Schedule of Surety Bonds for Municipal Officials and Schedule of Long-Term Debt contained in the supplementary section is presented for purposes of additional analysis and has been compiled by us from the information that is the representation of the officials of the Town of Stonewall, Mississippi, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on such supplementary information.

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Town officials also have not presented Management's Discussion and Analysis and other required supplementary information that the Governmental Accounting Standards Board has determined is required to supplement, although not required to be a part of, the basic financial statements.

In accordance with the provisions of Section 21-35-31, Mississippi Code Annotated (1972), we have issued a report dated July 15, 2016, on the results of our agreed-upon procedures.



Stephen D. Myrick
Certified Public Accountant

July 15, 2016
Quitman, Mississippi

TOWN OF STONEWALL, MISSISSIPPI
COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
For the Year Ended September 30, 2015

	Governmental Activities					Business-type Activities		
	Major Funds					Major Funds		
	General	Grant Fund	Fire Protection Fund	Economic Development Fund	Total	Water and Sewer Sewer Fund	Sanitation Fund	Total
Revenue Receipts								
Taxes:								
General Property Taxes	\$ 197,019	\$ -	\$ -	\$ -	\$ 197,019	\$ -	\$ -	\$ -
Other Taxes	1,893				1,893			
Licenses and Permits:								
Privilege Licenses	2,280				2,280			
Franchise Charges - Utilities	52,665				52,665			
Intergovernmental Receipts:								
Federal Receipts:								
CDBG Grant	-	-	-	-	-			
Sewer Grant	-	80,843	-	-	80,843			
Rural Development	-	-	-	-	-			
LLEBG Police Grant	2,472	-	-	-	2,472			
Federal Emergency Management Agency	-	-	-	-	-			
Wildlife Fisheries and Parks	-	-	-	-	-			
State Shared Receipts:								
Municipal Aid	543	-	-	-	543			
Sales Tax	74,003	-	-	-	74,003			
Gasoline Tax	3,332	-	-	-	3,332			
Homestead Reimbursement	15,820	-	-	-	15,820			
Local Shared Receipts:								
Pro Rata County Road Tax	28,115	-	-	-	28,115			
Other County Ad Valorem	476	-	-	-	476			
State Insurance Rebates	5,920	-	1,400	-	7,320			
Fire Runs	9,291	-	-	-	9,291			
Charges for Services:								
Water Utility Service Fees	-	-	-	-	-	219,205	-	219,205
Sanitation	-	-	-	-	-	-	54,975	54,975
Fines & Forfeitures	37,576	-	-	-	37,576			
Interest Earnings	616	166	135	34	951	436	144	580
Rental of Facilities	3,450	-	-	-	3,450			
Cemetery Plot Sales	3,979	-	-	-	3,979			
Miscellaneous Receipts	2,386	2	-	-	2,388			
Total Receipts	<u>441,836</u>	<u>81,011</u>	<u>1,535</u>	<u>34</u>	<u>524,416</u>	<u>219,641</u>	<u>55,119</u>	<u>274,760</u>
Disbursements								
General Government (Executive & Financial)	114,886	-	-	-	114,886			
Public Safety:								
Police	126,088	-	-	-	126,088			
Fire	12,553	-	-	-	12,553			
Highways and Streets	98,462	2	-	-	98,464			
Culture and Recreation:								
Parks	5,929	80,843	-	-	86,772			
Libraries	8,004	-	-	-	8,004			
Economic Development	-	-	-	-	-			
Enterprises:								
Water and Sewer Utility	-	-	-	-	-	223,399	-	223,399
Sanitation Utility	-	-	-	-	-	-	62,317	62,317
Redemption of Principal	8,708	-	-	-	8,708	5,548	-	5,548
Debt Service Interest	2,141	-	-	-	2,141	833	-	833
Capital Outlay	-	59,998	-	-	59,998	3,769	-	3,769
Total Disbursements	<u>376,771</u>	<u>140,843</u>	<u>-</u>	<u>-</u>	<u>517,614</u>	<u>233,549</u>	<u>62,317</u>	<u>295,866</u>
Excess (Deficiency) of Receipts Over Disbursements	65,065	(59,832)	1,535	34	6,802	(13,908)	(7,198)	(21,106)
Other Financing Sources								
Transfers in	-	24,000	-	-	24,000			
Transfers out	-	-	-	(24,000)	(24,000)			
Total Other Financing Sources (Uses)	<u>-</u>	<u>24,000</u>	<u>-</u>	<u>(24,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Basis Fund Balance - Beginning of Year	<u>204,208</u>	<u>94,599</u>	<u>53,326</u>	<u>24,680</u>	<u>376,813</u>	<u>183,571</u>	<u>61,316</u>	<u>244,887</u>
Cash Basis Fund Balance - End of Year	<u>\$ 269,273</u>	<u>\$ 58,767</u>	<u>\$ 54,861</u>	<u>\$ 714</u>	<u>\$ 383,615</u>	<u>\$ 169,663</u>	<u>\$ 54,118</u>	<u>\$ 223,781</u>

See accompanying notes and accountant's compilation report.

TOWN OF STONEWALL, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENT
For the Year Ended September 30, 2015

Note A: Summary of Significant Accounting Policies

General Information

The Town of Stonewall, Mississippi operates under the board of alderman form of government and provides services as authorized by law.

Reporting Entity

The financial statement of the Town of Stonewall, Mississippi consists of all the funds of the Town.

Fund Accounting

The accounts of the Town of Stonewall, Mississippi 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 a cash receipts and disbursements basis 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.

Note B: Report Classifications

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

SUPPLEMENTARY INFORMATION

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TOWN OF STONEWALL, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS
September 30, 2015

<u>Name</u>	<u>Position</u>	<u>Company</u>	<u>Bond</u>
Glenn Cook	Mayor	Western Surety Company	\$ 50,000
Terrye Tindle	City Clerk	Western Surety Company	50,000
Joyce Bolen	Deputy City Clerk	Western Surety Company	50,000
Jerry Rich	Alderman & Vice Mayor	Western Surety Company	50,000
Ricky Carpenter	Alderman	Western Surety Company	50,000
Stacy Artique	Alderman	Western Surety Company	50,000
Fred Frey	Alderman	Western Surety Company	50,000
Ferry Adams	Alderman	Western Surety Company	50,000
Michael Street	Chief of Police	Western Surety Company	50,000
	Police Officers	Western Surety Company	230,000

**TOWN OF STONEWALL, MISSISSIPPI
SCHEDULE OF LONG-TERM DEBT
For the Fiscal Year Ended September 30, 2015**

DEFINITION AND PURPOSE	Balance Outstanding 10/1/2014	Transactions During Fiscal Year		Balance Outstanding 9/30/2015
		Issued	Redeemed	
Other Long-Term Debt				
2013 Chevrolet Tahoe	\$ 25,856	\$ -	\$ 5,807	\$ 20,049
2014 Rolls Rite Trailer	3,203	-	2,539	664
2014 Bobcat Excavator	11,210	-	3,009	8,201
2015 Dodge Charger	-	28,162	2,901	25,261
	<u>\$ 40,269</u>	<u>\$ 28,162</u>	<u>\$ 14,256</u>	<u>\$ 54,175</u>

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ACCOUNTANTS' REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

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

We have compiled the basic financial statements of the Town of Stonewall, Mississippi, as of and for the year ended September 30, 2015, and have issued our report dated July 15, 2016.

As required by the state legal compliance audit program prescribed by the Office of 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 compilation and, accordingly, we do not express such an opinion.

The results of those procedures and our compilation of the general purpose financial statements disclosed no material instances of noncompliance with state laws and regulations.

This report is intended for the information of the Town's management and the Office of State Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.



Stephen D. Myrick
Certified Public Accountant

July 15, 2016
Quitman, Mississippi

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