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**VILLAGE OF WALTHALL, MISSISSIPPI**

**COMPILATION REPORT  
AND REPORT ON  
AGREED-UPON PROCEDURES**

**SEPTEMBER 30, 2017**

**RECEIVED**  
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VILLAGE OF WALTHALL, MISSISSIPPI

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**Independent Accountants' Compilation Report**

To the Honorable Mayor and Board of Alderman  
Village of Walthall, Mississippi

Management is responsible for the accompanying Statement of Cash Receipts and Disbursements of the governmental activities, the business-type activities, and the aggregate remaining fund information of the Village of Walthall, Mississippi, as of and for the year ended September 30, 2017, and related notes to the financial statement, which collectively comprise the Village of Walthall, Mississippi's basic financial statement as listed in the contents, in accordance with the cash basis of accounting, and for determining that the cash basis of accounting is an acceptable financial reporting framework. 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 Statement of Cash Receipts and Disbursements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on the Statement of Cash Receipts and Disbursements.

We draw attention to Note 1 of the financial statement, which describes the basis of accounting. The Statement of Cash Receipts and Disbursements is prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Management has omitted the management's discussion and analysis information and budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board* who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

The supplementary information contained on pages 7 through 9 is presented in compliance with the requirements of the Mississippi Office of the State Auditor and has been compiled from information that is the representation of management. This information was subject to our compilation engagement, however, we have not audited or reviewed the required supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such information.

*Other Information*

The Statement of Cash Receipts and Disbursements and related notes to financial statement are intended to comply with the requirements of the Mississippi Office of the State Auditor, and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

In accordance with the provisions of §21-35-31, Mississippi Code of 1972 Annotated, we have issued a report dated September 3, 2021, on the results of our agreed-upon procedures.

Eupora, Mississippi  
September 3, 2021

*Watkins Ward and Stafford, PLLC*

VILLAGE OF WALTHALL, MISSISSIPPI  
Statement of Cash Receipts and Disbursements  
Governmental and Business-type Activities  
For the Year Ended September 30, 2017

	Governmental Activities <u>General Fund</u>	Business-type Activities <u>Proprietary Fund</u>
<b>RECEIPTS</b>		
General property taxes	\$ 4,463	\$ -
Licenses and permits:		
Privilege licenses	620	-
Franchise charges - utilities	2,360	-
Intergovernmental revenues:		
State shared revenues:		
Sales tax	14,402	-
Gasoline tax	441	-
Homestead	790	-
Fire protection	806	-
Municipal aid	72	-
TVA - in lieu of tax	1,082	-
Mississippi Development Authority	62,964	-
Charges for services:		
Sewer utility	-	12,831
Rental	3,300	-
Interest	71	7
<b>Total Receipts</b>	<b>\$ 91,371</b>	<b>\$ 12,838</b>

See accompanying notes and independent accountants' compilation report.



VILLAGE OF WALTHALL, MISSISSIPPI  
Statement of Cash Receipts and Disbursements  
Governmental and Business-type Activities  
For the Year Ended September 30, 2017

	Governmental Activities <u>General Fund</u>	Business-type Activities <u>Proprietary Fund</u>
<b>DISBURSEMENTS</b>		
General government :		
General expenditures	\$ 23,012	\$ -
Repairs and maintenance	34,107	-
Public Safety:		
Fire	1,637	-
Street lights	3,983	-
Enterprise:		
Sewer operating cost	-	3,949
Redemption of principal	-	4,752
Interest on mortgage - sewer	-	192
<b>Total Disbursements</b>	<u>62,739</u>	<u>8,893</u>
 Excess of receipts over disbursements	 <u>28,632</u>	 <u>3,945</u>
 <b>CASH BALANCE - BEGINNING OF YEAR</b>	 <u>169,208</u>	 <u>28,490</u>
 <b>CASH BALANCE - END OF YEAR</b>	 \$ <u><u>197,840</u></u>	 \$ <u><u>32,435</u></u>

See accompanying notes and independent accountants' compilation report.

VILLAGE OF WALTHALL, MISSISSIPPI  
Notes to Financial Statement

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

**a. Reporting Entity**

The financial statements of the Village consists of all the funds of the Village.

The Citizens of the Village of Walthall, Mississippi have elected to operate under a Code Charter as permitted by Mississippi Statute 21-3-3, which prescribes a Mayor and Board of Alderman form of government.

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in accounting principles generally accepted in the United States of America. The basic, but not only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financial relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, there are no includable or excludable potential component units.

**b. Fund Accounting**

The accounts of the Village are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statement in this report, into two generic fund types and two broad fund categories as follows:

**Governmental Funds:**

**General Fund** – The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

VILLAGE OF WALTHALL, MISSISSIPPI  
Notes to Financial Statement

**Note 1: Summary of Significant Accounting Policies (Continued)**

**Proprietary Funds:**

**Enterprise Funds** – Enterprise Funds consist of the business-type activities and are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through use charges; or (b) where the governing body had decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Enterprise Fund is the Sewer Fund.

**c. Basis of Accounting**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applies.

The Village uses the cash basis of accounting as prescribed by the Mississippi Office of the State Auditor.

In the fund financial statement, governmental, and business-like activities are presented using a cash basis of accounting. This basis recognizes assets, liabilities, net-assets/fund equity, revenues and expenditures/expenses when they result from cash transactions with a provision for depreciation in the proprietary fund statement. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

If the town utilized accounting principles generally accepted in the United States of America, the fund financial statement for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Under the modified accrual basis revenues are recognized when measurable and available. Measurable means, being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

Under the accrual basis revenues are recognized when earned. Expenses (including depreciation and amortization) are recorded when the liability is incurred or the economic asset is used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

**Note 2: 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.

VILLAGE OF WALTHALL, MISSISSIPPI  
Schedule of Investments - All Funds  
For the Year Ended September 30, 2017

Ownership	Type of Investment	Interest Rate	Acquisition Date	Maturity Date	Other Information	Investment Cost/Value
General Fund	Certificate of Deposit	0.05%	12/04/09	12/06/17	Regions Bank	\$ 89,985
General Fund	Certificate of Deposit	0.05%	06/22/10	06/19/20	Regions Bank	43,238
						<u>133,223</u>
Enterprise Fund	Certificate of Deposit	0.05%	08/24/07	10/24/20	Regions Bank	8,209
Enterprise Fund	Certificate of Deposit	0.05%	12/04/09	12/06/17	Regions Bank	6,422
						<u>14,631</u>
<b>Total Investments</b>						<u><u>\$ 147,854</u></u>

See accompanying notes and independent accountants' compilation report.

VILLAGE OF WALTHALL, MISSISSIPPI  
Schedule of Long-Term Debt  
For the Year Ended September 30, 2017

	Balance Outstanding <u>9/30/2016</u>	Transactions During Fiscal Year <u>Issued</u>	<u>Redeemed</u>	Balance Outstanding <u>9/30/2017</u>
<b><u>Definition and Purpose</u></b>				
Sewer system note payable to Farmers Home Administration. Note issued 11/7/85 in an original amount of \$80,000 due in monthly installments of \$412	\$ <u>6,002</u>	<u>-</u>	( <u>4,752</u> )	\$ <u>1,250</u>

See accompanying notes and independent accountants' compilation report.

VILLAGE OF WALTHALL, MISSISSIPPI  
Schedule of Surety Bonds for Village Officials  
For the Year Ended September 30, 2017

Name	Position	Surety	Bond Amount
Belinda Stewart	Mayor	RLI Surety	\$ 10,000
Casey Henderson	Marshall	Western Surety Company	\$ 50,000
Joyce James	City Clerk	Travelers	\$ 50,000
Kelly Powell	Alderwoman	MS Municipal Bond Program	\$ 10,000
Rodney Crowell	Alderman	MS Municipal Bond Program	\$ 10,000
Isom Busby	Alderman	MS Municipal Bond Program	\$ 10,000
Jeffrey R. Tabb	Alderman	MS Municipal Bond Program	\$ 10,000
Linda Stewart	Alderwoman	MS Municipal Bond Program	\$ 10,000
General Obligation Bond	FHA Loan	Western Surety Company	\$ 50,000

See accompanying notes and independent accountants' compilation report.



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**Independent Accountants' Report on Compliance  
with State Laws and Regulations**

To the Honorable Mayor and Board of Alderman  
Village of Walthall, Mississippi

We have compiled the accompanying Statement of Cash Receipts and Disbursements, Schedule of Investments, Schedule of Long-Term Debt, and Schedule of Surety Bonds of the Village of Walthall, Mississippi, for the year ended September 30, 2017, in accordance with Statements of Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statement has been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles in the United States of America.

We have performed procedures to test compliance with certain state laws and regulations as described in the Municipal Compliance Questionnaire that is prescribed by the Office of the State Auditor. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Village's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures and our compilation of the accompanying Statement of Cash Receipts and Disbursements, Schedule of Investments, Schedule of Long-Term Debt, and Schedule of Surety Bonds of the Village of Walthall, Mississippi, for the year ended September 30, 2017, disclosed the following instance of noncompliance with state laws and regulations. Our findings and recommendations and your responses are as follows:

**2017-01 Finding** – The Village of Walthall, Mississippi did not properly commission municipal depositories as required by Miss. Code Ann. § 27-105-353 and Miss. Code Ann. § 27-105-363.

**Recommendation** – The Village of Walthall, Mississippi should select the municipal depositories as required by Miss. Code Ann. § 27-105-353 and Miss. Code Ann. § 27-105-363.

**Response** – The Village of Walthall, Mississippi will review and adhere to Miss. Code Ann. § 27-105-353 and Miss. Code Ann. § 27-105-363 when selecting municipal depositories.

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

Eupora, Mississippi  
September 3, 2021

*Watkins Ward and Stafford, P.C.*



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**Independent Accountants' Report on Applying Agreed-Upon Procedures**

To the Honorable Mayor and Board of Alderman  
Village of Walthall, Mississippi

We have performed the procedures enumerated below, which were agreed to by the Office of the State Auditor, to the accounting records of the Village of Walthall, Mississippi, solely to assist the Office of the State Auditor in evaluating the Village of Walthall's compliance with certain laws and regulations as of September 30, 2017, and for the year then ended. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Office of the State Auditor, State of Mississippi. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

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:

Bank	Fund	Balance per General Ledger
Bank of Kilmichael	General Fund	\$ 64,617
Bank of Kilmichael	Enterprise Fund	\$ 17,804

2. All investments were confirmed directly with respective trustees. All investment transactions during the year were examined for compliance with investments authorized by § 21-33-323 Miss. Code Ann. (1972). This total is included in the ending cash balance in the statement of cash receipts and disbursements:

Bank	Type	Fund	General Ledger
Regions Bank	Certificate of Deposit	General Fund	\$ 133,223
Regions Bank	Certificate of Deposit	Enterprise Fund	\$ 14,631



3. We performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:

- a. Trace 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 be within the limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

4. 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:

Payment Purpose	Receiving Fund	General Ledger Amount
Sales Tax Allocation	General Fund	\$ 14,402
Gasoline Tax	General Fund	441
Homestead Exemption	General Fund	790
Fire Protection	General Fund	806
General Municipal Aid	General Fund	72
TVA - In Lue of Taxes	General Fund	1,082
MDA Grant	General Fund	62,964
Total		<u>\$ 80,557</u>

5. 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), if applicable.

The sample consisted of the following:

Number of Sample Items	20
Total Dollar Value of Sample	\$39,924

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

6. We have read the Municipal Compliance Questionnaire completed by the municipality. The completed survey indicated no instances of noncompliance with state requirements; however, an instance of noncompliance with regard to municipal depositories was noted.

**2017-01 Finding** – The Village of Walthall, Mississippi did not properly commission municipal depositories as required by Miss. Code Ann. § 27-105-353 and Miss. Code Ann. § 27-105-363.

**Recommendation** – The Village of Walthall, Mississippi should select the municipal depositories as required by Miss. Code Ann. § 27-105-353 and Miss. Code Ann. § 27-105-363.

**Response** – The Village of Walthall, Mississippi will review and adhere to Miss. Code Ann. § 27-105-353 and Miss. Code Ann. § 27-105-363 when selecting municipal depositories.

We were not engaged to, and did not perform, an examination, the objective of which would be the expression of an opinion on management's compliance with laws and regulations. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the Office of the State Auditor, State of Mississippi and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

Eupora, Mississippi  
September 3, 2021

*Watkins Ward and Stafford, P.C.*