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Town of Pace
Compiled Financial Statements
September 30, 2018

Ella B. Johnson
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Town of Pace, Mississippi

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

August 17, 2020

Governing Body
Town of Pace, Mississippi 38764

We have applied certain agreed-upon procedures, as discussed below, to the accounting records of the Town of Pace, Mississippi as of September 30, 2018 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 Pace, 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 State Bank & Trust Company to balances in the respective accounts and obtained confirmation of the related balances from the bank:

| <u>FUND</u> | <u>Balance Per Town Records</u> |
|------------------------------------|--|
| General: | |
| Operating | 70,690.18 |
| Real Estate Account | 29,368.54 |
| Petty Cash Fund | 625.68 |
| Payroll Account | 2,281.79 |
| Summer Enrichment Program | 265.54 |
| Chronic Disease | 4,134.50 |
| Tax Account | 1,539.58 |
| Pace Elem School Rehabilitation | <u>2,482.20</u> |
| Total General Fund | \$111,388.01 |
| Special Revenue Funds: | |
| Park Recreation and Beautification | \$ 2,930.53 |
| Fire Protection | 21,065.41 |
| Water System Improvement Project | 3,685.25 |
| Bridges/FEMA | <u>19,994.13</u> |
| Total Special Revenue Funds | \$47,675.32 |
| Enterprise Fund: | |
| Water – O&M | \$65,254.44 |
| Reserve Bond Depreciation | 15,610.06 |
| Water Deposit Fund | <u>14,203.80</u> |
| Total Enterprise Funds | \$95,068.30 |

2. We physically examined securities held for investment. Securities held in trust were confirmed directly with respective trustees. All investment transactions during the year were examined for compliance with investments authorized by Section 21-33-323, Miss. Code Ann. (1972).

| <u>Security:</u> | <u>Fund:</u> | <u>Ledger Cost:</u> |
|------------------------|-----------------|---------------------|
| State Bank & Trust Co. | General | \$ 11,775.61 |
| State Bank & Trust Co. | Fire Protection | 2,107.99 |
| State Bank & Trust Co. | Enterprise Fund | \$ 11,775.62 |

3. We performed the following procedures with respect to taxes on real and personal property (including motor vehicles and mobile homes) 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 General Fund, Parks & Recreation and Fire Protection Funds was 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. The Town did not issue general obligation debt.
5. 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>Ledger Amount</u> |
|--------------------------------|-----------------------|----------------------|
| Sales Tax Allocation | General Fund | \$ 5,827.88 |
| Homestead Exemption Reimburse. | General Fund | 6,540.41 |
| Gasoline Taxes | General Fund | 787.72 |
| Payments Nuclear Plant | General Fund | 2,394.64 |
| General Municipal Aid | General Fund | 136.64 |
| MS Development Authority | Water Sys Improve. | 500.00 |
| Fire Protection | Fire Protection Fund | <u>1,564.07</u> |
| | Total | <u>\$17,751.36</u> |
| Fire Protection FY 2016-2017 | Fire Protection Fund | \$ 1,534.15 |

6. 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 | 14 |
| Total Dollar Value of Sample | \$7,755.57 |

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

7. Fines and forfeitures were not collected.
8. We have read the Municipal Compliance Questionnaire completed by the Municipality. The following responses to the questionnaire indicate noncompliance with state requirements.
 - a. The municipality did not contract with a Certified Public Accountant or an auditor approved by the State Auditor for its annual audit within twelve months of the end of fiscal year ending September 30, 2018. (Section 21-35-31)
 - b. The Municipality did not commission municipal depositories. (Sections 27-105-353 and 27-105-363).

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 Pace, Mississippi, for the fiscal year ended September 30, 2018.




Ella B. Johnson, Public Accountant
Madison, MS 39110
August 17, 2020

**Johnson's Accounting Service
Public Accountant
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Fax: 601-790-9369**

Governing Body
Town of Pace, Mississippi

We have compiled the Unaudited Statement of Cash Receipts and Disbursements
(Governmental & Business Type Activities) as of and for the Fiscal Year Ended September 30, 2018.

July 30, 2020


Ella B. Johnson, Public Accountant

TOWN OF PACE, MISSISSIPPI
STATEMENT OF CASH RECEIPTS and DISBURSEMENTS
GOVERNMENTAL & BUSINESS-TYPE ACTIVITIES
AS OF AND FOR THE YEAR ENDING SEPTEMBER 30, 2018

| | Governmental Activities | | | Business-Type Activities | |
|------------------------------|----------------------------|-----------------------------------|----------------|---------------------------------|---------------|
| | General <u>Fund</u> | Other Nonmajor <u>Funds</u> | <u>Total</u> | Water & Sewer <u>Fund</u> | <u>Total</u> |
| RECEIPTS | | | | | |
| Taxes - Ad Valorem | 95,914 | 1,718 | 97,632 | | |
| Franchise Fees - Utilities | 6,897 | | 6,897 | | |
| Licenses & Permits | 262 | | 262 | | |
| Homestead Exempt. Reimburse. | 6,540 | | 6,540 | | |
| General Sales Tax | 5,828 | | 5,828 | | |
| Municipal Aid | 137 | | 137 | | |
| Motor Vehicle Fuel Taxes | 788 | | 788 | | |
| Grand Gulf | 2,395 | | 2,395 | | |
| Municipal Fire Protection | | 3,098 | 3,098 | | |
| Fines & Forfeits | - | | - | | |
| Charges for Services: | | | | | |
| Interest Income | 102 | 10 | 112 | 102 | 102 |
| Other Revenue | 2,957 | 658 | 3,615 | 4,060 | 4,060 |
| Contributions - Oct. Fest | | 2,418 | 2,418 | | |
| Rent | 2,150 | | 2,150 | | |
| Garbage | 14,187 | | 14,187 | | - |
| Water Deposits | | | | 280 | 280 |
| Water Collections | | | | 62,874 | 62,874 |
| Sewer Collections | | | | 28,556 | 28,556 |
| TOTAL RECEIPTS | 138,157 | 7,902 | 146,059 | 95,872 | 95,872 |

DISBURSEMENTS

| | | | | | |
|---------------------------------|--------|--------|--------|-----|-----|
| General Government Legislative | | | | | |
| Salaries & Employee Benefits | 9,527 | | 9,527 | | |
| Attorney | 4,800 | | 4,800 | | |
| Executive/Financial: | | | | | |
| Salaries & Employee Benefits | 33,555 | | 33,555 | | |
| Supplies | 5,704 | | 5,704 | | |
| Other Services & Charges | 25,206 | | 25,206 | | |
| Grant - Adm Fees | 600 | | 600 | 600 | 600 |
| Capital Outlay RR St Construct. | | 63,581 | 63,581 | | |
| Public Safety: Police | | | | | |
| Salaries & Employee Benefits | 12,918 | | 12,918 | | |

TOWN OF PACE, MISSISSIPPI
STATEMENT OF CASH RECEIPTS and DISBURSEMENTS
GOVERNMENTAL & BUSINESS-TYPE ACTIVITIES
AS OF AND FOR THE YEAR ENDING SEPTEMBER 30, 2018

| | Governmental Activities | | | Business-Type Activities | |
|---|----------------------------|-----------------------------------|-----------------|---------------------------------|----------------|
| | General <u>Fund</u> | Other Nonmajor <u>Funds</u> | <u>Total</u> | Water & Sewer <u>Fund</u> | <u>Total</u> |
| Supplies | 224 | | 224 | | |
| Other Services & Charges | 894 | | 894 | | |
| Public Safety: Fire | | | | | |
| Public Works- Street Department | | | | | |
| Supplies | 2,265 | | 2,265 | | |
| Other Services & Charges | 9,667 | | 9,667 | | |
| Public Works-Sanitation | | | | | |
| Garbage Disposal | 12,000 | | 12,000 | | - |
| Parks & Recreation: | | | | | |
| Other Services & Charges | | 244 | 244 | | |
| October Fest | | 4,076 | 4,076 | | |
| Summer Enrichment | | | | | |
| Other Services & Charges | 925 | | 925 | | |
| Enterprises - Water & Sewer | | | | | |
| Personnel | | | | 45,147 | 45,147 |
| Supplies | | | | 3,850 | 3,850 |
| Other Services Charges | | | | 28,680 | 28,680 |
| Water Deposits | | | | 605 | 605 |
| Total Disbursements | 118,285 | 67,901 | 186,186 | 78,882 | 78,882 |
| Excess Receipts Over (Under) | | | | | |
| Disbursements | 19,872 | (59,999) | (40,127) | 16,990 | 16,990 |
| OTHER CASH SOURCES (USES) | | | | | |
| Transfers In | | 500 | 500 | 2,187 | 2,187 |
| Transfers Out | (2,687) | | (2,687) | | |
| Total Other Cash Sources (Uses) | (2,687) | 500 | (2,187) | 2,187 | 2,187 |
| Excess (Deficiency) of Receipts | | | | | |
| Over Disbursements | 17,185 | (59,499) | (42,314) | 19,177 | 19,177 |
| Cash Basis Fund Balance | | | | | |
| Beginning of Year | 105,979 | 109,282 | 215,261 | 87,666 | 87,666 |
| Cash Basis Fund Balance - End of Yr. | 123,164 | 49,783 | 172,947 | 106,843 | 106,843 |

TOWN OF PACE, MISSISSIPPI
STATEMENT OF CASH RECEIPTS and DISBURSEMENTS
GOVERNMENTAL & BUSINESS-TYPE ACTIVITIES
AS OF AND FOR THE YEAR ENDING SEPTEMBER 30, 2018

Cash Basis Fund Balance

End of Year:

| | | | | | |
|--------------------------------|---------|--------|---------|---------|---------|
| Restricted | 47,561 | 46,853 | 94,414 | 41,589 | 41,589 |
| Unassigned | 75,603 | 2,930 | 78,533 | 65,254 | 65,254 |
| | <hr/> | | | | |
| Total Cash Basis Fund Balances | 123,164 | 49,783 | 172,947 | 106,843 | 106,843 |
| | <hr/> | | | | |

Town of Pace, Mississippi
Schedule of Investments – All Funds
September 30, 2018

| <u>OWNERSHIP</u> | <u>TYPE OF INVESTMENT</u> | <u>INVESTMENT COST VALUE</u> |
|----------------------|-------------------------------|----------------------------------|
| General Fund | Certificate of Deposit | \$11,775.61 |
| Water Fund | Certificate of Deposit | \$11,775.62 |
| Fire Protection Fund | Certificate of Deposit | <u>\$2,107.99</u> |
| | TOTAL | \$25,659.22 |

TOWN OF PACE , MISSISSIPPI
SCHEDULE OF LONG-TERM DEBT
For the Fiscal Year Ending September 30, 2018

DEFINITION AND PURPOSE

| | Balance Outstanding <u>October 1, 2017</u> | <u>Transactions During Fiscal Year</u> <u>Issued</u> | <u>Redeemed</u> | Balance Outstanding <u>September 30, 2018</u> |
|--------------------------|--|---|-----------------|---|
| General Obligation Bonds | - | - | - | - |
| Revenue Bonds | - | - | - | - |
| TOTAL | <u>\$ -</u> | <u>-</u> | <u>-</u> | <u>\$ -</u> |

TOWN OF PACE, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS
September 30, 2018

| <u>Name</u> | <u>Position</u> | <u>Company</u> | <u>Bond Amount</u> |
|----------------------|-----------------|---------------------------|------------------------|
| Robert Leflore, Sr. | Mayor | MS Municipal Bond Program | \$ 50,000 |
| Curtissia W. Allen | Town Clerk | MS Municipal Bond Program | 50,000 |
| Michael Williams | Police Chief | MS Municipal Bond Program | 50,000 |
| Larry D. Walker, Sr. | Vice-Mayor | MS Municipal Bond Program | 10,000 |
| Patricia Pates | Alderwoman | MS Municipal Bond Program | 10,000 |
| Lula Campbell | Alderwoman | MS Municipal Bond Program | 10,000 |
| Tommie Mitchell | Alderman | MS Municipal Bond Program | 10,000 |
| Beverly Shelly | Alderwoman | MS Municipal Bond Program | 10,000 |

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**REPORT ON COMPLIANCE WITH STATE
LAWS AND REGULATIONS**

To the Mayor and the Board of Aldermen
Town of Pace, Mississippi 38764

We have compiled the accompanying Statement of Cash Receipts and Disbursements – Governmental and Business-Type Activities, Schedule of Investments, Schedule of Long-Term Debt and Schedule of Surety Bonds for Municipal Officials of the Town of Pace, Mississippi, for the year ended September 30, 2018, in accordance with Statements on 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 accounting principles generally accepted in the United States of America.

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

With respect to items tested, the results of those procedures and my compilation of the accompanying Statement of Cash Receipts and Disbursements – Governmental and Business-Type Activities, Schedule of Investments, Schedule of Long-Term Debt and Schedule of Surety Bonds for Municipal Officials of the Town of Pace, Mississippi, for the year ended September 30, 2018 disclosed the following material instances of noncompliance with state laws and regulations. Our findings and recommendations and your responses are as follows:

Findings:

The municipality did not contract with a Certified Public Accountant or an auditor approved by the State Auditor for its annual audit within twelve months of the end of fiscal year ending September 30, 2018. (Section 21-35-31)

The municipality did not commission municipal depositories. Sections 27-105-353 and 27-105 363.

Recommendations:

The municipality work on corrected actions to comply with all Sections indicated above.

Responses:

The Mayor, Board of Aldermen and Town Clerk will work on a plan to correct all Sections of noncompliance listed in this report.

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



Ella B. Johnson,
Public Accountant

July 30, 2020

