

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 RULEVILLE, MISSISSIPPI
AUDITED FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

CITY OF RULEVILLE, MISSISSIPPI
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September 30, 2018

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Board of Alderpersons
City of Ruleville, Mississippi

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ruleville (the City), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

As described in Note 1, the financial statements have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash receipts and disbursements of the City of Ruleville, for the year ended September 30, 2018 on the basis of accounting described in Note 1.

Other Matters

Required Supplemental Information

The City of Ruleville, has not presented the Management's Discussion and Analysis or budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the basis 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. Our opinion on the basic financial statements is not affected by the missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 18, 2024, on our consideration of the City of Ruleville'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with the *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.


Ridgeland, Mississippi
April 18, 2024

CITY OF RULEVILLE, MISSISSIPPI
Statement of Activities and Net Position - Cash Basis
For the Year Ended September 30, 2018

	Program Revenues			Net (Expenses) Revenues		Business-Type Activities	Total
	Expenses	Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities		
Primary Government:							
Governmental activities:							
Administration	\$ 215,437	-	-	-	(215,437)	-	\$ (215,437)
Judicial	100,847	-	-	-	(100,847)	-	(100,847)
Public safety	767,097	-	5,000	-	(762,097)	-	(762,097)
Public works	230,606	-	-	-	(230,606)	-	(230,606)
Culture/parks and recreation	121,222	-	-	-	(121,222)	-	(121,222)
Community development	-	-	-	-	-	-	-
Capital outlays	87,578	-	-	-	(87,578)	-	(87,578)
Principal payment on debt	9,100	-	-	-	(9,100)	-	(9,100)
Interest on long-term debt	8,900	-	-	-	(8,900)	-	(8,900)
Total governmental activities	<u>1,540,787</u>	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>(1,535,787)</u>	<u>-</u>	<u>(1,535,787)</u>
Business-type activities:							
Water/Sewer	387,517	349,010	-	-	-	(38,507)	(38,507)
Sanitation	169,790	103,202	-	-	-	(66,588)	-
Capital outlays	64,950	-	-	-	-	(64,950)	-
Principal payment on debt	11,369	-	-	-	-	(11,369)	-
Interest on long-term debt	13,879	-	-	-	-	(13,879)	-
Total Business-type activities	<u>647,505</u>	<u>452,212</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(195,293)</u>	<u>(38,507)</u>
Total Primary Government	<u>\$ 2,188,292</u>	<u>452,212</u>	<u>5,000</u>	<u>-</u>	<u>(1,535,787)</u>	<u>(195,293)</u>	<u>\$ (1,574,294)</u>
General Revenues:							
Property taxes				\$ 721,635	-		\$ 721,635
Sales tax revenue				229,274	-		229,274
Other intergovernmental revenues				99,781	-		99,781
Franchise taxes				66,618	-		66,618
Fines and report fees				107,387	-		107,387
License and permits				6,291	-		6,291
Miscellaneous				87,181	4,216		91,397
Unrestricted investment earnings				1,782	623		2,405
Transfers in (out)				215,041	(37,822)		177,219
Total general revenues, special items, and transfers				<u>1,534,990</u>	<u>(32,983)</u>		<u>1,502,007</u>
Change in net assets				<u>(797)</u>	<u>(228,276)</u>		<u>(72,287)</u>
Net Position - Beginning				315,148	371,320		686,468
Prior period adjustments				-	-		-
Net Position - Beginning as restated				<u>315,148</u>	<u>371,320</u>		<u>686,468</u>
Net Position - Ending				<u>\$ 314,351</u>	<u>143,044</u>		<u>\$ 614,181</u>

CITY OF RULEVILLE, MISSISSIPPI
Balance Sheet and Net Assets - Cash Basis
For the Year Ended September 30, 2018

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalent	\$ 60,278	254,073	-	\$ 314,351
Certificate of deposits	129,035	26,564	-	155,599
TOTAL ASSETS	<u>\$ 189,313</u>	<u>280,637</u>	<u>-</u>	<u>\$ 469,950</u>
NET ASSETS				
Restricted for fire protection	\$ 510	280,637	-	\$ 281,147
Restricted for police activity	32,216	-	-	32,216
Restricted for other activity	20,549	-	-	20,549
Unassigned	136,038	-	-	136,038
Total Net Assets	<u>189,313</u>	<u>280,637</u>	<u>-</u>	<u>469,950</u>
TOTAL NET ASSETS	<u>\$ 189,313</u>	<u>280,637</u>	<u>-</u>	<u>\$ 469,950</u>

CITY OF RULEVILLE, MISSISSIPPI
 Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Cash Basis
 Governmental Funds
 For the Year Ended September 30, 2018

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES:				
General property taxes	\$ 721,635	-	-	\$ 721,635
Privilege licenses and permits	6,291	-	-	6,291
Intergovernmental revenues	304,254	25,268	-	329,522
Franchise taxes	66,618	-	-	66,618
Fines and report fees	107,387	-	-	107,387
Interest income	1,156	627	-	1,783
Miscellaneous	91,713	-	-	91,713
Total Revenues	<u>1,299,054</u>	<u>25,895</u>	<u>-</u>	<u>1,324,949</u>
EXPENDITURES:				
General Government:				
Administration and finance	215,437	-	-	215,437
Public Safety				
Police department	743,452	-	-	743,452
Fire department	22,694	951	-	23,645
Public works	230,606	-	-	230,606
Judicial	100,847	-	-	100,847
Culture and recreation	121,222	-	-	121,222
Debt services:				
Principal	9,100	-	-	9,100
Interest and service charges	8,900	-	-	8,900
Capital outlay:				
General government	4,150	-	-	4,150
Public safety	26,884	39,074	-	65,958
Public works	7,324	-	-	7,324
Parks and recreation	10,146	-	-	10,146
TOTAL EXPENDITURES	<u>1,500,762</u>	<u>40,025</u>	<u>-</u>	<u>1,540,787</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>(201,708)</u>	<u>(14,130)</u>	<u>-</u>	<u>(215,838)</u>
OTHER CASH SOURCES (USES):				
Operating transfers in	192,971	22,070	-	215,041
Operating transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>192,971</u>	<u>22,070</u>	<u>-</u>	<u>215,041</u>
Excess (Deficiency) of Receipts and Other Cash Sources Over Disbursements and Other Cash Uses				
	(8,737)	7,940	-	(797)
Cash Basis Fund Balance, October 1	<u>69,015</u>	<u>246,133</u>	<u>-</u>	<u>315,148</u>
Cash Basis Fund Balance, September 30	<u>\$ 60,278</u>	<u>254,073</u>	<u>-</u>	<u>\$ 314,351</u>

CITY OF RULEVILLE, MISSISSIPPI
 General Fund - Cash Basis
 Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended September 30, 2018

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Property taxes	\$ 765,700	765,700	721,635	\$ (44,065)
Homestead exemption	42,000	42,000	45,659	3,659
Licenses and permits	22,500	22,500	6,291	(16,209)
State shared revenues	34,926	34,926	1,500	(33,426)
Federal and state grant revenue	65,000	65,000	27,821	(37,179)
Franchise taxes	75,000	75,000	66,618	(8,382)
Sales tax revenue	226,502	226,502	229,274	2,772
Grand gulf	8,572	8,572	-	(8,572)
Fines and report fees	160,000	160,000	107,387	(52,613)
Interest	1,000	1,000	1,156	156
Rent income	11,500	11,500	11,407	(93)
Miscellaneous	7,500	7,500	80,306	72,806
TOTAL REVENUES	<u>1,420,200</u>	<u>1,420,200</u>	<u>1,299,054</u>	<u>(121,146)</u>
OPERATING DISBURSEMENTS:				
General Government				
Administration	198,120	198,120	215,437	(17,317)
Judicial	115,898	115,898	100,847	15,051
Public Safety				
Police protection	781,543	781,543	743,452	38,091
Fire protection	21,650	21,650	22,694	(1,044)
Public Works				
Streets improvements	220,857	220,857	230,606	(9,749)
Culture and recreation	135,805	135,805	121,222	14,583
Capital Expenditures	26,250	26,250	48,504	(22,254)
Debt service	-	-	18,000	(18,000)
Total Expenditures	<u>1,500,123</u>	<u>1,500,123</u>	<u>1,500,762</u>	<u>(639)</u>
Excess (deficiency) of Revenues Over (Under) Expenditures	<u>(79,923)</u>	<u>(79,923)</u>	<u>(201,708)</u>	<u>(121,785)</u>
Other Financing Sources (Uses):				
Operating transfers in	-	-	192,971	192,971
Operating transfer out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>192,971</u>	<u>192,971</u>
Net Change in Fund Balances	(79,923)	(79,923)	(8,737)	71,186
Cash Basis Fund Balance, Oct. 1	<u>69,015</u>	<u>69,015</u>	<u>69,015</u>	<u>-</u>
Cash Basis Fund Balance, Sept. 30	<u>\$ (10,908)</u>	<u>(10,908)</u>	<u>60,278</u>	<u>\$ 71,186</u>

CITY OF RULEVILLE, MISSISSIPPI
Statement of Net Position - Cash Basis
Proprietary Fund
For the Year Ended September 30, 2018

	<u>Business Type Activities</u>
	Water/Sewer Fund
Assets	
Cash and cash equivalents	\$ 116,357
Cash, restricted	26,687
Total Assets	\$ 143,044
Net Position	
Restricted for debt service	\$ 26,687
Unrestricted	116,357
Total Net Position	143,044
Total Net Position	\$ 143,044

CITY OF RULEVILLE, MISSISSIPPI
Statement of Revenues, Expenses, and Changes in Net Position - Cash Basis
Proprietary Funds
For the Year Ended September 30, 2018

	<u>Business -Type Activities</u>
	<u>Water/Sewer Fund</u>
Operating Revenues:	
Sales to customers	\$ 452,211
Other revenue	<u>4,217</u>
Total Operating Revenues	<u>456,428</u>
Operating Expenses:	
Personnel services	155,340
Supplies	35,157
Other services and charges	197,020
Garbage collection fees	<u>169,790</u>
Total Operating Expenses	<u>557,307</u>
Operating income (loss)	<u>(100,879)</u>
Nonoperating revenues (expenses)	
Interest income	623
Principal payment on debt	(11,369)
Interest and service charges on long-term debt	(13,879)
Capital outlays	<u>(64,950)</u>
Total Nonoperating revenues	<u>(89,575)</u>
Net Income Before Operating Transfers	(190,454)
Operating Transfers (Out)	<u>(37,822)</u>
Change in Net Position	(228,276)
Cash Basis Net Position, October 1	<u>371,320</u>
Cash Basis Net Position, September 30	<u>\$ 143,044</u>

CITY OF RULEVILLE, MISSISSIPPI
 All Agency Funds
 Combining Balance Sheet and Nets Assets - Cash Basis
 For the Year Ended September 30, 2018

Assets:	<u>Payroll Clearing Fund</u>	<u>Accounts Payable Clearing</u>	<u>Total</u>
Cash and cash equivalents	\$ 2,050	6,365	\$ 8,415
Total Assets	<u>\$ 2,050</u>	<u>6,365</u>	<u>\$ 8,415</u>
 Net Assets			
Held for other	\$ 2,050	6,365	\$ 8,415
Total Net Assets	<u>\$ 2,050</u>	<u>6,365</u>	<u>\$ 8,415</u>

CITY OF RULEVILLE, MISSISSIPPI
All Agency Funds
Combining Statement of Changes in Net Assets - Cash Basis
For the Year Ended September 30, 2018

	Payroll Clearing Fund	Accounts Payable Clearing	Total
Additions			
Interest	\$ 10	38	\$ 48
Other additions	-	-	-
Total Additions	<u>10</u>	<u>38</u>	<u>48</u>
Deductions			
General government	<u>32</u>	595	<u>627</u>
Total Deductions	<u>32</u>	<u>595</u>	<u>627</u>
Change in Net Assets	(22)	(557)	(579)
Net Asset at beginning of year	<u>2,072</u>	<u>6,922</u>	<u>8,994</u>
Net Asset at end of year	<u>\$ 2,050</u>	<u>6,365</u>	<u>\$ 8,415</u>

CITY OF RULEVILLE, MISSISSIPPI
Notes to the Financial Statements
September 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Ruleville, Mississippi was incorporated under the laws of the State of Mississippi and operates under a Mayor - Board of Alderpersons form of government, and provides all of the rights and privileges provided by statute for municipalities.

A. Fund Accounting

The financial statement consist of all the funds of the City of Ruleville: General Fund, Special Revenue Funds, and the Enterprise Funds.

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

GOVERNMENTAL FUNDS

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

Special Revenue Fund: The Special Revenue Funds are used to account for the proceeds of special revenue sources that are legally restricted for specific expenditure purposes. The Special Revenue Fund in this financial statement is used to account for receipts and disbursements of the City's restricted resources.

PROPRIETARY FUNDS

Enterprise Fund: The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the cost and expenses of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges. The City's Water/Sewer and Sanitation funds are included in this category.

B. 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 applied.

The financial statements are prepared on a cash receipts and disbursements basis, according to requirements for small towns in the State of Mississippi as prescribed by the Office of the State Auditor. Consequently, certain revenues are recognized when received rather than when earned, and certain expenditures or expenses are recognized when paid rather than when the obligation is incurred.

CITY OF RULEVILLE, MISSISSIPPI
Notes to the Financial Statements
September 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIE (Continued)

C. Total Columns on Combined Statement

The total column on the Combined Statement of Cash Receipts and Disbursements is captioned Memorandum Only to indicate that it is presented only to facilitate analysis. Data in this column is not meant to present fairly the cash receipts and disbursements of consolidated financial information for the Town as a whole in conformity with the cash basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles.

D. Cash and Cash Equivalents

The City deposits excess funds in the financial institutions selected by the board. State statues specify how these depositories are to be selected.

Cash and cash equivalents consist of amounts on deposit in demand accounts and certificates of deposits with maturities greater than 12 months when acquired.

E. Investments

The City can invest its excess funds, as permitted by Section 29-3-113, Miss. Code Ann. (1972), in interest-bearing deposits or other obligations of the types described in Section 27-105-33, Miss. Code Ann. (1972), or in any other type investment in which any other agency, instrumentality, or subdivision of the State of Mississippi may invest, except that 100% of said funds are authorized to be so invested.

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.

NOTE 3 - PROPERTY TAX

Property taxes attached as an enforceable lien on property January 1. The millage rate for the City for the fiscal year ended September 30, 2018 was 80.00 mills for general purposes.

NOTE 4 - BUDGET POLICY

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- ◆ Prior to September 30, the City Clerk submits to the Mayor and Alderpersons a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenses and expenditures and the means of financing them.
- ◆ Public notice is given of the City's budget meetings being open to the public, so that a public hearing is conducted on the budget.
- ◆ The budget as submitted is reviewed by the Mayor and Alderpersons and necessary revisions are made to the budget. Then, the budget is approved prior to September 15.

CITY OF RULEVILLE, MISSISSIPPI
Notes to the Financial Statements
September 30, 2018

NOTE 4 - BUDGET POLICY (Continued)

- ◆ The Budget is formally revised during July of each year or anytime a deficit is indicated.
- ◆ Budgetary comparisons are employed by management as a management control device during the year for all funds.
- ◆ Appropriations lapse at the end of each fiscal year.

Mississippi laws require that municipalities budget on a modified-cash basis. Claims that have been incurred prior to the end of the year and that are paid within 30 days are recorded under the accrual basis. Prior year claims that are paid after 30 days revert to the cash basis. All revenue is accounted for under the cash basis. The required budgetary basis is therefore not considered a generally accepted accounting principle. Governmental accounting requires that the "budget to actual" statements be prepared according to budgetary laws. The major reconciling items between the budgetary and cash basis presentations are presented on the "budget to actual" statements.

NOTE 5 - LONG-TERM DEBT

Long-term debt consist of the following at September 30, 2018:

A. Governmental Activities

A summary of long-term debt transactions for the year ended September 30, 2018, were as follows:

Governmental activities:	Beginning Balance	Additions	Reductions	Adjustments	Ending Balance	Due Within One Year
Note payable, Planters Bank	\$ 160,438	-	(9,100)	-	\$ 151,338	\$ 9,831
Totals	<u>\$ 160,438</u>	<u>-</u>	<u>(9,100)</u>	<u>-</u>	<u>151,338</u>	<u>\$ 9,831</u>

1. Notes Payable

Notes consist of the following at September 30, 2018:

Note A Long-Term Note Payable

A 5.50.% note, payable to Planers Bank and Trust, dated May 18, 2016, with monthly installments of \$1,500, which includes principal and interest, matures on July 31, 2021. The note is secured by certain equipment. The note is being retired from the General Fund.

	\$ 151,338
Total	<u>\$ 151,338</u>

The annual requirement to amortize this outstanding debt as of September 30, 2018 including interest payments of \$18,000 are as follows:

Year Ended	Principal	Interest	Total
2019	\$ 9,831	8,169	\$ 18,000
2020	10,586	7,414	18,000
2021	<u>130,921</u>	<u>5,700</u>	<u>136,621</u>
	<u>\$ 151,338</u>	<u>21,283</u>	<u>\$ 172,621</u>

CITY OF RULEVILLE, MISSISSIPPI
Notes to the Financial Statements
September 30, 2018

NOTE 5 - LONG-TERM DEBT (Continued)

B. Business-Type Activities

Long-term debt activity for the year ended September 30, 2018, is presented as follows:

Business-type activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Rural Development Revenue Bond	\$ 52,213	-	2,919	49,294	\$ 3,065
Rural Development Revenue Bond	257,176	-	8,449	248,727	8,836
Totals:	<u>\$ 309,389</u>	<u>-</u>	<u>11,368</u>	<u>298,021</u>	<u>\$ 11,901</u>

ENTERPRISE FUNDS:

Water/Sewer and Sanitation Fund - Rural Development Revenue Bonds:

Loan dated January 8, 1997, the Mayor and Board of Alderman authorized the issuance of \$87,600 in combined water/sewer and sanitation system revenue bonds with interest rates of 4.875% maturing in 2032. Proceeds from these bonds were used to make improvements to the water/sewer and sanitation system. This debt will be retired from the water/sewer and sanitation proprietary fund.

\$ 49,294

Loan dated February 28, 2003, the Mayor and Board of Alderman authorized the issuance of \$337,800 in combined water/sewer and sanitation system revenue bonds with interest rates of 4.500% maturing in 2038. Proceeds from these bonds were used to make improvements to the water/sewer and sanitation system. This debt will be retired from the water/sewer and sanitation proprietary fund.

248,727

Total Long-Term Debt

\$ 298,021

The following is a schedule by years of the total payment due on the above debt for the Enterprise Funds:

Rural Development Loan # 91-02

Year Ending September 30	Principal	Interest	Total
2019	\$ 3,065	2,335	\$ 5,400
2020	3,218	2,182	5,400
2021	3,378	2,022	5,400
2022	3,546	1,854	5,400
2023	3,723	1,677	5,400
2024-2028	21,592	5,408	27,000
2029-2032	10,772	581	11,353
Total	<u>\$ 49,294</u>	<u>16,059</u>	<u>\$ 65,353</u>

CITY OF RULEVILLE, MISSISSIPPI
Notes to the Financial Statements
September 30, 2018

NOTE 5 - LONG-TERM DEBT (Continued)

Rural Development Loan # 91-04

Year Ending September 30	Principal	Interest	Total
2019	\$ 8,836	11,012	\$ 19,848
2020	9,242	10,606	19,848
2021	9,667	10,181	19,848
2022	10,111	9,737	19,848
2023	10,575	9,273	19,848
2024-2028	60,625	38,615	99,240
2029-2033	75,890	23,350	99,240
2034-2037	63,781	5,137	68,918
Total	<u>\$ 248,727</u>	<u>117,911</u>	<u>\$ 366,638</u>

NOTE 6 - CAPITAL OUTLAY DISBURSEMENTS

The City of Ruleville had \$152,528 capital outlay disbursements during the current fiscal year for equipment and other capital assets.

NOTE 7 - FEDERAL GRANTS

During the fiscal year ended September 30, 2018, the City received federal grant funds in the amount of \$5,000 and incurred grant expenditures in the same amount.

A single audit in accordance with the Uniform Guidance was not required for the year ended September 30, 2018.

NOTE 8 - SUBSEQUENT EVENTS

Events that occur after the Statement of Financial 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 Financial Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Financial Position date require disclosure in the accompanying notes. Management of City of Ruleville, evaluated the activity of the Organization through April 18, 2024, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

CITY OF RULEVILLE, MISSISSIPPI
Notes to the Financial Statements
September 30, 2018

NOTE 9 - COVID-19 FINANCIAL STATEMENT IMPACTS

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. The extent of the impact of COVID-19 on the City's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the City's, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the City's financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

SUPPLEMENTAL INFORMATION

CITY OF RULEVILLE, MISSISSIPPI
 Schedule of Investments - All Funds
 For the Year Ended September 30, 2018

<u>Ownership</u>	<u>Type of Investment</u>	<u>Interest Rate</u>	<u>Financial Institution</u>	<u>Investment Balance</u>
General Fund	Certificate of Deposit	0.003%	Planters Bank	\$ <u>129,035</u>
Fire Protection Fund	Certificate of Deposit	0.003%	Planters Bank	19,577
Fire Protection Fund	Certificate of Deposit	0.100%	Southern Bancorp	50,978
Fire Protection Fund	Certificate of Deposit	0.100%	Southern Bancorp	<u>6,987</u>
Total Fire Protection				<u>77,542</u>
Total Investments				<u>\$ 206,577</u>

CITY OF RULEVILLE, MISSISSIPPI
 Schedule of Long-Term Debt
 For the Year Ended September 30, 2018

DEFINITION AND PURPOSE

	Outstanding Balance Oct. 1, 2017	Additions	Principal Retired	Outstanding Balance Sept. 30, 2018
Governmental Funds:				
<u>Notes Payable:</u>				
Note payable to Planters Bank	\$ <u>160,438</u>	<u>-</u>	<u>(9,100)</u>	\$ <u>151,338</u>
Total Governmental Funds	\$ <u><u>160,438</u></u>	<u>-</u>	<u>(9,100)</u>	\$ <u><u>151,338</u></u>
 Enterprise Funds:				
<u>Revenue Bonds Payable:</u>				
USDA Rural Development Water Revenue Bonds	\$ 52,213	-	(2,919)	\$ 49,294
USDA Rural Development Water Revenue Bonds	<u>257,176</u>	<u>-</u>	<u>(8,449)</u>	<u>248,727</u>
Total Enterprise Funds	\$ <u><u>309,389</u></u>	<u>-</u>	<u>(11,368)</u>	\$ <u><u>298,021</u></u>

CITY OF RULEVILLE, MISSISSIPPI
Schedule of Surety Bonds for Municipal Officials
For the Year Ended September 30, 2018

<u>Name</u>	<u>Position</u>	<u>Company</u>	<u>Bond Amount</u>
Shirley Edwards	Mayor	Travelers	\$ 50,000
Tommy Boykin	Alderman-Ward 1	Travelers	50,000
Dorothy Robinson	Alderwoman-Ward 2	Travelers	50,000
Marvin Hawkins	Alderman-Ward 3	Travelers	50,000
James "Butch" Jenkins	Alderman-Ward 4	Travelers	50,000
Billy N. Marlow, Jr.	Alderman-At-Large	Travelers	50,000
Joyce Walker	City Clerk	Travelers	50,000



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor and Board of Alderpersons
City of Ruleville, Mississippi

We have audited the accompanying cash basis financial statements of the City of Ruleville (the City), as of and for the year ended September 30, 2018, and have issued our report thereon dated April 18, 2024. We conducted our audit 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.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Ruleville's internal control over financial reporting (internal control) as a basis for designing to 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 the City of Ruleville's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Ruleville'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 a 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 the internal control was for 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Ruleville's financial statements are free of 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 determination of financial statement amounts. 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 Standard*

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 results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Ridgeland, Mississippi
April 18, 2024



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

To the Honorable Mayor
and Members of the Board of Aldermen
City of Ruleville, Mississippi

We have audited the accompanying financial statements of the governmental activities, the business activities, each major fund and the aggregate remaining fund information of the City of Ruleville (the Town) as of and for the year ended September 30, 2018, which collectively comprise the City's basic financial statements and have issued our report thereon dated April 18, 2024. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

As required by the state legal compliance audit program prescribed by the Office of the State Auditor, we have also performed procedures to test compliance with certain state laws and regulations. However, providing an opinion on compliance with state laws and regulations was not an objective of our audit and, accordingly, we do not express such an opinion.

With respect to the items tested, the results of procedures performed and our audit of the Statement of Cash Receipts and Disbursements and Business-type Activities disclosed the following instances of non-compliance with the laws and regulations.

Finding Number 1 - Municipal Compliance Questionnaire

During the audit, we found that the City did not comply with state law by preparing the annual municipal compliance questionnaire and did not enter it into the official minutes of the governing authorities.

Recommendation:

The City should implement control procedures to ensure that the municipal compliance questionnaire is completed on an annual basis and entered into the official minutes of the governing authorities. This will help to ensure that the City has complied with state law.

City's Response:

The City will implement control procedures going forward to ensure that the municipal compliance questionnaire is completed on an annual basis and entered into the official minutes of the governing authorities in order to be in compliance with state law.

Finding Number 2 - Municipal Budgeting

During the audit, we found that the City did not prepared an annual budget, instead used the previous year's budget for the current year. We also found that a public hearing notice was not advertised in the local newspaper nor was a public hearing held with the general public.

Recommendation:

The City should implement control procedures to ensure that a annual budget is prepared and adopted by the governing board. A public notice should be advertised and a public hearing should be held prior to adopting the annual budget.

City's Response:

The City will implement control procedures going forward to ensure that an annual budget is adopted and that a public notice is given and held with the general public prior to adopting the annual budget.

Finding Number 3 - Financial Reporting

During the audit, we found that the City did not submit an audit to the State of Mississippi Auditor's Office in a timely manner as required by state law.

Recommendation:

The City should implement control procedures to hired an independent auditing firm to audit it's annual financial statements on an annual basis, and ensure that such audit report should be submitted to the state auditor's office in a timely manner.

City's Response:

The City has implement control procedures going forward and has hired an independent auditing firm to enusre that all annual audits are brought up to date in order to comply with the state laws and regulations for financial reporting.

This report is intended solely for the information of the Mayor, Board of Aldermen, management and federal awarding agencies and pass-through entities 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.

Brown, Eric Co.
Ridgeland, Mississippi
April 18, 2024