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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.

TOWN OF STATE LINE, MISSISSIPPI
INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON
PROCEDURES AND
ACCOUNTANTS' COMPILATION REPORT
For the Fiscal Year Ended September 30, 2019

TOWN OF STATE LINE, MISSISSIPPI

TABLE OF CONTENTS

	<u>Page</u>
Independent Accountants' Report on Applying Agreed-Upon Procedures for Small Municipalities (Towns)	1-3
Accountants' Compilation Report	4-5
Combined Statement of Cash Receipts and Disbursements - Governmental and Business-type Activities	6
Supplementary Information	
Schedule of Surety Bonds for Municipal Officials	8
Schedule of Long-term Debt	9
Solid Waste Management Services Schedule	10
Accountants' Report on Compliance with State Laws and Regulations	11

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES FOR SMALL MUNICIPALITIES (TOWNS)

Honorable Mayor and Members of the Board of Alderman
Town of State Line, Mississippi

We have performed the procedures enumerated below on cash, ad valorem taxes, state receipts, disbursements, state court fine assessments and the municipal compliance questionnaire of the Town of State Line, Mississippi as of September 30, 2019. The Town of State Line, Mississippi's Management is responsible for the cash, ad valorem taxes, state receipts, disbursements, state court fine assessments and the municipal compliance questionnaire.

The Town of State Line, Mississippi has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose. This report may not be suitable for any other purpose. The procedures performed may not address all of the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

1. We confirmed and attempted to observe that cash was reconciled by the municipality for all funds as of September 30, 2019.

As part of our procedures, we determined that the street maintenance account, police account, municipal court account, gym account, fire protection account and water revenue account do not appear to be properly reconciled.

We obtained confirmation of all cash on deposit balances from the banks, and the general ledger balances are as follows:

Bank	Fund	Balance per General Ledger
First State Bank	General Fund	\$ 59,692
Total General Fund		\$ 59,692
First State Bank	Fire Protection Fund	\$ 7,425
Total Fire Protection Fund		\$ 7,425
First State Bank	Water & Sewer Fund	\$ 192,375
Total Water & Sewer Fund		\$ 192,375

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 compliance with increase limitations of Section 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

The levies appear to be properly approved by the board of alderman.

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

Ad valorem tax collections appear to have not exceeded the limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

3. We obtained a statement of payments from 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	\$ 111,035
Gasoline Taxes	General Fund	1,730
Homestead Exemption	General Fund	5,715
Municipal Aid	General Fund	282
Fire Protection	Fire Protection Fund	3,335
Total		<u>\$ 122,097</u>

We were unable to confirm \$16,709 that the Town reflected as Fire Protection Funds through the Department of Finance and Administration.

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:	25
Total Dollar Value of Sample:	\$20,600.09

We observed three instances where proper documentation for an expenditure could not be located.

Furthermore, we observed numerous instances where it appeared that the municipal clerk issued checks for payment of goods or services without the approval of the Board of Aldermen through the claims docket.

5. In accordance with Section 21-15-21, Miss. Code Ann. (1972), the Town court clerk is required to settle all collected funds daily with the municipal clerk to deposit into the appropriate bank account. To test compliance with this, we selected a sample of court fines to determine that the court clerk settled daily with the municipal clerk.

We determined that the Town does not appear to be in compliance with state statutes in that area and appeared to settle monthly instead of daily as is required by state statutes.

6. In accordance with Sections 99-19-73 and 83-39-31, Miss. Code Ann. (1972), the municipal clerk is required to settle all state-imposed court assessments monthly with the Department of Finance and Administration. We selected a sample of state-imposed court assessments collected to determine that the municipal clerk had settled monthly with the Department of Finance and Administration.


We determined that the municipality appears to be in compliance with the requirements of the above-mentioned sections.

7. We have read the Municipal Compliance Questionnaire completed by the municipality. The completed survey indicated the following instances of noncompliance with state requirements:
- The municipality stated that they failed to hold a public hearing a publish the adopted budget as is required by Sections 21-35-5, 27-39-203 and 27-39-205, Miss. Code Ann. (1972).
 - The municipality stated they failed to properly tag and account for all fixed assets of the municipality as is required by the Municipal Audit and Accounting Guide.
 - We examined surety bonds and determined that officials were properly bonded. However, we observed four instances where aldermen had not signed their bonds and one instance where the police chief had not signed his bond.

We were engaged by the Town of State Line, Mississippi to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on cash, ad valorem taxes, state receipts, disbursements, state court fine assessments and the municipal compliance questionnaire. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Town of State Line, Mississippi and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Management of the Town of State Line, Mississippi and is not intended to be and should not be used by anyone other than those specified parties.



Stephen D. Myrick, C.P.A., L.L.C.
Quitman, Mississippi
March 29, 2022

Stephen D. Myrick C.P.A., L.L.C.

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ACCOUNTANTS' COMPILATION REPORT

Honorable Mayor and Members of the Board of Alderman
Town of State Line, Mississippi

Management is responsible for the accompanying Combined Statement of Cash Receipts and Disbursements of the Governmental Activities and the Business-type Activities of the Town of State Line, Mississippi, for the year ended September 30, 2019, 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 Combined Statement of Cash Receipts and Disbursements of the Governmental Activities and the Business-type Activities 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 Combined Statement of Cash Receipts and Disbursements of the Governmental Activities and the Business-type Activities.

The Combined Statement of Cash Receipts and Disbursements of the Governmental Activities and the Business-type Activities 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.

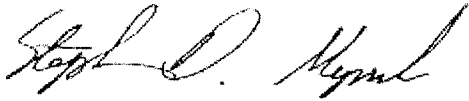
Management has elected to omit substantially all the disclosures ordinarily included in a financial statement prepared in accordance with the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's cash 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 State Line, Mississippi's cash basis of 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 State Line, Mississippi's governmental activities and business-type activities are not reasonably determinable.

The Town of State Line, Mississippi has omitted the Management's Discussion and Analysis as well as other required supplementary information required to be presented to supplement the basic financial statements. Such information, although not a part of the basis 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 in the supplementary section is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the representation of management. The information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such supplementary information.

In accordance with the provisions of Section 21-35-31, Miss. Code Ann. (1972), we have also issued a report dated March 29, 2022, on the results of our agreed-upon procedures.

A handwritten signature in black ink, appearing to read "Stephen D. Myrick". The signature is fluid and cursive, with the first name "Stephen" and last name "Myrick" clearly distinguishable.

Stephen D. Myrick, C.P.A., L.L.C.
Quitman, Mississippi
March 29, 2022

TOWN OF STATELINE, MISSISSIPPI
COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Governmental Activities			Business-type Activities	
	Major Funds			Major Fund	
	General Fund	Fire Protection Fund	Total	Water and Sewer Fund	Total
Revenue Receipts					
Taxes:					
General Property Taxes	\$ 79,092	\$ -	\$ 79,092	\$ -	\$ -
Licenses and Permits:					
Privilege Licenses	3,480	-	3,480	-	-
Franchise Charges - Utilities	21,574	-	21,574	-	-
Intergovernmental Receipts:					
State-shared Receipts:					
Municipal Aid	282	-	282	-	-
Sales Tax	111,035	-	111,035	-	-
Gasoline Tax	1,730	-	1,730	-	-
Homestead Exemption	5,715	-	5,715	-	-
Fire Protection	-	3,335	3,335	-	-
Allocation - Other	-	16,709	16,709	-	-
Fines and Forfeitures	37,527	-	37,527	-	-
Charges for Services:					
Rental of Facilities	2,375	-	2,375	-	-
Water Utility Service Fees	-	-	-	259,302	259,302
Sanitation Fees	-	-	-	43,070	43,070
Interest Earnings	16	-	16	25	25
Miscellaneous Receipts	9,163	-	9,163	804	804
Total Receipts	271,989	20,044	292,033	303,201	303,201
Disbursements					
General Government:					
Executive	143,945	-	143,945	-	-
Financial	178,568	-	178,568	-	-
Public Safety:					
Police	51,098	-	51,098	-	-
Public Works:					
Highways and Streets	6,627	-	6,627	-	-
Enterprise:					
Water and Sewer Utility	-	-	-	250,620	250,620
Sanitation	-	-	-	41,489	41,489
Redemption of Principal	-	19,659	19,659	12,326	12,326
Debt Service Interest	-	1,799	1,799	2,567	2,567
Total Disbursements	380,238	21,458	401,696	307,002	307,002
Excess (Deficiency) of Receipts Over Disbursements	(108,249)	(1,414)	(109,663)	(3,801)	(3,801)
Other Financing Sources					
Transfers In	-	7,681	7,681	4,338	4,338
Transfers Out	(12,019)	-	(12,019)	-	-
Total Other Financing Sources (Uses)	(12,019)	7,681	(4,338)	4,338	4,338
Excess (Deficiency) of Receipts and Other Financing Sources over Disbursements and Other Financing Sources (Uses)	(120,268)	6,267	(114,001)	537	537
Cash Basis Fund Balance - Beginning of Year, as Previously Reported	169,386	1,158	170,544	191,838	191,838
Prior Period Adjustment	10,574	-	10,574	-	-
Cash Basis Fund Balance - Beginning of Year, as Restated	179,960	1,158	181,118	191,838	191,838
Cash Basis Fund Balance - End of Year	\$ 59,692	\$ 7,425	\$ 67,117	\$ 192,375	\$ 192,375

See Accountants' Compilation Report.

SUPPLEMENTARY INFORMATION

TOWN OF STATELINE, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICERS
SEPTEMBER 30, 2019

<u>Name</u>	<u>Position</u>	<u>Company</u>	<u>Bond</u>
Terry J. Simpson Jr.	Mayor	MS Municipalities Bond Program	\$ 50,000
Don R. Hinton	Alderman	MS Municipalities Bond Program	50,000
John T. Young	Alderman	MS Municipalities Bond Program	50,000
Michial W. West	Alderman	MS Municipalities Bond Program	50,000
Willie L. Miller	Alderman	MS Municipalities Bond Program	50,000
David M. Chatham	Alderman	MS Municipalities Bond Program	50,000
Tanya Taylor	City Clerk	Travelers	50,000
Nathan Lester	Police Chief	Travelers	50,000
		Travelers	50,000

TOWN OF STATELINE, MISSISSIPPI
SCHEDULE OF LONG-TERM DEBT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

Definition and Purpose	Balance Outstanding 10/1/2018	Transactions During Fiscal Year		Adjustments *	Balance Outstanding 9/30/2019
		Issued	Redeemed		
Fire Protection Fund					
First State Bank - Fire Truck	\$ 74,610	\$ -	\$ 19,659	\$ (9,140)	\$ 45,811
Total Fire Protection Fund	<u>74,610</u>	<u>-</u>	<u>19,659</u>	<u>(9,140)</u>	<u>45,811</u>
Water and Sewer Fund					
First State Bank - Dump Truck	31,601	-	9,850	-	21,751
USDA Rural Development Loan	35,093	-	2,476	(4,082)	28,535
Total Water and Sewer Fund	<u>66,694</u>	<u>-</u>	<u>12,326</u>	<u>(4,082)</u>	<u>50,286</u>
Total All Funds	<u>\$ 141,304</u>	<u>\$ -</u>	<u>\$ 31,985</u>	<u>\$ (13,222)</u>	<u>\$ 96,097</u>

* Adjustments are due to errors in beginning debt balances.

**TOWN OF STATELINE, MISSISSIPPI
SOLID WASTE MANAGEMENT SERVICES SCHEDULE
FULL COST ACCOUNTING
SUMMARY OF COSTS REPORT
SEPTEMBER 30, 2019**

Revenue:

Garbage Revenue	\$	43,070	
Total Revenue			43,070

Expense:

Garbage Fees	41,489		
Total Expenses			41,489

Excess (Deficiency) of Revenue Over Expenses	\$	1,581	
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Number of Users		555	
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Average Annual Cost Per User	\$	3	
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ACCOUNTANTS' REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

Honorable Mayor and Members of the Board of Alderman
Town of State Line, Mississippi

We have compiled the Combined Statement of Cash Receipts and Disbursements of the Town of State Line, Mississippi, as of and for the year ended September 30, 2019, and performed certain other agreed-upon procedures as required by the Office of the State Auditor of Mississippi and have issued our report dated March 29, 2022.

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 compilation and, accordingly, we do not express such an opinion.

The results of those procedures and our compilation of the statement of cash receipts and disbursements and agreed-upon procedures 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 the State Auditor of Mississippi 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, C.P.A., L.L.C.
Quitman, Mississippi
March 29, 2022