

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.

**TOWN OF ACKERMAN, MISSISSIPPI
ACKERMAN, MISSISSIPPI**

**AUDITED FINANCIAL STATEMENT
SEPTEMBER 30, 2020**

TOWN OF ACKERMAN, MISSISSIPPI
Contents

	<u>Page</u>
Independent Auditors' Report	1
Fund Financial Statement:	3
Statement of Cash Receipts and Disbursements	4
Notes to Financial Statement	5
Supplementary Information:	10
Schedule of Investments – All Funds	11
Schedule of Capital Assets	12
Schedule of Long-Term Debt	13
Schedule of Surety Bonds for Municipal Officials	14
Special Reports:	15
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statement Performed in Accordance with <i>Government Auditing Standards</i>	16
Independent Auditors' Report on Compliance with State Laws and Regulations	18



WATKINS, WARD and STAFFORD
Professional Limited Liability Company
Certified Public Accountants

James L. Stafford, CPA	Stephen D. Flake, CPA
Harry W. Stevens, CPA	John N. Russell, CPA
S. Keith Winfield, CPA	Anita L. Goodrum, CPA
William B. Staggers, CPA	Ricky D. Allen, CPA
Michael W. McCully, CPA	Jason D. Brooks, CPA
R. Steve Sinclair, CPA	Robert E. Cordle, Jr., CPA
Marsha L. McDonald, CPA	Perry C. Rackley, Jr., CPA
Wanda S. Holley, CPA	Jerry L. Gammel, CPA
Robin Y. McCormick, CPA/PFS	Michael C. Knox, CPA
J. Randy Scrivner, CPA	Clifford P. Stewart, CPA
Kimberly S. Caskey, CPA	Edward A. Maxwell, CPA
Susan M. Lummus, CPA	

Independent Auditors' Report

Honorable Mayor and Board of Aldermen
Town of Ackerman
Ackerman, Mississippi

Report on the Financial Statement

We have audited the accompanying Statement of Cash Receipts and Disbursements of the Town of Ackerman, Mississippi, for the year ended September 30, 2020, and the related notes to financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the cash basis of accounting described in Note 1 of the financial statement; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Town of Ackerman, Mississippi's preparation and fair presentation of the financial statement 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 Town'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 statement.

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

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the respective results of operations – cash basis of the governmental funds and the proprietary fund of the Town of Ackerman, Mississippi for the year ended September 30, 2020, in accordance with the cash basis of accounting described in Note 1 of the financial statement.

Basis of Accounting

We draw attention to Note 1 of the financial statement, which describes the basis of accounting. The financial statement is prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the Statement of Cash Receipts and Disbursements of the Town of Ackerman, Mississippi. The schedule of investments, schedule of capital assets, schedule of long-term debt, and schedule of surety bonds for municipal officials are presented for purposes of additional analysis and are not a required part of the Statement of Cash Receipts and Disbursements.

The schedule of investments, schedule of capital assets, schedule of long-term debt, and schedule of surety bonds for municipal officials are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the Statement of Cash Receipts and Disbursements. Such information has been subjected to the auditing procedures applied in the audit of the Statement of Cash Receipts and Disbursements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the Statement of Cash Receipts and Disbursements or to the Statement of Cash Receipts and Disbursements itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of investments, schedule of capital assets, schedule of long-term debt, and schedule of surety bonds for municipal officials are fairly stated, in all material respects, in relation to the Statement of Cash Receipts and Disbursements.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2022 on our consideration of the Town of Ackerman, Mississippi'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 solely 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 effectiveness of the Town of Ackerman, Mississippi's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Ackerman, Mississippi's internal control over financial reporting and compliance.

Eupora, Mississippi
September 26, 2022

Watkins Ward and Stafford, PLLC

FUND FINANCIAL STATEMENT

TOWN OF ACKERMAN, MISSISSIPPI
Statement of Cash Receipts and Disbursements
For the Year Ended September 30, 2020

	GOVERNMENTAL ACTIVITIES General Fund	BUSINESS-TYPE ACTIVITIES Water Fund
RECEIPTS		
Property taxes	\$ 431,841	\$ -
Penalties and interest	2,560	12,975
Licenses and permits	42,265	-
Intergovernmental revenues		
Other Aid	294,256	-
State shared revenues:		
Sales taxes	294,325	-
Motor vehicle tax	29,117	-
Fire protection	8,857	-
Charges for Governmental Services:		
Water and sewer	-	728,956
Cemetery	2,100	-
Fines and forfeitures	12,692	-
Miscellaneous receipts	52,651	4,425
Total Receipts	<u>1,170,664</u>	<u>746,356</u>
DISBURSEMENTS		
General government	280,140	-
Public safety	435,091	-
Public works	547,691	-
Water and sewer	-	401,803
Redemption of principal	-	58,284
Interest on debt service	-	18,012
Total Disbursements	<u>1,262,922</u>	<u>478,099</u>
Excess of receipts over (under) disbursements	(92,258)	268,257
OTHER FINANCING SOURCES (USES)		
Interfund loans and transfers	222,000	(222,000)
Sale of capital assets	14,000	-
Excess of receipts and other financing sources over disbursements and other financing uses	<u>143,742</u>	<u>46,257</u>
CASH BASIS FUND BALANCE -		
Beginning of Year - As Previously Reported	2,067,783	1,141,334
Prior Period Adjustment	(409,613)	409,613
CASH BASIS FUND BALANCE -		
Beginning of Year - As Restated	<u>1,658,170</u>	<u>1,550,947</u>
CASH BASIS FUND BALANCE -		
End of Year	<u>\$ 1,801,912</u>	<u>\$ 1,597,204</u>

The accompanying notes to financial statement are an integral part of this financial statement.

TOWN OF ACKERMAN, MISSISSIPPI
Notes to Financial Statement

Note 1: Summary of Significant Accounting Policies

a. Reporting Entity

The Town of Ackerman operates under the Mayor-Board of Alderpersons form of government and provides services as authorized by law. The Town's population in the year 2020 was 1,510. The accounting policies of the Town conform to the laws of Mississippi for a municipality with a population of less than 3,000. The following is a summary of the more significant policies.

b. Fund Accounting

The accounts of the Town are organized on the basis of funds and account groups, 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 into fund types and categories as follows:

Governmental Funds

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

Proprietary Funds

Enterprise Funds – Enterprise Funds 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 user charges; or (b) where the governing body has 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 Proprietary Fund is the Water Fund.

c. Basis of Accounting

The financial statement is prepared on a cash basis in compliance with the requirements of the Office of the State Auditor. Consequently, certain revenues are recognized when received (cash receipts) rather than when earned and certain expenses are recognized when paid (cash disbursements) rather than when the obligation is incurred.

d. Use of Estimates

The preparation of the financial statement in conformity with the cash basis in compliance with the requirements of the Office of the State Auditor requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

TOWN OF ACKERMAN, MISSISSIPPI
Notes to Financial Statement

Note 1: Summary of Significant Accounting Policies (Continued)

e. Encumbrances

An encumbrance system is not maintained to account for commitments resulting from approved purchase orders, work orders, and contracts.

f. Budgets and Budgetary Accounting

The Town follows these procedures in establishing the budgetary data:

1. Prior to September 15, the Town Clerk submits to the Mayor and Board of Alderpersons a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them for the General and Proprietary Funds.
2. Public notice is given of the Town's budget meetings being open to the public, so that a public hearing is conducted on the budget.
3. The budget as submitted is reviewed by the Mayor and Board of Alderpersons and necessary revisions are made. Then the budget is approved prior to September 30.
4. The budget is formally revised during July of each year or anytime a deficit is indicated.
5. Budgetary comparisons are employed by management as a management control device during the year for both the General and Proprietary Fund.
6. Appropriations lapse at the end of each fiscal year.

Note 2: Prior Period Adjustment

A summary of the significant fund balance adjustments are as follows:

Statement of Cash Receipts and Disbursements.

	<u>Amount</u>
Error in General Fund Cash Basis Fund Balance - Beginning of Year	\$ (409,613)
Error in Water Fund Cash Basis Fund Balance - Beginning of Year	<u>409,613</u>
Total Prior Period Adjustments	<u>\$ -</u>

TOWN OF ACKERMAN, MISSISSIPPI
Notes to Financial Statement

Note 3: Cash and Other Deposits

At the end of the year, the Town of Ackerman, Mississippi's carrying amount of deposits was \$3,399,116, and the bank balance was \$3,406,193. The collateral for public entities deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5 Miss. Code Ann. (1972). Under this program, the Town's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation.

Custodial Credit Risk – Deposits. Custodial credit risk is a risk that in the event of the failure of a financial institution, the Town of Ackerman, Mississippi will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Town of Ackerman, Mississippi does not have a formal policy for custodial credit risk. However, the Mississippi State Treasurer manages that risk on behalf of the Town of Ackerman, Mississippi. Deposits above FDIC coverage are collateralized by the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on behalf of the Town of Ackerman, Mississippi. As of September 30, 2020, none of the Town of Ackerman, Mississippi's bank balance of \$3,406,193 was exposed to custodial risk.

Note 4: Interfund Transfers

Interfund transfers during the year were as follows:

	<u>General Fund</u>	<u>Water and Sewer Fund</u>
Transfers In	\$ 222,000	\$ -
Transfers Out		(222,000)
	<u>\$ 222,000</u>	<u>\$ (222,000)</u>

The above interfund transfers resulted from the payment of a general fund note by the water fund.

Note 5: 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.

TOWN OF ACKERMAN, MISSISSIPPI
Notes to Financial Statement

Note 6: Risk Management

The Town of Ackerman, Mississippi is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town of Ackerman, Mississippi carries commercial insurance for these risks. Settled claims resulting from these insured risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Risk of loss related to workers' compensation for injuries to Town employees is covered through the Mississippi Municipal Workers' Compensation Group, a public entity risk pool. The pool was formed on March 28, 1989, by the Mississippi Nonprofit Corporation Act, pursuant to Section 71-3-75, Mississippi Code Annotated (1972), to provide public entities within the State of Mississippi workers' compensation and employers' liability coverage. The Town of Ackerman, Mississippi pays premiums to the pool for its workers' compensation insurance coverage based on total payroll. The participation agreement provides that the pool will be self-sustaining through member premiums. The risk of loss is remote for claims exceeding the pool's retention liability.

Under GASB Statement No. 10, *Accounting and Financial Reporting for Risks Financing and Related Insurance Issues*, a liability for a claim must be reported if information prior to the issuance of the financial statement indicates that it is probable that a liability has been incurred at the date of the financial statement and that the amount of the loss can be reasonably estimated. The Town of Ackerman, Mississippi has not been exposed to any risk of loss above the applicable insurance coverage amounts at September 30, 2020: therefore, no liability has been accrued at this time.

Note 7: Property Taxes

Numerous statutes exist under which the Mayor and Board of Aldermen may levy property taxes. The selection of authorities is made based on the objectives and responsibilities of the Town. Restrictions associated with property tax levies vary with the statutory authority. The amount of increase in certain property taxes is limited by state law. Generally, this restriction provides that these tax levies shall produce no more than 110% of the amount which resulted from the assessments of the previous year.

The Mayor and Board of Aldermen, each year at a meeting in September, levy property taxes for the ensuing fiscal year which begins on October 1. Real property taxes become a lien on January 1 of the current year, and personal property taxes become a lien on March 1 of the current year.

Taxes on both real and personal property, however, are due on or before February 1 of the next succeeding year.

Taxes on motor vehicles and mobile homes become a lien and are due in the month that coincides with the month of original purchase. The Town taxes are collected and remitted to the Town by the Choctaw County Tax Collector.

The distribution of taxes to funds was made in accordance with prescribed tax levies, and uncollected taxes were properly handled.

TOWN OF ACKERMAN, MISSISSIPPI
Notes to Financial Statement

Note 8: Commitments and Contingencies

Since the onset of the COVID-19 pandemic in March 2020, the Town has maintained relative operating normalcy. To date, national COVID-19 related regulation has not adversely impacted operations. Additionally, the Town has had no ongoing projects that have been impacted by the pandemic. As of the date of the audit report, management declines to speculate on when a return to pre-COVID-19 operations will occur, but does not anticipate a material impact on normal operations for the Town.

Note 9: Subsequent Events

Events that occur after the Statement of Cash Receipts and Disbursements date but before the financial statement is 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 Cash Receipts and Disbursements date are recognized in the accompanying financial statement. Subsequent events which provide evidence about conditions that existed after the Statement of Cash Receipts and Disbursements date require disclosure in the accompanying notes. Management of the Town of Ackerman, Mississippi evaluated the activity of the Town through September 26, 2022, the date the financial statement was approved by the Town of Ackerman, Mississippi's management and thereby available to be released, and determined that there were no subsequent events that should be noted in the financial statement.

SUPPLEMENTARY INFORMATION

TOWN OF ACKERMAN, MISSISSIPPI
Schedule of Investments – All Funds
September 30, 2020

	<u>Deposit Amount</u>
Certificate of Deposit with Bank of Kilmichael, rate 0.350%	\$ 251,900
Certificate of Deposit with Bank of Kilmichael, rate 0.350%	565,030
Certificate of Deposit with Renasant Bank, rate 0.295%	<u>159,041</u>
 Total	 \$ <u>975,971</u>

Fund Recap:

General Fund	\$ 447,235
Water and Sewer Fund	<u>528,736</u>
 Total	 \$ <u>975,971</u>

TOWN OF ACKERMAN, MISSISSIPPI
Schedule of Capital Assets
September 30, 2020

General Fund:

	<u>Balance</u> <u>09/30/2019</u>	<u>Additions &</u> <u>Reclassifications</u>	<u>Retirements &</u> <u>Reclassifications</u>	<u>Balance</u> <u>09/30/2020</u>
Land	\$ 1,342,850	-	-	\$ 1,342,850
Buildings	453,580	3,462	-	457,042
Equipment	705,134	12,025	(3,572)	713,587
Improvements	-	302,706	-	302,706
	<u>\$ 2,501,564</u>	<u>318,193</u>	<u>(3,572)</u>	<u>\$ 2,816,185</u>

Proprietary Fund:

	<u>Balance</u> <u>09/30/2019</u>	<u>Additions &</u> <u>Reclassifications</u>	<u>Retirements &</u> <u>Reclassifications</u>	<u>Balance</u> <u>09/30/2020</u>
Infrastructure	\$ 1,733,324	-	-	\$ 1,733,324
Machinery and equipment	235,417	1,754	-	237,171
	<u>\$ 1,968,741</u>	<u>1,754</u>	<u>-</u>	<u>\$ 1,970,495</u>

TOWN OF ACKERMAN, MISSISSIPPI
Schedule of Long-Term Debt
September 30, 2020

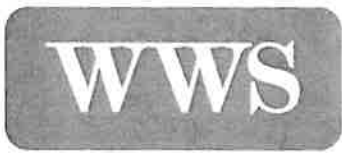
	<u>Balance</u> <u>09/30/2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>09/30/2020</u>
Bonds Payable:				
USDA Revenue Bond #9220	\$ 383,871	-	(11,682)	\$ 372,189
Total Bonds Payable	<u>\$ 383,871</u>	<u>-</u>	<u>(11,682)</u>	<u>\$ 372,189</u>
Notes Payable:				
CAP Loan 102-CP-01 50335	\$ 19,465	-	(6,383)	\$ 13,082
CAP Loan 3-102-CP-01 50419	23,312	-	(22,982)	330
CAP Loan 3-102-CP-01 50752	353,839	-	(17,237)	336,602
Total Notes Payable	<u>\$ 396,616</u>	<u>-</u>	<u>(46,602)</u>	<u>\$ 350,014</u>

TOWN OF ACKERMAN, MISSISSIPPI
Schedule of Surety Bonds for Municipal Officials
September 30, 2020

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Bond Amount</u>
Debbie Boley	Town Clerk	Travelers	\$ 50,000
Timothy Cutts	Mayor	MS Municipal Bond	50,000
Carl Phelps	Alderman	MS Municipal Bond	50,000
Felecia Miller Baber	Alderman	MS Municipal Bond	50,000
Tommy Curtis	Alderman	MS Municipal Bond	50,000
James "Chris" Robinson	Alderman	MS Municipal Bond	-
William Ganann	Alderman	MS Municipal Bond	50,000
Tonya Woods	Deputy Clerk	Travelers	50,000
Brandi Whitman	Deputy Clerk/Court Clerk	Travelers	50,000
Tim Cook and Six (6) Officers	Police Chief/Officers	Travelers	200,000

See the State Compliance Finding on page 18.

SPECIAL REPORTS



WATKINS, WARD and STAFFORD
Professional Limited Liability Company
Certified Public Accountants

James L. Stafford, CPA	Stephen D. Flake, CPA
Harry W. Stevens, CPA	John N. Russell, CPA
S. Keith Winfield, CPA	Anita L. Goodrum, CPA
William B. Stagers, CPA	Ricky D. Allen, CPA
Michael W. McCully, CPA	Jason D. Brooks, CPA
R. Steve Sinclair, CPA	Robert E. Cordle, Jr., CPA
Marsha L. McDonald, CPA	Perry C. Rackley, Jr., CPA
Wanda S. Holley, CPA	Jerry L. Gammel, CPA
Robin Y. McCormick, CPA/PFS	Michael C. Knox, CPA
J. Randy Scrivner, CPA	Clifford P. Stewart, CPA
Kimberly S. Caskey, CPA	Edward A. Maxwell, CPA
Susan M. Lummus, CPA	

**Independent Auditors' Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statement
Performed in Accordance with *Government Auditing Standards***

Honorable Mayor and Board of Alderpersons
Town of Ackerman
Ackerman, Mississippi

We have audited, in accordance with the 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, the Statement of Cash Receipts and Disbursements of the Town of Ackerman, Mississippi for the year ended September 30, 2020 and the related notes to financial statement and have issued our report thereon dated September 26, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the Town of Ackerman, Mississippi's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Town of Ackerman, Mississippi's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Ackerman, Mississippi'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 Town of Ackerman, Mississippi's financial statement 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 internal control was for the 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 Town of Ackerman, Mississippi's financial statement is 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 financial statement. 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 Standards*.

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 Town of Ackerman, Mississippi'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 Town of Ackerman, Mississippi's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eupora, Mississippi
September 26, 2022

Watkins Ward and Stafford, PLLC



WATKINS, WARD and STAFFORD
Professional Limited Liability Company
Certified Public Accountants

James L. Stafford, CPA	Stephen D. Flake, CPA
Harry W. Stevens, CPA	John N. Russell, CPA
S. Keith Winfield, CPA	Anita L. Goodrum, CPA
William B. Staggers, CPA	Ricky D. Allen, CPA
Michael W. McCully, CPA	Jason D. Brooks, CPA
R. Steve Sinclair, CPA	Robert E. Cordle, Jr., CPA
Marsha L. McDonald, CPA	Perry C. Rackley, Jr., CPA
Wanda S. Holley, CPA	Jerry L. Gammel, CPA
Robin Y. McCormick, CPA/PFS	Michael C. Knox, CPA
J. Randy Scrivner, CPA	Clifford P. Stewart, CPA
Kimberly S. Caskey, CPA	Edward A. Maxwell, CPA
Susan M. Lummus, CPA	

**Independent Auditors' Report on Compliance
With State Laws and Regulations**

Honorable Mayor and Board of Alderpersons
Town of Ackerman
Ackerman, Mississippi

We have audited the Statement of Cash Receipts and Disbursements of the Town of Ackerman Mississippi, as of and for the year ended September 30, 2020 and have issued our report thereon dated September 26, 2022. We have conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government 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.

The results of those procedures and our audit of the Statement of Cash Receipts and Disbursements disclosed the following instance of noncompliance with state laws and regulations. Our finding and recommendation and your response are as follows:

1. Aldermen in the State of Mississippi Should Be Bonded

Finding

Section 21-17-5 of the Mississippi Code Annotated (1972) and the Municipal Audit and Accounting Guide requires local governments to obtain a bond for all members of the Board of Aldermen.

During our testing of compliance with Section 21-17-5, Miss Code Ann. (1972), we noted that one alderman did not have the required bond.

Recommendation

We recommend the Town comply with Section 21-17-5, Miss Code Ann. (1972) and bond all aldermen.

Response

We will comply with Section 21-17-5, Miss Code Ann. (1972). As of July 1, 2021, all aldermen have the required bonds.

The Office of the State Auditor or a public accounting firm will review, on a subsequent year's audit engagement, the finding in this report to ensure that corrective action has been taken.

This report is intended solely for the information of the Town of Ackerman, Mississippi'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 26, 2022

Watkins Ward and Stafford, PLLC