

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 BOLTON, MISSISSIPPI
AGREED-UPON PROCEDURES**

SEPTEMBER 30, 2020

TOWN OF BOLTON, MISSISSIPPI

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Mayor and the Board of Aldermen
Town of Bolton, Mississippi

We have performed the procedures enumerated below, which were agreed to by the Office of the State Auditor, to the accounting records of the Town of Bolton, Mississippi, solely to assist the Office of the State Auditor to evaluate the Town of Bolton, Mississippi's compliance with certain laws and regulations as of September 30, 2020, and for the year then ended. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Office of the State Auditor, State of Mississippi. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. We were able to reconcile cash on deposit with the following banks to balances in the respective general ledger accounts and obtain confirmation of the related balances from the banks. The Town did not complete the Public Depositor Annual Report and did not reconcile the bank statements in a timely manner.

<u>Bank</u>	<u>Fund/Account Name</u>	<u>Balance per General Ledger</u>
Merchants & Planters Bank	General Fund Operating	\$ 24,008
Merchants & Planters Bank	2010 CDBG	137
Merchants & Planters Bank	Investment Savings	49,408
Merchants & Planters Bank	Fire Department	11,574
Merchants & Planters Bank	Bolton Police Auxiliary	1,058
Merchants & Planters Bank	Bolton Volunteer Fire Department	<u>1,968</u>
Total General Fund		<u>\$ 88,153</u>
Merchants & Planters Bank	Water Works	\$ 114,336
Merchants & Planters Bank	592 Water Improvement	2
Merchants & Planters Bank	CDBG Rehabilitation of Water	<u>39</u>
Total W/S Fund		<u>\$ 114,377</u>

2. The Town did not own any investments.
3. We obtained a list of payments made by the Department of Finance and Administration (DFA) 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>General Ledger Amount</u>
Grantor Payments Nontaxable	General Fund	\$ 108,846
Fire protection allocation	General Fund	3,421
Gasoline tax	General Fund	1,489
General municipal aid	General Fund	283
Homestead exemption reimbursement	General Fund	7,429
Nuclear plant	General Fund	5,403
Sales tax allocation	General Fund	168,719
Transfer to subgrantee	General Fund	65,596
Total		<u>\$ 361,186</u>

4. We selected a sample of purchases made by the municipality during the fiscal year. Each sample item was evaluated for 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	10
Total Dollar Value of Sample	\$ 27,553.25

We found the municipality's purchasing procedures are not in compliance with the requirements of the abovementioned sections. The city did not obtain written quotes for invoices over \$5,000.

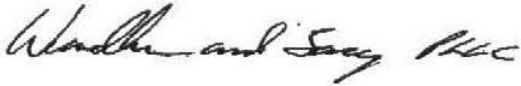
5. We were unable to select an appropriate sample of collections of fines and forfeitures because records were either not available or incomplete. We also were unable to select a sample of state-imposed court assessments collected because records were incomplete. The municipal clerk did not settle court assessments monthly with the Department of Finance and Administration.

We found the Town not to be in compliance with the requirements of the abovementioned sections.

6. The Town did not prepare a Municipal Compliance Questionnaire.
7. We performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:
 - a. We could not trace levies to governing body minutes;
 - b. Traced distribution of taxes collected to proper funds; and
 - c. Analyzed increase in taxes for most recent period for comparison with increase limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

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

This report is intended solely for the use of the Town of Bolton and the Office of the State Auditor, State of Mississippi, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is not intended to be and should not be used by anyone other than those specified parties.

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Windham and Lacey, PLLC
March 3, 2022

**TOWN OF BOLTON, MISSISSIPPI
FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

Windham and Lacey, PLLC

Certified Public Accountants

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ACCOUNTANTS' COMPILATION REPORT

To the Mayor and the Board of Aldermen
Town of Bolton, Mississippi

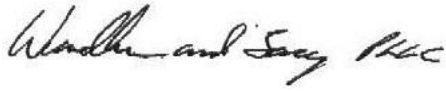
Management is responsible for the accompanying Statement of Cash Receipts and Disbursements – Governmental and Business-type Activities, of the Town of Bolton, Mississippi, for the year ended September 30, 2020, in accordance with the cash-basis of accounting, and for determining that the cash-basis of accounting is an acceptable financial reporting framework. We have performed the 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 financial statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on this financial statement.

The financial statement 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 the financial statements prepared in accordance with the cash-basis of accounting. If the omitted disclosures were included in the financial statement, 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.

Management has omitted the management's discussion and analysis information that is required to be presented for purposes of additional analysis. Such missing information 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 Schedule of Surety Bonds for Town Officials has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and accordingly, we do not express an opinion or provide any assurance on such supplementary information.

A handwritten signature in black ink, appearing to read "Windham and Lacey, PLLC". The signature is written in a cursive, flowing style.

Windham and Lacey, PLLC
March 3, 2022

TOWN OF BOLTON
Statement of Cash Receipts and Disbursements
Governmental and Business-type Activities
For the Year Ended September 30, 2020

	Governmental Activities Major Fund	Business-type Activities	
	General Fund	Proprietary Fund	Total
RECEIPTS			
Taxes:			
General property taxes	\$ 264,546		264,546
Licenses and permits	1,357		1,357
Intergovernmental receipts:			
Federal grants	174,441		174,441
State shared receipts:			
General municipal aid	283		283
Homestead exemption	7,429		7,429
Sales tax	168,719		168,719
Severance tax	1,384		1,384
Gasoline tax	1,489		1,489
Fines and forfeits	2,186		2,186
Franchise tax	16,504		16,504
Water and sewer utility		126,648	126,648
Interest income	26		26
Miscellaneous	122,009		122,009
Total Receipts	<u>760,373</u>	<u>126,648</u>	<u>887,021</u>
DISBURSEMENTS			
General government	235,970		235,970
Public safety	313,453		313,453
Water & sewer utility:			
Materials and supplies		12,350	12,350
Other expenses		311,878	311,878
Total Disbursements	<u>549,423</u>	<u>324,228</u>	<u>873,651</u>
OTHER CASH SOURCES (USES)			
Transfer in (out)	<u>(168,790)</u>	<u>168,790</u>	<u>0</u>
Total Other Cash Sources and (Uses)	<u>(168,790)</u>	<u>168,790</u>	<u>0</u>
Excess of Receipts Over (Under) Disbursements	42,160	(28,790)	13,370
Cash - Beginning	45,993	11,152	57,145
Prior Period Adjustment		132,015	132,015
Adjusted Cash – Beginning	<u>45,993</u>	<u>143,167</u>	<u>189,160</u>
Cash – Ending	<u>\$ 88,153</u>	<u>114,377</u>	<u>202,530</u>

See accompanying Accountant's Compilation Report.

TOWN OF BOLTON
Schedule of Surety Bonds for Town Officials
September 30, 2020 - UNAUDITED

<u>Name</u>	<u>Position</u>	<u>Surety Company</u>	<u>Coverage</u>
Lawrence Butler	Mayor	Travelers	\$ 25,000
Douglas Beard, Jr.	Alderman	Travelers	\$ 10,000
Helen R. Harris-Curry	Alderwoman	Travelers	\$ 10,000
Shirley Mason	Alderwoman	Travelers	\$ 10,000
Vera Powell	Alderwoman	Travelers	\$ 10,000
Calvin Thomas	Alderman	Travelers	\$ 10,000
Shelia Williams	City Clerk	Travelers	\$ 50,000
Shelia Williams	Court Clerk	Travelers	\$ 50,000
Karen Reed	Administrative Assistant	Travelers	\$ 50,000
Michael Williams	Police Chief	Travelers	\$ 50,000

See accompanying Accountants' Compilation Report.

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REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

To the Mayor and the Board of Aldermen
Town of Bolton, Mississippi

We have compiled the accompanying Statement of Cash Receipts and Disbursements - Governmental and Business-type Activities, and Schedule of Surety Bonds for Town Officials of the Town of Bolton, Mississippi, for the year ended September 30, 2020, 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 generally accepted accounting principles in the United States of America.

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

With respect to the items tested, the results of those procedures and our compilation of the accompanying Statement of Cash Receipts and Disbursements - Governmental and Business-type Activities, and Schedule of Surety Bonds for Town Officials of the Town of Bolton, Mississippi, for the year ended September 30, 2020, disclosed the following instances of noncompliance with state laws and regulations. Our findings and recommendations and your responses are as follows:

Finding 1

Annual Compilation Report and Agreed-upon Procedures

Section 21-35-3, Miss. Code Ann. (1972), states, "The governing authority of every municipality in the state shall have the municipal books audited annually, before the close of the next succeeding fiscal year, in accordance with procedures and reporting requirements prescribed by the State Auditor." In lieu of a full scope audit, the State Auditor gives small municipalities the option of having a compilation report and agreed-upon procedures. The Town did not comply with this requirement.

Recommendation

We recommend the Town of Bolton complete the annual compilation report and agreed-upon procedures in a timely manner.

Town's Response

We are aware of this issue and have taken steps to have the annual compilation report and agreed-upon procedures completed.

Finding 2

Public hearing and publication of budget

Sections 21-35-5, 27-39-203, and 27-39-205, Miss. Code Ann. (1972), require the municipality to hold a public hearing on its budget and to publish its adopted budget. We could find no evidence that the Town complied with these requirements.

Recommendation

We recommend the Town of Bolton hold public budget hearings and publish the budget.

Town's Response

We are aware of this issue and have taken steps to correct.

Finding 3

Municipal depositories

Sections 21-105-353 and 27-105-363, Miss. Code Ann. (1972), require the municipality to advertise for municipal depositories every two years. We could find no evidence that the Town complied with these requirements.

Recommendation

We recommend the Town of Bolton advertise for municipal depositories.

Town's Response

We are aware of this issue and have taken steps to correct.

Finding 4

Annual inventory of fixed assets

The Municipal Audit and Accounting Guide established by the Office of the State Auditor requires the municipality to conduct an annual inventory of its assets and to properly tag them. We could find no evidence that the Town complied with these requirements.

Recommendation

We recommend the Town of Bolton complete an annual asset inventory and tag its assets.

Town's Response

We are aware of this issue and have taken steps to correct.

Finding 5

Solid Waste

Section 17-17-347, Miss. Code Ann. (1972), requires municipalities to determine and publish the full and complete cost of solid waste.

Recommendation

We recommend the Town of Bolton determine and publish the full and complete cost of solid waste.

Town's Response

We are aware of this issue and have taken steps to correct.

Finding 6

Purchasing bids

Section 31-7-13(b) and (c), requires the municipality to obtain written quotes for invoices over \$5,000. We could find no evidence that the Town complied with these requirements.

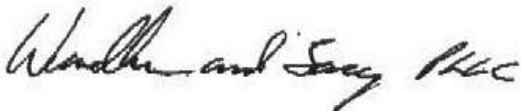
Recommendation

We recommend the Town of Bolton obtain two written quotes for invoices over \$5,000.

Town's Response

We are aware of this issue and have taken steps to correct.

This report is intended solely for the information and use of management 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.

A handwritten signature in black ink, appearing to read "Windham and Lacey, PLLC".

Windham and Lacey, PLLC
March 3, 2022