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TOWN OF STONEWALL, MISSISSIPPI

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
AND ACCOUNTANTS' COMPILATION REPORT**

For the fiscal year ended September 30, 2020

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TOWN OF STONEWALL, MISSISSIPPI

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Honorable Mayor and Members of the Board of Aldermen
Town of Stonewall, Mississippi

We have performed the procedures enumerated below, on cash, ad valorem taxes, state receipts, disbursements, fines and forfeitures, court assessments and the municipal compliance questionnaire of the Town of Stonewall, Mississippi as of September 30, 2020 and for the year then ended.

The Town of Stonewall, Mississippi has agreed to and acknowledged that the procedures performed are appropriate to meet the requirements of the Office of State Auditor under the provisions of Section 21-35-31, Miss. Code Ann. (1972). This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user 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 reconciled cash on deposit with the following bank to balances in the respective general ledger accounts and obtained confirmation of the related balances from the bank:

<u>Bank</u>	<u>Fund</u>	<u>Balance Per General Ledger</u>
BankPlus	General Fund	\$ 148,357
BankPlus	General Fund	101,814
BankPlus	General Fund	23,302
BankPlus	General Fund	4,703
Total General Fund		<u>\$ 278,176</u>
BankPlus	Grant Fund	\$ 1,929
BankPlus	Grant Fund	1,263
BankPlus	Grant Fund	16,004
BankPlus	Grant Fund	4,496
Total Grant Fund		<u>\$ 23,692</u>
BankPlus	Fire Protection Fund	<u>\$ 10,828</u>
BankPlus	Economic Development Fund	<u>\$ 35,767</u>
BankPlus	Modernization Use Tax Fund	<u>\$ 12,492</u>
BankPlus	Water & Sewer Fund	\$ 20,646
BankPlus	Water & Sewer Fund	31,322
Total Water and Sewer Fund		<u>\$ 51,968</u>
BankPlus	Sanitation Fund	<u>\$ 66,560</u>

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

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

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

Ad valorem tax collections were found 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	\$ 68,513
Municipal Aid	General Fund	543
Gasoline Taxes	General Fund	3,332
Homestead Exemption	General Fund	19,695
FEMA Grant	General Fund	15,487
JAG Grant	General Fund	2,396
Fire Protection	Fire Protection Fund	6,564
Modernization Use Tax	Modernization Use Tax Fund	26,456
CDBG Grant	Water & Sewer Fund	337,411
		<u>\$ 480,397</u>

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: \$53,520

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

5. We also selected a sample of state-imposed court assessments collected and determined that the municipal clerk had settled monthly with the Department of Finance and Administration.

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

6. We have read the Municipal Compliance Questionnaire completed by the municipality. The completed survey indicated no instances of noncompliance with state requirements. We also examined surety bonds and determined all officials were appropriately bonded for the fiscal year.

We were engaged by the Town of Stonewall, Mississippi to perform this agreed-upon procedures engagement which was conducted 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, fines and forfeitures, court 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 Stonewall, 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 Town of Stonewall, Mississippi and the Office of the State Auditor of Mississippi and is not intended to be and should not be used by anyone other than the specified parties.

Handwritten signature of Stephen D. Myrick in cursive script.

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

May 24, 2021

Quitman, Mississippi

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ACCOUNTANTS' COMPILATION REPORT

Honorable Mayor and Members of the Board of Aldermen
Town of Stonewall, Mississippi

Management is responsible for the accompanying Combined Statement of Cash Receipts and Disbursements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Stonewall, Mississippi, as of and 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 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 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 form of assurance on these financial statements.

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.

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.

Management has elected to omit substantially all the disclosures required by financial statements prepared 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.

In accordance with the provisions of Section 21-35-31, Miss. Code Ann. (1972), we have also issued a report dated May 24, 2021, on the results of our agreed-upon procedures.

A handwritten signature in black ink that reads "Stephen D. Myrick CPA LLC". The signature is written in a cursive, flowing style.

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

May 24, 2021

Quitman, Mississippi

TOWN OF STONEWALL, MISSISSIPPI
COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Governmental Activities			Business-type Activities		
	Major Fund	Other	Total	Major Funds		Total
	General Fund	Governmental Funds		Water and Sewer Fund	Sanitation Fund	
Revenue Receipts						
Taxes:						
General Property Taxes	\$ 255,606	\$ -	\$ 255,606	\$ -	\$ -	\$ -
Other Taxes	2,930	-	2,930	-	-	-
Licenses and Permits:						
Privilege Licenses	1,662	-	1,662	-	-	-
Franchise Charges - Utilities	44,273	-	44,273	-	-	-
Intergovernmental Receipts:						
Federal Receipts:						
FEMA Grant	15,487	-	15,487	-	-	-
JAG Grant	2,396	-	2,396	-	-	-
CDBG Grant	-	-	-	337,411	-	337,411
State-shared Receipts:						
Municipal Aid	543	-	543	-	-	-
Sales Tax	68,513	-	68,513	-	-	-
Gasoline Tax	3,332	-	3,332	-	-	-
Homestead Exemption	19,695	-	19,695	-	-	-
Fire Protection Allocation	-	6,564	6,564	-	-	-
Modernization Use Tax	-	26,456	26,456	-	-	-
Local-shared Receipts:						
Pro Rata County Road Tax	29,253	-	29,253	-	-	-
Other County Ad Valorem	346	-	346	-	-	-
Fire Runs	7,446	-	7,446	-	-	-
Charges for Services:						
Water Utility Service Fees	-	-	-	226,587	-	226,587
Sanitation	-	-	-	-	64,835	64,835
Fines and Forfeitures	15,964	-	15,964	-	-	-
Interest Earnings	6,442	1,426	7,868	1,227	1,439	2,666
Rental of Facilities	936	7,840	8,776	-	-	-
Cemetery Plot Sales	1,000	-	1,000	-	-	-
Miscellaneous Receipts	5,055	-	5,055	1,523	-	1,523
Total Receipts	480,879	42,286	523,165	566,748	66,274	633,022
Disbursements						
General Government (Executive & Financial)	128,553	-	128,553	-	-	-
Public Safety:						
Police	136,287	-	136,287	-	-	-
Fire	7,105	-	7,105	-	-	-
Highways and Streets	129,871	14,014	143,885	-	-	-
Health and Welfare	1,181	-	1,181	-	-	-
Culture and Recreation:						
Parks	5,326	-	5,326	-	-	-
Libraries	8,772	-	8,772	-	-	-
Enterprises:						
Water and Sewer Utility	-	-	-	192,794	-	192,794
Sanitation Utility	-	-	-	-	70,772	70,772
Redemption of Principal	9,278	-	9,278	30,094	-	30,094
Debt Service Interest	1,899	-	1,899	4,234	-	4,234
Capital Outlay	22,776	7,644	30,420	340,588	-	340,588
Total Disbursements	451,048	21,658	472,706	567,710	70,772	638,482
Excess (Deficiency) of Receipts Over Disbursements	29,831	20,628	50,459	(962)	(4,498)	(5,460)
Cash Basis Fund Balance - Beginning of Year	248,345	62,151	310,496	52,930	71,058	123,988
Cash Basis Fund Balance - End of Year	\$ 278,176	\$ 82,779	\$ 360,955	\$ 51,968	\$ 66,560	\$ 118,528

See Accountants' Compilation Report.

SUPPLEMENTARY INFORMATION

TOWN OF STONEWALL, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS
SEPTEMBER 30, 2020

<u>Name</u>	<u>Position</u>	<u>Company</u>	<u>Bond</u>
Jerry L Rich	Mayor	Old Republic Surety Company	\$ 50,000
Glynis D Banes	Town Clerk	Old Republic Surety Company	50,000
Michael Street/Kent Stephens	Chief of Police	Old Republic Surety Company/RLI Insurance Company	50,000
Pamela Tew	Court Clerk	Old Republic Surety Company	50,000
Benjamin M Fleming	Alderman	RLI Insurance Company	50,000
Gregory W Mangum	Alderman	RLI Insurance Company	50,000
Danielle R Rathbun	Alderman	Old Republic Surety Company	50,000
Ferry H Adams	Alderman	Western Surety Company	50,000
Ricky Carpenter	Alderman	RLI Insurance Company	50,000

TOWN OF STONEWALL, MISSISSIPPI
SCHEDULE OF CHANGES IN LONG-TERM DEBT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

Definition and Purpose	Balance Outstanding 10/1/2019	Transactions During Fiscal Year		Balance Outstanding 9/30/2020
		Issued	Redeemed	
Capital Leases:				
2016 Dodge Charger	\$ 6,325	\$ -	\$ 5,395	\$ 930
2019 Dodge Charger	24,844	-	3,883	20,961
Other Loan:				
550 Water Meters	111,120	-	30,094	81,026
Total	<u>\$ 142,289</u>	<u>\$ -</u>	<u>\$ 39,372</u>	<u>\$ 102,917</u>

**TOWN OF STONEWALL, MISSISSIPPI
SOLID WASTE MANAGEMENT SERVICES SCHEDULE
FULL COST ACCOUNTING
SUMMARY OF COSTS REPORT
SEPTEMBER 30, 2020**

Revenue:

Garbage Fees	\$ 64,765	
Total Revenue		64,765

Expenses:

Wages	13,625	
Payroll Taxes	1,033	
Employee Benefits	3,447	
Professional Services	31,488	
Insurance	9,322	
Fuel	623	
Landfill Fee	12,636	
Repairs	1,836	
Supplies	274	74,284
Total Expenses		

Excess (Deficiency) of Revenue Over Expenses	\$ (9,519)
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Number of Users	442
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Average Annual Cost Per User	\$ (22)
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ACCOUNTANTS' REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

Honorable Mayor and Members of the Board of Aldermen
Town of Stonewall, Mississippi

We have compiled the Combined Statement of Cash Receipts and Disbursements of the Town of Stonewall, Mississippi, as of and for the year ended September 30, 2020, and performed certain other agreed-upon procedures as required by the Office of the State Auditor of Mississippi and have issued our report dated May 24, 2021.

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.

May 24, 2021

Quitman, Mississippi