

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 ARTESIA, MISSISSIPPI
COMPILATION REPORT
AND REPORT ON AGREED-UPON PROCEDURES
SEPTEMBER 30, 2021**

TOWN OF ARTESIA, MISSISSIPPI
COMPILATION REPORT AND REPORT ON AGREED-UPON PROCEDURES
SEPTEMBER 30, 2021

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

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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To the Honorable Mayor and Board of Aldermen
Town of Artesia, Mississippi

Management is responsible for the accompanying Statement of Cash Receipts and Disbursements—Governmental and Business-type Activities of the Town of Artesia, Mississippi for the year ended September 30, 2021, 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 Statement of Cash Receipts and Disbursements—Governmental and Business-type Activities 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 these financial statements.

The Statements of Cash Receipts and Disbursements—Governmental and 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 financial statements prepared in accordance with the cash basis of accounting. If the omitted disclosures were included in the statement of cash receipts and disbursements - governmental and business-type activities, they might influence the user's conclusions about the Town of Artesia, Mississippi's cash receipts and disbursements. Accordingly, the statement of cash receipts and disbursements - governmental and business-type activities are not designed for those who are not informed about such matters.

The supplementary information contained in Schedule of Investments, Schedule of Capital Assets, Schedule of Long-Term Debt and Schedule of Surety Bonds for Municipal Officials is presented in compliance with the requirements of the Mississippi Office of the State Auditor and has been compiled from information that is the representation of management. This information was subject to our compilation engagement; however, we have not audited or reviewed the required supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such information.

The statement of cash receipts and disbursements-governmental and business-type activities are intended to comply with the requirements of the Mississippi Office of the State Auditor, and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

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

Kosciusko, Mississippi
December 29, 2022

Watkins Ward and Stafford, PLLC

TOWN OF ARTESIA, MISSISSIPPI
Statement of Cash Receipts and Disbursements-
Governmental and Business-type Activities
For the Year Ended September 30, 2021

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>General Fund</u>	<u>Total</u>	<u>Water & Sewer Fund</u>	<u>Total</u>
CASH RECEIPTS:				
Taxes				
General property tax	\$ 43,325	\$ 43,325	\$ -	\$ -
Franchise tax	6,938	6,938	-	-
Intergovernmental revenue				
State shared revenue				
General municipal aid	91,862	91,862	-	-
Grant Proceeds	69,500	69,500	188,515	188,515
Sales tax	29,846	29,846	-	-
Gasoline tax	1,320	1,320	-	-
TVA in Lieu Tax	2,475	2,475	-	-
Homestead reimbursement	2,028	2,028	-	-
Charges for services				
Water utility	-	-	239,041	239,041
Other receipts				
Interest earned	45	45	78	78
Artesia Day Receipts	27,922	27,922	-	-
TOTAL CASH RECEIPTS	<u>\$ 275,261</u>	<u>\$ 275,261</u>	<u>\$ 427,634</u>	<u>\$ 427,634</u>

See accompanying independent accountants' compilation report.

TOWN OF ARTESIA, MISSISSIPPI
Statement of Cash Receipts and Disbursements-
Governmental and Business-type Activities
For the Year Ended September 30, 2021

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>General Fund</u>	<u>Total</u>	<u>Water & Sewer Fund</u>	<u>Total</u>
DISBURSEMENTS:				
General government	\$ 160,218	\$ 160,218	\$ -	\$ -
Enterprises				
Water utility	-	-	157,867	157,867
TOTAL DISBURSEMENTS	<u>\$ 160,218</u>	<u>\$ 160,218</u>	<u>\$ 157,867</u>	<u>\$ 157,867</u>

See accompanying independent accountants' compilation report.

TOWN OF ARTESIA, MISSISSIPPI
Statement of Cash Receipts and Disbursements-
Governmental and Business-type Activities
For the Year Ended September 30, 2021

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>General Fund</u>	<u>Total</u>	<u>Water & Sewer Fund</u>	<u>Total</u>
EXCESS OF CASH RECEIPTS OVER DISBURSEMENTS	<u>\$ 115,043</u>	<u>\$ 115,043</u>	<u>\$ 269,767</u>	<u>\$ 269,767</u>
OTHER FINANCING SOURCES (USES)				
Transfers	50,420	50,420	(50,420)	(50,420)
Other Sources/(Uses)	-	-	1,841	1,841
Capital outlay	<u>(48,861)</u>	<u>(48,861)</u>	<u>(188,515)</u>	<u>(188,515)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,559</u>	<u>1,559</u>	<u>(237,094)</u>	<u>(237,094)</u>
 Excess of cash receipts and other financing sources over disbursements and other financing uses	 <u>116,602</u>	 <u>116,602</u>	 <u>32,673</u>	 <u>32,673</u>
 CASH BALANCE-BEGINNING	 114,236	 114,236	 249,733	 249,733
 CASH BALANCE-ENDING	 <u><u>\$ 230,838</u></u>	 <u><u>\$ 230,838</u></u>	 <u><u>\$ 282,406</u></u>	 <u><u>\$ 282,406</u></u>

See accompanying independent accountants' compilation report.

SUPPLEMENTARY INFORMATION

**TOWN OF ARTESIA, MISSISSIPPI
SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2021**

None

TOWN OF ARTESIA, MISSISSIPPI
SCHEDULE OF CAPITAL ASSETS
SEPTEMBER 30, 2021

General Fund:

	Balance 9/30/2020	Additons & Reclassifications	Retirements & Reclassifications	Balance 9/30/2021
Buildng	\$ 10,000	\$ -	\$ -	\$ 10,000
Land	2,500			2,500
Equipment	40,168	48,861	-	89,029
	<u>\$ 52,668</u>	<u>\$ 48,861</u>	<u>\$ -</u>	<u>\$ 101,529</u>

Proprietary Fund:

Land	\$ 600	\$ -	\$ -	\$ 600
Infrastructure	376,524	188,515		565,039
Equipment	7,705	-	-	7,705
	<u>\$ 384,829</u>	<u>\$ 188,515</u>	<u>\$ -</u>	<u>\$ 573,344</u>

**TOWN OF ARTESIA, MISSISSIPPI
SCHEDULE OF LONG-TERM DEBT
SEPTEMBER 30, 2021**

None

TOWN OF ARTESIA, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS
SEPTEMBER 30, 2021

Position	Name	Surety	Bond Amount
Mayor	Jimmy Sanders	Brierfield Insurance Company	\$ 50,000
City Clerk	Tresa Sanders	Brierfield Insurance Company	\$ 50,000
Alderman	Shekita Armstead	Travelers Casualty and Surety Company	\$ 10,000
Alderman	Macauthur Hill	Travelers Casualty and Surety Company	\$ 10,000
Alderman	Ellis Brunett	Travelers Casualty and Surety Company	\$ 10,000
Alderman	Flora Stovall	Travelers Casualty and Surety Company	\$ 10,000
Alderman	Mamie Johnson	Travelers Casualty and Surety Company	\$ 10,000



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REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

The Honorable Mayor and Board of Aldermen
Town of Artesia, Mississippi

We have compiled the accompanying Statement of Cash Receipts and Disbursements – Governmental and Business-type Activities, Schedule of Investments, Schedule of Capital Assets, Schedule of Long-Term Debt and Schedule of Surety Bonds for Municipal Officials of the Town of Artesia, Mississippi, for the year ended September 30, 2021, in accordance with Statements of 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.

The results of those procedures disclosed no instances of noncompliance with state laws and regulations.

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.

Kosciusko, Mississippi
December 29, 2022

Watkins Ward and Stafford, P.C.



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

The Honorable Mayor and Board of Aldermen
Town of Artesia, Mississippi

We have applied certain agreed-upon procedures, as discussed below, to the accounting records of the Town of Artesia, Mississippi, as of September 30, 2021, and for the year then ended, as required by the Office of the State Auditor, under the provisions of Section 21-35-31, Miss. Code Ann. (1972). It is understood the report is solely for the use of the governing body of the Town of Artesia, Mississippi and the Office of the State Auditor and should not be used for any other purposes. Our procedures and findings are as follows:

- 1) We reconciled cash on deposit with the following banks to balances in the respective general ledger accounts and obtained confirmation of the related balances from the banks:

<u>Bank</u>	<u>Fund</u>	<u>Balance</u>
Cadence Bank	General funds:	
	General fund	\$ 187,126
	General fund	16,070
	General fund	27,642
	Total general funds	<u>\$ 230,838</u>
Cadence Bank	Proprietary funds:	
	Water fund	\$ 282,406
	Total proprietary funds	<u>\$ 282,406</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. 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 compliance with increase limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

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

Ad valorem tax collections were found to be within the limitations of §27-39-320 to §27-39-323, Miss. Code Ann. (1972).

There were no ad valorem tax collections for the retirement of General Obligation Debt.

- 3) We obtained a statement of payments made by the Department of Finance and Administration to the municipality. Payments indicated were traced to deposits in the respective bank accounts and recorded in the general ledger without exception. Payments traced were as follows:

Payment Purpose	Receiving Fund	Amount
Gasoline Tax	General Fund	\$ 1,320
General Municipal Aid	General Fund	91,862
Homestead Exemption Reimbursement	General Fund	2,028
Sales Tax Allocation	General Fund	29,846
Nuclear Plant Payments in Lieu of Taxes	General Fund	2,475
Grant Proceeds	Water Fund	188,515
		<u>\$ 316,046</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:

- a. Number of Sample Items 14
- b. Total Dollar Value of Sample \$11,171

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

- 5) We have read the Municipal Compliance Questionnaire completed by the municipality. The completed survey indicated no instances of noncompliance with state requirements.

Because the above procedures do not constitute an audit in accordance with generally accepted auditing standards, we do not express an opinion on any of the specific accounts or classes of transactions referred to above. In connection with the procedures referred to above, no matters came to our attention that caused us to believe the items specified in paragraphs 1, 2, and 3 should be adjusted. Had we performed additional procedures or had we conducted an audit of the financial statements in accordance with generally accepted auditing standards, matters might have come to our attention that would have been reported to you. This report should not be associated with the financial statements of the Town of Artesia, Mississippi for the year ended September 30, 2021.

Kosciusko, Mississippi
December 29, 2022

Watkins Ward and Stafford, P.C.