

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



TOWN OF KILMICHAEL, MISSISSIPPI  
Compilation Report  
September 30, 2021

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**Independent Accountants' Compilation Report**

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

Management is responsible for the accompanying Statement of Cash Receipts and Disbursements – Governmental and Business-type Activities of the Town of Kilmichael, 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 the Statement of Cash Receipts and Disbursements – Governmental and Business-type Activities.

The Statement 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 with the Statement of Cash Receipts and Disbursements – Governmental and Business-type Activities, they might influence the user's conclusions about the Town of Kilmichael, 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 the Schedule of Investments, 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 Section 21-35-31, Miss Code Ann. (1972), we have issued a report dated October 27, 2022 on the results of our agreed-upon procedures.

Eupora, Mississippi  
October 27, 2022

*Watkins Ward and Stafford, P.C.*

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

	Governmental Activities			Business-type Activities
	General Fund	Capital Project Fund	Total	Enterprise Fund
<b>CASH RECEIPTS</b>				
General property taxes	\$ 177,061	\$ -	\$ 177,061	\$ -
Licenses and permits				
Privilege licenses	3,363	-	3,363	-
Franchise charges - utilities	13,214	-	13,214	-
Intergovernmental revenues:				
General municipal aid	349	-	349	-
Federal receipts:				
Grant - MEMA	38,403	-	38,403	-
Grant - CARES Act	16,372	-	16,372	-
Grant - ARPA	68,468	-	68,468	-
Grant - CDBG	-	274,391	274,391	-
Grant - NRCS	-	20,196	20,196	-
Grant - DWSRF	-	20,300	20,300	-
State shared revenues:				
Sales taxes	73,488	-	73,488	-
Gasoline tax	2,141	-	2,141	-
Grand Gulf	4,914	-	4,914	-
Charges for services:				
Garbage	49,002	-	49,002	-
Natural gas	-	-	-	170,934
Water	-	-	-	245,505
Fines and forfeitures	395	-	395	-
Interest	796	-	796	1,326
Rent	2,575	-	2,575	-
Miscellaneous	2,320	-	2,320	-
<b>Total Cash Receipts</b>	<b>\$ 452,861</b>	<b>\$ 314,887</b>	<b>\$ 767,748</b>	<b>\$ 417,765</b>

See accompanying independent accountants' compilation report.

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

	Governmental Activities			Business-type Activities
	General Fund	Capital Project Fund	Total	Enterprise Fund
<b>DISBURSEMENTS</b>				
General government	\$ 103,992	\$ -	\$ 103,992	\$ -
Public Safety				
Police	85,939	-	85,939	-
Fire	9,357	-	9,357	-
Public Works	337,226	331,579	668,805	-
Culture and Recreation				
Library	20,519	-	20,519	-
Enterprise				
Natural gas	-	-	-	121,048
Water	-	-	-	195,841
Debt Service				
Principal	-	-	-	45,702
Interest	-	-	-	8,370
Total Disbursements	<u>557,033</u>	<u>331,579</u>	<u>888,612</u>	<u>370,961</u>
Excess (Deficit) of cash receipts over disbursements	<u>( 104,172)</u>	<u>( 16,692)</u>	<u>( 120,864)</u>	<u>46,804</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers	-	16,688	16,688	( 16,688)
Loan Proceeds	<u>366,390</u>	<u>-</u>	<u>366,390</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>366,390</u>	<u>16,688</u>	<u>383,078</u>	<u>( 16,688)</u>
Excess (Deficit) of cash receipts and other financing sources over disbursements and other financing uses	<u>262,218</u>	<u>( 4)</u>	<u>262,214</u>	<u>30,116</u>
<b>CASH BALANCE -     BEGINNING OF YEAR</b>	<u>260,078</u>	<u>112</u>	<u>260,190</u>	<u>512,431</u>
<b>CASH BALANCE -     END OF YEAR</b>	<u>\$ 522,296</u>	<u>\$ 108</u>	<u>\$ 522,404</u>	<u>\$ 542,547</u>

See accompanying independent accountants' compilation report.



## **SUPPLEMENTARY INFORMATION**

TOWN OF KILMICHAEL, MISSISSIPPI  
Schedule of Investments  
For the Year Ended September 30, 2021

<u>Ownership</u>	<u>Type of Investment</u>	<u>Interest Rate</u>	<u>Acquisition Date</u>	<u>Maturity Date</u>	<u>Other Information</u>	<u>Investment Cost/Value</u>
Enterprise Fund	Certificate of Deposit	0.75%	11/9/2020	11/9/2021	Bank of Kilmichael	\$ 69,584
Enterprise Fund	Certificate of Deposit	1.20%	9/9/2021	9/9/2022	Bank of Kilmichael	27,459
Enterprise Fund	Certificate of Deposit	1.20%	8/15/2021	8/15/2022	Bank of Kilmichael	<u>102,580</u>
<b>Total Investments</b>						<u><u>\$ 199,623</u></u>

See accompanying independent accountants' compilation report.

TOWN OF KILMICHAEL, MISSISSIPPI  
Schedule of Long-Term Debt  
For the Year Ended September 30, 2021

Definition and Purpose	Balance Outstanding 9/30/2020	Transactions During Fiscal Year		Balance Outstanding 9/30/2021
		Issued	Redeemed	
<b>Revenue Bonds:</b>				
5.785% Water and Sewer Bonds, issued June 3, 1991, original amount \$264,500, due in annual interest payments of \$15,440 each on June 3, 1992, and June 3, 1994, with monthly installments of \$1,528, principal and interest, beginning July, 1994.	\$ 76,723	-	14,208	\$ 62,515
5% Natural Gas Distribution System Bonds, issued June 21, 1994, original amount \$541,000, due in an annual interest payment of \$27,050 on May 22, 1996, with monthly installments of \$2,978 principal and interest beginning July 6, 1996.	99,196	-	31,494	67,702
<b>Note Payable:</b>				
2% note payable with the Bank of Kilmichael, issued July 18, 2021, original amount \$366,640, payable on demand or by July 31, 2025.	-	366,640	-	366,640
<b>Total</b>	\$ 175,919	366,640	45,702	\$ 496,857

See accompanying independent accountants' compilation report.

TOWN OF KILMICHAEL, MISSISSIPPI  
Schedule of Surety Bonds for Municipal Officials  
For the Year Ended September 30, 2021

<u>Name</u>	<u>Position</u>	<u>Company</u>	<u>Bond</u>
Bryan R. Lott	Mayor	St. Paul Travelers	\$ 25,000
Pauline Hall	Town Clerk	Western Surety	\$ 75,000
Barry C. Gregg	Police Chief	RLI Insurance Co.	\$ 50,000
Marcus N. Lawson	Alderman	St. Paul Travelers	\$ 25,000
Wilma Carodine	Alderman	St. Paul Travelers	\$ 25,000
Earnest Curtis, Jr.	Alderman	St. Paul Travelers	\$ 25,000
Bernard J. Daniels	Alderman	St. Paul Travelers	\$ 25,000
Justin C. Eldridge	Alderman	St. Paul Travelers	\$ 25,000

See accompanying independent accountants' compilation report.



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**Report on Compliance with  
State Laws and Regulations**

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

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

Eupora, Mississippi  
October 27, 2022

*Watkins Ward and Stafford, PLLC*



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**Independent Accountants' Report on  
Applying Agreed-Up Procedures**

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

We have applied certain agreed-upon procedures, as discussed below, to the accounting records of the Town of Kilmichael, 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 Kilmichael, 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 confirmations of the related balances from the banks:

<u>Bank</u>	<u>Fund</u>	<u>Balance Per General Ledger</u>
Bank of Kilmichael	General	\$ 522,296
Bank of Kilmichael	Enterprise	\$ 342,924
Bank of Kilmichael	Other Governmental	\$ 108

2. All investments were confirmed directly with respective trustees. All investment transactions during the year were examined for compliance with investments authorized by Section 21-33-323, Miss. Code Ann. (1972). This total is included in the ending cash balance in the statement of cash receipts and disbursements.

<u>Bank</u>	<u>Fund</u>	<u>General Ledger Cost</u>
Bank of Kilmichael	Enterprise	\$ 199,623

3. 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 Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

Ad valorem tax collections for the retirement of general obligation debt was found to be sufficient for payment of current principal and interest in accordance with limitations imposed by Sections 21-33-87 and 21-33-303, Miss. Code Ann. (1972).

4. We obtained a statement of payments made by 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>General Ledger Amount</u>
Water, Sewer and Gas Utilities	Enterprise Fund	\$ 16,905
Other Aid in Municipalities	Capital Project Fund	\$ 35,578
Other Aid in Municipalities	Enterprise Fund	\$ 238,814
Other Aid in Municipalities	General Fund	\$ 93,067
Gasoline Tax	General Fund	\$ 2,141
Homestead Exemption	General Fund	\$ 16,376
Sales Tax Allocation	General Fund	\$ 73,488
General Municipal Aid	General Fund	\$ 349
Nuclear Power Plant	General Fund	\$ 4,914
Other Assistance	General Fund	\$ 16,372
Other Loans	General Fund	\$ 20,300

5. 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	25
Total Dollar Value of Sample	\$ 15,933

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

6. We determined that the Town of Kilmichael no longer has its own court. All cases are now being sent to the Justice Court. Therefore, there were no fines to be tested for the year.
7. We have read the Municipal Compliance Questionnaire completed by the Town of Kilmichael. 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 Kilmichael, Mississippi for the year ended September 30, 2021.

Eupora, Mississippi  
October 27, 2022

*Watkins Ward and Stafford, PLLC*



TOWN OF KILMICHAEL, MISSISSIPPI  
Additional Information  
For the Year Ended September 30, 2021

**DEFINED BENEFIT PLAN**

**Plan Description**

The Town of Kilmichael contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to Public Employees Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005, or by calling 601-359-3589 or 1-800-444-PERS.

**Funding Policy**

PERS members are required to contribute 9.00% of their annual covered salary and the Town of Kilmichael is required to contribute at an actuarially determined rate. The employer's rate as of September 30, 2021 was 17.40% of annual covered payroll. The contribution requirement of PERS members are established and may be amended only by the State of Mississippi Legislature. The Town of Kilmichael's employer contributions to PERS for the years ended September 30, 2021, and September 30, 2020, were \$34,227, and \$33,063, respectively. Employee contributions to PERS for the years ended September 30, 2021, and September 30, 2020, were \$16,498, and \$14,024, respectively.