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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.

FINANCIAL STATEMENT

TOWN OF MYRTLE

MYRTLE, MISSISSIPPI

SEPTEMBER 30, 2021

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Board of Aldermen
Town of Myrtle
Myrtle, Mississippi 38650

We have audited the accompanying statement of cash receipts and disbursements of the governmental activities, the business-type activities, and each major fund of the Town of Myrtle, Mississippi, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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 A; 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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 standard 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 statements are free from 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 auditor's 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 auditor considers internal control relevant to the entity'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 entity'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 in the first paragraph presents fairly, in all material respects, the statement of cash receipts and disbursements of the governmental activities, the business-type activities, and each major fund of the Town of Myrtle, Mississippi, as of September 30, 2021, and the respective changes in cash basis financial position thereof, for the year then ended in conformity with the basis of accounting described in Note A.

Basis of Accounting

We draw attention to Note A of the financial statement, which describes the basis of accounting. This 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 that matter.

Other Matters

Omission of Required Supplementary Information

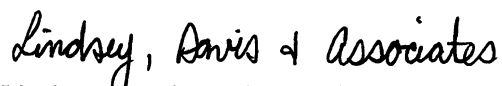
The Town of Myrtle, Mississippi omitted the Management's Discussion and Analysis, Budgetary Comparison Information, the Schedule of the Town's Proportionate Share of Net Pension Liability and the Schedule of the Town's Contributions that governmental accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statement. Such missing information, although not a part of the basic financial statement, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statement in appropriate operational, economic, or historical context. Our opinion on the basic financial statement is not affected by this missing information.

Other Information

The schedules of long-term debt, surety bonds and investments are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of long-term debt, surety bonds, and investments are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2022, on our consideration of the Town of Myrtle's internal control over financial reporting and on our test 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 Myrtle'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 Myrtle's internal control over financial reporting and compliance.



Lindsey, Davis and Associates
Certified Public Accountants

Ripley, Mississippi
May 31, 2022

TOWN OF MYRTLE
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - (ALL FUNDS) CASH BASIS
YEAR ENDED SEPTEMBER 30, 2021

| | GOVERNMENTAL FUND TYPE | PROPRIETARY FUND TYPE | TOTALS (MEMORANDUM ONLY) | |
|----------------------------|---------------------------|--------------------------|-----------------------------|---------|
| | GENERAL | ENTERPRISE | 2021 | 2020 |
| CASH OPERATING RECEIPTS | | | | |
| Privilege License | \$ 651 | \$ | \$ 651 | \$ 937 |
| General Property Taxes | 105,574 | | 105,574 | 95,127 |
| Intergovernmental Receipts | | | | |
| State Shared Receipts: | | | | |
| Sales Tax | 52,763 | | 52,763 | 52,867 |
| Gasoline Tax | 1,470 | | 1,470 | 1,470 |
| Fire Protection | 0 | | 0 | 2,956 |
| TVA in Lieu of Taxes | 4,478 | | 4,478 | 4,244 |
| General Municipal Aid | 244 | | 244 | 244 |
| Homestead Exemption | 5,040 | | 5,040 | 5,542 |
| Infrastructure | 31,009 | | 31,009 | 23,664 |
| County Shared Receipts: | | | | |
| Road Tax | 10,582 | | 10,582 | 9,374 |
| Charges for Services: | | | | |
| Water | | 299,862 | 299,862 | 305,729 |
| Sewer | | 66,525 | 66,525 | 54,787 |
| Fines and Bonds | 5,953 | | 5,953 | 3,790 |
| Miscellaneous | 169 | | 169 | 2,372 |
| TOTAL OPERATING RECEIPTS | 217,933 | 366,387 | 584,320 | 563,103 |
| OTHER CASH RECEIPTS | | | | |
| Interest | 33 | 107 | 140 | 91 |
| Grant Proceeds | 3,998 | 493,640 | 497,638 | 94,436 |
| Loan Proceeds | | 678,457 | 678,457 | |
| Transfers | | 2,000 | 2,000 | 7,000 |
| TOTAL OTHER RECEIPTS | 4,031 | 1,174,204 | 1,178,235 | 101,527 |
| TOTAL CASH RECEIPTS | 221,964 | 1,540,591 | 1,762,555 | 664,630 |

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

TOWN OF MYRTLE
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - (ALL FUNDS) CASH BASIS
YEAR ENDED SEPTEMBER 30, 2021

| | GOVERNMENTAL FUND TYPE | PROPRIETARY FUND TYPE | TOTALS (MEMORANDUM ONLY) | |
|--|---------------------------|--------------------------|-----------------------------|-------------------|
| | GENERAL | ENTERPRISE | 2021 | 2020 |
| CASH OPERATING DISBURSEMENTS | | | | |
| General Government | \$ 67,029 | \$ | \$ 67,029 | \$ 66,523 |
| Public Safety: | | | | |
| Fire | 4,565 | | 4,565 | 4,102 |
| Police | 53,697 | | 53,697 | 54,497 |
| Public Works | 27,420 | | 27,420 | 20,584 |
| Enterprise: | | | | |
| Water Utilities | | 197,470 | 197,470 | 192,345 |
| Sewer Utilities | | 55,599 | 55,599 | 61,543 |
| TOTAL OPERATING DISBURSEMENTS | <u>152,712</u> | <u>253,069</u> | <u>405,780</u> | <u>399,594</u> |
| OTHER CASH DISBURSEMENTS | | | | |
| Capital Expenditures | 6,600 | 1,120,351 | 1,126,951 | 140,789 |
| Principal Payments | 20,988 | 21,013 | 42,001 | 44,662 |
| Interest Payments | 5,010 | 7,914 | 12,924 | 14,358 |
| Meter Deposit Refunds | | 13,815 | 13,815 | 2,270 |
| Transfers | 2,000 | | 2,000 | 7,000 |
| TOTAL OTHER DISBURSEMENTS | <u>34,598</u> | <u>1,163,092</u> | <u>1,197,691</u> | <u>209,079</u> |
| TOTAL CASH DISBURSEMENTS | <u>187,310</u> | <u>1,416,161</u> | <u>1,603,471</u> | <u>608,673</u> |
| EXCESS OF CASH RECEIPTS OVER (UNDER) CASH DISBURSEMENTS | 34,654 | 124,430 | 159,084 | 55,957 |
| Cash Balances - Beginning of Year | <u>73,069</u> | <u>149,201</u> | <u>222,270</u> | <u>166,313</u> |
| Cash Balances - End of Year | <u>\$ 107,723</u> | <u>\$ 273,631</u> | <u>\$ 381,354</u> | <u>\$ 222,270</u> |

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

TOWN OF MYRTLE
NOTES TO THE FINANCIAL STATEMENT
YEAR ENDED SEPTEMBER 30, 2021

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Information

The Town operates under the Mayor - Board of Aldermen form of government and provides services as authorized by law such as public safety (police and fire protection), public works, sewer, water and general administrative services.

Reporting Entity

The financial statement of the town consists of all the funds of the Town.

Fund Accounting

The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. The Town's 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 Town reports the following major governmental fund:

General Fund - This 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.

The Town reports the following major proprietary funds:

Water Fund - This fund is used to account for the operations of the Town's water system which is intended to be self-supporting from user charges.

Sewer Fund - This fund is used to account for the operations of the Town's sewer system which is intended to be self-supporting from user charges.

Basis of Accounting

The financial statement is prepared on a cash receipts and disbursements basis, as prescribed by the Office of the State Auditor. Consequently, certain revenues are recognized when earned, and certain expenses are recognized when paid rather than when the obligation is incurred.

TOWN OF MYRTLE
NOTES TO THE FINANCIAL STATEMENT
YEAR ENDED SEPTEMBER 30, 2021

NOTE B. 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 MYRTLE
SCHEDULE OF LONG-TERM DEBT
YEAR ENDED SEPTEMBER 30, 2021

| | | Balance | Transactions | | Balance |
|------------------------------|------------------|-------------------|--------------------|------------------|---------------------|
| | | Outstanding | During Fiscal Year | | Outstanding |
| | | Oct. 1, 2020 | Issued | Redeemed | Sept. 30, 2021 |
| <u>Definition</u> | | | | | |
| <u>and Purpose</u> | | | | | |
| GENERAL FUND: | | | | | |
| USDA - Rural Development | 2012 GO Bonds | \$ 128,931 | \$ | \$ 8,064 | \$ 120,867 |
| Three Rivers Planning & Dev. | Bank Note | 8,618 | | 2,319 | 6,299 |
| Three Rivers Planning & Dev. | Bank Note | 16,625 | | 4,198 | 12,427 |
| Hancock Bank | Bank Note | 10,237 | | 6,407 | 3,830 |
| WATER & SEWER SYSTEM: | | | | | |
| USDA - Rural Development | Water System | 75,035 | | 6,053 | 68,982 |
| BNA Bank | Bank Note | 1,209 | | 1,209 | |
| BNA Bank | Bank Note | 68,379 | | 6,293 | 62,086 |
| CAP Loan - | | | | | |
| Miss. Development Authority | Tower Renovation | 64,468 | | 7,467 | 57,001 |
| CAP Loan - | | | | | |
| CAP Loan, New Well (MDA) | New Well | | 678,457 | | 678,457 |
| Total | | <u>\$ 373,502</u> | <u>\$ 678,457</u> | <u>\$ 42,010</u> | <u>\$ 1,009,949</u> |

SEE AUDITOR'S REPORT

TOWN OF MYRTLE
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS
September 30, 2021

| <u>Name</u> | <u>Position</u> | <u>Surety</u> | <u>Amount</u> |
|----------------------|-----------------|---------------------------|---------------|
| John Michael Canerdy | Mayor | MS Municipal Bond Program | \$ 10,000 |
| Milton McDonald Jr. | Aldersperson | MS Municipal Bond Program | 10,000 |
| Cynthia L. Parks | Aldersperson | MS Municipal Bond Program | 10,000 |
| Dustin C. Rasberry | Aldersperson | MS Municipal Bond Program | 10,000 |
| Sean Thomas Wiginton | Aldersperson | MS Municipal Bond Program | 10,000 |
| Teresa Rene Smith | Aldersperson | MS Municipal Bond Program | 10,000 |
| Lisa Merritt Cook | Municipal Clerk | RLI Insurance Company | 50,000 |
| David Peeler | Deputy Clerk | Travelers | 50,000 |
| Bryan Cook | Deputy Clerk | Travelers | 50,000 |
| Jim White | Police Chief | FCCI Insurance Group | 50,000 |
| Justin Gregory | Police Officer | RLI Insurance Company | 50,000 |
| Jeffrey Dean Chism | Police Officer | RLI Insurance Company | 50,000 |

SEE AUDITOR'S REPORT

TOWN OF MYRTLE
SCHEDULE OF INVESTMENTS (ALL FUNDS) - CASH BASIS
September 30, 2021

The Town of Myrtle owned no securities held for investment at September 30, 2021.

SEE AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

Honorable Mayor and Board of Aldermen
Town of Myrtle
Myrtle, MS 38650

We have audited the accompanying statement of cash receipts and disbursements (all funds)-cash basis of the Town of Myrtle as of and for the year ended September 30, 2021 and have issued our report dated May 31, 2022. We have 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*.

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 cash receipts and disbursements 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 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.

Lindsey, Davis & Associates

Lindsey, Davis and Associates
Certified Public Accountants

Ripley, Mississippi
May 31, 2022

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor and Board of Aldermen
Town of Myrtle
Myrtle, Mississippi 38650

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 governmental activities, the business-type activities, and each major fund of the Town of Myrtle, Mississippi, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Myrtle, Mississippi's basic financial statements, and have issued our report thereon dated May 31, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Myrtle's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the statement of cash receipts and disbursements of the governmental activities, the business-type activities, and each major fund, but not for the purpose of expressing an opinion on the Town of Myrtle'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 entity's financial statements 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 would not necessarily identify all deficiencies in internal control that might

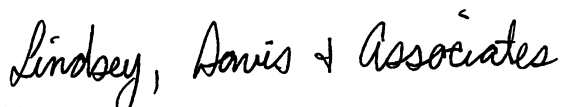
be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Myrtle's financial statement is free from 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 determination of financial statement amounts. 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 intended 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Lindsey, Davis and Associates
Certified Public Accountants

Ripley, Mississippi
May 31, 2022