

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 NOXAPATER, MISSISSIPPI

**SPECIAL REPORT ON AGREED-UPON PROCEDURES
FOR SMALL MUNICIPALITIES**

AND

**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021



TOWN OF NOXAPATER, MISSISSIPPI

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SPECIAL REPORT ON AGREED-UPON PROCEDURES FOR SMALL MUNICIPALITIES

(COMPLIANCE LETTER)

Honorable Mayor and Alderpersons
Town of Noxapater, Mississippi

We have applied certain agreed-upon procedures, as discussed below, to the accounting records of the Town of Noxapater, 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 that the report is solely for the use of the governing body of the Town of Noxapater, Mississippi, and the Office of the State Auditor and should not be used for any other purpose. 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.

Financial Institution	Fund	Balance per General Ledger
The Citizens Bank	General Fund	\$ 243,741
The Citizens Bank	Other Governmental Funds	232,120
The Citizens Bank	Proprietary Fund	608,131
Total		<u>\$ 1,083,991</u>

2. We physically examined securities held for investment. Securities held in trust 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).

Town of Noxapater, Mississippi
Special Report on Agreed-Upon Procedures for Small Municipalities (Continued)
September 30, 2020

<u>Financial Institution</u>	<u>Security</u>	<u>Fund</u>	<u>General Ledger</u>
The Citizens Bank	Certificate of Deposit	General	\$ 78,977
The Citizens Bank	Certificate of Deposit	General	15,960
The Citizens Bank	Certificate of Deposit	General	21,710
The Citizens Bank	Certificate of Deposit	General	35,433
The Citizens Bank	Certificate of Deposit	Proprietary	56,802
The Citizens Bank	Certificate of Deposit	Proprietary	59,572
The Citizens Bank	Certificate of Deposit	Proprietary	11,523
Total			\$ 279,977

3. We performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the year:

- A. Proved the mathematical accuracy of the tax rolls;
- B. Traced levies to governing body minutes;
- C. Reconciled the amount of taxes levied per the tax rolls to amounts actually collected;
- D. Examined uncollected taxes for proper handling, including tax sales;
- E. Traced distribution of taxes collected to proper funds; and
- F. 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).

Tax assessments were found to be mathematically correct and in agreement with collections as follows:

Town of Noxapater, Mississippi
Special Report on Agreed-Upon Procedures for Small Municipalities (Continued)
September 30, 2020

Tax Assessments	Assessed Value	Tax Millage	Tax Levy
Realty	\$ 1,494,165		
Personal Property	295,114		
Personal - Automobile & Mobile Home	-		
Public Utility	-		
	<u>\$ 1,789,279</u>	<u>0.02486</u>	<u>44,481</u>
Add: Actual Homestead Reimbursement			6,485
Prior Year's Unpaid Realty Taxes			5,846
Deduct : Homestead Credit			(7,700)
Total to be Accounted for		\$	<u>49,112</u>
	Taxes	Homestead	
	Penalties & Interest	Reimbursement	Total
Credits:			
Collections allocated to:			
General Fund	\$ 42,316	6,226	48,542
Street Fund	2,165	259	2,424
Balance represented by:			
Unpaid realty taxes,			
Board Adjustments, etc.			(1,854)
Total Accounted for		\$	<u>49,112</u>

The distribution of taxes to funds was found to be in accordance with prescribed tax levies, and uncollected taxes were determined to be properly handled.

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

Actual Collections (Excluding debt service)		Actual Collections (Excluding debt service)	
Tax Collected 2019-2020	\$ 49,521	Tax Collected 2020-2021	\$ 44,481
10% Increase	4,952	Homestead Exemption	
Tax increase due to increase in assessed value	<u>-</u>	Reimbursement	6,485
		Under (Over) Limitation	<u>3,507</u>
Total	<u>\$ 54,473</u>	Total	<u>\$ 54,473</u>

4. 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 in the appropriate accounts.

Town of Noxapater, Mississippi
Special Report on Agreed-Upon Procedures for Small Municipalities (Continued)
September 30, 2020

<u>Payment Purpose</u>	<u>Receiving Fund</u>	<u>General Ledger Amount</u>
Sales Tax Allocation	General	\$ 99,096
Homestead Reimbursement	General	6,485
TVA	General	5,020
Gasoline Tax	General	1,445
Liquor Tax	General	900
General Municipal Aid	General	235
Modernization Use Tax	Other Governmental	32,830
House Bill 1730 Grant	Other Governmental	100,000
ARPA Funds	Other Governmental	53,840
MDA Grants	Other Governmental	208,621
	Total	\$ <u>508,472</u>

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 Sections 31-7-1, 31-7-49 and 31-7-57 Miss. Code Ann. (1972), as applicable. We also reviewed the board minutes for approval of claims.

The sample consisted of the following:

Number of sample items:	15
Total dollar value of sample:	\$12,339

We found the Municipality's purchasing procedures to be in agreement with the requirements of the above-mentioned sections (except as follows).

- a. Requisitions were only of a verbal nature not written
- b. Certain purchase orders were not properly completed or not completed at all.

6. We have read the Municipal Compliance Questionnaire completed by the Municipality. The following responses to the questionnaire indicate noncompliance with state requirements:

Part II-Question 14. The Town has not commissioned municipal depositories in accordance with Sections 27-105-353 and 27-105-363.

Part V-Question 1. The Town has not adopted the county ad valorem tax rolls on its board minutes in accordance with Section 27-35-167.

Part V-Question 4. The Town has not deposited ad valorem tax collections into the appropriate funds in accordance with Section 21-33-53; specifically, the Town did not deposit the collections of the street levy into the street fund.

Town of Noxapater, Mississippi
Special Report on Agreed-Upon Procedures for Small Municipalities (Continued)
September 30, 2020

Part V-Question 9. The Town has not levied or appropriated not less than ¼ mill for fire protection in accordance with Sections 83-1-37 and 83-1-39.

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 Noxapater, Mississippi, for the year ended September 30, 2021.

Bridgers, Goodman, Baird & Clarke, PLLC

Bridgers, Goodman, Baird & Clarke, PLLC
Certified Public Accountants
Vicksburg, Mississippi
February 28, 2022



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INDEPENDENT ACCOUNTANT'S REPORT ON THE STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES

Honorable Mayor and Alderpersons
Town of Noxapater, Mississippi

We have compiled the accompanying Statement of Cash Receipts and Disbursements - Governmental and Business-Type Activities of the Town of Noxapater, Mississippi, for the year ended September 30, 2021. We have not audited or reviewed the accompanying financial statement and, accordingly, do not express an opinion or provide any assurance about whether the financial statement is in accordance with the cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statement.

Our responsibility is to conduct the compilation in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statement.

Management has elected to omit substantially all of the disclosures ordinarily included in the financial statements and the statement of cash flows required by generally accepted accounting principles. If the omitted disclosures and the statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Municipality's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The accompanying supplemental information, Schedule of Long-Term Debt, Schedule of Investments, and the Schedule of Surety Bonds for Municipal Officials referred to in the table of contents is presented for purposes of additional analysis and is not a required part of the statement of cash receipts and disbursements. We have not audited or reviewed the accompanying supplemental information and accordingly, do not express an opinion or any other assurance on it.

We conducted a limited scope audit as of September 30, 2021, as set forth in the Mississippi Municipal Audit and Accounting Guide, which pertains to small municipalities. Under the provision of this Guide, we performed prescribed procedures on the Municipality as outlined in the guide.

These reports are intended solely for informational use of the governing body and management of the Town of Noxapater, Mississippi, and filing with the Office of the State Auditor of Mississippi. This restriction is not intended to limit the distribution of this report which is a matter of public record.

Bridgers, Goodman, Baird & Clarke, PLLC

Bridgers, Goodman, Baird & Clarke, PLLC
Certified Public Accountants
Vicksburg, Mississippi
February 28, 2022

Statement of Cash Receipts and Disbursements
Governmental and Business-Type Activities
For the Year Ended September 30, 2021

	Governmental Activities			Business-Type Activities
	Major Fund	Other		
	General	Governmental		
	Fund	Fund	Total	Water & Garbage Fund
Revenue Receipts:				
General Property Taxes	\$ 43,179	-	43,179	-
Licenses and Permits	1,013	-	1,013	-
Intergovernmental Revenues:				
State Shared Revenues:				
Sales Tax	99,096	-	99,096	-
Modernization Use Tax	-	32,830	32,830	-
Gasoline Tax	1,445	-	1,445	-
Liquor Tax	900	-	900	-
TVA	5,020	-	5,020	-
Homestead Exemption Reimbursement	6,485	-	6,485	-
General Municipal Aid	235	-	235	-
Railcar Tax	1,742	-	1,742	-
County Shared Revenues:				
County Maintenance	1,133	-	1,133	-
Charges for Services:				
Water and Tap Fees	-	-	-	337,757
Garbage and Sewer Fees	-	-	-	111,059
Utility Franchise Charges	4,717	-	4,717	-
Miscellaneous	5,058	-	5,058	210
Fines and Bonds	1,173	-	1,173	-
Other Receipts:				
Interest	538	342	880	718
Rent	4,115	-	4,115	-
Grants	12,875	399,637	412,512	-
Total Receipts	\$ 188,724	432,809	621,533	449,744

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

Town of Noxapater
Statement of Cash Receipts and Disbursements-Cont.
Governmental and Business-Type Activities
For the Year Ended September 30, 2021

	<u>Governmental Activities</u>			<u>Business-type Activities</u>
	<u>Major Funds</u>	<u>Other</u>		<u>Water &</u>
	<u>General</u>	<u>Governmental</u>		<u>Garbage</u>
	<u>Fund</u>	<u>Fund</u>	<u>Total</u>	<u>Fund</u>
OPERATING DISBURSEMENTS:				
General Government				
Personnel	\$ 87,638	-	87,638	-
Other	38,966	-	38,966	-
Public Safety:				
Police:				
Personnel	27,223	-	27,223	-
Fire:				
Other	-	2,079	2,079	-
Grant Expenditures	-	227,539	227,539	-
Enterprise:				
Personnel Expense	-	-	-	145,099
Consumable Supplies	-	-	-	33,331
Contractual Services	-	-	-	158,216
Total Operating Disbursements	<u>153,827</u>	<u>229,618</u>	<u>383,445</u>	<u>336,646</u>
Excess of Receipts over (under) Disbursements	<u>34,897</u>	<u>203,191</u>	<u>238,088</u>	<u>113,098</u>
OTHER CASH SOURCES (USES)				
Proceeds from Long-Term Debt	-	-	-	-
Interest on Notes	-	-	-	(33,919)
Principal on Notes Retired	-	-	-	(33,617)
Transfers - Other	57,260	(57,260)	-	-
Deposits received over refunded	-	-	-	7,588
Total Other Cash Sources (Uses)	<u>57,260</u>	<u>(57,260)</u>	<u>-</u>	<u>(59,948)</u>
Net Changes in Cash	92,157	145,931	238,088	53,150
Cash Balance, Beginning	<u>303,664</u>	<u>86,189</u>	<u>389,853</u>	<u>682,878</u>
Cash Balance, Ending	<u>395,821</u>	<u>232,120</u>	<u>627,941</u>	<u>736,028</u>

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

**TOWN OF NOXAPATER, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE (A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Noxapater, Mississippi (the Municipality), have been prepared using the cash receipts and disbursements basis of accounting. That is, revenues are recognized when received rather than when measurable and available, and expenditures are recognized when paid rather than when the obligations are incurred. Accordingly, the statement of cash receipts and disbursements - all fund types - is not intended to present results of operations in conformity with generally accepted accounting principles.

General Information:

The Municipality operates under the Mayor and Alderpersons form of government and provides services as required by law.

Reporting Entity:

The Municipality utilizes fund accounting, with each fund being considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures.

The Municipality reports the following fund types:

Governmental Fund Types:

General Fund- This fund is used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Funds- These funds are used to account for and report financial resources that are restricted, committed, or assigned to certain expenditures.

Capital Projects Funds- These funds are used to account for and report financial resources to be used for the acquisition and construction of major capital facilities.

Proprietary Fund Types:

Enterprise Funds- These funds are used to account for those operations that are financed and operated in a manner similar to private business enterprises or where the county has decided that periodic determination of revenues earned, expenses incurred and/or net income is necessary for management accountability.

TOWN OF NOXAPATER, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
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.

NOTE (C) Budget

Budgets are adopted as prescribed by the State of Mississippi. Annual appropriated budgets are adopted for all funds. The Mississippi Code Ann. (1972) prescribes cash basis reporting of revenues for budgeting of expenditures to be disbursed within thirty days after year end (with exception for construction in progress).

NOTE (D) Cash and Cash Equivalents

The carrying amount of the Municipality's deposits with financial institutions reported in the governmental funds was \$1,363,968 which includes \$279,977 in certificate of deposits with original maturities beyond three months. The bank balance was \$1,363,868.

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of the failure of a financial institution, the Municipality will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Municipality does not have a formal policy for custodial credit risk. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC). Deposits above FDIC coverage are collateralized by the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on behalf of the Municipality.

NOTE (E) Property Tax

The Board of Alderpersons, each year at a meeting in September, levies property taxes for the ensuing fiscal year which begins on October 1. Real property taxes become a lien on January 1 of the current year, and personal property taxes become a lien on March 1 of the current year. Taxes on both real and personal property, however, are due on or before February 1 of the next succeeding year. Taxes on motor vehicle and mobile homes become a lien and are due in the month that coincides with the month of the original purchase. The Municipality has entered into a contract with the Winston County Tax Collector to bill and collect real and personal property taxes and personal auto taxes and mobile home taxes. The County tax collector remits these payments to the Municipality on a monthly basis. The millage rate for the Town of Noxapater was 24.86 mills.

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

Definition and Purpose	Balance			Balance
	Oct. 1, 2020	Additions	Reductions	Sept. 30, 2021
USDA Loan 1999	387,151	-	21,332	365,819
USDA Loan 2003	53,094	-	2,278	50,816
USDA Loan 2019	534,707	-	10,007	524,700
	<u>974,952</u>	<u>-</u>	<u>33,617</u>	<u>941,335</u>

TOWN OF NOXAPATER
SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2021

Type of Investment	Certificate Number	Interest Rate	Acquired Date	Maturity Date	Financial Institution	Balance as of September 30, 2021
Certificate of Deposit	171029260	0.15%	9/8/2007	8/8/2022	The Citizens Bank	\$ 78,977
Certificate of Deposit	171013045	0.25%	3/5/2007	3/5/2022	The Citizens Bank	35,433
Certificate of Deposit	171032330	0.15%	8/29/2007	8/29/2022	The Citizens Bank	21,710
Certificate of Deposit	171060920	0.35%	9/9/2008	12/9/2021	The Citizens Bank	15,960
Certificate of Deposit	171064950	0.35%	9/30/2008	12/30/2021	The Citizens Bank	11,523
Certificate of Deposit	171064960	0.35%	9/30/2008	12/30/2021	The Citizens Bank	59,572
Certificate of Deposit	180000401	0.20%	2/28/2017	2/28/2022	The Citizens Bank	56,802
						\$ 279,977

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

Name of Company	Policy Period Ending	Position	Person Covered	Amount
Travelers	7/1/2025	Mayor	Sammy Carter	\$ 50,000
Travelers	6/1/2022	Town Clerk	Faye Ellis	\$ 50,000
Travelers	6/1/2022	Deputy Town Clerk	Rose Ann Reynolds	\$ 50,000
Travelers	7/1/2025	Aldersperson	Thomas M. Bartholomew	\$ 25,000
Travelers	7/1/2025	Aldersperson	Hugh Brian Burrage	\$ 25,000
Travelers	7/1/2025	Aldersperson	Thomas Chris Wells	\$ 25,000
Travelers	7/3/2021	Aldersperson	Lana Jayne Deese	\$ 25,000
Travelers	7/1/2025	Aldersperson	Jamie Yarbrough	\$ 25,000
Travelers	7/1/2025	Aldersperson	Terry W. Kelley	\$ 25,000



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

Honorable Mayor and Alderpersons
Town of Noxapater, Mississippi

We have compiled the accompanying Statement of Cash Receipts and Disbursements - Governmental and Business-Type Activities, and Schedule of Surety Bonds for Municipal Officials 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 accounting principles generally accepted in the United States of America.

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

With respect to items tested, the results of those procedures, our compilation of the accompanying Statement of Cash Receipts and Disbursements - Governmental and Business-Type Activities, and Schedule of Surety Bonds for Municipal Officials, of the Town of Noxapater, Mississippi, for the year ended September 30, 2021, disclosed no material instances of noncompliance with state laws and regulations.

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

Bridgers, Goodman, Baird & Clarke, PLLC

Bridgers, Goodman, Baird & Clarke, PLLC
Certified Public Accountants
Vicksburg, Mississippi
February 28, 2022