

## 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 Polkville***  
***6606 Highway 13***  
***Morton, MS 39117***

January 14, 2022

Office of the State Auditor  
PO Box 956  
Jackson, MS 39205

Re: Annual Municipal Compilation

Accompanying this letter are two copies of the annual compilation of the Town of Polkville, Mississippi, for the fiscal year ending September 30, 2020. A PDF of the same information has also been emailed to you earlier. A separate management letter was not written to the town in connection with this audit.

Sincerely,

  
Robert Miles, Mayor

**Town of Polkville  
Financial Statements  
Year Ended September 30, 2021**

# **Town of Polkville**

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**Town of Polkville**  
**Financial Section**  
**September 30, 2021**

**JEFFREY F. TULLOS, EA**

**POST OFFICE BOX 505  
RALEIGH, MISSISSIPPI 39153**

**TELEPHONE 601-782-9411**

**INDEPENDENT ACCOUNTANT'S REPORT ON AGREED-UPON  
PROCEDURES FOR SMALL MUNICIPALITIES (TOWNS)**

January 14, 2022

Honorable Mayor and  
Board of Alderman  
Town of Polkville  
Polkville, Mississippi

I have applied certain agreed upon procedures, as discussed below, to the accounting records of the Town of Polkville, Mississippi, as of September 30, 2020, and for the year then ended, as required by the Office of the State Auditor, under the provisions of Section 21-35-31, Mississippi Code, 1972, Annotated. This report is solely for the use of the governing body of the Town of Polkville, Mississippi, and the Office of the State Auditor and not be used for any other purposes. However, this report is a matter of public record, and its distribution is not limited. Our procedures and findings are as follows:

- A. I 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</u>
Trustmark National	General Fund	\$ 20,906
Trustmark National	Water Enterprise Fund	4,326
Bank of Morton	Enterprise Fund	68,914
Bank of Morton	Grant Account	66,611
Trustmark National	Payroll	1,928
Trustmark National	Solid Waste	6,617
Trustmark National	Fire Millage	618
Trustmark National	Police Seizure	4,614
Trustmark National	Infrastructure	58,527
Trustmark National	Municipal Aid	1,145
Trustmark National	ARPA Grant	100,919
Trustmark National	Fire Rebate	11,764

- B. The Town did not possess any securities held for investments during the year.

- C. The Town of Polkville, Mississippi levies no advalorem taxes, therefore, no procedures were performed in this area.

- D. I obtained a statement of payments made by the Mississippi Department of Finance and Administration to the town. The payments were traced to deposit in the bank recording in the general ledger. Cash receipts were as follows:

<u>Purpose</u>	<u>Receiving Fund</u>	<u>Amount</u>
Sales Tax	General	\$ 26,570
Gasoline Tax	General	2,499
Municipal Aid	General	415
Other Municipal Aid	General	33,879
Grants	General	178,293

- E. Purchasing Law Compliance.

A sample was taken to test compliance with the purchasing laws as set forth in Sections 31-7-, 31-7-13, 31-7-57s Mississippi Code 1972, Annotated. Our procedures indicated boards approval of purchases in the board minutes, bids were obtained for purchases in amounts that required the solicitation of bids.

- F. We have read the Municipal Compliance Questionnaire completed by the town.  
The completed survey indicated no instances of noncompliance.

- G. Population according to town officials:588

Because the above procedures do not constitute an audit conducted in accordance with generally accepted auditing standards, I do not express an opinion on any of the accounts or items referred to above. In connection with the procedures referred to above, no matters came to our attention that caused us to believe that specifies accounts or items should be adjusted. Had I performed additional procedures or standards, matters might have come to our attention that would have been reported to you. This report relates only to the accounts and items specified above and do not extend to any financial statements of the Town of Polkville, taken as a whole.

Jeffrey F Tullos, EA

**JEFFREY F. TULLOS, EA**  
**POST OFFICE BOX 505**  
**RALEIGH, MISSISSIPPI 39153**  
**TELEPHONE 601-782-9411**

**Independent Accountant's Compilation Report**

January 14, 2022

Honorable Mayor and  
Board of Alderman  
Town of Polkville  
Polkville, Mississippi

I have compiled the accompanying statement of cash receipts and disbursements – all fund types of the Town of Polkville for the year ended September 30, 2021, in accordance with standards Mississippi State Department of Audit.

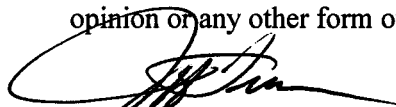
A compilation is limited to presenting in the form of financial statement information that is the representation of management. I have not audited or reviewed the accompanying statement of cash receipt and disbursements – all fund types and, accordingly do not express an opinion or any other form of assurance on it.

The Town of Polkville policy is to prepare its financial statement on the basis of cash receipts and disbursements: consequently, certain revenue is recognized when received rather than when measurable and available, and certain expenditures are recognized when paid rather than when the obligation is incurred. Accordingly, the statement of cash receipts and disbursements-all fund types is not intended to present results of operations, in conformity with the generally accepted accounting principles.

These statements are presented in accordance with the requirements of the Office of State Auditor, which differs from generally accepted accounting principles. Accordingly, these statements are not designed for those who are informed about such differences.

Town officials have elected to omit substantially all of the disclosures ordinarily included in financial statements. If the omitted disclosures were included, they might influence the user's conclusions about the Town of Polkville cash receipts and disbursements, financial position, results of operations or cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

The supplementary information contained reported is presented for purposes of additional analysis and has been compiled by us from information that is the presentation of the town officials of the Town of Polkville, without audit of review. Accordingly, we do not express an opinion or any other form of assurance on such supplementary information.



Jeffrey F. Tullos, EA



**TOWN OF POLKVILLE**  
**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS-ALL FUND TYPES**  
**FISCAL YEAR ENDING SEPTEMBER 30, 2021**

	Governmental Funds	Proprietary Funds	
	General <u>Fund</u>	Water and <u>Garbage Collection</u>	<u>Totals</u>
<b><u>Receipts</u></b>			
Licenses & Permits			
Utility Franchise	7,127		7,127
Privilege Licenses	1,519		1,519
State of Mississippi			
Fire Protection	0		
Gasoline Tax	2,499		
Municipal Aid	415		
Other Aid	33,879		
Sales Tax	26,570		
Grants	178,293		
<b>Total State</b>	241,656		241,656
Charges for Services:			
Garbage Collection		37,115	38,639
Water Sales		143,503	143,503
Connection Fees		3,875	3,875
Reconnect Fees		600	600
Late Fees		4,424	4,424
Misc Fees		1,276	1,276
Interest		104	104
Fire Millage	2,250		2,250
Drug Seizure	4,715		4,715
Fines	61,256		61,256
Insurance Proceeds	25,820		25,820
Rent – Civic Center	250		250
Misc	19,198		16,485
CDBG Grant	406,095		406,095
<b>Total Receipts</b>	<u>769,886</u>	<u>190,897</u>	<u>959,594</u>

**TOWN OF POLKVILLE**  
**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS-ALL FUND TYPES**  
**FISCAL YEAR ENDING SEPTEMBER 30, 2021**

	Governmental Funds	Proprietary Funds	
	General	Water and	
<u>Operating Disbursements</u>	<u>Fund</u>	<u>Garbage Collection</u>	<u>Totals</u>
General Government			41,832
Street Dept	78,892		1,696
Library	1,696		3,281
	3,281		
Police			23,544
Capital Outlay	23,544		9,840
Fire Protection	9,840		18,070
Capital Outlay	18,070		
Court Dept			31,874
Drug Seizure	31,874		11
	101		
CDBG Source Exp			386,982
	426,899		
Water & Garbage Collection		208,776	208,776
<b>Total Disbursements</b>	<u>594,197</u>	<u>208,776</u>	<u>725,906</u>
Excess (Deficiency) of Receipts over Disbursements	\$175,689	(\$17,879)	\$155,313
Cash Balance – Beginning of Year	<u>103,307</u>	<u>88,269</u>	<u>191,576</u>
Cash Balance – End of Year	\$278,996 =====	\$ 70,390 =====	\$ 346,889 =====

## ***Town of Polkville***

### Notes to Financial Statements

September 30, 2021

#### Note 1- Summary of significant accounting policies

##### *Reporting Entity*

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

The Citizens of Polkville have elected to operate under a Code of Charter as permitted by Mississippi Statutes 21-3-3, which prescribes a Mayor and Board of Aldermen form of government.

##### *Fund Accounting:*

The accounts of the town are organized on the basis of funds, each of which is considered a separated accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise of its assets, liabilities, fund equity, revenues, and expenditures. Government 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 various funds are grouped, in the financial statement for the report, into four generic fund types and two broad fund categories as follows:

**General Fund** – The General 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. Included in the fund is the General Fund.

**Special Revenue Fund** – The Special Revenue Fund accounts for the proceeds of specific revenue sources, other than major capital projects or expendable trust funds that are legally restricted to expenditures for specified purposes. The Special Revenue Fund is the Capital Projects Fund.

**Fiduciary Funds** – Fiduciary funds are used to account for assets held in a trustee or agency capacity for others.

**Enterprise Funds** – Enterprise Funds are used to account for operations (1) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through use charges; or (2) where the governing body had decided that periodic determination of revenues earned, expenses incurred and or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Enterprise Funds are the Water and Sewer Fund.

##### *Basis of Accounting:*

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

##### *Use of Estimates:*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

***Town of Polkville***

Notes to Financial Statements

September 30, 2022

**Note 2 – Report Classifications**

Receipts and disbursements were classified according to requirements for small town in the State of Mississippi as prescribed by the Office of the State Auditor

**Town of Polkville**  
**Supplemental Section**  
**September 30, 2021**

**TOWN OF POLKVILLE  
SCHEDULE OF CAPITAL ASSETS  
YEAR ENDED SEPTEMBER 30, 2021**

	<b>Balance at <u>10/01/20</u></b>	<b><u>Increases</u></b>	<b><u>Decreases</u></b>	<b>Balance at <u>09/30/21</u></b>
<b>Governmental Activities:</b>				
Buildings and Infrastructure	861,700			861,700
Machinery and Equipment	<u>262,825</u>	9,840		<u>267,575</u>
 Total Governmental Activities	 1,124,525 =====	 =====	 =====	 1,129,275 =====
<b>Business Type Activities:</b>				
Buildings and Infrastructure	363,418	0		363,418
Machinery and Equipment	<u>9,360</u>			<u>9,360</u>
 Total Business Activities	 372,778 =====	 0 =====	 0 =====	 372,778 =====

**TOWN OF POLKVILLE**  
**SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS**  
**FISCAL YEAR ENDING SEPTEMBER 30, 2021**

<u>NAME</u>	<u>POSITION</u>	<u>SURETY</u>	<u>BOND AMOUNT</u>
Robert Miles	Mayor	The Policy Center	50,000
Mark Purvis	Alderman	The Policy Center	10,000
Lloyd Gray	Alderman	The Policy Cener	10,000
James Arender	Alderman	The Policy Center	10,000
Glenn Wiggins	Alderman	The Policy Center	10,000
Ricky Myers	Alderman	The Policy Center	10,000
Jerri Barnes	Town Clerk	The Policy Center	50,000

**JEFFREY F. TULLOS, EA**  
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RALEIGH, MISSISSIPPI 39153  
TELEPHONE 601-782-9411

**ACCOUNTANTS' REPORT  
ON COMPLIANCE WITH STATE LAWS AND REGULATIONS**


Honorable Mayor and  
Board of Alderman  
Town of Polkville  
Polkville, Mississippi

I have compiled the accompanying statement of cash receipts and disbursements – all fund types of the Town of Polkville for the year ended September 30, 2020, and issued our report. We conducted our compilation in accordance with standards Mississippi State Department of Audit.

As required 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 my engagement and, accordingly, we do not express such an opinion.

The results of those procedures and our compilation of the cash receipts and disbursements disclosed the following material instance of noncompliance with state laws and regulations. Our finding is included in the Accountants Report on Agreed-Upon Procedures.

This 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.



Jeffrey F. Tullos, EA