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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.

TOWN OF WALNUT GROVE, MISSISSIPPI

FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

TOWN OF WALNUT GROVE

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TOWN OF WALNUT GROVE

FINANCIAL SECTION

Windham and Lacey, PLLC

Certified Public Accountants

2708 Old Brandon Road
Pearl, MS 39208
(601)939-8676 Fax (601)939-8761
windhamandlacey.com

P. O. Box 759
Crystal Springs, MS 39059
(601)892-4001 Fax (601)892-5978

Members:
American Institute of CPAs
Mississippi Society of CPAs

INDEPENDENT AUDITORS' REPORT ON BASIC FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

Honorable Mayor and
Members of the Board of Aldermen
Town of Walnut Grove, Mississippi

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, and the major fund of the Town of Walnut Grove, Mississippi, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, 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 statements 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 statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities and the business-type activities and the major fund of the Town of Walnut Grove, 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 1.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedules be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Omission of Required Supplementary Information

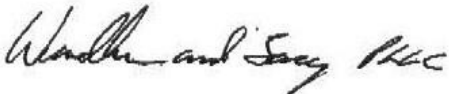
The Town of Walnut Grove, Mississippi, has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary and Other Information

The Schedule of Changes in Long-term Debt, the Schedule of Investments - All Funds, the Schedule of Surety Bonds for Municipal Officials and Employees, the Schedule of Capital Assets and the Statement of Cash Receipts and Disbursements - Water, Sewer and Gas Utility Funds for the Town of Walnut Grove, Mississippi, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Emphasis of Matter

As discussed in Note 1, the Town of Walnut Grove, Mississippi, prepares its financial statements on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.



Windham and Lacey, PLLC
April 22, 2022

TOWN OF WALNUT GROVE

FINANCIAL STATEMENTS

TOWN OF WALNUT GROVE
Statement of Activities and Net Position - Cash Basis
As of and for the Year Ended September 30, 2021

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Position		
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs							
Governmental Activities:							
General government	\$ 121,821	24,349	162,665	44,759	109,952		109,952
Public safety	178,010	46,838	3,000		(128,172)		(128,172)
Public works	210,912	44,971		182,641	16,700		16,700
Culture and recreation	363,580				(363,580)		(363,580)
Economic development	143,842				(143,842)		(143,842)
Principal and interest on long-term debt	67,702				(67,702)		(67,702)
Total Governmental Activities	<u>1,085,867</u>	<u>116,158</u>	<u>165,665</u>	<u>227,400</u>	<u>(576,644)</u>	<u>0</u>	<u>(576,644)</u>
Business-type Activities:							
Water/sewer utility	532,370	600,586				68,216	68,216
Gas utility	453,939	550,455				96,516	96,516
Total Business-type Activities	<u>986,309</u>	<u>1,151,041</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>164,732</u>	<u>164,732</u>
Total Government	<u>\$ 2,072,176</u>	<u>1,267,199</u>	<u>165,665</u>	<u>227,400</u>	<u>(576,644)</u>	<u>164,732</u>	<u>(411,912)</u>
General Receipts and Transfers							
Taxes:							
Property taxes					\$ 94,668		94,668
In lieu of taxes					6,544		6,544
Sales tax					59,606		59,606
Franchise taxes					21,721		21,721
Grants and contributions not restricted to specific programs					2,561		2,561
Unrestricted investment income					227	393	620
Miscellaneous					3,834	6,744	10,578
Proceeds from debt					250,000	150,480	400,480
Proceeds from sales of fixed assets					6,008		6,008
Transfers					80,000	(80,000)	
Total General Receipts and Transfers					<u>525,169</u>	<u>77,617</u>	<u>602,786</u>
Change in Net Position					(51,475)	242,349	190,874
Net Position - Beginning					<u>358,391</u>	<u>205,720</u>	<u>564,111</u>
Net Position - Ending					<u>\$ 306,916</u>	<u>448,069</u>	<u>754,985</u>

TOWN OF WALNUT GROVE
Statement of Activities and Net Position - Cash Basis
As of and for the Year Ended September 30, 2021

(Continued)

ASSETS

Cash and cash equivalents	\$ 371,093
Restricted cash	<u>383,892</u>
Total Assets	\$ <u><u>754,985</u></u>

NET POSITION

Restricted:	
Restricted for fire protection	\$ 77,311
Restricted for meter deposits	97,321
Restricted for contingency and depreciation	26,979
Restricted for public works	182,281
Unrestricted	<u>371,093</u>
Total Net Position	\$ <u><u>754,985</u></u>

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

TOWN OF WALNUT GROVE
Statement of Cash Basis Assets and Fund Balances and
Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental and Business-type Funds
As of and for the Year Ended September 30, 2021

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
	<u>General Fund</u>	<u>Water/Sewer and Gas Funds</u>
RECEIPTS		
Ad valorem taxes	\$ 94,668	
In lieu of taxes	6,544	
License and permits	2,949	
Franchise taxes on utilities	21,721	
Intergovernmental revenues:		
Federal revenues:		
Grants		
State shared revenues:		
Sales taxes	59,606	
Grants	332,445	
Homestead exemption reimbursement	2,561	
Fire insurance premium tax distribution		
General municipal aid	6,686	
Modernization	53,934	
Charges for services:		
Garbage	44,971	
Water and sewer utility		600,586
Gas utility		550,455
Fines and forfeits	46,838	
Rental income	21,400	
Interest income	227	393
Proceeds from sales of fixed assets	6,008	
Miscellaneous revenue	3,834	6,744
Total Receipts	<u>704,392</u>	<u>1,158,178</u>
DISBURSEMENTS		
General government	121,426	
Public safety	178,010	
Public works	202,828	
Culture and recreation	257,674	
Economic development	128,842	
Water, sewer and gas utility:		
Personnel services		305,184
Supplies		265,094
Utilities		31,066
Other services and charges		58,614
Gas purchases		175,871
Total Disbursements	<u>888,780</u>	<u>835,829</u>
Excess of Receipts Over (Under) Disbursements	<u>(184,388)</u>	<u>322,349</u>

TOWN OF WALNUT GROVE**(Continued)**

**Statement of Cash Basis Assets and Fund Balances and
Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental and Business-type Funds
As of and for the Year Ended September 30, 2021**

	Governmental Activities	Business-type Activities
	General Fund	Water/Sewer and Gas Funds
OTHER CASH SOURCES (USES)		
Capital outlay	(129,385)	(150,480)
Principal paid on long-term debt	(52,306)	
Interest paid on long-term debt	(15,396)	
Debt proceeds	250,000	150,480
Transfers in (out) to other funds	80,000	(80,000)
Total Other Cash Sources and (Uses)	<u>132,913</u>	<u>(80,000)</u>
Excess (Deficiency) of Receipts and Other Cash Sources Over Disbursements and Other Cash Uses	(51,475)	242,349
CASH BASIS FUND BALANCE - Beginning of Year	<u>358,391</u>	<u>205,720</u>
CASH BASIS FUND BALANCE - End of Year	<u>\$ 306,916</u>	<u>448,069</u>
CASH BASIS ASSETS - End of Year		
Cash and cash equivalents	\$ 229,605	141,488
Restricted cash	<u>77,311</u>	<u>306,581</u>
Total Cash Basis Assets	<u>\$ 306,916</u>	<u>448,069</u>
CASH BASIS FUND BALANCES - End of Year		
Restricted:		
Restricted for fire protection	\$ 77,311	
Restricted for meter deposits		97,321
Restricted for contingency and depreciation		26,979
Restricted for public works		182,281
Unassigned	<u>229,605</u>	<u>141,488</u>
Total Cash Basis Fund Balances	<u>\$ 306,916</u>	<u>448,069</u>

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

TOWN OF WALNUT GROVE

Notes to Financial Statements For the Year Ended September 30, 2021

(1) Summary of Significant Accounting Policies.

A. Financial Reporting Entity.

The Town of Walnut Grove, Mississippi, (Town) situated in Leake County, operates under a Mayor-Board form of government. The following services are provided by the town: Public Safety (Police, Fire and Protection/Inspection), Street Maintenance, Garbage Collection, Water and Sewer, Culture and Recreation, Public Improvements, Planning and Zoning, and General Administrative Services.

The financial statements of the Town have been prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

B. Government-wide and Fund Financial Statements.

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Changes in Net Position) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Town combines the Statement of Activities and Statement of Net Position.

The Statement of Activities demonstrates the degree to which the direct disbursements of a given function or segment are offset by program receipts. *Direct disbursements* are those that are clearly identifiable with a specific function or segment. *Program receipts* include (1) receipts from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program receipts are reported instead as *general receipts*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation.

The government-wide financial statements are reported using the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when cash is collected and disbursements are recorded when cash is spent.

Governmental fund financial statements are reported using the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when cash is collected. Disbursements generally are recorded when cash is spent.

The government reports the following major Governmental Fund:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

TOWN OF WALNUT GROVE

Notes to Financial Statements For the Year Ended September 30, 2021

Amounts reported as *program cash receipts* include (1) fines and receipts from customers or applicants for goods, services or privileges provided, (2) operating grants and contributions and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general receipts* rather than as program receipts.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets and Net Assets or Equity.

1. *Cash and Investments.*

The government's cash and cash equivalents are considered to be cash on hand or invested in certificates of deposit.

2. *Net Assets.*

Restricted net assets - Consists of cash with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or law through constitutional provisions or enabling legislation.

Unrestricted net assets - All other net assets not meeting the definition of "restricted".

3. *Fund Balances.*

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the Town classifies governmental fund balances as follows:

Restricted - Includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Unassigned - Includes positive fund balance with the General Fund which has not been classified within the abovementioned categories and negative fund balances in other governmental funds.

The Town uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the Town would first use committed, then assigned, and lastly, unassigned amounts of unrestricted fund balance when expenditures are made.

(2) **Cash and Cash Equivalents.**

At year-end, the Town's carrying amount of deposits was \$754,985 and the bank balance was \$785,631. The collateral for public entities' deposits in financial institutions are held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the Town's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. 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 Depository Insurance Corporation.

TOWN OF WALNUT GROVE

Notes to Financial Statements For the Year Ended September 30, 2021

Custodial Credit Risk - Deposits and Investments: Custodial credit risk is defined as the risk that, in the event of a failure of a financial institution, the Town will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Town does not have a formal policy for custodial credit risk. However, the Mississippi State Treasury manages the risk on behalf of the Town. 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 the behalf of the Town. As of September 30, 2021, none of the Town's bank balance of \$785,631 was exposed to custodial risk.

Interest Rate Risk: The Town does not have a formal investment policy that limits investments maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk: State law limits investments to those prescribed in Sections 27-105-33(d) and 27-105-33(e), Miss. Code Ann. (1972). The Town does not have a formal investment policy that would further limit its investment choices or one that addresses credit risk.

(3) Defined Benefit Pension Plan.

Plan Description: The Town of Walnut Grove, Mississippi, 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, at 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 is required to contribute at an actuarially determined rate. The rate through June 30, 2019 was 15.75% of annual covered payroll. Effective July 1, 2019, the rate was increased to 17.40%. The contribution requirements of PERS' members are established and may be amended only by the State of Mississippi Legislature. The Town's contributions to PERS for the years ended September 30, 2021, 2020, and 2019 were \$54,145, \$55,484 and \$53,065, respectively, which is equal to the required contributions for each year.

TOWN OF WALNUT GROVE

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF WALNUT GROVE
Budgetary Comparison Schedule -
Budget and Actual
General Fund - UNAUDITED
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
RECEIPTS				
Ad valorem taxes	\$ 83,600	94,668	94,668	
In lieu of taxes	78,900	6,544	6,544	
License and permits	1,000	2,949	2,949	
Franchise tax	22,500	21,721	21,721	
Intergovernmental revenues	48,000	455,232	455,232	
Charges for services	46,250	44,971	44,971	
Fines and forfeits	70,000	46,838	46,838	
Interest income		227	227	
Leases	18,000	21,400	21,400	
Miscellaneous	250	9,842	9,842	
Total Receipts	<u>368,500</u>	<u>704,392</u>	<u>704,392</u>	<u>0</u>
EXPENDITURES				
General government	145,325	121,426	121,426	
Public safety	220,750	178,010	178,010	
Public works	128,850	202,828	202,828	
Culture and recreation	229,500	257,674	257,674	
Economic development	11,500	128,842	128,842	
Total Expenditures	<u>735,925</u>	<u>888,780</u>	<u>888,780</u>	<u>0</u>
Excess of Receipts Over (Under) Expenditures	<u>(367,425)</u>	<u>(184,388)</u>	<u>(184,388)</u>	<u>0</u>
OTHER CASH SOURCES (USES)				
Capital outlay		(129,385)	(129,385)	
Principal paid on long-term debt		(52,306)	(52,306)	
Interest paid on long-term debt		(15,396)	(15,396)	
Proceeds from debt		250,000	250,000	
Transfers in	55,000	80,000	80,000	
Total Other Cash Sources and Uses	<u>55,000</u>	<u>132,913</u>	<u>132,913</u>	<u>0</u>
Net Change in Cash Basis Fund Balance	(312,425)	(51,475)	(51,475)	0
Cash Basis Fund Balances - Beginning	<u>(193,116)</u>	<u>358,391</u>	<u>358,391</u>	<u>0</u>
Cash Basis Fund Balances - Ending	<u>\$ (505,541)</u>	<u>306,916</u>	<u>306,916</u>	<u>0</u>

The accompanying notes to the required supplementary information are an integral part of this schedule.

TOWN OF WALNUT GROVE

Notes to the Required Supplementary Information For the Year Ended September 30, 2021 UNAUDITED

A. Budgetary Information.

Generally, in the month of August, prior to the ensuing fiscal year beginning each October 1, the Board of Aldermen of the Town, using historical and anticipated fiscal data, prepares an original budget for the General Fund for said fiscal year. The completed budget for the fiscal year includes every source of revenue, each general item of expenditure, and the unencumbered cash and investment balances. When during the fiscal year it appears to the Board of Aldermen that budgetary estimates will not be met, it may make revisions to the budget.

The Town's budget is prepared on the cash basis of accounting. All appropriations lapse at year-end, and there are no encumbrances to budget because state law does not require that funds be available when goods or services are ordered, only when payment is made.

B. Basis of Presentation.

The Budgetary Comparison Schedule - Budget and Actual (Non-GAAP Basis) presents the original adopted budget, the final adopted budget, actual amounts on a budgetary (Non-GAAP) basis and variances between the final budget and the actual amounts. The schedule is presented for the General Fund.

C. Budget Reconciliation.

As discussed in Note 1, the financial statements are prepared on the basis of cash receipts and disbursements which is the same as the basis used for budget preparation.

TOWN OF WALNUT GROVE

OTHER REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF WALNUT GROVE
Schedule of Changes in Long-term Debt - UNAUDITED
For the Year Ended September 30, 2021

Description	Outstanding Balance Oct. 1, 2020	Issued	Redeemed	Outstanding Balance Sept. 30, 2021
Governmental Activities:				
CAP loan	\$ 282,260		26,383	255,877
CAP loan	99,235		5,413	93,822
Trustmark loan		250,000		250,000
Capital lease	5,329		5,329	
Capital lease	15,181		15,181	
Total Governmental Activities	<u>402,005</u>	<u>250,000</u>	<u>52,306</u>	<u>599,699</u>
Business-type Activities:				
Sewer improvement MDEQ		121,951		121,951
Water improvement MSDH		28,529		28,529
Total Business-type Activities	<u>0</u>	<u>150,480</u>	<u>0</u>	<u>150,480</u>
Total Long-term Debt	<u>\$ 402,005</u>	<u>400,480</u>	<u>52,306</u>	<u>750,179</u>

TOWN OF WALNUT GROVE
Schedule of Investments - All Funds - UNAUDITED
September 30, 2021

	<u>Deposit Amount</u>
Certificate of Deposit with Bank of Walnut Grove, maturing September 10, 2022; interest rate of 0.15%.	\$ 3,000
Certificate of Deposit with Bank of Walnut Grove, maturing August 29, 2022; interest rate of 0.15%.	20,000
Certificate of Deposit with Bank of Walnut Grove, maturing September 12, 2022; interest rate of 0.15%.	<u>26,979</u>
	<u>\$ 49,979</u>
Fund Recap:	
Water and Sewer Fund	\$ 3,000
Gas Fund	<u>46,979</u>
Total	<u>\$ 49,979</u>

TOWN OF WALNUT GROVE**Schedule of Surety Bonds for Municipal Officials and Employees - UNAUDITED****September 30, 2021**

<u>Name</u>	<u>Position</u>	<u>Company</u>	<u>Coverage</u>
Shantell Edwards	Aldерwoman	Clyde C. Scott Insurance Company	\$25,000
Michael P. Johnson	Alderman	Clyde C. Scott Insurance Company	\$25,000
Cindy Lois Jones	Aldерwoman	Clyde C. Scott Insurance Company	\$25,000
Teresa Darby	Aldерwoman	Clyde C. Scott Insurance Company	\$25,000
Jerry Darby	Alderman	Clyde C. Scott Insurance Company	\$25,000
James Brian Gomillion	Mayor	Brierfield Insurance Company	\$50,000
Nekki Stiles	Municipal Clerk	Travelers Casualty & Surety Co.	\$50,000
Lee Shoemaker	WG Utilities Operations Manager	Travelers Casualty & Surety Co.	\$50,000
Kevin Polk	Police Chief	Travelers Casualty & Surety Co.	\$50,000
Various	Policemen	RLI Insurance Company	\$25,000
Nelvia Lynne Freeny	Assistant Deputy Clerk	RLI Insurance Company	\$50,000

TOWN OF WALNUT GROVE
Schedule of Capital Assets - UNAUDITED
For the Fiscal Year Ended September 30, 2021

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	<u>Ending Balance</u>
Governmental Activities					
Capital Assets:					
Land	\$ 74,907	50,000			124,907
Construction in progress		12,698			12,698
Buildings	1,807,678				1,807,678
Improvements other than buildings	1,353,631				1,353,631
Machinery and equipment	818,179	66,687	(6,008)	47,738	926,596
Leased equipment	47,738			(47,738)	
Total Governmental Activities					
Capital Assets	\$ <u>4,102,133</u>	<u>129,385</u>	<u>(6,008)</u>	<u>0</u>	<u>4,225,510</u>
Business-type Activities					
Capital Assets:					
Land	\$ 320,536				320,536
Construction in progress		150,480			150,480
Buildings	85,349				85,349
Machinery and equipment	563,518				563,518
Water and sewer system	4,703,255				4,703,255
Gas system	703,398				703,398
Total Business-type Activities					
Capital Assets	\$ <u>6,376,056</u>	<u>150,480</u>	<u>0</u>	<u>0</u>	<u>6,526,536</u>

TOWN OF WALNUT GROVE

SUPPLEMENTAL INFORMATION

TOWN OF WALNUT GROVE
Statement of Cash Receipts and Disbursements
Water, Sewer and Gas Utility Funds - UNAUDITED
For the Year Ended September 30, 2021

	<u>Water</u>	<u>Sewer</u>	<u>Gas</u>	<u>Total</u>
RECEIPTS				
Water	\$ 204,496			204,496
Sewer		190,441		190,441
Gas utility			550,455	550,455
Interest income	99		294	393
Grant	205,649			205,649
Miscellaneous revenue	2,163		4,581	6,744
Total Receipts	<u>412,407</u>	<u>190,441</u>	<u>555,330</u>	<u>1,158,178</u>
DISBURSEMENTS				
Personnel services	90,662	84,430	130,092	305,184
Supplies	86,921	80,946	97,227	265,094
Utilities	6,340	5,904	18,822	31,066
Other services and charges	91,736	85,431	31,927	209,094
Gas purchases			175,871	175,871
Total Disbursements	<u>275,658</u>	<u>256,712</u>	<u>453,939</u>	<u>986,309</u>
Excess of Receipts Over (Under) Disbursements	<u>136,749</u>	<u>(66,271)</u>	<u>101,391</u>	<u>171,869</u>
OTHER CASH SOURCES (USES)				
Debt proceeds	121,951	28,529		150,480
Transfers in (out) to other funds	(35,000)		(45,000)	(80,000)
Total Other Cash Sources and (Uses)	<u>86,951</u>	<u>28,529</u>	<u>(45,000)</u>	<u>70,480</u>
Excess (Deficiency) of Receipts and Other Cash Sources Over Disbursements and Other Cash Uses	<u>\$ 223,700</u>	<u>(37,742)</u>	<u>56,391</u>	<u>242,349</u>

TOWN OF WALNUT GROVE

SPECIAL REPORT

Windham and Lacey, PLLC

Certified Public Accountants

2708 Old Brandon Road
Pearl, MS 39208
(601)939-8676 Fax (601)939-8761
windhamandlacey.com

P. O. Box 759
Crystal Springs, MS 39059
(601)892-4001 Fax (601)892-5978

Members:
American Institute of CPAs
Mississippi Society of CPAs

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

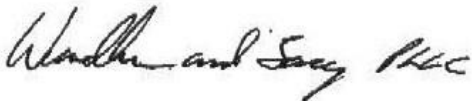
Honorable Mayor and
Members of the Board of Aldermen
Town of Walnut Grove, Mississippi

We have audited the financial statements of the governmental activities, the business-type activities and the major fund of the Town of Walnut Grove, Mississippi, as of and for the year ended September 30, 2021, and have issued our report thereon dated April 22, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the procedures prescribed by the Office of the State Auditor, and accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

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. 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 audit of the financial statements disclosed no instances of noncompliance with state laws and regulations.

This report is intended solely for the information and use of 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.



Windham and Lacey, PLLC
April 22, 2022

TOWN OF WALNUT GROVE

SCHEDULE OF FINDINGS

TOWN OF WALNUT GROVE
Schedule of Findings
For the Year Ended September 30, 2021

Section 1: Summary of Auditors' Results

Financial Statements:

- | | | |
|----|--|---------------|
| 1. | Type of auditors' report issued on the primary government financial statements: | Unmodified |
| 2. | Internal control over financial reporting: | |
| a. | Material weaknesses identified? | No |
| b. | Significant deficiencies identified that are not considered to be material weaknesses? | None Reported |
| 3. | Noncompliance material to the financial statements? | No |

Section 2: Financial Statement Findings

The results of our tests did not disclose any findings related to the financial statements that are required to be reported by *Government Auditing Standards*.