

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 WEBB
WEBB, MISSISSIPPI

COMPILATION REPORT AND COMPLIANCE LETTER

September 30, 2021

ATRIS NITER, JR.
CERTIFIED PUBLIC ACCOUNTANT

TOWN OF WEBB
WEBB, MISSISSIPPI

COMPILATION REPORT AND COMPLIANCE LETTER

September 30, 2021

TOWN OF WEBB
WEBB, MISSISSIPPI

TABLE OF CONTENTS

| | <u>Page</u> |
|---|--------------------|
| Independent Accountant's Report on Applying Agreed-Upon Procedures | 1-3 |
| Accountant's Compilation Report | 4 |
| Combined Statement of Receipts and Disbursements – All Funds | 5-8 |
| Notes to the Financial Statements..... | 9 |
| Schedule of Long-Term Debt | 10 |
| Schedule of Surety Bonds for Municipal Officials..... | 11 |

**INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES**

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

I have performed the procedures enumerated below, which were agreed to by the Office of the State Auditor, to the accounting records of the Town of Webb, Mississippi, solely to assist the Office of the State Auditor evaluate the financial compliance with certain laws and regulation as of September 30, 2021, and for the year then ended. This agree-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Office of the State Auditor, State of Mississippi. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

My procedures and findings are as follows:

1. I reconciled cash on deposit with the following banks to balances in the representative general ledger accounts and obtained confirmation of the related balances from the banks:

| <u>Bank</u> | <u>Account Number</u> | <u>Account Name</u> | <u>Fund</u> | <u>Balance</u> |
|--------------------|-----------------------|---------------------|------------------|-------------------|
| Southern Bancorp | 4000317 | General | General | \$148,754 |
| Southern Bancorp | 3542735 | Police Fund | General | 930 |
| Southern Bancorp | 372625 | Civic Center | General | 710 |
| Southern Bancorp | 580085 | Community Resource | General | <u>10,244</u> |
| Total General Fund | | | | <u>160,638</u> |
| Southern Bancorp | 580220 | Special Projects | Special Projects | <u>5,273</u> |
| Southern Bancorp | 500074 | Water & Sewer Fund | Proprietary | <u>43,113</u> |
| Southern Bancorp | 580522 | Payroll Clearing | Payroll Clearing | <u>3,371</u> |
| Total All Funds | | | | <u>\$ 212,395</u> |

2. There were no securities held for investment. The total of all funds, \$212,395, was adequately collateralized by the FDIC insurance carried for the Town by the banks.

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

- a. Verify use of certified county assessment rolls and trace levies to governing body minutes.
- b. Examined uncollected taxes for proper handling, including tax sales.
- c. Traced distribution of taxes collected to proper funds; and
- d. Analyzed increase in taxes for most recent period for completion with increase limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

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

Ad valorem tax collections were found to be within the limitation of Section 27-39-320 to 27-39-323, Miss Code Ann. (1972).

The entire 63.65 mill tax assessment as passed was assigned to and deposited in the General Fund, and General Obligation Debt payments are paid from the General Fund.

4. I obtained a statement of payments made by the Department of Finance and Administration to the municipality. Payments indicated were traced to deposit in the respective bank accounts and recorded in the general ledger without exception. Payments traced were as follows:

| <u>Payment Purpose</u> | <u>Receiving Fund</u> | <u>Amount</u> |
|--------------------------------------|-----------------------|------------------|
| Sales Tax Allocation | General Fund | \$ 83,591 |
| Municipal Aid | General Fund | 282 |
| Gasoline Tax | General Fund | -0- |
| Homestead Exemption | General Fund | 4,366 |
| In Lieu Taxes – Grand Gulf | General Fund | -0- |
| Department of Health & Public Safety | General Fund | <u>-0-</u> |
| Total | | <u>\$ 88,239</u> |

5. I selected a sample of purchases made by the town during the fiscal year. Each sample item was evaluated for compliance with purchasing requirements set forth in Title 31, Chapter 7, Miss. Code Ann. (1972), as applicable.

The sample consisted of the following:

| | |
|-------------------------|-----------|
| Number of Sampled Items | 14 |
| Dollar Value of Samples | \$ 43,382 |

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

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

- a. Required trust funds have not been established for utility revenue bonds. The bonds are being paid out of the general fund.
- b. Fines and forfeitures are not all collected and remitted. Some are overdue.

Except for the comments in the paragraph above, for those items applicable to the municipality, no instances of non-compliance were noted.

I was not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's compliance with laws and regulations. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of the Office of the State Auditor, State of Mississippi, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record, and its distribution is not limited.



Atris Niter, Jr.
Memphis, TN
April 20, 2022



ATRIS NITER JR., CPA

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

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

I have compiled the accompanying statement of cash receipt and disbursements – all fund types of the Town of Webb 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.

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

The town's 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 are not intended to present results of operations, in conformity with generally accepted accounting principles.

Management has elected to omit substantially all the disclosures ordinarily included in financial statements. If the omitted disclosures were included, they might influence the user's conclusions about the town's cash receipts and disbursements. Accordingly, the financial statement is not designed for those who are not informed about such matters.

The supplementary information contained on page 10 is presented for purposes of additional analysis and has been compiled by me from information that is the representation of management of the Town of Webb, without audit or review. Accordingly, I do not express an opinion or any other form of assurance on such supplementary information.

Atris Niter, Jr.
Memphis, TN
April 20, 2022

TOWN OF WEBB
COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - ALL FUNDS
For the Year Ended September 30, 2021

| | FUND | | | |
|---------------------------------|-------------------|----------------------------|----------------------------|-------------------------|
| | <u>General</u> | <u>Special Revenue</u> | <u>Capital Project</u> | <u>Debt Service</u> |
| <u>REVENUE RECEIPTS:</u> | | | | |
| Taxes - Property | \$ 114,953 | | | |
| Intergovernmental Revenue | 12,088 | | | |
| Franchise Taxes | 5,915 | | | |
| General Municipal Aid | | | | |
| State Shared Revenues: | | | | |
| Sales Taxes | 83,591 | | | |
| Tax Receipts - Car Tags | 70,728 | | | |
| Nuclear Taxes | 282 | | | |
| Homestead Exemption | 4,366 | | | |
| Revenue - Civic Center & Tower | -0- | | | |
| Restricted Revenue | 120,571 | | | |
| Safety Cash Bond | -0- | | | |
| Other Income: | | | | |
| Charges for Services | | | | |
| Cell Tower | 12,014 | -0- | | |
| Volunteer Fire Department | 45,000 | | | |
| Fines & Forfeits | 12,628 | | | |
| Miscellaneous | 1,742 | | -0- | -0- |
| TOTAL REVENUE RECEIPTS | <u>483,878</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| Other Receipts: | | | | |
| Loans & Transfers | -0- | | | |
| Total Other Receipts | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| Total Receipts | <u>483,878</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| CASH - Beginning | <u>64,653</u> | <u>6,600</u> | <u>-0-</u> | <u>-0-</u> |
| TOTAL TO ACCOUNT FOR | <u>\$ 548,531</u> | <u>6,600</u> | <u>-0-</u> | <u>-0-</u> |

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

TOWN OF WEBB
COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - ALL FUNDS
For the Year Ended September 30, 2021

| | FUND | | 2020 TOTAL | 2021 TOTAL |
|---------------------------------|-----------------------------|-----------------------------|-----------------------|-----------------------|
| | Proprietary Fund | Payroll Clearing | | |
| <u>REVENUE RECEIPTS:</u> | | | | |
| Taxes - Property | | | \$ 179,363 | \$ 114,953 |
| Intergovernmental Revenue | | | 1,047 | 12,088 |
| Franchise Taxes | | | 5,245 | 5,915 |
| General Municipal Aid | | | -0- | -0- |
| State Shared Revenues: | | | | |
| Sales Taxes | | | 78,848 | 83,591 |
| Tax Receipts - Car Tags | | | -0- | 70,728 |
| Nuclear Taxes | | | -0- | 282 |
| Homestead Exemption | | | 1,200 | 4,366 |
| Public Health & Safety | | | 12,010 | -0- |
| Revenue - Civic Center & Tower | | | 1,350 | -0- |
| Restricted Revenue | | | 90,349 | 120,571 |
| Safety Cash Bond | | | 14,127 | -0- |
| Other Income: | | | | |
| Charges for Services | | | 259 | 12,014 |
| Cell Tower | | | 12,014 | 45,000 |
| Water & Sewer | 158,846 | | 161,605 | 158,846 |
| Fines & Forfeits | | | 10,049 | 12,628 |
| Miscellaneous | | -0- | 3,483 | 1,742 |
| TOTAL REVENUE RECEIPTS | 158,846 | | 570,949 | \$ 642,724 |
| Other Receipts: | | | | |
| Loans & Transfers | -0- | 249,846 | 258,774 | 158,846 |
| Total Other Receipts | 158,846 | 249,846 | 829,773 | 158,846 |
| Total Receipts | 158,846 | 249,846 | 829,773 | 801,570 |
| CASH - Beginning | 23,484 | 3,259 | 72,830 | 152,846 |
| TOTAL TO ACCOUNT FOR | 182,330 | 253,105 | \$ 902,545 | \$ 954,416 |

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

TOWN OF WEBB
COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - ALL FUNDS
For the Year Ended September 30, 2021

| | FUND | | | |
|--|-------------------|----------------------------|----------------------------|-------------------------|
| | <u>General</u> | <u>Special Revenue</u> | <u>Capital Project</u> | <u>Debt Service</u> |
| <u>OPERATING DISBURSEMENTS:</u> | | | | |
| General Governments: | | | | |
| Payroll Expenses | \$ 100,646 | | | |
| Contractual Services | 78,191 | | | |
| Supplies & Other | 5,216 | | | |
| Debt Services | -0- | | | |
| Public Safety: | | | | |
| Police | 15,600 | | | |
| Payroll expense | | | | |
| Contract Services | 36,735 | | | |
| Supplies & Other | 12,050 | | | |
| Civic Center: | | | | |
| Supplies | | | | |
| Utilities | 779 | | | |
| Enterprise | | | | |
| Payroll Expenses | 32,970 | | | |
| Water & Sewer | 117,756 | 1327 | | |
| Interest & Fees - Long-term Debt | -0- | | -0- | -0- |
| TOTAL DISBURSEMENT | <u>387,893</u> | <u>1,327</u> | <u>-0-</u> | <u>-0-</u> |
| Special Project: | | | | |
| Long-term debt - Retired | | | | |
| Payment - IRS debt | | | | |
| Capital Outlay | | | | |
| Loans & Transfers | -0- | | | |
| Total Other Disbursements | <u>-0-</u> | <u>1,327</u> | <u>-0-</u> | <u>-0-</u> |
| Total Disbursements | <u>387,893</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| CASH - End of Term | <u>160,638</u> | <u>5,273</u> | <u>-0-</u> | <u>-0-</u> |
| TOTAL TO ACCOUNT FOR | <u>\$ 548,531</u> | <u>6,600</u> | <u>-0-</u> | <u>-0-</u> |

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

TOWN OF WEBB
COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - ALL FUNDS
For the Year Ended September 30, 2021

| | FUND | | | |
|--|-----------------------------|-----------------------------|-----------------------|-----------------------|
| | Proprietary Fund | Payroll Clearing | 2020 TOTAL | 2021 TOTAL |
| <u>OPERATING DISBURSEMENTS:</u> | | | | |
| General Governments: | | | | |
| Payroll Expenses | | 100,646 | \$ 169,278 | \$ 100,646 |
| Contractual Services | | | 91,069 | 78,191 |
| Supplies & Other | | | 41,550 | 5,216 |
| Debt Services | | | -0- | -0- |
| Public Safety: | | | | |
| Police | | | | 15,600 |
| Payroll expense | | 91,395 | 104,569 | 106,995 |
| Contract Services | | | 2,481 | 36,735 |
| Supplies & Other | | | 12,050 | -0- |
| Civic Center: | | | | |
| Supplies | | | | |
| Utilities | | | 2,034 | 779 |
| Enterprise | | | | |
| Payroll Expenses | | | 135,372 | 32,970 |
| Water & Sewer | 139,217 | 57,693 | 222,558 | 364,889 |
| Interest & Fees - Long-term Debt | | -0- | -0- | -0- |
| TOTAL DISBURSEMENT | 139,217 | 249,734 | 792,755 | 742,021 |
| Special Project: | | | | |
| Long-term debt - Retired | -0- | | 11,794 | -0- |
| Loans & Transfers | | | -0- | -0- |
| Total Other Disbursements | -0- | -0- | 11,794 | -0- |
| Total Disbursements | 139,217 | 249,734 | 804,549 | 742,021 |
| CASH - End of Term | 43,113 | 3,371 | 97,996 | 212,395 |
| TOTAL TO ACCOUNT FOR | 182,330 | 253,105 | \$ 902,545 | \$ 954,416 |

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

**TOWN OF WEBB
NOTES TO THE FINANCIAL STATEMENT
SEPTEMBER 30, 2021**

NOTE A: Summary of Significant Accounting Policies

General Information

The Town of Webb, Mississippi, operates under the mayor/board of alderman form of government and provides services as authorized by law.

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.

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 received rather than when earned and certain expenses are recognized when paid rather than when the obligation is incurred.

NOTE B: Report Classification

Receipts and disbursements are classified according to requirements for small towns in the State of Mississippi as prescribed by the Office of the State Auditor.

NOTE C: Other Matters

The Internal Revenue Service made an assessment against the Town of Webb, Mississippi, for unpaid payroll taxes and withheld federal income taxes in the amount of \$467,592. This assessment is the result of the Town of Webb apparently collection these taxes through withholding on employee pay checks but failing to remit them to the Department of the Treasury (Internal Revenue Service).

The Town is in an agreement with the Department of the Treasury, (Internal revenue Service) has agreed to suspend all activity on this matter until further notice from the Internal Revenue Service.

**TOWN OF WEBB
SCHEDULE OF LONG-TERM DEBT
For the Year Ended September 30, 2021**

| <u>Description</u> | Balance Outstanding <u>Oct. 1, 2020</u> | Transactions During Year | | Balance Outstanding <u>Sept. 30, 2021</u> |
|------------------------------------|--|-------------------------------------|------------------------|--|
| | | <u>Issued</u> | <u>Redeemed</u> | |
| Revenue Bonds: | | | | |
| Berkadia 5% | \$ 32,948 | 3,395 | -0- | \$ 36,343 |
| Bond for Sewer System Improvements | | | | |
| Currently paying \$500 per month | | | | |
| TOTAL | \$ 32,948 | 3,395 | | \$ 36,343 |

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

**TOWN OF WEBB
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS
September 30, 2021**

| <u>NAME</u> | <u>POSITION</u> | <u>COMPANY</u> | <u>BOND</u> |
|--------------------|------------------------|---|--------------------|
| Michael Plez | Mayor | Mississippi Municipalities Bond Program | \$ 25,000 |
| Maggie Outlaw | Alderman | Mississippi Municipalities Bond Program | \$ 25,000 |
| Hilary Benson | Alderman | Mississippi Municipalities Bond Program | \$ 25,000 |
| Denise Calhoun | Alderman | Mississippi Municipalities Bond Program | \$ 25,000 |
| Chiquita Jones | Alderman | Mississippi Municipalities Bond Program | \$ 25,000 |
| Betty J. Powell | Alderman | Mississippi Municipalities Bond Program | \$ 25,000 |
| Quartasha Kindle | City Clerk | Travelers | \$ 50,000 |

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