

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 ISOLA, MISSISSIPPI
SPECIAL REPORT ON AGREED-UPON PROCEDURES
FOR SMALL MUNICIPALITIES (TOWNS)
AND
COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

Ella B. Johnson
Public Accountant
119 Greenridge Drive
Madison, MS 39110
662-347-5773 (Office)
601-790-9369 (Fax)

Town of Isola, Mississippi

Table of Contents

September 30, 2022

	<u>Page</u>
Table of Contents	1
Special Report on Agreed-Upon Procedures for Small Municipalities (Towns)	2-4
Combined Statement of Cash Receipts and Disbursements (All Funds)	5-7
Schedule of Long-Term Debt	8
Schedule of Surety Bonds for Municipal Officials	9
Report on Compliance with State Laws and Regulations	10

**Johnson Accounting Services
119 Greenridge Drive
Madison, MS 39110
Phone: 662-347-5773**

**SPECIAL REPORT ON AGREED UPON
PROCEDURES FOR SMALL MUNICIPALITIES (TOWNS)**

(Compliance Letter)

Honorable Mayor and Board of Aldermen
Town of Isola
Isola, Mississippi 38754

We have applied certain agreed-upon procedures, as discussed below, to the accounting records of the Town of Isola, Mississippi, as of September 30, 2022, 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 the report is solely for the use of the governing body of the Town of Isola, Mississippi and the Office of the State Auditor and should not be used for any other purposes. Our procedures and findings are as follows:

1. We 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 Plus:

<u>Bank</u>	<u>Funds</u>	<u>Balance per General Ledger</u>
Bank Plus:	General Fund	
General Fund		\$247,735.50
General Clearing		<u>7,263.26</u>
	Total General Fund	<u>\$254,998.76</u>
Bank Plus:	Special Revenue Funds	
Fire Department		\$36,246.89
Modernization Funds		62,413.44
	Total Special Revenue Funds	<u>\$98,660.33</u>
Bank Plus:	Proprietary Fund	
Sewer Revenue Fund		\$104,534.41
ARPA Fund		584.73
	Total Proprietary Fund	<u>\$105,119.14</u>
		TOTAL
		<u>\$458,778.23</u>

2. No securities were held for investments.

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

- a. Trace levies to governing body minutes;
- b. Traced distribution of taxes collected to proper funds; and
- c. 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 General Fund were found to be in accordance with prescribed tax levies. The distribution of taxes to Fire Department Fund was made September 27, 2022.

Current year and prior years' General Property Taxes were collected by Humphreys County Tax Collector and remitted to the town on a monthly basis.

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

4. The Town did not retire or issue general obligation debt or revenue bonds.
5. We 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. All payments were recorded in the general ledger. Payments traced were as follows:

<u>Payment Purpose</u>	<u>Receiving Fund</u>	<u>Ledger Amount</u>
Sales Tax Allocation	General Fund	\$22,963.04
General Municipal Aid	General Fund	354.98
Gasoline Tax	General Fund	1,977.32
Homestead Exemption	General Fund	15,243.50
Grand Gulf	General Fund	4,022.49
MDA Grant	General Fund	150,223.40
Fire Protection	Fire Fund	8063.76
Department of Health	General Fund	5,900.00
Other Aid	General Fund	41,688.33
Other Aid	ARPA Fund	<u>75,105.70</u>
	Total	\$325,542.52

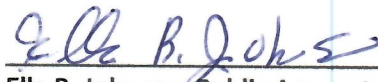
6. We selected a sample of purchases made by the municipality during the fiscal year. Each sample item was evaluated for proper approval and compliance with purchasing requirements set forth in Title 31, Chapter 7, Mississippi Code Ann. (1972), if applicable. The sample consisted of the following:

Number of Sample Items	12
Total Dollar Value of Sample	\$33,294.07

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

7. Fines and forfeitures were not collected.
8. We have read the Municipal Compliance Questionnaire completed by the municipality. The completed survey indicated one instance of noncompliance with state requirements. The municipality did not commission municipal depositories after current Clerk's position. However, sealed bids will be received from the banks for the privilege of holding the funds of said town for the years 2024 and 2025. (Sections 27-105-353 and 27-105-363)

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 that items specified in Paragraph 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 Isola, Mississippi, for the year ended September 30, 2022.


Ella B. Johnson, Public Accountant
Madison, MS 39110
September 30, 2023

**Johnson's Accounting Service
Public Accountant
119 Greenridge Drive
Madison, MS 39110
Phone: 662-347-5773
Fax: 601-790-9369**

**Governing Body
Town of Isola, Mississippi**

We have compiled the Statement of Cash Receipts and Disbursements (Governmental & Business Type Activities) as of and for the Fiscal Year Ended September 30, 2022.



Ella B. Johnson, Public Accountant

September 30, 2023

TOWN OF ISOLA, MISSISSIPPI
STATEMENT OF CASH RECEIPTS and DISBURSEMENTS
GOVERNMENTAL & BUSINESS-TYPE ACTIVITIES
AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Governmental Activities			Business-Type Activities	
	General Fund	Other Nonmajor Funds	Total	Water & Sewer Fund	Total
RECEIPTS					
Taxes					
General Property Taxes	119,745		119,745		
General Property Taxes		925	925		
Licenses & Permits	882		882		
Franchise Charges-Utilities	14,277		14,277		
State shared revenues:					
Homestead Exempt. Reimburse.	15,243		15,243		
Sales Tax Allocation	22,963		22,963		
Gasoline Tax	1,977		1,977		
Grand Gulf Nuclear Plant	4,022		4,022		
Fire Protection Allocation	107	7,957	8,064		
MDA Grant Income	150,223		150,223		
Department of Health	5,900		5,900		
Other Aid - Modernization		41,688	41,688		
ARPA Grant Funds				75,106	75,106
General Municipal Aid	355		355		
Land Redemption	1,015		1,015		
Police Security	8,000		8,000		
Other Revenue	3,178		3,178		
Interest Income	605	163	768	714	714
Reimbursement	1,000		1,000		
Charges for Services:					
Water Utility				81,520	81,520
Sewer Fees				92,120	92,120
Garbage Collections				40,352	40,352
Water Deposits				1,200	1,200
Other Revenue				8,881	8,881
TOTAL RECEIPTS	349,492	50,733	400,225	299,893	299,893
DISBURSEMENTS					
General Government:					
Legislative & Executive:					
Salaries & Employee Benefits	29,359		29,359		
Other Services & Charges	1,542		1,542		

TOWN OF ISOLA, MISSISSIPPI
STATEMENT OF CASH RECEIPTS and DISBURSEMENTS
GOVERNMENTAL & BUSINESS-TYPE ACTIVITIES
AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Governmental Activities			Business-Type Activities	
	General Fund	Other Nonmajor Funds	Total	Water & Sewer Fund	Total
Judicial:					
Other Services & Charges	5,865		5,865		
Financial Administration:					
Salaries & Employee Benefits	47,692		47,692		
Supplies	10,235		10,235		
Legal	8,150		8,150		
Other Services and Charges	65,668		65,668		
Interest Expense	882		882		
Public Safety - Police Dept.					
Salaries & Employee Benefits	23,790		23,790		
Supplies	7,240		7,240		
Other Services and Charges	2,705		2,705		
Public Safety - Fire Dept.					
Salaries & Employee Benefits	1,869		1,869		
Other Services and Charges	2,552		2,552		
Public Works - Maintenance of Streets					
Salaries & Employee Benefits	2,878		2,878		
Other Services and Charges	5,201		5,201		
Capital - Street Improvements	150,000	2,500	152,500		
Sanitation					
Garbage Disposal				39,279	39,279
Department of Health	3,650		3,650		
Enterprises - Water & Sewer					
Salaries & Employee Benefits				70,680	70,680
Supplies				7,853	7,853
Other Services & Charges				78,542	78,542
Water Deposits				150	150
Water Improvements		14,644	14,644		
Total Disbursements	369,278	17,144	386,422	196,504	196,504
Excess of Receipts Over (Under)					
Disbursements	(19,786)	33,589	13,803	103,389	103,389
OTHER CASH SOURCES (USES)					
Transfer In	150,000	32,871	182,871		
Transfer Out	(32,871)		(32,871)	(150,000)	(150,000)

TOWN OF ISOLA, MISSISSIPPI
STATEMENT OF CASH RECEIPTS and DISBURSEMENTS
GOVERNMENTAL & BUSINESS-TYPE ACTIVITIES
AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

Debt Repaid-Principal	(4,200)		(4,200)		
Bank Loan Repaid - Principal	(4,569)		(4,569)		
Total Other Cash Sources (Uses)	108,360	32,871	141,231	(150,000)	(150,000)
Excess (Deficiency) of Receipts Over Disbursements	88,574	66,460	155,034	(46,611)	(46,611)
Cash Basis Fund Balance Beginning of Year	166,425	32,200	198,625	151,730	151,730
Cash Basis Fund Balance - End of Yr.	254,999	98,660	353,659	105,119	105,119
Cash Basis Fund Balance End of Year:					
Restricted	150,223	62,413	212,636	585	585
Unassigned	104,776	36,247	141,023	104,534	104,534
Total Cash Basis Fund Balances	254,999	98,660	353,659	105,119	105,119

**TOWN OF ISOLA, MISSISSIPPI
SCHEDULE OF LONG-TERM DEBT
For the Fiscal Year Ended September 30, 2022**

DEFINITION AND PURPOSE

Combined Waterworks & Sewer Sys Revenue Bond	Balance		<u>Transactions During Fiscal Year</u>		Balance
	<u>Outstanding</u>	<u>October 1, 2021</u>	<u>Suspense</u>	<u>Redeemed</u>	<u>Outstanding</u>
					<u>September 30, 2022</u>
10393403	\$	19,659	350.00	4,200	15,109
TOTAL	\$	19,659	350.00	4,200	15,109

TOWN OF ISOLA, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS
September 30, 2022

<u>NAME</u>	<u>POSITION</u>	<u>COMPANY</u>	<u>AMOUNT</u>
Dimp Powell	Mayor	Travelers	\$ 50,000
Magdaline Gamill	City Clerk	Travelers	\$ 50,000
Laura Hinnant	Adm Clerk	Travelers	\$ 50,000
Lawrence Anderson	Aldersperson	Travelers	\$ 50,000
Jamarius Brown	Aldersperson	Travelers	\$ 50,000
Michol Hooker	Aldersperson	Travelers	\$ 50,000
Linda Faye Jones	Aldersperson	Travelers	\$ 50,000
Kenneth Jackson Toler	Aldersperson	Travelers	\$ 50,000

JOHNSON ACCOUNTING SERVICE
Ella B. Johnson, Public Accountant
119 Greenridge Drive
Madison, MS 39110
Phone: 662-347-5773
Fax: 601-790-9369

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

To the Mayor and the Board of Aldermen
Town of Isola, Mississippi 38754

We have compiled the accompanying Statement of Cash Receipts and Disbursements – Governmental and Business-Type Activities, Schedule of Long-Term Debt and Schedule of Surety Bonds for Municipal Officials of the Town of Isola, Mississippi, for the year ended September 30, 2022 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.

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. According, we do not express such an opinion.

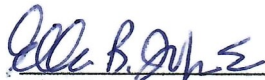
With respect to items tested, the results of those procedures and my compilation of the accompanying Statement of Cash Receipts and Disbursements – Governmental and Business-Type Activities, Schedule of Long-Term Debt and Schedule of Surety Bonds for Municipal Officials of the Town of Isola, Mississippi, for the year ended September 30, 2022 disclosed one material instances of noncompliance with state laws and regulations.

Findings: The municipality did not commission municipal depositories after current Clerk's position who was not aware of this compliance.

Recommendations: The Mayor and Town Clerk to work out a plan to comply with Sections 27-105-353 and 27-105-363.

Response: Sealed bids will be received from the banks for the privilege of holding the funds of said town for the fiscal years 2024 and 2025.

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.



Ella B. Johnson,
Public Accountant
September 30, 2023

