

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 SCHLATER, MISSISSIPPI
AGREED-UPON PROCEDURES
FISCAL YEAR ENDED SEPTEMBER 30, 2022

BFMW GROUP, PLLC
CERTIFIED PUBLIC ACCOUNTANTS
GREENWOOD, MS

TOWN OF SCHLATER, MISSISSIPPI

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SEP 29 2023

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

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

We 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 Schlater, Mississippi, solely to assist the Office of the State Auditor evaluate the financial compliance with certain laws and regulations as of September 30, 2022, and for the year then ended. This agreed-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, we 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.

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:

| <u>Bank</u>        | <u>Bank Account</u> | <u>Fund</u>     | <u>Balance</u>   |
|--------------------|---------------------|-----------------|------------------|
| Planters Bank      | Account #6460       | Fire Protection | \$ 11,100        |
| Planters Bank      | Account #4580       | General         | 87,627           |
| Total General Fund |                     |                 | 98,727           |
| Planters Bank      | Account #1073       | Home Account    | 30               |
| Total All Funds    |                     |                 | <u>\$ 98,757</u> |

There were no securities held for investment. The total of all funds, \$98,757 was adequately collateralized by the FDIC insurance carried for the Town by the banks.



2. The Town of Schlater, Mississippi, does not levy or collect ad valorem taxes, so no procedures were necessary in this area.
3. There is no general obligation debt as of September 30, 2022.
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 without exception. Payments traced were as follows:

| <u>Payment Purpose</u>  | <u>Receiving Fund</u> | <u>Total Deposited<br/>FYE 9-30-22</u> | <u>Total<br/>FYE 22 Per<br/>State Print Out</u> |
|-------------------------|-----------------------|----------------------------------------|-------------------------------------------------|
| Sales Tax               | General               | \$ 11,824                              | \$ 11,824                                       |
| Municipal Aid           | General               | 154                                    | 154                                             |
| Gasoline Tax            | General               | 716                                    | 716                                             |
| Grand Gulf Distribution | General               | 2,115                                  | 2,115                                           |
| Community Svc Grant     | General               | 3,000                                  | 3,000                                           |
| Fire Ins. Prem Dist.    | General               | 2,983                                  | 2,983                                           |
| MDOT Grant              | General               | 265,882                                | 265,882                                         |
| ARPA Grant              | General               | 5,782                                  | 5,782                                           |
| Total                   |                       | <u>\$ 292,456</u>                      | <u>\$ 292,456</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 Title 31, Chapter 7, Miss. Code Ann. (1972), as applicable.

The sample consisted of the following:

|                               |         |
|-------------------------------|---------|
| Number of Sampled Items       | 61      |
| Total Dollar Value of Samples | 406,275 |

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

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

Questions 8-13 of Part II, dealing with adoption and use of a budget for the municipality are all answered in the negative. The Town of Schlater does not adopt or use a budget as prescribed by state law. The town had gross receipts (excluding grants) of less than \$100,000 (\$29,988 in fiscal 2022), has only one paid employee (city clerk), and its expenditures are limited to necessities such as telephone, utilities, supplies, etc. The largest category of expenses is general fund expenses, consisting of utilities, salaries, insurance, and repairs. As indicated in item 5 above, purchase tests revealed no violations of the purchases laws.

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

We were 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, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our 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.

A handwritten signature in blue ink, appearing to read "BFMW Group PLLC", is written over the typed name and date.

BFMW Group, PLLC  
September 18, 2023

**TOWN OF SCHLATER, MISSISSIPPI**

**FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED SEPTEMBER 30, 2022**



**BFMW Group, PLLC**  
*Certified Public Accountants*

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

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

Management is responsible for the accompanying Statement of Cash Receipts and Disbursements-Governmental Activities, of the Town of Schlater, Mississippi, for the year ended September 30, 2022, in accordance with the cash-basis of accounting, and for determining that the cash-basis of accounting is an acceptable financial reporting framework. We have performed the compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on this financial statement.

The financial statement is prepared in accordance with the cash-basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the cash-basis of accounting. If the omitted disclosures were included in the financial statement, 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.

Management has omitted the management's discussion and analysis information that is required to be presented for purposes of additional analysis. Such missing information 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 an appropriate operational, economic, or historical context.

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The supplementary information contained in the Schedule of Surety Bonds for Town Officials has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and accordingly, we do not express an opinion or provide any assurance on such supplementary information.

*BFMW Group, PLLC*

BFMW Group, PLLC  
September 18, 2023

**TOWN OF SCHLATER, MISSISSIPPI**  
**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**  
**GOVERNMENTAL ACTIVITIES**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2022**

|                                             | Governmental Activities |                                     |                                     |                            | Totals            |         |
|---------------------------------------------|-------------------------|-------------------------------------|-------------------------------------|----------------------------|-------------------|---------|
|                                             | General Fund            | MDOT Project Major Special Rev Fund | Home Program Major Special Rev Fund | Non-Major Special Rev Fund | (Memorandum Only) |         |
|                                             |                         |                                     |                                     |                            | 9/30/22           | 9/30/21 |
| <b>RECEIPTS</b>                             |                         |                                     |                                     |                            |                   |         |
| Licenses and permits                        |                         |                                     |                                     |                            |                   |         |
| Franchise charges - utilities               | \$ 6,314                |                                     |                                     |                            | 6,314             | 3,863   |
| Intergovernmental Revenues                  |                         |                                     |                                     |                            |                   |         |
| Home Grant                                  |                         |                                     | 124,315                             |                            | 124,315           | 286,750 |
| Communities Service Grant                   |                         |                                     |                                     | 3,000                      | 3,000             | 5,000   |
| ARPA Grant                                  | 5,782                   |                                     |                                     |                            | 5,782             | 5,782   |
| General Municipal Aid                       | 154                     |                                     |                                     |                            | 154               | 154     |
| State Shared Revenues                       |                         |                                     |                                     |                            |                   |         |
| MDOT Project                                |                         | 265,882                             |                                     |                            | 265,882           |         |
| Sales taxes                                 | 11,824                  |                                     |                                     |                            | 11,824            | 18,358  |
| Gasoline tax                                | 716                     |                                     |                                     |                            | 716               | 911     |
| Fire insurance premium distribution         |                         |                                     |                                     | 2,983                      | 2,983             | 0       |
| In Lieu Taxes - Grand Gulf                  | 2,115                   |                                     |                                     |                            | 2,115             | 2,049   |
| Liquor privilege tax                        |                         |                                     |                                     |                            |                   | 900     |
| Miscellaneous Receipts - Rent City Hall     | 100                     |                                     |                                     |                            | 100               | 150     |
| Total Receipts                              | 27,005                  | 265,882                             | 124,315                             | 5,983                      | 423,185           | 323,917 |
| <b>DISBURSEMENTS</b>                        |                         |                                     |                                     |                            |                   |         |
| General Government                          | 20,308                  |                                     |                                     |                            | 20,308            | 16,761  |
| Public Works                                |                         | 265,882                             |                                     |                            | 265,882           | 0       |
| Economic Development                        |                         |                                     | 124,315                             | 8,021                      | 132,336           | 286,750 |
| Total disbursements                         | 20,308                  | 265,882                             | 124,315                             | 8,021                      | 418,526           | 303,511 |
| Excess of receipts over disbursements       | 6,697                   | 0                                   | 0                                   | (2,038)                    | 4,659             | 20,406  |
| <b>OTHER FINANCING SOURCES(USES)</b>        |                         |                                     |                                     |                            |                   |         |
| Transfers In                                | 1,525                   |                                     |                                     | 5,021                      | 6,546             | 0       |
| Transfers Out                               | (5,021)                 |                                     |                                     | (1,525)                    | (6,546)           | 0       |
| Total Other Financing Sources and Uses      | (3,496)                 | 0                                   | 0                                   | 3,496                      | 0                 | 0       |
| Net Change in Fund Balances                 | 3,201                   | 0                                   | 0                                   | 1,458                      | 4,659             | 20,406  |
| CASH BASIS FUND BALANCE - BEGINNING OF YEAR | 84,426                  | 0                                   | 30                                  | 9,642                      | 94,098            | 73,692  |
| CASH BASIS FUND BALANCE - END OF YEAR       | \$ 87,627               | 0                                   | 30                                  | 11,100                     | 98,757            | 94,098  |

See accountants compilation report.

**TOWN OF SCHLATER, MISSISSIPPI**  
**SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS**  
**SEPTEMBER 30, 2022**

| <u>NAME</u>         | <u>POSITION</u> | <u>COMPANY</u>                   | <u>BOND</u> |
|---------------------|-----------------|----------------------------------|-------------|
| Jason Colquett      | Mayor           | Fidelity & Deposit Company of MD | \$ 25,000   |
| Nancy Walker        | Town Clerk      | Fidelity & Deposit Company of MD | \$ 50,000   |
| Lark Brown          | Alderman        | Travelers Casualty & Surety Co.  | \$ 25,000   |
| Lola Brown          | Alderman        | Travelers Casualty & Surety Co.  | \$ 25,000   |
| Ronald Arvis Counts | Alderman        | Travelers Casualty & Surety Co.  | \$ 25,000   |
| Vanessa Holmes      | Alderman        | Travelers Casualty & Surety Co.  | \$ 25,000   |

See Accompanying accountant's compilation report.



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REPORT ON COMPLIANCE
WITH
STATEW LAWS AND REGULATIONS

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

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

We have performed procedures to test compliance with certain state laws and regulations as described in the Municipal Compliance Questionnaire that is prescribed by the Office of State Auditor. 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 compilation of the accompanying Statement of Cash Receipts and Disbursements – Governmental Activities and Surety Bonds for the Town Officials of the Town of Schlater, Mississippi, for the year ended September 30, 2022, disclosed one instances of noncompliance with state laws and regulations. The Town of Schlater did not hold a public hearing and publish its adopted budget as required by Miss. Code Ann. (2020) Sections 21-35-5, 27-39-203 and 27-39-205.

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



BFMW Group, PLLC
September 18, 2023