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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 STONEWALL, MISSISSIPPI

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
AND ACCOUNTANTS' COMPILATION REPORT**

For the Fiscal Year Ended September 30, 2022

TOWN OF STONEWALL, MISSISSIPPI

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Honorable Mayor and Members of the Board of Aldermen
Town of Stonewall, Mississippi

We have performed the procedures enumerated below on cash, ad valorem taxes, state receipts, disbursements, court assessments and the municipal compliance questionnaire of the Town of Stonewall, Mississippi as of September 30, 2022, and for the year then ended. The Town of Stonewall, Mississippi's management is responsible for cash, ad valorem taxes, state receipts, disbursements, court assessments and the municipal compliance questionnaire.

The Town of Stonewall, Mississippi has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of compliance with requirements of the Office of the State Auditor under the provisions of Section 21-35-31, Miss. Code Ann. (1972). This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

1. We obtained cash reconciliations prepared by the municipal clerk and performed procedures to determine that the following bank balances reconcile to the respective general ledger accounts and confirmed the related bank balances with the bank:

Bank	Fund	Balance per General Ledger
BankPlus	General Fund	\$ 186,506
BankPlus	General Fund	97,136
BankPlus	General Fund	26,203
BankPlus	General Fund	4,800
Total General Fund		<u>\$ 314,645</u>
BankPlus	American Rescue Plan Fund	<u>\$ 127,861</u>
BankPlus	Grant Fund	\$ 1,943
BankPlus	Grant Fund	1,273
BankPlus	Grant Fund	16,122
BankPlus	Grant Fund	4,529
Total Grant Fund		<u>\$ 23,867</u>

BankPlus	Fire Protection Fund	\$ 19,201
BankPlus	Economic Development Fund	\$ 53,913
BankPlus	Modernization Use Tax Fund	\$ 47,675
BankPlus	Water & Sewer Fund	\$ 48,879
BankPlus	Water & Sewer Fund	29,360
Total Water and Sewer Fund		\$ 78,239
BankPlus	Sanitation Fund	\$ 67,129

Cash reconciliations prepared by the municipal clerk for the above bank accounts reconcile to the respective general ledger accounts.

2. We performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:
 - a. Traced 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 compliance with increase limitations of Section 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

The levies were found to be properly approved by the board of alderman.

The distribution of taxes to funds was found to be in accordance with prescribed tax levies.

Ad valorem tax collections were found to have not exceeded the limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

3. We obtained a statement of payments from the Department of Finance and Administration for the municipality and traced payments to deposit in the respective bank accounts and posting in the general ledger. Payments are as follows:

Payment Purpose	Receiving Fund	Balance Per General Ledger
Sales Tax Allocation	General Fund	\$ 61,545
Municipal Aid	General Fund	542
Gasoline Taxes	General Fund	2,757
Homestead Exemption	General Fund	21,146
JAG Grant	General Fund	3,750
American Rescue Plan	American Rescue Plan Fund	119,850
Fire Protection Allocation	Other Governmental Fund	11,110
Modernization Use Tax	Other Governmental Fund	54,664
CDBG Grant	Water & Sewer Fund	359,761
		\$ 635,125

All payments were found to be deposited into the respective bank accounts and posted in the general ledger.

4. 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, Miss. Code Ann. (1972), as applicable.

The sample consisted of the following:

Number of Sample Items: 25

Total Dollar Value of Sample: \$136,010.95

We found that the municipality's purchasing procedures as it related to the sampled purchases to be in compliance with purchasing requirements set forth in Title 31, Chapter 7, Miss. Code Ann. (1972).

5. We also selected a sample of state-imposed court assessments collected to determine that the municipal clerk had settled monthly with the Department of Finance and Administration.

We found that the municipality appears to have settled monthly as required by state statute.

6. We have read the Municipal Compliance Questionnaire completed by the municipality and performed a survey to test its compliance with state requirements.

Our completed survey indicated no instances of noncompliance with state requirements.

We also examined surety bonds and determined all officials were appropriately bonded for the fiscal year.

We were engaged by the Town of Stonewall, Mississippi to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on cash, ad valorem taxes, state receipts, disbursements, court assessments and the municipal compliance questionnaire. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Town of Stonewall, Mississippi and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Town of Stonewall, Mississippi and the Office of the State Auditor of Mississippi and is not intended to be and should not be used by anyone other than those specified parties.

Handwritten signature of Stephen D. Myrick in black ink.

Stephen D. Myrick, C.P.A., L.L.C.

July 28, 2023

Quitman, Mississippi

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ACCOUNTANTS' COMPILATION REPORT

Honorable Mayor and Members of the Board of Aldermen
Town of Stonewall, Mississippi

Management is responsible for the accompanying combined statement of cash receipts and disbursements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Stonewall, Mississippi, as of and 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 a 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 combined statement of cash receipts and disbursements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on this financial statement.

The combined statement of cash receipts and disbursements of the governmental activities, the business-type activities, the major fund, and the aggregate remaining fund information 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 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 statements, they might influence the user's conclusions about the Town's receipts and disbursements. Accordingly, the financial statement is not designed for those who are not informed about such matters.

The supplementary information contained on pages 7 through 9 is presented for purposes of additional analysis and is not a required part of the financial statement. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.



Stephen D. Myrick, C.P.A., L.L.C.
July 28, 2023
Quitman, Mississippi

TOWN OF STONEWALL, MISSISSIPPI
COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Governmental Activities				Business-type Activities		
	Major Funds		Other Governmental Funds	Total	Major Funds		Total
	General Fund	American Rescue Plan Fund			Water and Sewer Fund	Sanitation Fund	
Receipts							
Taxes:							
General Property Taxes	\$ 267,665	\$ -	\$ -	\$ 267,665	\$ -	\$ -	\$ -
Other Taxes	2,905	-	-	2,905	-	-	-
Licenses and Permits:							
Privilege Licenses	1,151	-	-	1,151	-	-	-
Franchise Charges - Utilities	44,231	-	-	44,231	-	-	-
Intergovernmental Receipts:							
Federal Receipts:							
JAG Grant	3,750	-	-	3,750	-	-	-
CDBG Grant	-	-	-	-	359,761	-	359,761
American Rescue Plan	-	119,850	-	119,850	-	-	-
State-shared Receipts:							
Municipal Aid	542	-	-	542	-	-	-
Sales Tax	61,545	-	-	61,545	-	-	-
Gasoline Tax	2,757	-	-	2,757	-	-	-
Homestead Exemption	21,146	-	-	21,146	-	-	-
Fire Protection Allocation	-	-	11,110	11,110	-	-	-
Modernization Use Tax	-	-	54,664	54,664	-	-	-
Local-shared Receipts:							
Pro Rata County Road Tax	29,694	-	-	29,694	-	-	-
Other County Ad Valorem	1,821	-	-	1,821	-	-	-
Fire Runs	12,590	-	-	12,590	-	-	-
Charges for Services:							
Water Utility Service Fees	-	-	-	-	269,492	-	269,492
Sanitation	-	-	-	-	-	67,549	67,549
Fines and Forfeitures	14,991	-	-	14,991	-	-	-
Interest Earnings	282	73	99	454	53	48	101
Rental of Facilities	1,037	-	12,500	13,537	-	-	-
Cemetery Plot Sales	3,500	-	-	3,500	-	-	-
Miscellaneous Receipts	2,351	-	-	2,351	297	-	297
Total Receipts	471,958	119,923	78,373	670,254	629,603	67,597	697,200
Disbursements							
General Government (Executive & Financial)	144,060	-	-	144,060	-	-	-
Public Safety:							
Police	131,045	-	-	131,045	-	-	-
Fire	14,724	-	-	14,724	-	-	-
Highways and Streets	165,897	-	50,552	216,449	-	-	-
Health and Welfare	1,200	-	-	1,200	-	-	-
Culture and Recreation:							
Parks	5,079	-	-	5,079	-	-	-
Libraries	10,000	-	-	10,000	-	-	-
Conservation of Natural Resources	-	111,937	-	111,937	-	-	-
Economic Development	-	-	475	475	-	-	-
Enterprises:							
Water and Sewer Utility	-	-	-	-	203,659	-	203,659
Sanitation Utility	-	-	-	-	-	66,917	66,917
Redemption of Principal	4,491	-	-	4,491	32,741	-	32,741
Debt Service Interest	1,077	-	-	1,077	1,587	-	1,587
Capital Outlay	9,500	-	1,828	11,328	360,320	-	360,320
Total Disbursements	487,073	111,937	52,855	651,865	598,307	66,917	665,224
Excess (Deficiency) of Receipts over Disbursements	(15,115)	7,986	25,518	18,389	31,296	680	31,976
Cash Basis Fund Balance - Beginning of Year	329,760	119,875	119,138	568,773	46,943	66,449	113,392
Cash Basis Fund Balance - End of Year	\$ 314,645	\$ 127,861	\$ 144,656	\$ 587,162	\$ 78,239	\$ 67,129	\$ 145,368

See Accountants' Compilation Report.

SUPPLEMENTARY INFORMATION

TOWN OF STONEWALL, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS
SEPTEMBER 30, 2022

Name	Position	Company	Bond
Jerry L Rich	Mayor	Old Republic Surety Company	\$ 50,000
Glynis D Banes	Town Clerk	Old Republic Surety Company	50,000
Kent Stephens	Chief of Police	NGM Insurance Company	50,000
Pamela Tew	Court Clerk	NGM Insurance Company	50,000
Benjamin M Fleming	Alderman	RLI Insurance Company	50,000
Kimberley Street	Alderman	RLI Insurance Company	50,000
Richard Smith	Alderman	Old Republic Surety Company	50,000
Shanna Starks	Alderman	NGM Insurance Company	50,000
Ricky Carpenter	Alderman	RLI Insurance Company	50,000

TOWN OF STONEWALL, MISSISSIPPI
SCHEDULE OF CHANGES IN LONG-TERM DEBT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

Definition and Purpose	Balance Outstanding 10/1/2021	Transactions During Fiscal Year		Balance Outstanding 9/30/2022
		Issued	Redeemed	
Capital Leases:				
2019 Dodge Charger	\$ 16,786	\$ -	\$ 4,491	\$ 12,295
Financed Purchases:				
550 Water Meters	49,636	-	32,741	16,895
Total	<u>\$ 66,422</u>	<u>\$ -</u>	<u>\$ 37,232</u>	<u>\$ 29,190</u>

**TOWN OF STONEWALL, MISSISSIPPI
SOLID WASTE MANAGEMENT SERVICES SCHEDULE
FULL COST ACCOUNTING
SUMMARY OF COSTS REPORT
SEPTEMBER 30, 2022**

Revenue:

Garbage Fees	\$	66,538	
Interest Income		<u>48</u>	
Total Revenue			66,586

Expenses:

Contractual Services		<u>66,917</u>	
Total Expenses			<u>66,917</u>

Excess (Deficiency) of Revenue Over Expenses	\$	<u><u>(331)</u></u>
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Number of Users		<u><u>437</u></u>
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Average Annual Cost Per User	\$	<u><u>153.13</u></u>
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ACCOUNTANTS' REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

Honorable Mayor and Members of the Board of Aldermen
Town of Stonewall, Mississippi

We have compiled the combined statement of cash receipts and disbursements of the Town of Stonewall, Mississippi, as of and for the year ended September 30, 2022, and performed certain other agreed-upon procedures as required by the Office of the State Auditor of Mississippi and have issued our report dated July 28, 2023.

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. However, providing an opinion on compliance with state laws and regulations was not an objective of our compilation and, accordingly, we do not express such an opinion.

The results of those agreed-upon procedures and our compilation of the statement of cash receipts and disbursements disclosed no material instances of noncompliance with state laws and regulations.

This report is intended for the information of the Town's management and the Office of the State Auditor of Mississippi 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.



Stephen D. Myrick, C.P.A., L.L.C.
July 28, 2023
Quitman, Mississippi