

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 BOLTON, MISSISSIPPI

**Financial Statement and
Supplemental Information
(Unaudited - A Compilation)**

For the Year Ended September 30, 2023

TOWN OF BOLTON, MISSISSIPPI
FINANCIAL STATEMENT AND SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2023

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BROWN, EWING & CO.
P.A.
CERTIFIED PUBLIC ACCOUNTANTS

ACCOUNTANT'S COMPILATION REPORT

Honorable Mayor and Board of Alderpersons
Town of Bolton, Mississippi

Management is responsible for the combined statement of cash receipts and disbursements for each fund of the Town of Bolton for the year ended September 30, 2023, and the accompanying supplementary information contained in Schedules 1, which is presented only for supplementary analysis purposes. 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 accompanying statement of cash receipts and disbursements and supplementary information 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 the combined statement of cash receipts and disbursements.

The financial statements are 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 not presented government-wide financial statements to display the cash basis financial position and changes in cash position and changes in cash basis financial position of its governmental activities and business-type activities. Accounting principles generally accepted in the United States of America, as applied to the Town's cash basis of accounting, require the presentation of government-wide financial statements.

Management also has not presented the management's discussion and analysis information that the Governmental Accounting Standards Board has determined is required to supplement, although not required to be a part of, the basic financial statements.

In accordance with the provisions of 21-35-31, Miss. code Ann. (1972), we have issued a report dated January 23, 2024, on the results of our agreed-upon procedures.

Brown, Ewing & Co.
January 23, 2024
Ridgeland, Mississippi

TOWN OF BOLTON, MISSISSIPPI
Combined Statement of Cash Receipts
and Disbursements (All Funds)
For the Year Ended September 30, 2023

	<u>Governmental Funds</u>			Total Memo Only 2023
	<u>General</u>	<u>Special Revenue</u>	<u>Proprietary Funds</u>	
Cash Receipts:				
General property taxes	\$ 288,624	-	-	\$ 288,624
Licenses and permits	11,018	-	-	11,018
State grants, including pass through	100,000	-	-	100,000
Federal grants	-	-	61,943	61,943
State shared revenues:				
Municipal aid	220	-	-	220
Sales tax	205,768	-	-	205,768
Gasoline tax	1,158	-	-	1,158
Severance tax	9,617	-	-	9,617
Fire insurance premium tax	8,468	-	-	8,468
Other				
Franchise tax	16,606	-	-	16,606
Nuclear plant	5,793	-	-	5,793
Fines and bonds	6,000	-	-	6,000
Interest income	48	-	-	48
Miscellaneous	6,557	-	-	6,557
Charges for services:				
Water and sewer	-	-	112,212	112,212
Garbage fees	<u>29,802</u>	<u>-</u>	<u>-</u>	<u>29,802</u>
Total revenue receipts	<u>689,679</u>	<u>-</u>	<u>174,155</u>	<u>863,834</u>
Other receipts:				
Miscellaneous	-	-	3,068	3,068
Interfund loans and transfers	<u>29,137</u>	<u>-</u>	<u>-</u>	<u>29,137</u>
Total other receipts	<u>29,137</u>	<u>-</u>	<u>3,068</u>	<u>32,205</u>
Total receipts	<u>\$ 718,816</u>	<u>-</u>	<u>177,223</u>	<u>\$ 896,039</u>

See Accountant's Compilation Report and Accompanying Notes.

TOWN OF BOLTON, MISSISSIPPI
Combined Statement of Cash Receipts
and Disbursements (All Funds) - Continued
For the Year Ended September 30, 2023

	<u>Governmental Funds</u>			Total Memo Only 2023
	<u>General</u>	<u>Special Revenue</u>	<u>Proprietary Funds</u>	
Disbursements:				
General government				
Executive and financial	\$ 227,829	-	-	\$ 227,829
Judicial	9,964	-	-	9,964
Public safety:				
Police	172,775	-	-	172,775
Fire	5,185	-	-	5,185
Highways and streets:				
Streets	47,568	-	-	47,568
Enterprise:				
Water and sewer	-	-	141,152	141,152
Garbage	-	-	9,473	9,473
Total operating disbursements	<u>463,321</u>	<u>-</u>	<u>150,625</u>	<u>613,946</u>
Other Financing Sources (Uses)				
Capital outlay	52,333	-	-	52,333
Interfund loans and transfers	<u>-</u>	<u>-</u>	<u>7,339</u>	<u>7,339</u>
Total other financing sources (uses)	<u>52,333</u>	<u>-</u>	<u>7,339</u>	<u>59,672</u>
Total disbursements	<u>515,654</u>	<u>-</u>	<u>157,964</u>	<u>673,618</u>
Excess (Deficiency) of receipts and other financing sources over disbursements and other financing uses	203,162	-	19,259	222,421
Cash Basis Fund Balance - Beginning of Year	<u>360,911</u>	<u>130,531</u>	<u>302,497</u>	<u>793,939</u>
Cash Basis Fund Balance - End	<u>\$ 564,073</u>	<u>130,531</u>	<u>321,756</u>	<u>\$ 1,016,360</u>

See Accountant's Compilation Report and Accompanying Notes.

TOWN OF BOLTON, MISSISSIPPI
Notes to the Financial Statements
September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Bolton, (the Town) have been prepared in conformity with the cash basis of accounting. Consequently, certain revenues are recognized when received rather than when earned and certain expenses and requisition of assets are recognized when cash is disbursed rather than when the obligation is incurred. The Town's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary funds and similar component units apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The Town does not apply FASB pronouncements issued after November 30, 1989. The more significant of the government's accounting policies are described below.

A. Reporting Entity

The financial statements of the Town consists of all the funds of the Town.

B. Fund Accounting

The financial statement consist of all the funds of the Town of Bolton: General Fund, Special Revenue Funds, and the Enterprise Funds.

The accounts of the Town of Bolton are organized on the basis of funds, each of which is considered a separate accounting entity.

GOVERNMENTAL FUNDS

General Fund: The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund: The Special Revenue Funds are used to account for the proceeds of special revenue sources that are legally restricted for specific expenditure purposes. The Special Revenue Fund in this financial statement is used to account for receipts and disbursements of the Town's restricted resources.

PROPRIETARY FUNDS

Enterprise Fund: The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the cost and expenses of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges. The Town's Water and Sewer Fund is included in this category.

TOWN OF BOLTON, MISSISSIPPI
Notes to the Financial Statements (Continued)
September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MAJOR FUNDS

For fiscal year 2023, the Town reports the following major funds:

General Fund - reports as the primary fund of the Town. This fund is used to account for all financial resources not reported in other funds.

Special Revenue Fund - accounts for funds required by law to be accounted for within a separate fund that does not fall within any other fund groups.

Water and Sewer Fund - accounts for the operating activities of the Town's water and sewer utility services.

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

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.

D. Total Columns on Combined Statement

The total column on the Combined Statement of Cash Receipts and Disbursements is captioned Memorandum Only to indicate that it is presented only to facilitate analysis. Data in this column is not meant to present fairly the cash receipts and disbursements of consolidated financial information for the Town as a whole in conformity with the cash basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles.

E. Cash and Cash Equivalents

The Town deposits excess funds in the financial institutions selected by the Board. State statutes specify how these depositories are to be selected.

Cash and cash equivalents consist of amounts on deposit in demand accounts and certificates of deposits with maturities greater than 12 months when acquired.

F. Investments

The Town can invest its excess funds, as permitted by Section 29-3-113, Miss. Code Ann. (1972), in interest-bearing deposits or other obligations of the types described in Section 27-105-33, Miss. Code Ann. (1972), or in any other type investment in which any other agency, instrumentality or subdivision of the State of Mississippi may invest, except that 100% of said funds are authorized to be so invested.

TOWN OF BOLTON, MISSISSIPPI
Notes to the Financial Statements (Continued)
September 30, 2023

NOTE 2 - REPORT CLASSIFICATIONS

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

NOTE 3 - PROPERTY TAX

Property taxes attached as an enforceable lien on property January 1. The millage rate for the Town for the fiscal year ended September 30, 2023 was 33.00 mills for general purposes.

NOTE 4 - BUDGET POLICY

- ♦ The Town follows these procedures in establishing the budgetary data reflected in the financial statements:
- ♦ Prior to September 30, the Town Clerk submits to the Mayor and Alderpersons a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenses and expenditures and the means of financing them.
- ♦ Public notice is given of the Town's budget meetings being open to the public, so that a public hearing is conducted on the budget.
- ♦ The budget as submitted is reviewed by the Mayor and Alderpersons and necessary revisions are made to the budget. Then, the budget is approved prior to September 15.
- ♦ The Budget is formally revised during July of each year or anytime a deficit is indicated.
- ♦ Budgetary comparisons are employed by management as a management control device during the year for all funds.
- ♦ Appropriations lapse at the end of each fiscal year.

Mississippi laws require that municipalities budget on a modified-cash basis. Claims that have been incurred prior to the end of the year and that are paid within 30 days are recorded under the accrual basis. Prior year claims that are paid after 30 days revert to the cash basis. All revenue is accounted for under the cash basis. The required budgetary basis is therefore not considered a generally accepted accounting principle. Governmental accounting requires that the "budget to actual" statements be prepared according to budgetary laws. The major reconciling items between the budgetary and cash basis presentations are presented on the "budget to actual" statements.

NOTE 5 - CASH AND CASH EQUIVALENTS

The collateral for public entities, deposits in financial institutions is now 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, Mississippi Code Ann. (1972). Under this program, the entity'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.

TOWN OF BOLTON, MISSISSIPPI
Notes to the Financial Statements (Continued)
September 30, 2023

NOTE 5 - CASH AND CASH EQUIVALENTS (Continued)

The carrying amount of the Town's deposits with financial institutions in the governmental activities and the business-type activities funds was \$694,604 and \$321,756, respectively. The bank balance was \$1,017,809.

Custodial Credit Risk - Deposits. 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 institutions trust department or agent in the name of the Mississippi State Treasurer on behalf of the Town. As of September 30, 2023, none of the Town's bank balance of \$1,017,809 was exposed to custodial credit risk.

Interest Rate Risk. The Town does not have a formal investment policy that limits investment 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.

NOTE 6 - CAPITAL OUTLAY DISBURSEMENTS

The Town of Bolton did had capital outlay disbursements in the amount of \$52,333 during the fiscal year.

NOTE 7 - FEDERAL/STATE GRANTS

- ◆ During the fiscal year ended September 30, 2023, the Town received federal grant and state grant funds in the amount of \$52,333 but did not incurred any grant expenditures. The grant funds and expenditures are listed below.

◆

Funding Source	Federal Assistance Listing Number	Grant Program	Federal/State Grant Revenues	Federal/State Grant Expenditures
MS Dept. of Public Safety	N/A	Bail Bond	\$ 6,000	\$ 6,000
MS Dept. of Finance	N/A	State Infrastructure Grant	100,000	-
MS Dept. of Revenue	N/A	Modernization Grant	61,942	-
			<u>\$ 167,942</u>	<u>\$ 6,000</u>

- ◆ A single audit in accordance with the Uniform Guidance was not required for the year ended September 30, 2023.

NOTE 8 - SUBSEQUENT EVENTS

Events that occur after the Statement of Financial Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the balance sheet date are recognized in the accompanying statement of cash receipts and disbursements. Subsequent events which provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes.

TOWN OF BOLTON, MISSISSIPPI
Notes to the Financial Statements (Continued)
September 30, 2023

NOTE 8 - SUBSEQUENT EVENT (Continued)

Management of Town of Bolton evaluated the activity of the Town through January 23, 2024, which is the date the financial statements are available to be issued.

NOTE 9 - COVID-19 FINANCIAL STATEMENT IMPACTS

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. The extent of the impact of COVID-19 on the Town's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the Town's, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Town's net position and changes in net assets/fund balance and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

SCHEDULE 1

TOWN OF BOLTON, MISSISSIPPI
Schedule of Surety Bonds for Municipal Officials
For the Year Ended September 30, 2023

<u>Name</u>	<u>Position</u>	<u>Bonding Company</u>	<u>Bond Amount</u>
Lawrence Butler	Mayor	Travelers	\$ 50,000
Alberta Gibbs	Alderwoman at Large	Travelers	50,000
Douglas Beard	Alderman ward 1	Travelers	50,000
Helen Harris	Alderwoman ward 2	Travelers	50,000
Shirley Mason	Alderwoman ward 3	Travelers	50,000
Vera Powell	Alderwoman ward 4	Travelers	50,000
Letitia Henry	City Clerk	Travelers	50,000
Letitia Henry	Court Clerk	Travelers	50,000
Michael Williams	Police Chief	Travelers	50,000

TOWN OF BOLTON, MISSISSIPPI
Agreed Upon Procedures
Year Ended September 30, 2023



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

Mayor and Alderpersons
Town of Bolton and
Office of the State Auditor
Bolton, 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 Bolton, Mississippi, solely to assist the Office of the State Auditor in evaluating the Town of Bolton, Mississippi's compliance with certain laws and regulations as of September 30, 2023, and for the year then ended. Management is responsible for the Town of Bolton, Mississippi's compliance with those requirements. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and under the provisions of Section 21-35-31, Miss. Code Ann. (1972) as required the Office of the State Auditors. 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 were able to reconcile 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: The Town did complete the Public Depositor Annual Report.

Bank	Fund	Balance per General Ledger
Merchants and Planters Bank	General Fund Operating	\$ 344,598
Merchants and Planters Bank	General Fund Savings	93,178
Merchants and Planters Bank	Volunteer Fire Department	681
Merchants and Planters Bank	Fire Protection Savings	25,616
Merchants and Planters Bank	2023 Infrastructure Bond	<u>100,000</u>
	Total General Fund	<u>\$ 564,073</u>
Merchants and Planters Bank	American Rescue Plan Act	<u>\$ 130,531</u>
	Total Special Revenue Fund	<u>\$ 130,531</u>

<u>Bank</u>	<u>Fund</u>	<u>Balance per General Ledger</u>
Merchants and Planters Bank	Water Works Fund	\$ <u>321,756</u>
	Total Proprietary Fund	\$ <u>321,756</u>

2. The Town did not own any investments at September 30, 2023.
3. 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 the most recent period for compliance 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 the prescribed tax levies.

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

Ad valorem tax collections for the retirement of general obligation debt was found to be sufficient for payment of current principal and interest in accordance with limitations imposed by Sections 21-33-87 and 21-33-87 and 21-33-303, Miss Code Ann. (1972).

4. We obtained a statement of payments made by the State of Mississippi Department of Finance and Administration to the municipality. Payments indicated below were traced to the 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>Balance per General Ledger</u>
General Municipal Aid	General	\$ 220
Gasoline Tax	General	1,158
Homestead Exemption Reimbursements	General	8,810
Sales Tax Allocation	General	205,768
Nuclear Plant	General	5,793
Modernization Grant	Water Works	61,943
State of Mississippi Bail Bonds	General	6,000
Fire Protection	General	8,468
State of Mississippi Bond Funds	General	100,000
Total		\$ <u>398,160</u>

5. A sample of purchases made by the municipality during the fiscal year were selected for purchases fell within the dollar range amount required for testing.

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:

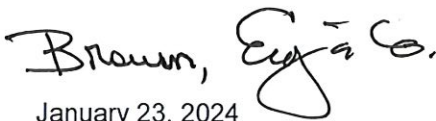
Number of Sample items	3
Total dollar values of sample	\$ 52,333

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

6. We also noted that checks are signed by the Town Clerk and the Mayor. The Town Clerk receives the bank statements and the reconciles of the bank accounts are performed by a contracted accountant.
7. We were unable to select a sample of collection of fines and forfeitures because records were not available or incomplete. We also were unable to select a sample of state-imposed court assessments collected because records were incomplete. We also found that the municipal clerk did not settle court assessments monthly with the Department of Finance and Administration.
8. The Town did prepare the Municipal Compliance Questionnaire as required by State of MS.

We were not engaged to, and did not conduct 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 Town of Bolton and the Office of the State Auditors, 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 not intended to be and should not be used by anyone other than those specified parties.



January 23, 2024
Ridgeland, Mississippi