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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, 2023

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, 2023, 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	\$ 271,333
BankPlus	General Fund	97,438
BankPlus	General Fund	26,302
BankPlus	General Fund	4,844
Total General Fund		<u>\$ 399,917</u>
BankPlus	Economic Development Fund	<u>\$ 70,624</u>
BankPlus	American Rescue Plan Fund	<u>\$ 84,239</u>
BankPlus	Modernization Use Tax Fund	<u>\$ 88,751</u>

Bank	Fund	Balance per General Ledger
BankPlus	Grant Fund	\$ 1,949
BankPlus	Grant Fund	1,277
BankPlus	Grant Fund	16,172
BankPlus	Grant Fund	4,543
Total Grant Fund		<u>\$ 23,941</u>
BankPlus	Fire Protection Fund	<u>\$ 19,261</u>
BankPlus	Water & Sewer Fund	\$ 60,741
BankPlus	Water & Sewer Fund	28,473
Total Water and Sewer Fund		<u>\$ 89,214</u>
BankPlus	Sanitation Fund	<u>\$ 71,364</u>

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
JAG Grant	General Fund	\$ 3,728
Sales Tax Allocation	General Fund	61,190
Municipal Aid	General Fund	439
Gasoline Taxes	General Fund	2,692
Homestead Exemption	General Fund	23,722
Premium Office Pay	General Fund	2,000
Modernization Use Tax	Modernization Use Tax Fund	65,541
CDBG Grant	Water & Sewer Fund	45,500
		<u>\$ 204,812</u>

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: \$46,819.79

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, followed by the text "CPA LLC".

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

Quitman, Mississippi

April 12, 2024

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

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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, 2023, 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 the financial statement.

The combined statement of cash receipts and disbursements of the governmental activities, the business-type activities, each 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.
Quitman, Mississippi
April 12, 2024

TOWN OF STONEWALL, MISSISSIPPI
COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Governmental Activities						Business-type Activities		
	Major Funds					Total	Major Funds		Total
	General Fund	Economic Development Fund	American Rescue Plan Fund	Modernization Use Tax Fund	Other Governmental Funds		Water and Sewer Fund	Sanitation Fund	
Receipts									
Taxes:									
General Property Taxes	\$ 332,620	\$ -	\$ -	\$ -	\$ -	\$ 332,620	\$ -	\$ -	\$ -
Other Taxes	2,950	-	-	-	-	2,950	-	-	-
Licenses and Permits:									
Privilege Licenses	1,096	-	-	-	-	1,096	-	-	-
Franchise Charges - Utilities	44,909	-	-	-	-	44,909	-	-	-
Intergovernmental Receipts:									
Federal Receipts:									
JAG Grant	3,728	-	-	-	-	3,728	-	-	-
CDBG Grant	-	-	-	-	-	-	45,500	-	45,500
State-shared Receipts:									
Municipal Aid	439	-	-	-	-	439	-	-	-
Sales Tax	61,190	-	-	-	-	61,190	-	-	-
Gasoline Tax	2,692	-	-	-	-	2,692	-	-	-
Homestead Exemption	23,722	-	-	-	-	23,722	-	-	-
Premium Officer Pay	2,000	-	-	-	-	2,000	-	-	-
Forestry Grant	8,992	-	-	-	-	8,992	-	-	-
Modernization Use Tax	-	-	-	65,541	-	65,541	-	-	-
Local-shared Receipts:									
Pro Rata County Road Tax	36,701	-	-	-	-	36,701	-	-	-
Other County Ad Valorem	1,900	-	-	-	-	1,900	-	-	-
Fire Runs	15,559	-	-	-	-	15,559	-	-	-
Charges for Services:									
Water Utility Service Fees	-	-	-	-	-	-	263,761	-	263,761
Sanitation	-	-	-	-	-	-	-	69,305	69,305
Fines and Forfeitures	19,025	-	-	-	-	19,025	-	-	-
Interest Earnings	1,233	211	277	249	134	2,104	268	202	470
Rental of Facilities	2,000	16,500	-	-	-	18,500	-	-	-
Cemetery Plot Sales	1,500	-	-	-	-	1,500	-	-	-
Miscellaneous Receipts	9,064	-	-	-	-	9,064	-	-	-
Total Receipts	571,320	16,711	277	65,790	134	654,232	309,529	69,507	379,036
Disbursements									
General Government									
(Executive & Financial)	134,942	-	-	-	-	134,942	-	-	-
Public Safety:									
Police	150,353	-	-	-	-	150,353	-	-	-
Fire	5,933	-	-	-	-	5,933	-	-	-
Highways and Streets	160,154	-	-	24,714	-	184,868	-	-	-
Health and Welfare	1,200	-	-	-	-	1,200	-	-	-
Culture and Recreation:									
Parks	5,350	-	-	-	-	5,350	-	-	-
Libraries	10,000	-	-	-	-	10,000	-	-	-
Conservation of Natural Resources	-	-	43,899	-	-	43,899	-	-	-
Enterprises:									
Water and Sewer Utility	-	-	-	-	-	-	235,618	-	235,618
Sanitation Utility	-	-	-	-	-	-	-	65,272	65,272
Redemption of Principal	4,830	-	-	-	-	4,830	16,895	-	16,895
Debt Service Interest	738	-	-	-	-	738	269	-	269
Capital Outlay	12,548	-	-	-	-	12,548	45,772	-	45,772
Total Disbursements	486,048	-	43,899	24,714	-	554,661	298,554	65,272	363,826
Excess (Deficiency) of Receipt Over / (Under) Disbursements	85,272	16,711	(43,622)	41,076	134	99,571	10,975	4,235	15,210
Cash Basis Fund Balance - Beginning of Year	314,645	53,913	127,861	47,675	43,068	587,162	78,239	67,129	145,368
Cash Basis Fund Balance - End of Year	\$ 399,917	\$ 70,624	\$ 84,239	\$ 88,751	\$ 43,202	\$ 686,733	\$ 89,214	\$ 71,364	\$ 160,578

See accountants' compilation report.

SUPPLEMENTARY INFORMATION

TOWN OF STONEWALL, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS
SEPTEMBER 30, 2023

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 / RLI Insurance Company	50,000
Pamela Tew	Court Clerk	NGM Insurance Company / RLI Insurance Company	50,000
Greg Mangum	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 / Old Republic Surety Company	50,000
Ricky Carpenter	Alderman	RLI Insurance Company	50,000

See accountants' compilation report.

TOWN OF STONEWALL, MISSISSIPPI
SCHEDULE OF CHANGES IN LONG-TERM DEBT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Definition and Purpose	Balance Outstanding 10/1/2021	Transactions During Fiscal Year		Balance Outstanding 9/30/2022
		Issued	Redeemed	
Capital Leases:				
2019 Dodge Charger	\$ 12,295	\$ -	\$ 4,830	\$ 7,465
Financed Purchases:				
550 Water Meters	16,895	-	16,895	-
Total	<u>\$ 29,190</u>	<u>\$ -</u>	<u>\$ 21,725</u>	<u>\$ 7,465</u>

See accountants' compilation report.

TOWN OF STONEWALL, MISSISSIPPI
SOLID WASTE MANAGEMENT SERVICES SCHEDULE
FULL COST ACCOUNTING
SUMMARY OF COSTS REPORT
SEPTEMBER 30, 2023

Revenue:

Garbage Fees	\$	69,558	
Interest Income		<u>201</u>	
Total Revenue			69,759

Expenses:

Contractual Services		<u>65,272</u>	
Total Expenses			<u>65,272</u>

Excess (Deficiency) of Revenue Over Expenses	\$	<u>4,487</u>
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Number of Users		<u>433</u>
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Average Annual Cost Per User	\$	<u>150.74</u>
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See accountants' compilation report.

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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, 2023, and performed certain other agreed-upon procedures as required by the Office of the State Auditor of Mississippi and have issued our report dated April 12, 2024.

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.
Quitman, Mississippi
April 12, 2024