

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 STATE LINE, MISSISSIPPI
AGREED-UPON PROCEDURES**

SEPTEMBER 30, 2021

TOWN OF STATE LINE, MISSISSIPPI

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Accountants' Report on Applying Agreed-Upon Procedures.....	1-3
Financial Statements	4
Accountants' Compilation Report	5-6
Statement of Cash Receipts and Disbursements Governmental and Business-type Activities	7-8
Schedule of Long-term Debt.....	9
Schedule of Surety Bonds for Town Officials	10
Report on Compliance with State Laws and Regulations.....	11-12

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Mayor and the Board of Aldermen
Town of State Line, 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 State Line, Mississippi, solely to assist the Office of the State Auditor to evaluate the Town of State Line, Mississippi's compliance with certain laws and regulations as of September 30, 2021, and for the year then ended. This agreed-upon procedures engagement was conducted 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. The Town did not complete the Public Depositor Annual Report.

<u>Bank</u>	<u>Fund</u>	<u>Balance per General Ledger</u>
First State Bank	General Fund	\$ <u>247,398</u>
Total General Fund		\$ <u><u>247,398</u></u>
First State Bank	Fire Protection Fund	\$ <u>14,111</u>
Total Fire Protection Fund		\$ <u><u>14,111</u></u>
First State Bank	Water & Sewer Fund	\$ <u>181,665</u>
Total Water Fund		\$ <u><u>181,665</u></u>

2. The Town did not own any other investments.
3. We obtained a list of payments made by the Department of Finance and Administration (DFA) to the municipality. Payments indicated were traced to 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>General Ledger Amount</u>
Gasoline Tax	General	\$ 1,730
Homestead Exemption	General	5,770
Sales Tax Allocation	General	110,681
Other Aid	General	103,450
Other Assistance	General	13,233
General Municipal Aid	General	282
Total		<u>\$ 235,146</u>

4. 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 Sample Items	9
Total Dollar Value of Sample	\$79,464

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

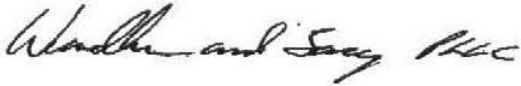
5. We selected a sample of collections of fines and forfeitures and verified that the municipal court clerk settled daily with the municipal clerk. We also selected a sample of state-imposed court assessments collected and determined that the municipal clerk had settled monthly with the Department of Finance and Administration.

We found the Town to be in agreement with the requirements of the abovementioned sections.

6. The Town did not prepare a Municipal Compliance Questionnaire.
7. 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 comparison with increase limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

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 State Line and 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 not intended to be and should not be used by anyone other than those specified parties.

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Windham and Lacey, PLLC
July 8, 2024

**TOWN OF STATE LINE, MISSISSIPPI
FINANCIAL STATEMENTS**

SEPTEMBER 30, 2021

Windham and Lacey, PLLC

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ACCOUNTANTS' COMPILATION REPORT

To the Mayor and the Board of Aldermen
Town of State Line, Mississippi

Management is responsible for the accompanying Statement of Cash Receipts and Disbursements – Governmental and Business-type Activities, of the Town of State Line, Mississippi, for the year ended September 30, 2021, 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 the disclosures ordinarily included in the 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.

The supplementary information contained in the Schedule of Long-term Debt and 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.

A handwritten signature in black ink, appearing to read "Windham and Lacey, PLLC". The signature is written in a cursive, flowing style.

Windham and Lacey, PLLC
July 8, 2024

TOWN OF STATE LINE
Statement of Cash Receipts and Disbursements
Governmental and Business-type Activities
For the Year Ended September 30, 2021

	Governmental Activities			Business-type Activities
	Major Funds			Major Fund
	General Fund	Fire Protection Fund	Total	Water & Sewer Fund
RECEIPTS				
Property taxes	\$ 78,715		78,715	
License and permits	155		155	
Franchise taxes on utilities	21,577		21,577	
Intergovernmental revenues:				
Federal grant	103,450		103,450	
State shared revenues:				
Sales taxes	110,681		110,681	
Fire insurance rebate		8,882	8,882	
Homestead reimbursement	5,770		5,770	
Municipal aid	282		282	
Gasoline tax	1,730		1,730	
Charges for services:				
Water and sewer utility				283,172
Sanitation fees				35,419
Fines and forfeits	38,899		38,899	
Interest income	12		12	29
Miscellaneous revenue	22,907	950	23,857	32,629
Total Receipts	<u>384,178</u>	<u>9,832</u>	<u>394,010</u>	<u>351,249</u>
DISBURSEMENTS				
General government				
Personnel services	90,390		90,390	
Supplies	11,014		11,014	
Other services and charges	40,611		40,611	
Public safety				
Personnel services	47,342		47,342	
Supplies	658		658	
Other services and charges	3,440		3,440	
Public works				
Other services and charges	15,585		15,585	
Enterprise - water and sewer utility				
Personnel services				74,445
Supplies				142,883
Utilities				27,513
Sanitation				40,744
Other services and charges				91,933
Total Disbursements	<u>209,040</u>	<u>0</u>	<u>209,040</u>	<u>377,518</u>
Excess of Receipts over (under) Disbursements	<u>175,138</u>	<u>9,832</u>	<u>184,970</u>	<u>(26,269)</u>

(Continued)

TOWN OF STATE LINE
Statement of Cash Receipts and Disbursements
Governmental and Business-type Activities
For the Year Ended September 30, 2021

	Governmental Activities			Business-type Activities
	Major Funds			Major Fund
	General Fund	Fire Protection Fund	Total	Water & Sewer Fund
OTHER CASH SOURCES (USES)				
Interest paid		(1,250)	(1,250)	(2,111)
Principal paid		(9,832)	(9,832)	(17,139)
Proceeds from debt				24,197
Transfers in (out) from other funds	(7,610)	12,238	4,628	(4,628)
Total Other Cash Sources and (Uses)	(7,610)	1,156	(6,454)	319
Net Changes in Cash	167,528	10,988	178,516	(25,950)
Cash - Beginning	79,870	3,123	82,993	207,615
Cash – Ending	\$ 247,398	14,111	261,509	181,665

See accompanying accountants' compilation report.

TOWN OF STATE LINE
Schedule of Long-term Debt
For the Fiscal Year Ended September 30, 2021 - UNAUDITED

Definition and Purpose	Balance Outstanding Oct. 1, 2020	Issued	Redeemed	Balance Outstanding Sept. 30, 2021
Fire Protection Fund:				
First State Bank - Fire Truck	\$ 34,328		9,832	24,496
Water and Sewer Fund:				
First State Bank - Dump Truck	11,550		10,663	887
USDA Rural Development Loan	25,981		2,688	23,293
First State Bank – Truck	0	24,197	3,788	20,409
Total	\$ <u>71,859</u>	<u>24,197</u>	<u>26,971</u>	<u>69,085</u>

See accompanying accountants' compilation report.

TOWN OF STATE LINE
Schedule of Surety Bonds for Town Officials
September 30, 2021 - UNAUDITED

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Bond Amount</u>
Willie Miller	Mayor	MS Municipalities Bond Program	\$ 50,000
James Waller	Alderman	MS Municipalities Bond Program	\$ 50,000
Don R. Hinton	Alderman	MS Municipalities Bond Program	\$ 50,000
Michael Coaker	Alderman	MS Municipalities Bond Program	\$ 50,000
Michial W. West	Alderman	MS Municipalities Bond Program	\$ 50,000
Perry Young	Alderman	MS Municipalities Bond Program	\$ 50,000
Mitizi Byrd-Traylor	Town Clerk	Travelers	\$ 50,000
Mitizi Byrd-Traylor	Court Clerk	Travelers	\$ 50,000
Elaine McNair	Court Clerk	Travelers	\$ 50,000
Penny Lucas	Deputy Clerk	Travelers	\$ 50,000
Lola Dubose	Police Chief	Travelers	\$ 50,000

See accompanying accountants' compilation report.

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REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

To the Mayor and the Board of Aldermen
Town of State Line, Mississippi

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 Town Officials of the Town of State Line, Mississippi, for the year ended September 30, 2021, 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 the 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 and Business-type Activities, Schedule of Long-term Debt and Schedule of Surety Bonds for Town Officials of the Town of State Line, Mississippi, for the year ended September 30, 2021, disclosed the following instances of noncompliance with state laws and regulations. Our findings and recommendations and your responses are as follows:

1. Finding

Annual Compilation Report and Agreed-upon Procedures

Section 21-35-3, Miss. Code Ann. (1972), states, "The governing authority of every municipality in the state shall have the municipal books audited annually, before the close of the next succeeding fiscal year, in accordance with procedures and reporting requirements prescribed by the State Auditor." In lieu of a full scope audit, the State Auditor gives small municipalities the option of having a compilation report and agreed-upon procedures. The Town did not comply with this requirement.

Recommendation

We recommend the Town of State Line complete the annual compilation report and agreed-upon procedures in a timely manner.

Town's Response

We are aware of this issue and have taken steps to have the annual compilation report and agreed-upon procedures completed.

2. Finding

Municipal Compliance Questionnaire

The Municipal Audit and Accounting Guide established by the Office of the State Auditor requires the municipality to annually complete the Municipal Compliance Questionnaire and include in its minutes. We could find no evidence that the Town complied with these requirements.

Recommendation

We recommend the Town of State Line complete the Municipal Compliance Questionnaire annually.

Town's Response

We are aware of this issue and have taken steps to correct.

3. Finding

Annual Inventory of Fixed Assets

The Municipal Audit and Accounting Guide established by the Office of the State Auditor requires the municipality to conduct an annual inventory of its assets and to properly tag them. We could find no evidence that the Town complied with these requirements.

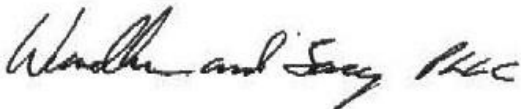
Recommendation

We recommend the Town of State Line complete an annual asset inventory and tag its assets.

Town's Response

We are aware of this issue and have taken steps to correct.

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



Windham and Lacey, PLLC
July 8, 2024