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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 SHUQUALAK, MISSISSIPPI

COMPILATION REPORT AND
REPORT ON AGREED-UPON PROCEDURES

YEAR ENDED SEPTEMBER 30, 2023

TOWN OF SHUQUALAK, MISSISSIPPI
COMPILATION REPORT AND
REPORT ON AGREED-UPON PROCEDURES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

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INDEPENDENT ACCOUNTANT'S REPORT

The Honorable Mayor Velma Jenkins
and Board of Alderpersons
Town of Shuqualak, Mississippi

Management is responsible for the combined statement of cash receipts and disbursements for each fund of the Town of Shuqualak, Mississippi, for the year ended September 30, 2023, and the accompanying supplementary information contained in Schedules 1 through 4, which are 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 have not audited or reviewed 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.

Management has not presented government-wide financial statements to display the cash basis financial 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 and other required supplemental 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 August 18, 2025, on the results of our agreed-upon procedures.

Brown, Ewing & Co.
Ridgeland, Mississippi
August 18, 2025

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

		Governmental Funds		Business Type Funds		Total
	General Fund	Special Revenue Fund	Capital Project Fund	Water Fund	Solid Waste Fund	(Memo Only) 2023
Revenue receipts:						
General property taxes	\$ 125,108	-	-	-	-	\$ 125,108
Federal grants	-	41,571	-	-	-	41,571
State shared revenues:						
Municipal aid	199	-	-	-	-	199
Sales tax	30,922	-	-	-	-	30,922
Gasoline tax	1,197	-	-	-	-	1,197
Fire rebates	12,651	-	-	-	-	12,651
Grand Gulf	1,958	-	-	-	-	1,958
Homestead reimbursement	10,880	-	-	-	-	10,880
Other:						
Interest income	2,332	558	-	1,244	142	4,276
Miscellaneous	92,231	-	-	-	-	92,231
Charges for services:						
Water/Sewer	-	-	-	248,706	-	248,706
Garbage	-	-	-	-	35,021	35,021
Total revenue receipts	<u>277,478</u>	<u>42,129</u>	<u>-</u>	<u>249,950</u>	<u>35,163</u>	<u>604,720</u>
Other receipts:						
Interfund loans and transfers	-	33,061	-	37,519	-	70,580
Total other receipts	<u>-</u>	<u>33,061</u>	<u>-</u>	<u>37,519</u>	<u>-</u>	<u>70,580</u>
Total receipts	<u>\$ 277,478</u>	<u>75,190</u>	<u>-</u>	<u>287,469</u>	<u>35,163</u>	<u>\$ 675,300</u>

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

	<u>Governmental Funds</u>			<u>Business Type Fund</u>		Total
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Project Fund</u>	<u>Water Fund</u>	<u>Solid Waste Fund</u>	<u>(Memo Only) 2023</u>
Operating disbursements:						
General government						
Administration and finance	\$ 35,958	-	-	-	-	\$ 35,958
Public safety:						
Police	4,067	-	-	-	-	4,067
Fire	2,500	-	-	-	-	2,500
Public works	6,725	-	-	-	-	6,725
Cemetery	2,100	-	-	-	-	2,100
Enterprise:						
Water/Sewer	-	-	-	80,158	-	80,158
Solid waste	-	-	-	-	14,840	14,840
Debt Service						
Principal payment on debt	-	-	-	67	-	67
Total operating disbursements	<u>51,350</u>	<u>-</u>	<u>-</u>	<u>80,225</u>	<u>14,840</u>	<u>146,415</u>
Other disbursements:						
Capital outlay - public works	13,525	-	-	-	-	13,525
Interfund loans and transfers	<u>203,072</u>	<u>70,580</u>	<u>-</u>	<u>230,057</u>	<u>22,620</u>	<u>526,329</u>
Total other disbursements	<u>216,597</u>	<u>70,580</u>	<u>-</u>	<u>230,057</u>	<u>22,620</u>	<u>539,854</u>
Total disbursements	<u>267,947</u>	<u>70,580</u>	<u>-</u>	<u>310,282</u>	<u>37,460</u>	<u>686,269</u>
Net change in cash balances	9,531	4,610	-	(22,813)	(2,297)	(10,969)
Cash balance - beginning of year	<u>253,459</u>	<u>57,978</u>	<u>7,647</u>	<u>161,751</u>	<u>24,124</u>	<u>504,959</u>
Cash balance - end of year	<u>\$ 262,990</u>	<u>62,588</u>	<u>7,647</u>	<u>138,938</u>	<u>21,827</u>	<u>\$ 493,990</u>

TOWN OF SHUQUALAK, MISSISSIPPI
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended September 30, 2023

	Budget Amounts			Variance
	Original	Final	Actual Amounts	with Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ 112,550	112,550	125,108	\$ 12,558
Licenses and permits	1,450	1,450	-	(1,450)
Franchise taxes	7,500	7,500	-	(7,500)
State shared revenues	11,393	11,393	1,396	(9,997)
Homestead exemption	9,600	9,600	10,880	1,280
Sales tax	38,500	38,500	30,922	(7,578)
Fire protection	5,400	5,400	12,651	7,251
Grand gulf	-	-	1,958	1,958
Fines and forfeits	1,000	1,000	-	(1,000)
Cemetery donations	2,500	2,500	-	(2,500)
Interest	200	200	2,332	2,132
Miscellaneous income	6,882	6,882	92,231	85,349
TOTAL REVENUES	<u>196,975</u>	<u>196,975</u>	<u>277,478</u>	<u>80,503</u>
EXPENDITURES:				
General Government				
Personal services	44,852	44,852	9,295	35,557
Supplies	4,500	4,500	6,018	(1,518)
Other services and charges	31,476	31,476	20,645	10,831
Capital outlay	12,000	12,000	-	12,000
Total General Government	<u>92,828</u>	<u>92,828</u>	<u>35,958</u>	<u>56,870</u>
Public Safety				
Personal services	37,046	37,046	2,522	34,524
Supplies	3,500	3,500	134	3,366
Other services and charges	15,850	15,850	3,911	11,939
Capital outlay	2,500	2,500	-	2,500
Total Public Safety	<u>58,896</u>	<u>58,896</u>	<u>6,567</u>	<u>52,329</u>
Public Works				
Other services and charges	24,000	24,000	6,725	17,275
Capital outlay	-	-	13,525	(13,525)
Total Public Works	<u>24,000</u>	<u>24,000</u>	<u>20,250</u>	<u>3,750</u>
Cemetery				
Supplies	100	100	-	100
Other services and charges	7,600	7,600	2,100	5,500
Total Health and Welfare	<u>7,700</u>	<u>7,700</u>	<u>2,100</u>	<u>5,600</u>
Debt Service				
Principal payment on debt	12,000	12,000	-	12,000
Total Debt Service	<u>12,000</u>	<u>12,000</u>	<u>-</u>	<u>12,000</u>
Total Expenditures	<u>195,424</u>	<u>195,424</u>	<u>64,875</u>	<u>130,549</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,551</u>	<u>1,551</u>	<u>212,603</u>	<u>211,052</u>
Other Financing Sources (Uses):				
Transfers out	-	-	(203,072)	(203,072)
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>(203,072)</u>	<u>(203,072)</u>
Net change in fund balance	1,551	1,551	9,531	7,980
Cash Balance at beginning of year	253,459	253,459	253,459	-
Cash Balance at end of year	<u>\$ 255,010</u>	<u>255,010</u>	<u>262,990</u>	<u>\$ 7,980</u>

TOWN OF SHUQUALAK, MISSISSIPPI
Combining Statement of Additions and Deductions - Cash Basis
All Agency Funds
For the Year Ended September 30, 2023

	Payroll Clearing Fund	Accounts Payable Clearing	Total
Additions			
Interest	\$ 85	281	\$ 366
Other additions	-	-	-
Total Additions	<u>85</u>	<u>281</u>	<u>366</u>
Deductions			
Other deductions	<u>6,007</u>	<u>8,944</u>	<u>14,951</u>
Total Deductions	<u>6,007</u>	<u>8,944</u>	<u>14,951</u>
Change in Net Assets	(5,922)	(8,663)	(14,585)
Cash balance at beginning of year	<u>11,149</u>	<u>25,073</u>	<u>36,222</u>
Cash balance at end of year	<u>\$ 5,227</u>	<u>16,410</u>	<u>\$ 21,637</u>

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Shuqualak, Mississippi, (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. Fund Accounting

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

The accounts of the Town of Shuqualak, 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 Funds are included in this category.

MAJOR FUNDS

For 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.

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. *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 statements are prepared on a cash receipts and disbursements basis, according to requirements for small Cities in the State of Mississippi as prescribed by the Office of the State Auditor. Consequently, certain revenues are recognized when received rather than when earned, and certain expenditures or expenses are recognized when paid rather than when the obligation is incurred.

C. *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.

D. *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.

E. *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.

For accounting purposes, certificates of deposits are classified as investments if they have a maturity greater than 12 months when acquired.

Investments are reported at fair value.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Report Classification

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

G. Property Tax

Property taxes attach as an enforceable lien on property January 1. Taxes are levied on October 1 and are due and payable at that time. All unpaid taxes levied October 1 become delinquent February 1 of the following year. The millage rate for the Town for the fiscal year ended September 30, 2023 was 64.0 mills for general purposes.

NOTE 2 - 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 Aldermen 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 Aldermen 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 any time 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.

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

NOTE 2 - BUDGET POLICY (Continued)

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 3 - 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.

The carrying amount of the Town's deposits with financial institutions in the governmental activities and the business-type activities funds was \$325,578 and \$160,765, respectively. The bank balance was \$368,182.

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 City. Deposits above FDIC coverage are collateralized by the pledging financial institution 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 \$368,182 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.

Custodial Credit Risk - Investments. Custodial credit risk is defined as the risk that, in the event of the failure of the counterpart, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a formal investment policy that addresses custodial credit risk. However, the Mississippi State Treasurer manages the risk on behalf of the Town. Deposits above FDIC coverage are collateralized by the pledging financial institution 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 \$596,206 was exposed to custodial credit risk.

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

NOTE 3 - CASH AND CASH EQUIVALENTS (Continued)

Concentration of Credit Risk. Disclosures of investments by amount and issuer for any issuer that represents five percent or more of total investments is required. This requirement does not apply to investments issued or explicitly guaranteed by the U.S. government, investments in mutual funds and external investment pools, and other pooled investments. As of September 30, 2023, the Town had no investments.

Following is a list of the Town's eligible investments, which in accordance with State statute are limited to the investment of funds in excess of sums required for immediate expenditure or current obligations:

Certificates of deposit with municipal depositories approved annually by the State Treasurer bonds or direct obligations of the:

- United States of America
- State of Mississippi
- County or Municipality of Mississippi
- School Districts

State statute allows the investment of funds received from the sale of bonds, notes, or certificates of indebtedness which are not immediately required for disbursement for the purpose issued, in direct obligations issued by or guaranteed in full by the United States of America, or in certificates of deposit with approved municipal depositories.

NOTE 4 - LONG-TERM DEBT

CHANGES IN LONG-TERM LIABILITIES

A. Business-Type Activities

During the year ended September 30, 2023, the following changes occurred in liabilities reported for the Water/Sewer Fund:

	Balance Oct. 1, 2022	Additions	Retirements	Balance Sept. 30, 2023	Amount Due Within One Year
Revenue bonds	\$ <u>67</u>	<u>-</u>	<u>(67)</u>	\$ <u>-</u>	\$ <u>-</u>
Total	\$ <u>67</u>	<u>-</u>	<u>(67)</u>	\$ <u>-</u>	\$ <u>-</u>

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

NOTE 5 - CAPITAL OUTLAY DISBURSEMENTS

The Town of Shuqualak had a total of \$27,050 in capital outlay disbursements during the current fiscal year, of this amount \$13,525 met the capitalization threshold.

NOTE 6 - FEDERAL AND STATE GRANTS

During the fiscal year ended September 30, 2023, the Town did not receive any federal grant funds, therefore, an audit in accordance with the Uniform Guidance was required.

NOTE 7 - DEFINED BENEFIT PENSION PLANS

Public Employees' Retirement System

A. *Plan Description and Provisions* The Town of Shuqualak, Mississippi, contributes to the Public Employees Retirement System of Mississippi ("PERS"), a cost-sharing, multiple-employer defined benefit pension plan. PERS' provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and requires supplementary information. That information may be obtained by writing to Public Employee Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling (601) 359-3589 or 1-800-444-PERS.

B. *Plan Funding Policy*

At September 30, 2023 PERS' members were required to contribute 9.00% of their annual covered salary and the City is required to contribute at an actuarially determined rate. This rate as September 30, 2023 was 17.40% of annual covered payroll. The contribution requirements of PERS' members are established and may be amended only by the State of Mississippi Legislature. The City's contributions to PERS' for the years ended September 30, 2023, 2022, and 2021 were \$7,753, \$23,460, and \$46,891, respectively, equal to the required contributions for each year.

C. *Trend Information*

Ten-year historical information showing PERS' progress in accumulating sufficient assets to pay benefits when due is presented in the PERS' June 30, 2023, comprehensive annual financial report.

TOWN OF SHUQUALAK, MISSISSIPPI
Notes to the Financial Statements
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. Management of Town of Shuqualak, Mississippi, evaluated the activity of the Town through August 18, 2025, 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 Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the Organization's, tenants, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Town's financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

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

INDEPENDENT AUDITOR'S REPORT ON APPLYING
 AGREED-UPON PROCEDURES

The Honorable Mayor Velma Jenkins and
 Board of Alderpersons
 Town of Shuqualak, 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 Shuqualak, Mississippi, solely to assist the Office of the State Auditor in evaluating the Town of Shuqualak, 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 Shuqualak, 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. 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 purposes.

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 for the banks:

Bank	Cash Account Description	Balance per General Ledger
	General Fund	
Bank First	General fund operating	\$ 114,903
Bank First	Street/Firehouse Improvement	104
Bank First	Mayor Council	115
Bank First	American Rescue Plan	108,806
Bank First	Fire Department Money Market	29,661
Bank First	Police Forfeiture	118
Bank First	Police Fines	660
Bank First	Employee Christmas Account	8,623
	Total General Fund	<u>262,990</u>
	Special Revenue Fund	
Bank First	State set aside	5,712
Bank First	Modernization	56,042
Bank First	Community Dev. Block Grant	267
Bank First	FEMA	567
	Total Special Revenue Fund	<u>62,588</u>
	Capital Project Funds	
Bank First	USDA Rural Development	7,647
	Total Capital Project Funds	<u>7,647</u>
	Total Governmental Funds	<u>\$ 333,225</u>

Mayor Velma Jenkins and Alderpersons
Town of Shuqualak and Office of the State Auditor
Shuqualak, Mississippi

<u>Bank</u>	<u>Cash Account Description</u>	<u>Balance per General Ledger</u>
	<i>Enterprise Funds</i>	
Bank First	Water Fund	\$ 138,938
Bank First	Solid Waste	<u>21,827</u>
	Total Proprietary Fund	<u>\$ 160,765</u>
	<i>Agency Funds</i>	
Bank First	Payroll Clearing Fund	\$ 5,227
Bank First	Accounts Payable Clearing Fund	<u>16,410</u>
	Total Agency Funds	<u>\$ 21,637</u>

2. We performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:
 - a. Verified use of certified county assessment rolls and traced levies to governing body minutes;
 - b. Examined uncollected taxes for proper handling, including tax sales;
 - c. Traced distribution of taxes collected to proper funds; and
 - d. 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, and uncollected taxes were determined to be properly handled.

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 21-33-303, Miss Code Ann. (1972).

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Mayor Velma Jenkins and Alderpersons
Town of Shuqualak and Office of the State Auditor
Shuqualak, Mississippi

3. We obtained a statement of payments made by the 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	\$ 199
Gasoline Tax	General	1,197
Homestead Exemption Reimbursements	General	10,880
Sales Tax Allocation	General	30,922
Nuclear Plant	General	1,958
MS Insurance Dept. (Fire Protection)	General	8,233
Total General Fund		<u>53,389</u>
Modernization Grant	Special Revenue	<u>41,571</u>
Total Special Revenue Fund		<u>41,571</u>
Total All Funds		<u>\$ 94,960</u>

4. We did not select a sample of purchases made by the municipality during the fiscal year because no items were purchased that required quotes and bids. Each sample item is required to be evaluated for compliance with purchasing requirements set forth in Title 31, Chapter 7, Miss. Code Ann. (1972), as applicable.

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

We also noted that checks are signed by the Town Clerk and the Mayor. The Town Clerk receives the bank statement, the bank statements are reconciled by an outside accounting firm.

5. We inquired about the Municipal Compliance Questionnaire and were informed by the Town Clerk that the questionnaire had been completed and submitted to the proper state agency. We also found that the Town had complied with the budget provisions. Our review of the financial statements noted that the General and Utility Funds had no budget overruns for the fiscal year ending September 30, 2023.

Mayor Velma Jenkins and Alderpersons
Town of Shuqualak and Office of the State Auditor
Shuqualak, Mississippi

6. We noted that all daily collections were settled in accordance with Section 21-15-21, additionally all state-imposed court assessments collected were settled on a monthly basis with the Department of Finance and Administration Sections 99-19-73 and 83-93-31.

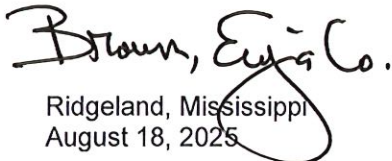
We noted that all officials of the Town was properly bonded in accordance with the state requirements.

We also noted the following:

- ◆ All cash accounts were reconciled to the general ledger at year-end.
- ◆ For the current fiscal year, the Town's chart of accounts is in compliance with that which is outlined in the State of Mississippi Municipal Audit and Accounting Guide.
- ◆ An aging report of utility customers accounts receivable are being prepared on a monthly basis but is not being recorded and reconciled to the general ledger. This report should be prepared so that the Board can regularly review the aging report and be diligent in collection efforts.
- ◆ Utility revenues charges were not recorded in the general ledger. It is imperative that all transactions be recorded in the general ledger monthly so that the Board can make informed decisions.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion, on the accounting records. 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 information and use of the Town of Shuqualak, and 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.


Ridgeland, Mississippi
August 18, 2025

STATE LEGAL COMPLIANCE SECTION

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
STATE LAWS AND REGULATIONS

The Honorable Mayor Velma Jenkins and
Board of Alderpersons
Town of Shuqualak, Mississippi

We have audited the cash basis financial statements of the Town of Shuqualak, Mississippi, (the Town) as of and for the year ended September 30, 2023, and have issued our report thereon dated August 18, 2025.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States America, *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

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 audit and, accordingly, we do not express such an opinion.

The results of procedures performed to test compliance with certain other laws and regulations and our audit of the financial statements disclosed no instances of noncompliance with other state laws and regulations.

This report is intended solely for the information and use of the Mayor, Board of Alderpersons, management, and federal awarding agencies and pass-through entities 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.


Ridgeland, Mississippi
August 18, 2025

TOWN OF SHUQUALAK, MISSISSIPPI
Schedule of Surety Bonds for Municipal Officials
September 30, 2023

Name	Position	Company	Amount of Bond
Velma H. Jenkins	Mayor	Travelers Casualty	\$ 50,000
Sandra Hammack	Alderwoman	Travelers Casualty	50,000
Kathy Buckhalter	Alderwoman	Travelers Casualty	50,000
Evelyn Murray	Alderwoman	Travelers Casualty	50,000
Freddie Ash	Alderman	Travelers Casualty	50,000
Dorris Williams	Alderwoman	Travelers Casualty	50,000
Sonya Slaughter	Town Clerk	Travelers Casualty	50,000

The Town of Shuqualak, do not employ a police chief, instead, they have entered into an interlocal agreement with the county sheriff department to provide local law enforcement services for the Town.

TOWN OF SHUQUALAK, MISSISSIPPI
Schedule of Investments - All Funds
For the Year Ended September 30, 2023

The Town did not have any investments at September 30, 2023.

TOWN OF SHUQUALAK, MISSISSIPPI
Schedule of Bonds and Notes Payable
September 30, 2023

	<u>Interest Rates</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Authorized</u>	<u>Issued</u>	<u>Bonds & Notes Retired</u>	<u>Outstanding</u>
<u>Business Type - Activities</u>							
Revenue Bonds							
1986 Water and Sewer Bonds	5.00%	Unknown	10/08/2022	\$ <u>50,000</u>	<u>67</u>	<u>(67)</u>	\$ <u>-</u>
Total Proprietary Debt				<u>50,000</u>	<u>67</u>	<u>(67)</u>	<u>-</u>
Grand Total				\$ <u>50,000</u>	\$ <u>67</u>	\$ <u>(67)</u>	\$ <u>-</u>

TOWN OF SHUQUALAK, MISSISSIPPI
Schedule of Capital Assets
September 30, 2023

A. All Governmental Funds

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Depreciable Capital Assets				
Machinery and equipment	<u>160,963</u>	<u>13,525</u>	<u>-</u>	<u>174,488</u>
Total Depreciable Capital Assets	<u>160,963</u>	<u>13,525</u>	<u>-</u>	<u>174,488</u>
Total Governmental Activities Capital Assets	<u>\$ 160,963</u>	<u>13,525</u>	<u>-</u>	<u>\$ 174,488</u>

Footnote: This schedule only consist of capital asset acquired since 2002 and capitalized under the GASB 34 reporting model.