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 Smithville, Mississippi

Financial Statements
For the year ended September 30, 2023

Jarrell Group, PLLC
Tupelo, Mississippi
Certified Public Accountants

TOWN OF SMITHVILLE, MISSISSIPPI
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September 30, 2023

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JARRELL group
Certified Public Accountants

111 E. Troy St., Tupelo, MS 38804
662.346.5801 I JarrellGroupCPA.com

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Honorable Mayor and Board of Aldermen
Town of Smithville, Mississippi

Management is responsible for the accompanying Statement of Cash Receipts and Disbursements of the Town of Smithville, 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 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. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on this financial statement.

The Statement of Cash Receipts and Disbursements 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 of the disclosures ordinarily included in a financial statement 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.

The supplementary information contained on pages 5 through 7 is presented in compliance with the requirements of the Mississippi Office of the State Auditor and has been compiled from information that is the representation of management. This information was subject to our compilation engagement; however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such information.

The Statement of Cash Receipts and Disbursements is intended to comply with the requirements of the Mississippi Office of the State Auditor and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

In accordance with provisions of section 21-35-31, Mississippi Code Annotated (1972), we have issued a report dated November 2, 2026, on the results of our agreed upon procedures.

Jarrell Group, PLLC

Jarrell Group, PLLC
Tupelo, Mississippi
November 2, 2026

TOWN OF SMITHVILLE, MISSISSIPPI
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
For the year ended September 30, 2023

	Governmental Activities			Business-type Activities				
	General	Special Revenue	Total	Water	Rural Water	Sewer	Total	Total Government-Wide
RECEIPTS								
Ad Valorem Taxes:								
Real and Personal Taxes	$ 110,722	$ 12,274	$ 122,996	$ -	$ -	$ -	$ -	$ 122,996
Penalties and Interest	854	-	854	-	-	-	-	854
Intergovernmental Revenues:								
State Shared Revenues								
Sales Tax	96,913	-	96,913	-	-	-	-	96,913
Modernization Use Tax	-	-	-	16,137	16,137	16,137	48,411	48,411
Gasoline Tax	1,495	-	1,495	-	-	-	-	1,495
Municipal Aid	255	-	255	-	-	-	-	255
Fire Protection Allocation	-	8,848	8,848	-	-	-	-	8,848
Homestead Reimbursement	14,651	-	14,651	-	-	-	-	14,651
TVA - In Lieu	5,921	-	5,921	-	-	-	-	5,921
Other State Grants	12,000	-	12,000	-	-	-	-	12,000
Other Intergovernmental Revenue								
County Fire Protection	-	10,000	10,000	-	-	-	-	10,000
Charges for Services:								
Water & Sewer Systems	-	-	-	132,021	171,328	91,754	395,103	395,103
Garbage Collections	49,609	-	49,609	-	-	-	-	49,609
Other Receipts:								
Franchise Fees	15,208	-	15,208	-	-	-	-	15,208
Privilege License	1,832	-	1,832	-	-	-	-	1,832
Court Fines	24,706	-	24,706	-	-	-	-	24,706
Building Permits	1,183	-	1,183	-	-	-	-	1,183
Interest Income	2,806	-	2,806	2,776	1,534	-	4,310	7,116
Rents	2,259	-	2,259	-	-	-	-	2,259
Donations	6,800	-	6,800	-	-	-	-	6,800
Other Income	96	10	106	14,229	10,110	1,434	25,773	25,879
Sale of Surplus Assets	4,100	1,205	5,305	-	-	-	-	5,305
Total Receipts	$ 351,410	$ 32,337	$ 383,747	$ 165,163	$ 199,109	$ 109,325	$ 473,597	$ 857,344

TOWN OF SMITHVILLE, MISSISSIPPI
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
For the year ended September 30, 2023

	Governmental Activities			Business-type Activities				
	General	Special Revenue	Total	Water	Rural Water	Sewer	Total	Total Government-Wide
DISBURSEMENTS								
General Administration and Finance	$ 93,765	$ -	$ 93,765	$ -	$ -	$ -	$ -	$ 93,765
Public Safety:								
Police	141,743	-	141,743	-	-	-	-	141,743
Fire	-	12,019	12,019	-	-	-	-	12,019
Public Works:								
Street Department	22,581	-	22,581	-	-	-	-	22,581
Sanitation	44,564	-	44,564	-	-	-	-	44,564
Park and Recreation	1,982	6,680	8,662	-	-	-	-	8,662
Business-type Operating Expenses	-	-	-	105,398	166,650	102,995	375,043	375,043
Interest and Fiscal Charges	1,169	-	1,169	8,373	12,333	450	21,156	22,325
Total Disbursements	305,804	18,699	324,503	113,771	178,983	103,445	396,199	720,702
Excess (Deficiency) of receipts Over disbursements	45,606	13,638	59,244	51,392	20,126	5,880	77,398	136,642
OTHER FINANCING SOURCES (USES)								
Property Additions	(49,902)	(19,827)	(69,729)	-	-	-	-	(69,729)
Redemption of Principal	(9,751)	-	(9,751)	(19,726)	(27,393)	(4,395)	(51,514)	(61,265)
Customer Deposits	-	-	-	2,052	1,195	-	3,247	3,247
Transfers In (Out)	35,839	-	35,839	(20,051)	(15,788)	-	(35,839)	-
Total Other Financing Sources (Uses)	(23,814)	(19,827)	(43,641)	(37,725)	(41,986)	(4,395)	(84,106)	(127,747)
Excess (Deficiency) of receipts and Other financing sources over Disbursements and other Financing uses	21,792	(6,189)	15,603	13,667	(21,860)	1,485	(6,708)	8,895
Cash Basis Fund Balance - Beginning of Year	45,574	169,990	215,564	33,718	48,563	27,635	109,916	325,480
Cash Basis Fund Balance - End of Year	$ 67,366	$ 163,801	$ 231,167	$ 47,385	$ 26,703	$ 29,120	$ 103,208	$ 334,375

See accompanying selected information and independent accountants' compilation report.

TOWN OF SMITHVILLE, MISSISSIPPI
SELECTED INFORMATION-Substantially all disclosures required by generally accepted accounting principles are not included
September 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Information

The Town operates under the mayor/board of aldermen form of government and provides services as authorized by law.

Reporting Entity

The financial statement of the Town includes all the funds of the Town.

Fund Accounting

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

Basis of Accounting

The financial statement has been prepared on the 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 disbursements are recognized when paid rather than when the obligation is incurred.

NOTE B - 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 C - LONG-TERM DEBT

The annual requirements to amortize all debt outstanding as of September 30, 2023, including interest payments of $246,050 are as follows:

Fiscal Year Ended September 30,	USDA Bonds	Notes Payable	Interest	Total
2024	$ 41,748	$ 23,454	$ 23,669	$ 88,871
2025	42,635	23,984	22,252	88,871
2026	43,541	24,526	20,804	88,871
2027	44,467	22,945	19,331	86,743
2028	45,412	7,814	18,032	71,258
2029-2033	241,680	-	75,135	316,815
2034-2038	268,773	-	48,312	317,085
2039-2043	280,236	-	18,515	298,751
	$ 1,008,492	$ 102,723	$ 246,050	$ 1,357,265

TOWN OF SMITHVILLE, MISSISSIPPI
SCHEDULE OF INVESTMENTS - ALL FUNDS
September 30, 2023

Ownership	Type of Investment	Interest Rate	Other Information	Investment Cost/Value
General Fund	Certificate of Deposit	0.15%	Renasant Bank	$ 14,493
General and Water/Sewer Fund	Certificate of Deposit	0.75%	Renasant Bank	6,086
General and Water/Sewer Fund	Certificate of Deposit	1.74%	Community Bank	2,933
General Fund	Certificate of Deposit	1.30%	Community Bank	12,002
Total Investments - All Funds				$ 35,514

TOWN OF SMITHVILLE, MISSISSIPPI
SCHEDULE OF LONG-TERM DEBT
For the year ended September 30, 2023

DEFINITION AND PURPOSE	Balance Outstanding 10/01/2022	Transactions During Fiscal Year Issued	Transactions During Fiscal Year Redeemed	Balance Outstanding 09/30/2023
Revenue Bonds:				
USDA - Utility	$ 57,411	$ -	$ 2,274	$ 55,137
USDA - Utility	989,410	-	36,055	953,355
	1,046,821	-	38,329	1,008,492
Other Long-Term Debt:				
Note Payable - TRPDD	25,982	-	5,355	20,627
Note Payable - TRPDD	99,677	-	17,581	82,096
	125,659	-	22,936	102,723
TOTAL	$ 1,172,480	$ -	$ 61,265	$ 1,111,215

TOWN OF SMITHVILLE, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS
September 30, 2023

Name	Position	Company	Bond
Phillip Goodwin	Mayor	MS Municipal Bond Program	$ 50,000
Leigh Skinner	Alderman	MS Municipal Bond Program	$ 50,000
Shelia Bennett	Alderman	MS Municipal Bond Program	$ 50,000
Jimmy Dabbs, Sr.	Alderman	MS Municipal Bond Program	$ 50,000
William Cooley	Alderman	MS Municipal Bond Program	$ 50,000
Natural Standifer	Alderman	MS Municipal Bond Program	$ 50,000
Kim Johnson	Town Clerk	St Paul Travelers	$ 50,000
Kim Johnson	Court Clerk	St Paul Travelers	$ 50,000
Darwin Hathcock	Chief of Police	St Paul Travelers	$ 50,000
Katherine Roberts	Deputy Town Clerk	St Paul Travelers	$ 50,000
Katherine Roberts	Deputy Court Clerk	St Paul Travelers	$ 50,000
Darwin Hathcock	Deputy Court Clerk	St Paul Travelers	$ 50,000

JARRELL group
Certified Public Accountants

111 E. Troy St., Tupelo, MS 38804
662.346.5801 I JarrellGroupCPA.com

REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

Honorable Mayor and Board of Aldermen
Town of Smithville, Mississippi

We have compiled the accompanying Statement of Cash Receipts and Disbursements, Schedule of Investments, Schedule of Long-Term Debt, and Schedule of Surety Bonds for Town Officials of the Town of Smithville, Mississippi, as of and for the year ended September 30, 2023, and have issued our report thereon dated November 2, 2026, 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 basis of accounting other than accounting principles generally accepted in the United States of America.

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

The results of those procedures and our compilation of the cash receipts and disbursements disclosed the following material instances of noncompliance with state laws and regulations.

1. The Town is not in compliance with Section II, Part C of the Municipal Audit and Accounting Guide, as the fixed assets are not properly accounted for. The Town does not maintain a fixed asset listing, take a fixed asset inventory, or tag fixed assets.

2. The Town is not reconciling its bank accounts with the general ledger on a timely basis each month.

This report is intended solely for the information and use of the Board of Aldermen, the Mayor, and management and is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record and its distribution is not limited.

Jarrell Group, PLLC

Jarrell Group, PLLC
Tupelo, Mississippi
November 2, 2026

JARRELL group
Certified Public Accountants
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INDEPENDENT ACCOUNTANTS' REPORT ON AGREED-UPON PROCEDURES

Honorable Mayor and Board of Aldermen
Town of Smithville, 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 Smithville, Mississippi, as of September 30, 2023, and for the year ended, as required by the Office of the State Auditor, under the provisions of Section 21-35-31, Miss. Code Ann. (1972). The Town of Smithville, Mississippi's management is responsible for the Town's accounting records. 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 representations 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:

   During our testing, we noted that the Town is not reconciling the bank accounts with general ledger on a timely basis each month.

Bank	Fund	Balance Per General Ledger
Community Bank	General	$ 14,285
Community Bank	Business-Type	21,229
Renasant Bank	General	52,833
Renasant Bank	Special Revenue	162,856
Renasant Bank	Business-Type	82,433
Total All Funds		$ 333,636

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 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 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).

3. We obtained a statement of payments made by the Mississippi Department of Finance and Administration 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:

Purpose	Receiving Fund	Amount
Sales Tax Allocation	General	$ 96,913
MDA Grant	General	8,000
Gasoline Tax	General	1,495
TVA In Lieu	General	5,921
Municipal Aid	General	255
Fire Protection Allocation	Special Revenue	8,848
Homeland Security Grant	General	4,000
Modernization Use Tax	Business-Type	48,411
Homestead Exemption Reim.	General	14,651

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	12
Dollar Value of Sample	$ 52,673

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

5. We performed the following procedures with respect to State Court Fine Assessments during the fiscal year:

   a. Tested a sample of collections of fines and forfeitures and verified that the municipal court clerk had settled daily with the municipal clerk.

   b. Tested a sample of state-imposed court assessments collected and determined that court fine assessments were being settled monthly with the Department of Finance and Administration.

   We found the municipality to be in agreement with Sections 21-15-21, 99-19-73 and 83-39-31 Miss. Code Ann. (1972) regarding State Court Fine Assessments.

6. We have read the Municipal Compliance Questionnaire completed by the Town. The following responses to the questionnaire indicate noncompliance with the state requirements.

   The Town is not in compliance with Part 5, Item 15 of the Questionnaire, as the fixed assets are not properly accounted for. The Town does not maintain a fixed asset listing, take a fixed asset inventory, or tag fixed assets as required by Section II, Part C of the Mississippi Municipal Audit and Accounting Guide.

We were engaged by the Town of Smithville, Mississippi to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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 the accounting records. 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 Smithville, 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 Board of Aldermen, the Mayor, and management and is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record and its distribution is not limited.

Jarrell Group, PLLC

Jarrell Group, PLLC
Tupelo, Mississippi
November 2, 2026