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.

VARDAMAN SWEET POTATOES
PHONE 662-682-7561

Town of Vardaman

P.O. BOX 194
VARDAMAN, MS 38878

VARDAMAN SWEET POTATOES
FAX 662-682-7567

Office of the State Auditor
P.O. Box 956
Jackson, Mississippi 39205

Accompanying this letter are two copies of the annual Agreed-Upon Procedures Reports of the town of Vardaman, Mississippi, for the fiscal year ended September 30, 2023. A separate management letter was not written to the town in connection with this audit.

Sincerely,

Timothy Cook
Mayor

TOWN OF VARDAMAN, MISSISSIPPI
COMPILATION AND
AGREED-UPON PROCEDURES REPORTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

TOWN OF VARDAMAN
Contents

WATKINS, WARD and STAFFORD
Professional Limited Liability Company
Certified Public Accountants

Independent Accountants' Compilation Report

Honorable Mayor and Board of Aldermen
Town of Vardaman, Mississippi
Vardaman, Mississippi

Management is responsible for the accompanying Statement of Cash Receipts and Disbursements of the Town of Vardaman, Mississippi 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 the Statement of Cash Receipts and Disbursements.

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 the disclosures ordinarily included in financial statements prepared in accordance with the cash basis of accounting. If the omitted disclosures were included in the Statement of Cash Receipts and Disbursements, they might influence the user's conclusions about the Town of Vardaman, Mississippi's cash receipts and disbursements. Accordingly, the Statement of Cash Receipts and Disbursements is not designed for those who are not informed about such matters.

The supplementary information contained in Schedule of Investments, Schedule of Capital Assets, Schedule of Long-Term Debt, and Schedule of Surety Bonds for Municipal Officials 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 the provisions of §21-35-31, Miss Code Ann. (1972), we have issued a report dated November 6, 2025 on the results of our agreed-upon procedures.

Houston, Mississippi
November 6, 2025

Watkins Ward and Stafford, PLLC

TOWN OF VARDAMAN, MISSISSIPPI
Statement of Cash Receipts and Disbursements
For the Year Ended September 30, 2023

	Governmental Funds			Proprietary Fund
	General Fund	Capital Project Fund	Totals	Enterprise Fund
RECEIPTS				
Property taxes	$ 148,290	$ 14,077	$ 162,367	$ -
Licenses & permits	1,358	-	1,358	-
Utility franchise charges	22,787	-	22,787	-
State grants	112,664	-	112,664	-
State shared revenue	195,313	755	196,068	-
County grants & shared rec.	61,003	-	61,003	-
Fines & forfeits	7,125	-	7,125	-
Interest income	9,770	380	10,150	1,507
Miscellaneous revenues	112,971	-	112,971	41,499
Charges for governmental services :				
Water and sewer	-	-	-	408,167
TOTAL RECEIPTS	671,281	15,212	686,493	451,173
DISBURSEMENTS				
General government	299,484	-	299,484	-
Public safety	143,228	-	143,228	-
Highway & streets	207,614	-	207,614	-
Health & welfare	527	-	527	-
Sanitation	96,295	-	96,295	-
Culture and recreation	40,742	-	40,742	-
Water & sewer utility	-	-	-	419,195
Debt Service:				
Principal	3,933	9,944	13,877	-
Interest	-	9,892	9,892	-
TOTAL DISBURSEMENTS	791,823	19,836	811,659	419,195
Excess (Deficiency) of receipts over (under) disbursements	(120,542)	(4,624)	(125,166)	31,978
OTHER FINANCING SOURCES (USES)				
Interfund loans and transfers	51,342	(13,118)	38,224	(38,224)
TOTAL OTHER FINANCING SOURCES (USES)	51,342	(13,118)	38,224	(38,224)
Deficiency of cash receipts and other financing sources under disbursements and other financing uses	(69,200)	(17,742)	(86,942)	(6,246)
CASH BASIS FUND BALANCE-BEGINNING OF YEAR	454,409	341,557	795,966	145,863
CASH BASIS FUND BALANCE-END OF YEAR	$ 385,209	$ 323,815	$ 709,024	$ 139,617

See accompanying independent accountants' compilation report.

SUPPLEMENTARY INFORMATION

TOWN OF VARDAMAN, MISSISSIPPI
Schedule of Investments
For the Year Ended September 30, 2023

Ownership	Type of Investment	Interest Rate	Acquisition Date	Maturity Date	Other Information	Investment Cost/Value
Capital Project Fund	Certificate of Deposit	1.50%	8/23/2019	8/23/2024	Cadence Bank	$ 21,603
Total Investments						$ 21,603

See accompanying independent accountants' compilation report.

TOWN OF VARDAMAN, MISSISSIPPI
Schedule of Capital Assets
For the Year Ended September 30, 2023

General Fund:

		Balance 09/30/2022	Additions & Reclassifications	Retirements & Reclassifications		Balance 09/30/2023
Land & Buildings	$	143,033	-	-	$	143,033
Machinery & Equipment		446,068	65,999	-		512,067
Vehicles		42,341	-	-		42,341
	$	631,442	65,999	-	$	697,441

Proprietary Fund:

		Balance 09/30/2022	Additions & Reclassifications	Retirements & Reclassifications		Balance 09/30/2023
Water Distribution System	$	2,344,626	14,501	-	$	2,359,127
Machinery & Equipment		101,050	20,600	-		121,650
	$	2,445,676	35,101	-	$	2,480,777

See accompanying independent accountants' compilation report.

TOWN OF VARDAMAN, MISSISSIPPI
Schedule of Long-Term Debt
For the Year Ended September 30, 2023

Notes Payable	Balance Outstanding 9/30/2022	Transactions During Fiscal Year		Balance Outstanding 9/30/2023
		Issued	Redeemed	
Cadence Bank - Sportsplex Operations	$ 3,933	-	3,933	$ -
USDA Rural Development - Waterline Construction	245,611	-	9,944	235,667
Total Notes Payable	$ 249,544	-	13,877	$ 235,667

See accompanying independent accountants' compilation report.

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

Name	Position	Company	Bond
Dustin Pounds	Police Chief	Western Surety	$ 50,000
Kenneth Scott	Police Chief	Western Surety	$ 50,000
Tiffany Ann Dauzat	City Clerk	Western Surety	$ 50,000
Wendy Scott	Deputy Clerk	Western Surety	$ 50,000
James M Casey	Mayor	Western Surety	$ 50,000
Robert Earl McGregor	Alderman	Travelers	$ 15,000
Timothy Cook	Alderman	Western Surety	$ 15,000
Shane Langford	Alderman	Western Surety	$ 15,000
Danna Johnson	Alderwoman	Western Surety	$ 15,000
Peggy Skinner	Alderwoman	Western Surety	$ 15,000
Mary J Winter	Alderwoman	Western Surety	$ 15,000

In June of 2023 Kenneth Scott was replaced by Dustin Pounds as Police Chief.

See accompanying independent accountants' compilation report.

WWS

WATKINS, WARD and STAFFORD
Professional Limited Liability Company
Certified Public Accountants

James L Stafford, CPA
Harry W. Stevens, CPA
William B. Staggers, CPA
Michael W. McCully, CPA
R. Steve Sinclair, CPA
Marsha L. McDonald, CPA
Wanda S. Holley, CPA
Robin Y. McCormick, CPA/PFS
J. Randy Scrivner, CPA
Kimberly S. Caskey, CPA
Susan M. Lummus, CPA
Stephen D. Flake, CPA
John N. Russell, CPA
Anita L. Goodrum, CPA
Ricky D. Allen, CPA
Jason D. Brooks, CPA
Robert E. Cordle, Jr., CPA
Perry C. Rackley, Jr., CPA
Jerry L. Gammel, CPA
Clifford P. Stewart, CPA
Edward A. Maxwell, CPA
Bradley L. Harrison, CPA
Justin H. Keller, CPA
Dana R. Estes, CPA
April W. Posey, CPA
Lauren M. Bowen, CPA

REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

Honorable Mayor and Board of Aldermen
Town of Vardaman, Mississippi
Vardaman, Mississippi

We have compiled the accompanying Statement of Cash Receipts and Disbursements, Schedule of Investments, Schedule of Capital Assets, Schedule of Long-Term Debt, and Schedule of Surety Bonds for Municipal Officials of the Town of Vardaman, Mississippi, for the year ended September 30, 2023, 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 the 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.

The results of those procedures disclosed instances of noncompliance with state laws and regulations. Our findings and recommendations and your responses are as follows:

1. **Public Depositor Annual Report**

Finding

Section 27-105-5(6)(b), Mississippi Code Annotated (1972), requires every public depositor to file a Public Depositor Annual Report with the State Treasurer's Office within thirty (30) days following the end of its fiscal year. The Town did not file the required report within the prescribed timeframe for the fiscal year under review.

Recommendation

The Town should ensure that the Public Depositor Annual Report is accurately completed and filed with the State Treasurer's Office within thirty (30) days after the fiscal year end, as required by Section 27-105-5(6)(b), Mississippi Code Annotated (1972).

Response

The Town acknowledges that the Public Depositor Annual Report was not filed timely and will ensure that the report is prepared and submitted within the required timeframe in the future.

2. **State Court Fine Assessment**

Finding

Sections 99-19-73 and 83-39-3, Mississippi Code Annotated (1972), require municipalities to remit all state-imposed court assessments to the Department of Finance and Administration (DFA) on a monthly basis. These remittances must be made no later than the twentieth (20th) day of the month following collection. Testing 10 of the 55 fines collected, representing approximately 42 percent of total fines for the fiscal year, disclosed one instance in which state-imposed court assessments were not remitted to the DFA by the required due date. In addition, six instances were noted in which assessments collected were not remitted to the DFA at all.

Recommendation

The Town should implement controls and monitoring procedures to ensure that all state-imposed court assessments are remitted to the Department of Finance and Administration no later than the twentieth (20th) day of the month following collection, as required by state law.

Response

The Town will ensure that all state-imposed court assessments collected are remitted to the Department of Finance and Administration by the twentieth (20th) day of the month following collection.

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.

Houston, Mississippi
November 6, 2025

Watkins Ward and Stafford, PLLC

WWS

WATKINS, WARD and STAFFORD
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Certified Public Accountants

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Honorable Mayor and Board of Aldermen
Town of Vardaman, Mississippi
Vardaman, Mississippi

We have applied certain agreed-upon procedures, as discussed below, to the accounting records of the Town of Vardaman, Mississippi, as of September 30, 2023, and for the year then ended, as required by the Office of the State Auditor, under the provisions of Section 21-35-31, Miss. Code Ann. (1972). It is understood the report is solely for the use of the governing body of the Town of Vardaman, Mississippi and the Office of the State Auditor and should not be used for any other purposes. Our procedures and findings are as follows:

1) We reconciled cash on deposit with the following bank to balances in the respective general ledger accounts and obtained confirmation of the related balances from the bank:

Bank	Fund		Balance
	General Fund:		
Cadence Bank	General Funds	$	210,088
Cadence Bank	Fire Department		64,934
Cadence Bank	Police Fund		1,905
Cadence Bank	Library Fund		2,023
Cadence Bank	Park Fund		38,700
Cadence Bak	AD Valorem Tax		2,349
Cadence Bank	Front Porch		16,715
Cadence Bank	Public Safety Fund		2,398
Cadence Bank	Street Account		29
Cadence Bank	Spec Reserve Acc		539
Cadence Bank	Payroll Clearing		17,835
Cadence Bank	Cemetery Savings		27,694
	Total General Funds	$	385,209
	Proprietary Fund:		
Cadence Bank	Water Fund	$	139,617
	Total Proprietary Funds	$	139,617
	Capital Project Fund:		
Cadence Bank	Bond Savings	$	6,766
Cadence Bank	ARPA Rescue Fund		295,446
	Total Debt Service Funds	$	302,212

All investments were confirmed directly with respective trustees. All investment transactions during the year were examined for compliance with investments authorized by §21-33-323, Miss. Code Ann. (1972) noting no instance of noncompliance. This total is included in the ending cash balance in the statement of cash receipts and disbursements.

Bank	Fund	Value
Cadence Bank	Capital Project Fund	$ 21,603

2) We performed the following procedures with respect to Ad Valorem taxes (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 §27-39-320 to §27-39-323, Miss. Code Ann. (1972).

The tax levies were spread in the minutes of the governing body.

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 §27-39-320 to §27-39-323, Miss. Code Ann. (1972).

There were no ad valorem tax collections for the retirement of General Obligation Debt

3) We obtained a statement of payments made by the 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:

Payment Purpose	Receiving Fund	Amount
Grantor Payments	General	$ 13,573
Gasoline Tax	General	$ 3,330
Homestead Exemption Reimbursement	General	$ 17,120
TVA Payments in Lieu of Taxes	General	$ 12,833
Sales Tax Allocation	General	$ 162,785
Other Aid for Non-State Governmental Entities	General	$ 84,409
Fire Protection Allocation	General	$ 12,212
General Municipal Aid	General	$ 555
	Total	$ 306,818

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), if applicable.

   The sample consisted of the following:

   a. Number of Sample Items 25
   b. Total Dollar Value of Sample $ 35,470

   Our test noted no findings of noncompliance in relation to the requirements set forth in Title 31, Chapter 7, Miss. Code Ann. (1972).

5) Sections 99-19-73 and 83-39-3, Mississippi Code Annotated (1972), require municipalities to remit all state-imposed court assessments to the Department of Finance and Administration (DFA) on a monthly basis. These remittances must be made no later than the twentieth (20th) day of the month following collection. Testing 10 of the 55 fines collected, representing approximately 42 percent of total fines for the fiscal year, disclosed one instance in which state-imposed court assessments were not remitted to the DFA by the required due date. In addition, six instances were noted in which assessments collected were not remitted to the DFA at all.

6) The Mississippi Office of State Auditor requires municipalities to complete, sign, and record the Municipal Compliance Questionnaire in the board's minutes annually. Review of the Town's records indicated that the questionnaire was completed, signed, and entered into the board minutes for the fiscal year under review. We also tested the questionnaire to determine if it was accurately prepared. We noted one instance of noncompliance with state requirements. The Town answered yes to Part II Item 14 indicating that they complied with Section 27-105-353 of the Mississippi Code Ann. (1972) which requires all public depositors to notify the State Treasurer's office no later than thirty days following its fiscal year end of its name, address, tax identification number and listing of deposit accounts. The Town of Vardaman did not submit the required information to the State Treasurer's office.

We were engaged by the Town of Vardaman 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 Vardaman 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.

Watkins Ward and Stafford, PLLC

Houston, Mississippi
November 6, 2025