

## 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 ARTESIA, MISSISSIPPI  
COMPILATION REPORT  
AND REPORT ON AGREED-UPON PROCEDURES  
SEPTEMBER 30, 2025**

# TOWN OF ARTESIA, MISSISSIPPI

## Contents

	Page
Independent Accountants' Compilation Report	1
Statement of Cash Receipts and Disbursements	3
Supplementary Information	
Schedule of Investments	7
Schedule of Capital Assets	8
Schedule of Long-Term Debt	9
Schedule of Surety Bonds for Municipal Officials	10
Report on Compliance with State Laws and Regulations	11
Independent Accountants' Report on Applying Agreed-Upon Procedures	13



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

James L. Stafford, CPA  
Harry W. Stevens, CPA  
William B. Stagers, 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

## **INDEPENDENT ACCOUNTANTS' COMPILATION REPORT**

To the Honorable Mayor and Board of Aldermen  
Town of Artesia, Mississippi

Management is responsible for the accompanying Statement of Cash Receipts and Disbursements of the Town of Artesia, Mississippi for the year ended September 30, 2025, 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 Artesia, 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 required 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 February 18, 2026 on the results of our agreed-upon procedures.

Kosciusko, Mississippi  
February 18, 2026

*Watkins Ward and Stafford, P.C.*

**TOWN OF ARTESIA, MISSISSIPPI  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>Governmental Fund</u>	<u>Proprietary Fund</u>
	<u>General Fund</u>	<u>Water &amp; Sewer Fund</u>
<b>CASH RECEIPTS:</b>		
Taxes		
General property tax	\$ 69,045	\$ -
Franchise tax	7,704	-
Intergovernmental revenue		
State shared revenue		
General municipal aid	39,161	-
Sales tax	28,440	-
Gasoline tax	912	-
Fire protection allocation	7,937	-
TVA in lieu tax	2,631	-
Homestead reimbursement	2,880	-
Grantor payments	280,839	-
Other aid for non-state entities	2,300	-
Charges for services		
Water utility	-	235,442
Sewer sales	-	168,558
Other receipts		
Grant proceeds - lagoon	47,272	-
Interest earned	4	8
Rent	1,200	-
Miscellaneous	1,200	-
Artesia day receipts	63,141	-
<b>TOTAL CASH RECEIPTS</b>	<b><u>\$ 554,666</u></b>	<b><u>\$ 404,008</u></b>

**See accompanying independent accountants' compilation report.**

**TOWN OF ARTESIA, MISSISSIPPI  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<b>Governmental Fund</b>	<b>Proprietary Fund</b>
	<b>General Fund</b>	<b>Water &amp; Sewer Fund</b>
<b>DISBURSEMENTS:</b>		
General government	\$ 383,133	\$ -
Enterprises		
Water utility	-	257,009
<b>TOTAL DISBURSEMENTS</b>	<b>\$ 383,133</b>	<b>\$ 257,009</b>

**See accompanying independent accountants' compilation report.**

**TOWN OF ARTESIA, MISSISSIPPI  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<b>Governmental Fund</b>	<b>Proprietary Fund</b>
	<b>General Fund</b>	<b>Water &amp; Sewer Fund</b>
<b>EXCESS OF CASH RECEIPTS OVER DISBURSEMENTS</b>	<b>\$ 171,533</b>	<b>\$ 146,999</b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers	(446,504)	446,504
Capital outlay	(13,867)	(478,614)
<b>TOTAL OTHER FINANCING USES</b>	<b>(460,371)</b>	<b>(32,110)</b>
<b>Excess (Deficiency) of cash receipts and other financing sources (uses) over disbursements and other financing uses</b>	<b>(288,838)</b>	<b>114,889</b>
<b>CASH BALANCE-BEGINNING</b>	470,968	404,821
<b>CASH BALANCE-ENDING</b>	<b>\$ 182,130</b>	<b>\$ 519,710</b>

See accompanying independent accountants' compilation report.

## **SUPPLEMENTARY INFORMATION**

**TOWN OF ARTESIA, MISSISSIPPI  
SCHEDULE OF INVESTMENTS  
SEPTEMBER 30, 2025**

None

**See accompanying independent accountants' compilation report.**

**TOWN OF ARTESIA, MISSISSIPPI  
SCHEDULE OF CAPITAL ASSETS  
SEPTEMBER 30, 2025**

**General Fund:**

	Balance 9/30/2024	Additions & Reclassifications	Retirements & Reclassifications	Balance 9/30/2025
Building	\$ 10,000	\$ 9,467	\$ -	\$ 19,467
Land	17,000	-	-	17,000
Equipment	137,093	4,400	-	141,493
	<u>\$ 164,093</u>	<u>\$ 13,867</u>	<u>\$ -</u>	<u>\$ 177,960</u>

**Proprietary Fund:**

Land	\$ 14,100	\$ -	\$ -	\$ 14,100
Infrastructure	862,661	478,614	-	1,341,275
Equipment	17,891	-	-	17,891
	<u>\$ 894,652</u>	<u>\$ 478,614</u>	<u>\$ -</u>	<u>\$ 1,373,266</u>

**See accompanying independent accountants' compilation report.**

**TOWN OF ARTESIA, MISSISSIPPI  
SCHEDULE OF LONG-TERM DEBT  
SEPTEMBER 30, 2025**

None

**See accompanying independent accountants' compilation report.**

**TOWN OF ARTESIA, MISSISSIPPI  
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS  
SEPTEMBER 30, 2025**

Position	Name	Insurance Company	Term		Coverage
Mayor	Jimmy Sanders	Travelers Casualty and Surety Company	8/19/2024	8/19/2026	\$ 50,000
City Clerk	Tresa Sanders	Travelers Casualty and Surety Company	8/19/2024	8/19/2026	50,000
Alderman	Shekita Armstead	Travelers Casualty and Surety Company	7/1/2021	7/1/2029	50,000
Alderman	Ellis Burnett	Travelers Casualty and Surety Company	7/1/2021	7/1/2029	50,000
Alderman	Mamie Johnson	Travelers Casualty and Surety Company	7/1/2021	7/1/2029	50,000
Alderman	Ronny Randle	Travelers Casualty and Surety Company	7/1/2025	7/1/2029	50,000
Alderman	Mattie James	Travelers Casualty and Surety Company	7/1/2025	7/1/2029	50,000
Chief Marshal	Reginald Adams *				

\*Note: The Town did not have a surety bond for the Chief Marshal.

**See accompanying independent accountants' compilation report.**



**REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS**

The Honorable Mayor and Board of Aldermen  
Town of Artesia, 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 Artesia, Mississippi, for the year ended September 30, 2025, 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.

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

**1. Surety Bonds for Municipal Officials**

**Finding**

The Town did not have a surety bond for the Chief Marshal. According to Section 21-21-1, Miss. Code Ann. (1972), a surety bond for this position is required of municipalities.

**Recommendation**

All required positions should be covered by a surety bond in order to protect the Town and the public from loss.

**Response**

The Town recognizes that the Chief Marshal should have been covered by a surety bond and will ensure that the position is bonded in the future.

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 these specified parties. However, this report is a matter of public record and its distribution is not limited.

Kosciusko, Mississippi  
February 18, 2026

*Watkins Ward and Stafford, PUC*



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

James L. Stafford, CPA  
Harry W. Stevens, CPA  
William B. Stagers, 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

**INDEPENDENT ACCOUNTANTS’ REPORT ON APPLYING  
AGREED-UPON PROCEDURES**

The Honorable Mayor and Board of Aldermen  
Town of Artesia, Mississippi

We have applied certain agreed-upon procedures, as discussed below, to the accounting records of the Town of Artesia, Mississippi, as of September 30, 2025, 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 Artesia, 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 banks to balances in the respective general ledger accounts and obtained confirmation of the related balances from the banks:

Bank	Fund	Balance
	General Fund:	
Renasant Bank	General Fund	\$ 95,143
Renasant Bank	General Fund	8,169
Renasant Bank	General Fund	24,354
Renasant Bank	General Fund	54,414
	Total General Funds	<u>\$ 182,080</u>
	Proprietary Fund:	
Renasant Bank	Water Fund	\$ 498,905
Cadence Bank	Water Fund	20,805
	Total Proprietary Funds	<u>\$ 519,710</u>

The municipality had no investments, therefore there are none to confirm.

- 2) We performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:
  - a. Trace levies to governing body minutes. Tax assessments, billings and collections are handled by the Lowndes County's tax collector's office and remitted monthly to the Town of Artesia; therefore, the accountant will not perform a reconciliation of the tax roll to collections.
  - 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 §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 deposits in the respective bank accounts and recorded in the general ledger without exception. Payments traced were as follows:

Payment Purpose	Receiving Fund	Amount
Gasoline Tax	General Fund	\$ 912
General Municipal Aid	General Fund	39,161
Homestead Exemption Reimbursement	General Fund	2,880
Sales Tax Allocation	General Fund	28,440
TVA Payments in Lieu of Taxes	General Fund	2,631
Other Aid	General Fund	2,300
Fire Protection Allocation	General Fund	7,937
Grantor Payments	General Fund	280,839
		\$ 365,100

- 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:

- a. Number of Sample Items: 15
- b. Total Dollar Value of Sample: \$498,313.96

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

- 5) We determined that the Town of Artesia does not have its own court. All cases are sent to the Justice Court. Therefore, there were no fines to be tested for the year.
- 6) We have read the Municipal Compliance Questionnaire completed by the municipality. The completed survey indicated instances of noncompliance.

The Town did not have a surety bond for the Chief Marshal. According to Section 21-21-1, Miss. Code Ann. (1972), a surety bond for this position is required of municipalities. To be in full-compliance, we suggest that the municipality ensure that all required positions are covered by a surety bond in order to protect the Town and the public from loss.

We were engaged by the Town of Artesia 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 Artesia 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.

Kosciusko, Mississippi  
February 18, 2026

*Watkins Ward and Stafford, PUC*