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**TOWN OF STONEWALL**

P.O. BOX 1059  
STONEWALL, MISSISSIPPI 39363-1059  
601-659-7033  
Fax 601-659-7035

**Jerry Rich, Mayor**  
**Glynis Banes, Town Clerk**  
**Michael S. Street, Chief of Police**

**Alderman**  
**Ricky Carpenter**  
**Ferry H. Adams**  
**Greg Mangum**  
**Benjie Fleming**  
**Danielle Rathbun**

July 5, 2019

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

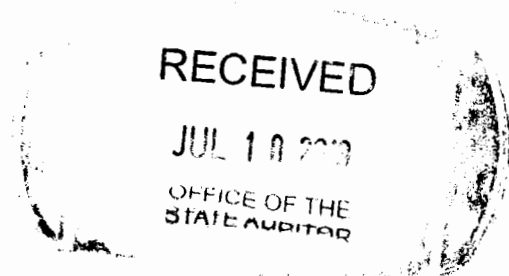
RE: Annual Compilation Report and Special Report on Applying Agreed-Upon  
Procedures for the year 2018

Department of Technical Assistance:

Accompanying this letter are two copies of the annual Compilation Reports and Special Reports on Applying Agreed-Upon Procedures of the Town of Stonewall, Mississippi, for the fiscal year ended September 30, 2018. A separate management letter was not written to the town in connection with these reports.

Sincerely,

  
\_\_\_\_\_  
Jerry Rich, Mayor



**TOWN OF STONEWALL, MISSISSIPPI**  
**INDEPENDENT ACCOUNTANTS' REPORT**  
**ON APPLYING AGREED-UPON**  
**PROCEDURES AND**  
**ACCOUNTANTS' COMPILATION REPORT**  
**For the fiscal year ended September 30, 2018**



**TOWN OF STONEWALL, MISSISSIPPI**

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# Stephen D. Myrick C.P.A., L.L.C.

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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Honorable Mayor and Members of the Board of Aldermen  
Town of Stonewall, Mississippi

We have performed the procedures enumerated below, which were agreed to by the Board of Aldermen and Mayor of the Town of Stonewall, Mississippi on cash, ad valorem taxes, state receipts, disbursements, fines and forfeitures, court assessments and the municipal compliance questionnaire of the Town of Stonewall, Mississippi as of September 30, 2018, and for the year then ended, as required by the Office of State Auditor under the provisions of Section 21-35-31, Miss Code Ann. (1972). The sufficiency of these procedures is solely the responsibility of the Office of the State Auditor and the Town of Stonewall, Mississippi. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and the associated 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.

<u>Bank</u>	<u>Fund</u>	<u>Balance Per General Ledger</u>
BankPlus	General Fund	\$ 99,772
BankPlus	General Fund	116,863
BankPlus	General Fund	21,923
BankPlus	General Fund	4,218
Total General Fund		<u>\$ 242,776</u>
BankPlus	Grant Fund	<u>\$ 22,768</u>
BankPlus	Fire Protection Fund	<u>\$ 14,882</u>
BankPlus	Economic Development Fund	<u>\$ 12,338</u>
BankPlus	Water & Sewer Fund	<u>\$ 48,246</u>
BankPlus	Sanitation Fund	<u>\$ 50,405</u>

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OFFICE OF THE  
STATE AUDITOR

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 completion with increase limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

The levies were found to be properly approved by the board of aldermen.

The distribution of taxes to funds was found to be in accordance with prescribed tax levies.

Ad valorem tax collections were found to have not exceeded the limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

3. We obtained a statement of payments from 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:

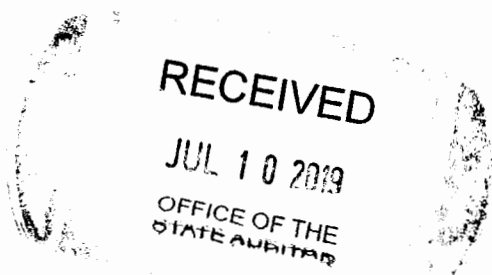
Payment Purpose	Receiving Fund	Balance Per General Ledger
Sales Tax Allocation	General Fund	\$ 69,519
Municipal Aid	General Fund	543
Gasoline Taxes	General Fund	3,332
Homestead Exemption	General Fund	17,712
JAG Grant	General Fund	2,694
MEMA Grant	General Fund	2,184
Fire Protection	Fire Protection Fund	6,211
Total		\$ 102,195

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	25
Total Dollar Value of Sample	\$33,445

We found the municipality's purchasing procedures to be in agreement with the requirements of the above-mentioned statutes with the exception of the purchase of one used truck where the Town did not properly comply with Mississippi Purchasing Laws by obtaining two comparable quotes.



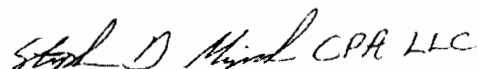
5. We also selected a sample of state-imposed court assessments collected and determined that the municipal clerk had settled monthly with the Department of Finance and Administration.

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

6. We have read the Municipal Compliance Questionnaire completed by the municipality and determine that the response to Part II – Question 14 of the questionnaire indicates noncompliance with state requirements. We also examined surety bonds and determined that the police chief was not properly bonded for three months during the fiscal year.

This agreed-upon procedures engagement was conducted 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, the objective of which would be the expression of an opinion or conclusion, respectively, on cash, ad valorem taxes, state receipts, disbursements, fines and forfeitures, court assessments and the municipal compliance questionnaire. 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.

This report is intended solely for the information and use of the Town of Stonewall, Mississippi and the Office of the State Auditor of Mississippi and is not intended to be and should not be used by anyone other than the specified parties.

  
Stephen D. Myrick, C.P.A., L.L.C.

June 10, 2019  
Quitman, Mississippi

# *Stephen D. Myrick C.P.A., L.L.C.*

103 North Archusa Avenue  
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## **ACCOUNTANTS' COMPILATION REPORT**

Honorable Mayor and Members of the Board of Aldermen  
Town of Stonewall, Mississippi

Management is responsible for the accompanying Combined Statement of Cash Receipts and Disbursements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Stonewall, Mississippi, as of and for the year ended September 30, 2018, 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 Combined 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 these financial statements.

The financial statement is prepared in accordance with the cash basis of accounting which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The supplementary information contained in the supplementary section is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the representation of management. The information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such supplementary information.

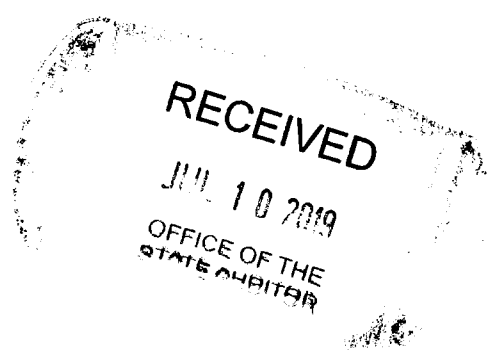
Management has elected to omit substantially all the disclosures ordinarily included in financial statements prepared with the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's cash receipts and disbursements. Accordingly, the financial statement is not designed for those who are not informed about such matters.



In accordance with the provisions of Section 21-35-31, Mississippi Code Annotated (1972), we have also issued a report dated June 10, 2019, on the results of our agreed-upon procedures.

*Stephen D. Myrick CPA LLC*  
Stephen D. Myrick, C.P.A., L.L.C.

June 10, 2019  
Quitman, Mississippi



**TOWN OF STONEWALL, MISSISSIPPI**  
**COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**  
**GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES**  
**For the Year Ended September 30, 2018**

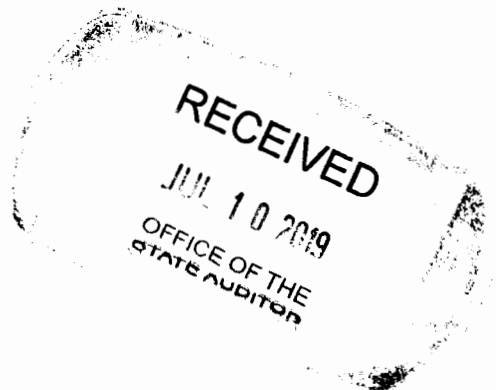
	Governmental Activities			Business-type Activities		
	Major Fund	Other	Total	Major Funds		Total
	General	Governmental Funds		Water and Sewer Fund	Sanitation Fund	
<b>Revenue Receipts</b>						
Taxes:						
General Property Taxes	\$ 232,079	\$ -	\$ 232,079	\$ -	\$ -	\$ -
Other Taxes	2,795	-	2,795	-	-	-
Licenses and Permits:						
Privilege Licenses	2,153	-	2,153	-	-	-
Franchise Charges - Utilities	43,558	-	43,558	-	-	-
Intergovernmental Receipts:						
Federal Receipts:						
JAG Grant	2,694	-	2,694	-	-	-
State Shared Receipts:						
Municipal Aid	543	-	543	-	-	-
Sales Tax	69,519	-	69,519	-	-	-
Gasoline Tax	3,332	-	3,332	-	-	-
Homestead Reimbursement	17,712	-	17,712	-	-	-
MEMA Grant	2,184	-	2,184	-	-	-
Local Shared Receipts:						
Pro Rata County Road Tax	11,291	-	11,291	-	-	-
Other County Ad Valorem	631	-	631	-	-	-
Fire Protection Allocation	-	6,211	6,211	-	-	-
Fire Runs	11,656	-	11,656	-	-	-
Charges for Services:						
Water Utility Service Fees	-	-	-	212,232	-	212,232
Sanitation	-	-	-	-	88,424	88,424
Fines & Forfeitures	20,824	-	20,824	-	-	-
Interest Earnings	695	97	792	133	96	229
Rental of Facilities	50	13,550	13,600	-	-	-
Cemetery Plot Sales	2,500	-	2,500	-	-	-
Miscellaneous Receipts	554	-	554	-	-	-
<b>Total Receipts</b>	<b>424,770</b>	<b>19,858</b>	<b>444,628</b>	<b>212,365</b>	<b>88,520</b>	<b>300,885</b>
<b>Disbursements</b>						
General Government (Executive & Financial)	142,456	-	142,456	-	-	-
Public Safety:						
Police	165,163	-	165,163	-	-	-
Fire	8,218	-	8,218	-	-	-
Highways and Streets	112,542	-	112,542	-	-	-
Culture and Recreation:						
Parks	9,472	-	9,472	-	-	-
Libraries	9,000	-	9,000	-	-	-
Economic Development	-	12,436	12,436	-	-	-
Enterprises:						
Water and Sewer Utility	-	-	-	188,596	-	188,596
Sanitation Utility	-	-	-	-	65,140	65,140
Redemption of Principal	11,681	-	11,681	29,177	-	29,177
Debt Service Interest	1,012	-	1,012	6,693	-	6,693
Capital Outlay	3,592	-	3,592	5,900	-	5,900
<b>Total Disbursements</b>	<b>463,136</b>	<b>12,436</b>	<b>475,572</b>	<b>230,366</b>	<b>65,140</b>	<b>295,506</b>
<b>Excess (Deficiency) of Receipts Over Disbursements</b>	<b>(38,366)</b>	<b>7,422</b>	<b>(30,944)</b>	<b>(18,001)</b>	<b>23,380</b>	<b>5,379</b>
<b>Other Financing Sources</b>						
Transfers in	-	-	-	5,900	-	5,900
Transfers out	-	(5,900)	(5,900)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(5,900)</b>	<b>(5,900)</b>	<b>5,900</b>	<b>-</b>	<b>5,900</b>
<b>Excess (Deficiencies) of Receipts and Other Financing Sources over Disbursements and Other Financing Uses</b>	<b>(38,366)</b>	<b>1,522</b>	<b>(36,844)</b>	<b>(12,101)</b>	<b>23,380</b>	<b>11,279</b>
<b>Cash Basis Fund Balance - Beginning of Year</b>	<b>281,142</b>	<b>48,466</b>	<b>329,608</b>	<b>60,347</b>	<b>27,025</b>	<b>87,372</b>
<b>Cash Basis Fund Balance - End of Year</b>	<b>\$ 242,776</b>	<b>\$ 49,988</b>	<b>\$ 292,764</b>	<b>\$ 48,246</b>	<b>\$ 50,405</b>	<b>\$ 98,651</b>

See accountants' compilation report.

**SUPPLEMENTARY INFORMATION**

**TOWN OF STONEWALL, MISSISSIPPI  
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS  
SEPTEMBER 30, 2018**

<u>Name</u>	<u>Position</u>	<u>Company</u>	<u>Bond</u>
Glynis Banes	Municipal Clerk	Western Surety Company	\$50,000
Benjie Fleming	Alderman	Western Surety Company	\$50,000
Ricky Carpenter	Alderman	Western Surety Company	\$50,000
Greg Mangum	Alderman	Western Surety Company	\$50,000
Fred Frey	Alderman	Western Surety Company	\$50,000
Ferry Adams	Alderman	Western Surety Company	\$50,000
Michael Street	Police Chief	Western Surety Company	\$50,000

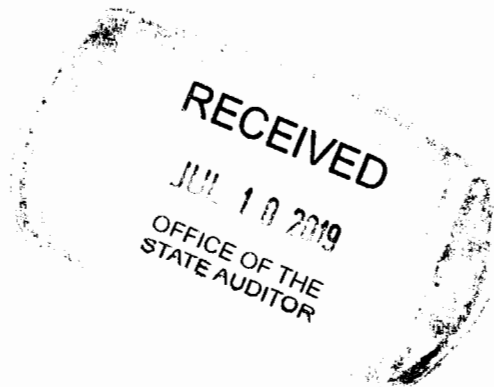


**TOWN OF STONEWALL, MISSISSIPPI  
SCHEDULE OF LONG-TERM DEBT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

<b>DEFINITION AND PURPOSE</b>	<b>Balance Outstanding 10/1/2017</b>	<b>Transactions During Fiscal Year</b>		<b>Balance Outstanding 9/30/2018</b>
		<b>Issued</b>	<b>Redeemed</b>	
Capital Leases				
2013 Chevrolet Tahoe	\$ 7,435	\$ -	\$ 6,846	\$ 589
2014 Bobcat Excavator	1,516	-	1,516	-
2016 Dodge Charger	16,266	-	4,835	11,431
Other Loan				
550 Water Meters	167,633	-	27,661	139,972
<b>Total</b>	<b>\$ 192,850</b>	<b>\$ -</b>	<b>\$ 40,858</b>	<b>\$ 151,992</b>

TOWN OF STONEWALL, MISSISSIPPI  
 SOLID WASTE MANAGEMENT SERVICES SCHEDULE  
 FULL COST ACCOUNTING  
 SUMMARY OF COSTS REPORT  
 SEPTEMBER 30, 2018

<b>Revenue:</b>	
Garbage fees	\$ 88,424
Total revenue	88,424
<b>Expenses:</b>	
Wages	27,886
Payroll taxes	2,122
Employee benefits	5,327
Contract labor	4,069
Insurance	6,449
Fuel	2,655
Landfill fee	12,448
Repairs	3,588
Supplies	462
Professional services	134
Total expenses	<u>65,140</u>
<b>Excess (Deficiency) of Revenue Over Expenses</b>	<u>\$ 23,284</u>
<b>Number of users</b>	<u>423</u>
<b>Average annual cost per user</b>	<u>\$ 154</u>



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## ACCOUNTANTS' REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS


Honorable Mayor and  
Members of the Board of Aldermen  
Town of Stonewall, Mississippi

We have compiled the Combined Statement of Cash Receipts and Disbursements of the Town of Stonewall, Mississippi, as of and for the year ended September 30, 2018, and performed certain other agreed upon procedures as required by the Office of State Auditor of Mississippi and have issued our report dated June 10, 2019.

As required by the state legal compliance audit program prescribed by the Office of 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 compilation and, accordingly, we do not express such an opinion.

The results of those procedures and our compilation of the statement of cash receipts and disbursements and agreed upon procedures disclosed no material instances of noncompliance with state laws and regulations.

This report is intended for the information of the Town's management and the Office of State Auditor 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.

  
Stephen D. Myrick, C.P.A., L.L.C

June 10, 2019  
Quitman, Mississippi

