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TOWN OF CENTREVILLE, MISSISSIPPI  
ANNUAL FINANCIAL STATEMENTS  
AS OF SEPTEMBER 30, 2014  
AND FOR THE YEAR THEN ENDED  
WITH  
INDEPENDENT AUDITOR'S REPORT

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**SILAS SIMMONS** LLP  
CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS



**TOWN OF CENTREVILLE, MISSISSIPPI**

Annual Financial Statements  
As of and for the Year Ended September 30, 2014  
With Supplemental Information Schedules

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**TOWN OF CENTREVILLE, MISSISSIPPI**

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TOWN OF CENTREVILLE, MISSISSIPPI

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**INDEPENDENT AUDITOR'S REPORT**



**SILAS SIMMONS** LLP

CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS

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## INDEPENDENT AUDITOR'S REPORT

Mayor and Board of Aldermen  
Town of Centreville, Mississippi

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Centreville, Mississippi, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Centreville, Mississippi, as of September 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 8 and 32 through 33 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Centreville, Mississippi's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and schedules described in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual major and nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### *Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2015, on our consideration of the Town of Centreville, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Centreville, Mississippi's internal control over financial reporting and compliance.

*Silas Simmons, LLP*

Natchez, Mississippi  
November 14, 2015

**Required Supplemental Information (Part I)**

TOWN OF CENTREVILLE, MISSISSIPPI  
MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2014

The management of the Town of Centreville, Mississippi offers readers of the Town of Centreville, Mississippi's (Town) financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2014. This management's discussion and analysis is designed to provide an objective analysis of the Town's financial activities based on currently known facts, decisions, and conditions. It is intended to provide readers with a broad overview of the Town's finances. It is also intended to provide readers with an analysis of the Town's short-term and long-term activities based on information presented in the financial report and fiscal policies that have been adopted by the Town. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the Town's financial activity, identify changes in the Town's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

The Town presents its financial statements under the reporting model required by the Governmental Accounting Standards Board Statement No. 34 and the subsequent amendments issued with Governmental Accounting Standards Board Statement No. 63. We encourage readers to consider the information presented here in conjunction with additional information presented throughout this report.

#### Overview of the Financial Statements

This section is intended to serve as an introduction to the Town's financial statements. The Town's basic financial statements consist of the government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information, which is in addition to the basic financial statements.

#### Government-Wide Financial Statements

Government-wide financial statements are designed by GASB Statement No. 34 and the subsequent amendments issued with GASB Statement No. 63 to provide the readers with a concise "entity-wide" statement of net position and statement of activities, which seek to give the user of the financial statements a broad overview of the Town's financial position and results of operations in a manner similar to private sector businesses.

The statement of net position presents information on all of the Town's assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. The difference between the two is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or weakening.

The statement of activities presents information which shows how the government's net position changed during this fiscal year. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes).

Each of these reports is broken down between governmental activities and business-type activities. Governmental activities normally are those activities that are supported by taxes, licenses, permits, fines, and intergovernmental revenues; for example, the police and fire departments. Business-type activities are functions that are intended to support their costs through charges for services or fees; such as the gas, water, sewer, and garbage departments.

**TOWN OF CENTREVILLE, MISSISSIPPI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**SEPTEMBER 30, 2014**

**Government-Wide Financial Analysis**

As noted earlier, Net Position may, over time, serve as a useful indicator of a government's financial position. At the close of the most recent fiscal year, the Town's assets exceeded its liabilities by \$2,909,321 (net position); this represents a decrease of \$12,828 from last fiscal year. Of this total net position amount, \$495,090 is unrestricted net position. The Town's net position is comprised of \$1,329,528 from governmental activities and \$1,579,793 from business-type activities.

The following is a condensed statement of the Town of Centreville's net position as of September 30, 2014:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b>Assets</b>						
Current and other assets	\$ 468,519	\$ 482,495	\$ 291,065	\$ 305,173	\$ 759,584	\$ 787,668
Capital assets (net)	<u>1,145,703</u>	<u>1,189,616</u>	<u>2,173,675</u>	<u>2,259,065</u>	<u>3,319,378</u>	<u>3,448,681</u>
<b>Total assets</b>	<b><u>\$ 1,614,222</u></b>	<b><u>\$ 1,672,111</u></b>	<b><u>\$ 2,464,740</u></b>	<b><u>\$ 2,564,238</u></b>	<b><u>\$ 4,078,962</u></b>	<b><u>\$ 4,236,349</u></b>
<b>Liabilities</b>						
Other liabilities	\$ 79,694	\$ 123,543	\$ 199,565	\$ 207,849	\$ 279,259	\$ 331,392
Long-term liabilities	<u>205,000</u>	<u>250,000</u>	<u>685,382</u>	<u>732,808</u>	<u>890,382</u>	<u>982,808</u>
<b>Total liabilities</b>	<b><u>\$ 284,694</u></b>	<b><u>\$ 373,543</u></b>	<b><u>\$ 884,947</u></b>	<b><u>\$ 940,657</u></b>	<b><u>\$ 1,169,641</u></b>	<b><u>\$ 1,314,200</u></b>
<b>Net position</b>						
Net investment in capital, assets	\$ 895,703	\$ 894,616	\$ 1,440,991	\$ 1,479,900	\$ 2,336,694	\$ 2,374,516
Restricted	77,532	72,078	5	5	77,537	72,083
Unrestricted	<u>356,293</u>	<u>331,874</u>	<u>138,797</u>	<u>143,676</u>	<u>495,090</u>	<u>475,550</u>
<b>Total net position</b>	<b><u>\$ 1,329,528</u></b>	<b><u>\$ 1,298,568</u></b>	<b><u>\$ 1,579,793</u></b>	<b><u>\$ 1,623,581</u></b>	<b><u>\$ 2,909,321</u></b>	<b><u>\$ 2,922,149</u></b>

By far the largest portion of the Town's net position (\$2,336,694 or 80%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, Town infrastructure, etc.) less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

The remaining balance is made up of unrestricted net position (\$495,090 or 17%), which may be used to meet the government's ongoing obligations to citizens and creditors and restricted net position (\$77,537 or 3%), which are restricted to specific uses.

The Town has total outstanding debt of \$982,684, which was used to finance some of the \$3,319,378 in capital assets. Total liabilities of \$1,169,641 are equal to 40% of the total net position.

The Town's governmental activities increased net position by \$30,960. This increase is mainly due to a decrease of approximately \$90,415 in operational expenditures. Additionally, the Enterprise Fund decreased net position by \$43,788 due to an increase of approximately \$38,593 in operational costs and an \$80,000 decrease in grant proceeds.

**TOWN OF CENTREVILLE, MISSISSIPPI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**SEPTEMBER 30, 2014**

**Government-Wide Financial Analysis (continued)**

The following is a summary of the statement of activities:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenue						
Program revenue	\$ 34,727	\$ 50,276	\$ 1,057,118	\$ 1,049,582	\$ 1,091,845	\$ 1,099,858
General revenue and transfers	<u>863,874</u>	<u>888,735</u>	<u>(335,061)</u>	<u>(391,254)</u>	<u>528,813</u>	<u>497,481</u>
Total revenue and transfers	<u>\$ 898,601</u>	<u>\$ 939,011</u>	<u>\$ 722,057</u>	<u>\$ 658,328</u>	<u>\$ 1,620,658</u>	<u>\$ 1,597,339</u>
Expenses						
General government	\$ 294,823	\$ 330,634	\$ -	\$ -	\$ 294,823	\$ 330,634
Public safety	423,463	472,170	-	-	423,463	472,170
Highway and streets	136,118	150,713	-	-	136,118	150,713
Employee benefits	977	2,347	-	-	977	2,347
Combined utility	-	-	751,471	712,878	751,471	712,878
Interest on long-term debt	<u>12,260</u>	<u>13,450</u>	<u>14,374</u>	<u>14,893</u>	<u>26,634</u>	<u>28,343</u>
Total expenses	<u>\$ 867,641</u>	<u>\$ 969,314</u>	<u>\$ 765,845</u>	<u>\$ 727,771</u>	<u>\$ 1,633,486</u>	<u>\$ 1,697,085</u>
Increase (decrease) in net position	<u>\$ 30,960</u>	<u>\$ (30,303)</u>	<u>\$ (43,788)</u>	<u>\$ (69,443)</u>	<u>\$ (12,828)</u>	<u>\$ (99,746)</u>
Net position, September 30, 2013	<u>\$ 1,298,568</u>	<u>\$ 1,328,871</u>	<u>\$ 1,623,581</u>	<u>\$ 1,693,024</u>	<u>\$ 2,922,149</u>	<u>\$ 3,021,895</u>
Net position, September 30, 2014	<u>\$ 1,329,528</u>	<u>\$ 1,298,568</u>	<u>\$ 1,579,793</u>	<u>\$ 1,623,581</u>	<u>\$ 2,909,321</u>	<u>\$ 2,922,149</u>

**Governmental Activities**

The governmental activities of the Town include general government, public safety, highways and streets, employee benefits, and payment of interest on long-term debt. In that revenues normally associated with municipal operations, (e.g., sales tax, property tax, franchise fees, license fees, permits, fines, and operating grants) are insufficient for the funding of these activities, the Town relies on transfers of excess revenue from its Enterprise Fund to cover the cost of all activities.

**Business-Type Activities**

The business-type activities of the Town are those that charge a fee to customers for the services provided. The Town has one business-type activity, which is accounted for in the Enterprise Fund. The Town uses the Enterprise Fund to account for the revenues and expenses related to the provision of gas, water, sewer, and garbage services.

**TOWN OF CENTREVILLE, MISSISSIPPI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2014**

**Government-Wide Financial Analysis (continued)**

**Business-Type Activities (continued)**

The following is a summary of the business-type activities of the Town:

	<u>Operating Revenues</u>				
	<u>Water</u>	<u>Sewer</u>	<u>Gas</u>	<u>Garbage</u>	<u>Total</u>
Fiscal year ended September 30, 2013	\$ 386,319	\$ 164,495	\$ 244,057	\$ 112,021	\$ 906,892
Fiscal year ended September 30, 2014	<u>416,719</u>	<u>178,974</u>	<u>287,127</u>	<u>113,998</u>	<u>996,818</u>
Increase (decrease) from prior year	<u>\$ 30,400</u>	<u>\$ 14,479</u>	<u>\$ 43,070</u>	<u>\$ 1,977</u>	<u>\$ 89,926</u>

	<u>Operating Expenses</u>				
	<u>Water</u>	<u>Sewer</u>	<u>Gas</u>	<u>Garbage</u>	<u>Total</u>
Fiscal year ended September 30, 2013	\$ 256,407	\$ 120,662	\$ 228,212	\$ 107,597	\$ 712,878
Fiscal year ended September 30, 2014	<u>253,545</u>	<u>119,316</u>	<u>267,548</u>	<u>111,062</u>	<u>751,471</u>
Increase (decrease) from prior year	<u>\$ (2,862)</u>	<u>\$ (1,346)</u>	<u>\$ 39,336</u>	<u>\$ 3,465</u>	<u>\$ 38,593</u>

	<u>Net Income (Loss) From Operations</u>				
	<u>Water</u>	<u>Sewer</u>	<u>Gas</u>	<u>Garbage</u>	<u>Total</u>
Fiscal year ended September 30, 2013	\$ 129,912	\$ 43,833	\$ 15,845	\$ 4,424	\$ 194,014
Fiscal year ended September 30, 2014	<u>163,174</u>	<u>59,658</u>	<u>19,579</u>	<u>2,936</u>	<u>245,347</u>
Increase (decrease) from prior year	<u>\$ 33,262</u>	<u>\$ 15,825</u>	<u>\$ 3,734</u>	<u>\$ (1,488)</u>	<u>\$ 51,333</u>

The reasons for major fluctuations noted above are as follows:

All of the departments showed increases in net income from operations except garbage, which showed a slight decrease of \$1,488. The decrease in garbage was mainly due to an increase in expenses.

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TOWN OF CENTREVILLE, MISSISSIPPI  
MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2014

**Fund Financial Statements - Governmental Funds**

The fund financial statements provide more detailed information about the Town's most significant funds - not the Town as a whole. Funds are accounting devices that the Town uses to keep track of specific sources of funding and spending for a particular purpose.

The Town currently maintains four individual governmental fund types. These fund types are the general fund, special revenue fund, debt service fund, and agency fund. Information is presented separately in the governmental funds balance sheet (Statement C) and in the governmental fund statement of revenues, expenditures, and changes in fund balances (Statement E) for the general fund, which is considered to be a major fund.

The Town adopts an annual budget for the general fund. A statement of revenues, expenditures, and changes in fund balance for the general fund is presented in the required supplemental information (Part II), which compares actual revenues and expenditures to the original budget and amended budget figures.

**Financial Analysis of the Town's Governmental Funds**

The Town of Centreville's governmental funds reported an ending fund balance of \$435,564, which is an increase of \$27,288. The increase is primarily due to a decrease in operational costs of \$87,363 from the prior year. \$358,032 of the fund balance is unassigned. The remaining balances of \$5,057, \$13,508 and \$58,967 are restricted for unemployment claims, debt service, and special fire expenditures, respectively.

**Fund Financial Statements - Proprietary Funds**

The Town maintains one proprietary fund. Proprietary funds are used to report the same functions as business-type activities. The Town uses an Enterprise Fund (the first type of proprietary fund) to account for its combined water, sewer, gas, and garbage operations. This Enterprise Fund reports the same functions presented as business-type activities in the government-wide financial statements.

**Financial Analysis of the Town's Proprietary Fund**

The Town's Enterprise Fund shows a decrease in fund balance of \$43,788. The decrease was primarily due to a decrease of \$82,390 in grant proceeds. \$138,797 of the fund balance was unrestricted at September 30, 2014. The remaining amounts of \$1,440,991 and \$5 represent the Town's investment in its utility systems and equipment and deposits for construction projects.

In that financial statements of the Enterprise Fund are presented on the same basis of accounting as in both the government-wide financial statements and the individual fund statements, all comments and analysis made under business-type activities apply to these funds.

**General Fund Budgetary Highlights**

There were no major differences between the original budget and the final amended budget.

**TOWN OF CENTREVILLE, MISSISSIPPI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2014**

**Fund Financial Statements - Proprietary Funds (continued)**

**General Fund Budgetary Highlights (continued)**

The actual revenue for the current fiscal year was sufficient to meet all expenditures and shows a \$21,834 increase in fund balance. The final budget and the actual results difference shows a negative position of \$131,035. Revenues fell short of budgeted amounts by \$182,797. Actual expenditures were less than budgeted expenditures by \$155,812. Operating transfers-in showed a negative variance of \$84,050.

**Capital Asset and Debt Administration**

The total investment in net capital assets as of September 30, 2014, is \$3,319,378.

New major capital assets purchased or constructed during the year ended September 30, 2014, are:

1. The Town incurred approximately \$60,300, for the federally funded CDBG generator and drainage projects, to improve the utility system.

**Current Financial Factors**

A Community Development Block Grant (CDBG) in the amount of \$937,600, awarded in 2012, to aid with various sewer system drain improvements continued during the year and is projected to be completed by fiscal year 2016. Currently, approximately 863,000 is still outstanding.

**Requests for Information**

This financial report is designed to provide a general overview of the Town of Centreville's finances for all with an interest in the government's operations. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Michelle Singleton, Municipal Clerk, Post Office Box 578, Centreville, Mississippi 39631.

## **Basic Financial Statements**

**Government-Wide Financial Statements**

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## TOWN OF CENTREVILLE, MISSISSIPPI

## STATEMENT OF NET POSITION

SEPTEMBER 30, 2014

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 348,331	\$ 54,195	\$ 402,526
Receivables (net of allowances for uncollectibles)	37,127	124,445	161,572
Internal balances	6,164	(6,164)	-
Restricted assets	76,897	118,589	195,486
Capital assets (net)	<u>1,145,703</u>	<u>2,173,675</u>	<u>3,319,378</u>
Total assets	<u>\$ 1,614,222</u>	<u>\$ 2,464,740</u>	<u>\$ 4,078,962</u>
<b><u>LIABILITIES</u></b>			
Accounts, salaries, and other payables	\$ 32,955	\$ 32,157	\$ 65,112
Payable from restricted assets	-	118,584	118,584
Notes payable, due within one year	45,000	47,302	92,302
Compensated absences payable	1,739	1,522	3,261
Notes payable, beyond one year	<u>205,000</u>	<u>685,382</u>	<u>890,382</u>
Total liabilities	<u>\$ 284,694</u>	<u>\$ 884,947</u>	<u>\$ 1,169,641</u>
<b><u>NET POSITION</u></b>			
Net investment in capital assets	\$ 895,703	\$ 1,440,991	\$ 2,336,694
Restricted	77,532	5	77,537
Unrestricted	<u>356,293</u>	<u>138,797</u>	<u>495,090</u>
Total net position	<u>\$ 1,329,528</u>	<u>\$ 1,579,793</u>	<u>\$ 2,909,321</u>

See accompanying notes to the basic financial statements.

## STATEMENT B

## TOWN OF CENTREVILLE, MISSISSIPPI

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Program Revenues			Capital Grants and Contri- butions	Net (Expenses)/ Revenue	Net (Expenses), Revenues, and Changes		Total
	Charges for Services	Operating Grants and Contri- butions				Gov- ern- mental Activities	Busi- ness- Type Activities	
<b>GOVERNMENTAL ACTIVITIES</b>								
General government	\$ 294,823	\$ 8,620	\$ 9,177	\$ -	\$ (277,026)	\$ (277,026)	\$ -	\$ (277,026)
Public safety	423,463	16,930	-	-	(406,533)	(406,533)	-	(406,533)
Employee benefits	977	-	-	-	(977)	(977)	-	(977)
Highways and streets	136,118	-	-	-	(136,118)	(136,118)	-	(136,118)
Interest on long-term debt	12,260	-	-	-	(12,260)	(12,260)	-	(12,260)
Total governmental activities	\$ 867,641	\$ 25,550	\$ 9,177	\$ -	\$ (832,914)	\$ (832,914)	\$ -	\$ (832,914)
<b>BUSINESS-TYPE ACTIVITIES</b>								
Water and sewer	\$ 377,684	\$ 595,693	\$ -	\$ 60,300	\$ 278,309	\$ -	\$ 278,309	\$ 278,309
Gas	271,996	287,127	-	-	15,131	-	15,131	15,131
Garbage	116,165	113,998	-	-	(2,167)	-	(2,167)	(2,167)
Total business-type activities	\$ 765,845	\$ 996,818	\$ -	\$ 60,300	\$ 291,273	\$ -	\$ 291,273	\$ 291,273
Total	\$ 1,633,486	\$ 1,022,368	\$ 9,177	\$ 60,300	\$ 541,641	\$ (832,914)	\$ 291,273	\$ (541,641)
General revenues:								
Ad valorem taxes	\$ 183,852	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 183,852
Licenses and permits	46,569	-	-	-	-	-	-	46,569
Intergovernmental revenues	271,138	-	-	-	-	-	-	271,138
Investment earnings	586	-	-	-	-	-	889	1,475
Other general revenues	25,779	-	-	-	-	-	-	25,779
Transfers	335,950	-	-	-	-	-	(335,950)	-
Total general revenues and transfers	\$ 863,874	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (335,961)	\$ 528,813
Change in net position	\$ 30,960	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (43,788)	\$ (12,828)
Net position - beginning	\$ 1,298,568	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,623,581	\$ 2,922,149
Net position - ending	\$ 1,329,528	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,579,793	\$ 2,909,321

See accompanying notes to the basic financial statements.

**Fund Financial Statements**

## **Governmental Funds**

TOWN OF CENTREVILLE, MISSISSIPPI

BALANCE SHEET  
GOVERNMENTAL FUNDS

SEPTEMBER 30, 2014

	<u>Major Fund</u> General Fund	<u>Other</u> Governmental Funds	<u>Total</u> Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 348,331	\$ -	\$ 348,331
Accounts receivable (net of allowances for uncollectibles)	28,914	8,213	37,127
Restricted assets	-	76,897	76,897
Due from other funds	<u>5,859</u>	<u>11,608</u>	<u>17,467</u>
Total assets	<u>\$ 383,104</u>	<u>\$ 96,718</u>	<u>\$ 479,822</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities:			
Accounts payable	\$ 12,917	\$ 10,342	\$ 23,259
Accrued liabilities	9,696	-	9,696
Due to other funds	<u>2,459</u>	<u>8,844</u>	<u>11,303</u>
Total liabilities	<u>\$ 25,072</u>	<u>\$ 19,186</u>	<u>\$ 44,258</u>
Fund balance:			
Restricted:			
Unemployment claims	\$ -	\$ 5,057	\$ 5,057
Debt payments	-	13,508	13,508
Fire department expenditures	-	58,967	58,967
Unassigned, reported in:			
General fund	<u>358,032</u>	<u>-</u>	<u>358,032</u>
Total fund balance	<u>\$ 358,032</u>	<u>\$ 77,532</u>	<u>\$ 435,564</u>
Total liabilities and fund balance	<u>\$ 383,104</u>	<u>\$ 96,718</u>	<u>\$ 479,822</u>

See accompanying notes to the basic financial statements.

## TOWN OF CENTREVILLE, MISSISSIPPI

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE GOVERNMENT-WIDE FINANCIAL STATEMENT OF NET POSITION

SEPTEMBER 30, 2014

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund Balances, Total Governmental Funds (Statement C)	\$ 435,564
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	1,145,703
Compensated absences expenses are not payable in the current period and accordingly, are not included in the governmental funds.	(1,739)
Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Bonds and notes payable	<u>(250,000)</u>
Net position of Governmental Activities (Statement A)	<u>\$ 1,329,528</u>

See accompanying notes to the basic financial statements.

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## TOWN OF CENTREVILLE, MISSISSIPPI

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Major Fund</u>		
	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>REVENUES</u></b>			
Ad valorem	\$ 151,210	\$ 32,642	\$ 183,852
Licenses and permits	46,569	-	46,569
Intergovernmental revenues	267,798	12,517	280,315
Fines and forfeitures	16,930	-	16,930
Investment earnings	297	289	586
Other revenues	34,399	-	34,399
	<u>\$ 517,203</u>	<u>\$ 45,448</u>	<u>\$ 562,651</u>
Total revenues			
<b><u>EXPENDITURES</u></b>			
General government	\$ 277,959	\$ -	\$ 277,959
Public safety	421,945	1,757	423,702
Employee benefits	-	977	977
Highways and streets	111,415	-	111,415
Debt service:			
Principal	-	45,000	45,000
Interest	-	12,260	12,260
	<u>\$ 811,319</u>	<u>\$ 59,994</u>	<u>\$ 871,313</u>
Total expenditures			
Revenues over (under) expenditures	<u>\$ (294,116)</u>	<u>\$ (14,546)</u>	<u>\$ (308,662)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Transfers - in	\$ 335,950	\$ 20,000	\$ 355,950
Transfers - out	(20,000)	-	(20,000)
	<u>\$ 315,950</u>	<u>\$ 20,000</u>	<u>\$ 335,950</u>
Total other financing sources (uses)			
Net change in fund balances	\$ 21,834	\$ 5,454	\$ 27,288
Fund balances - beginning	<u>336,198</u>	<u>72,078</u>	<u>408,276</u>
Fund balances - ending	<u>\$ 358,032</u>	<u>\$ 77,532</u>	<u>\$ 435,564</u>

See accompanying notes to the basic financial statements.

TOWN OF CENTREVILLE, MISSISSIPPI

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED SEPTEMBER 30, 2014

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances, Total Governmental Funds (Statement E)	\$	27,288
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.		(43,913)
The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		45,000
Some expenses reported in the governmental funds do not require the use of current financial resources and, therefore, are not reported as expenditures in the statement of activities.		<u>2,585</u>
Change in Net Position of Governmental Activities (Statement B)	\$	<u>30,960</u>

See accompanying notes to the basic financial statements.

**Proprietary Funds**

## TOWN OF CENTREVILLE, MISSISSIPPI

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS

SEPTEMBER 30, 2014

	<u>Enterprise Fund</u>
<b><u>ASSETS</u></b>	
Current assets:	
Cash and cash equivalents	\$ 54,195
Receivables (net of allowances for uncollectibles)	124,445
Due from other funds	<u>(6,164)</u>
Total current assets	\$ <u>172,476</u>
Noncurrent assets	
Restricted assets:	
Cash and cash equivalents	\$ 118,584
Deposits related to construction projects	5
Capital assets (net of accumulated depreciation)	<u>2,173,675</u>
Total noncurrent assets	\$ <u>2,292,264</u>
Total assets	\$ <u>2,464,740</u>
<b><u>LIABILITIES</u></b>	
Current liabilities:	
Accounts payable	\$ 32,157
Notes payable - current	<u>47,302</u>
Total current liabilities	\$ <u>79,459</u>
Current liabilities payable from restricted assets	
Consumer deposits	\$ <u>118,584</u>
Long-term liabilities	
Notes payable	\$ 685,382
Compensated absences	<u>1,522</u>
Total long-term liabilities	\$ <u>686,904</u>
Total liabilities	\$ <u>884,947</u>
<b><u>NET POSITION</u></b>	
Net investment in capital assets	\$ 1,440,991
Restricted for construction projects	5
Unrestricted	<u>138,797</u>
Total net position	\$ <u>1,579,793</u>

See accompanying notes to the basic financial statements.

TOWN OF CENTREVILLE, MISSISSIPPI

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Enterprise Fund</u>
<b><u>OPERATING REVENUES</u></b>	
Charges for services:	
Water sales	\$ 406,960
Sewer sales	174,819
Gas sales	278,374
Garbage charges	111,141
Tap fees	6,595
Other operating revenues	<u>18,929</u>
Total operating revenues	<u>\$ 996,818</u>
<b><u>OPERATING EXPENSES</u></b>	
Personal services	\$ 207,098
Purchase of utilities provided	141,292
Materials and supplies	13,328
Repairs and maintenance	116,955
Depreciation	145,690
Utilities and telephone	54,441
Bad debts	8,488
Other operating expenses	<u>64,179</u>
Total operating expenses	<u>\$ 751,471</u>
Operating income	<u>\$ 245,347</u>
Nonoperating revenues (expenses)	
Interest earnings	\$ 889
Interest expense	<u>(14,374)</u>
Total nonoperating revenues (expenses)	<u>\$ (13,485)</u>
Income before contributions and transfers	\$ 231,862
Grant proceeds	60,300
Transfers - out	<u>(335,950)</u>
Change in net position	\$ (43,788)
Total net position - beginning	<u>1,623,581</u>
Total net position - ending	<u>\$ 1,579,793</u>

See accompanying notes to the basic financial statements.

## TOWN OF CENTREVILLE, MISSISSIPPI

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

YEAR ENDED SEPTEMBER 30, 2014

	<u>Enterprise Fund</u>
<u>Cash flows from operating activities</u>	
Receipts from customers and users	\$ 967,524
Payments to suppliers	(376,692)
Payments to employees	(238,318)
Net cash provided by operating activities	<u>\$ 352,514</u>
<u>Cash flows from noncapital financing activities</u>	
Transfers to other funds	\$ (347,865)
Net cash used for noncapital financing activities	<u>\$ (347,865)</u>
<u>Cash flows from capital and related financing activities</u>	
Proceeds from capital grants	\$ 60,300
Acquisition and construction of capital assets	(60,300)
Principal paid on notes payable	(46,481)
Interest paid on notes payable	(14,374)
Net cash used for capital and related financing activities	<u>\$ (60,855)</u>
<u>Cash flows from investing activities</u>	
Interest on temporary investments	\$ 889
Net cash provided by investing activities	<u>\$ 889</u>
Decrease in cash and cash equivalents	\$ (55,317)
Cash and cash equivalents, beginning of year	<u>228,101</u>
Cash and cash equivalents, end of year	<u>\$ 172,784</u>
<u>Reconciliation of operating income to net cash provided by operating activities</u>	
Operating Income	\$ 245,347
<u>Adjustments to reconcile operating income to net cash provided by operating activities</u>	
Depreciation	\$ 145,690
Change in assets and liabilities	
(Increase) decrease in:	
Accounts receivable	(37,782)
Allowance for doubtful accounts	8,488
Increase (decrease) in:	
Accounts payable	(21,127)
Customer deposits	12,100
Other payables	(202)
Total adjustments	<u>\$ 107,167</u>
Net cash provided by operating activities	<u>\$ 352,514</u>

See accompanying notes to the basic financial statements.

**Notes to the Financial Statements**

TOWN OF CENTREVILLE, MISSISSIPPI  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

## INTRODUCTION

The Town of Centreville, Mississippi was incorporated March 8, 1884. The Town operates under the Mayor/Board of Aldermen form of government and provides the following services as authorized by its charter: public safety (police and fire); highways and streets; sanitation; health and social services; culture and recreation; education; public improvements; planning and zoning; provision for water, sewer, and gas utilities services; and general services.

The accounting and reporting policies of the Town of Centreville, Mississippi conform to accounting principles generally accepted in the United States of America, as applicable to governments.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the municipality is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, *fiscally independent* means that the municipality may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of Net Position and the statement of activities) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

### B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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TOWN OF CENTREVILLE, MISSISSIPPI  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The municipality reports the following major governmental fund:

General Fund - The General Fund is the municipality's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The municipality reports the following major proprietary fund:

Enterprise Fund - The Enterprise Fund is used to account for the provision of water, sewer, gas, and sanitation services. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing, and related debt service and billing and collection.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal on-going operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

TOWN OF CENTREVILLE, MISSISSIPPI  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)**

When both restricted and unrestricted resources are available for use, it is the municipality's policy to use restricted resources first, then unrestricted resources as they are needed.

**C. Cash and Cash Equivalents**

The municipality's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments (certificates of deposit) with original maturities of six months or less from the date of acquisition. The Town deposits funds in financial institutions selected by the Board of Aldermen in accordance with state statutes.

There are various restrictions on these deposits imposed by statutes. These restrictions are summarized below:

All deposits with financial institutions insured by the Federal Deposit Insurance Corporation (FDIC), or any successors to such insurance corporations, must be collateralized in an amount equal to 105% of the uninsured amount. (See Note 3)

**D. Investments**

The Town is allowed by statute to invest excess funds in any bonds or other direct obligations of the United States of America or the State of Mississippi, or of any county or municipality of this state, when such county or municipal bonds have been properly approved; or interest bearing time certificates of deposit or interest bearing accounts with any financial institution approved for the deposit of state funds. The Town currently only invests excess funds in certificates of deposit.

**E. Receivables and Payables**

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

All trade and property tax receivables are shown net of an allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes and customer's utility receivables are recognized through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable.

Ad valorem taxes are not considered to be available resources of the fiscal year to which they apply and are, therefore, not accrued at the end of the fiscal year.

**F. Inventories**

For both governmental and proprietary funds, purchase of various operating supplies are regarded as expenditures or expenses at the time purchased, and inventories of such supplies (if any) are not recorded as assets at the close of the fiscal year. For the year ending September 30, 2014, these amounts were considered to be immaterial.

TOWN OF CENTREVILLE, MISSISSIPPI  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Restricted Assets - Governmental Fund and Utility Fund

Restricted assets were applicable to the following at September 30, 2014:

Utility Fund - construction in progress deposits	\$ 5
Utility Fund - consumer deposits	118,584
Unemployment Fund - employee benefits	5,057
Debt Service Fund - debt payments	10,735
Special Fire Fund - fire department expenses	60,474
Tax Fund deposits	<u>631</u>
 Total restricted assets	 <u>\$ 195,486</u>

H. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The municipality maintains a threshold level of \$5,000 or more for capitalizing capital assets used in the governmental funds.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Governmental activities:	
Land improvements	20 years
Buildings	40 years
Vehicles	5 years
Machinery and equipment	3 - 10 years
Business-Type activities/Enterprise Fund:	
Buildings	40 years
Infrastructure	20 - 50 years
Machinery and equipment	3 - 10 years
Vehicles	5 years

TOWN OF CENTREVILLE, MISSISSIPPI  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Compensated Absences

Vested or accumulated annual leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated annual leave that are not expected to be liquidated with expendable available financial resources are reported as a long-term debt. No expenditure is reported for these amounts. Vested or accumulated annual leave of the Enterprise Fund is recorded as an expense and liability of those funds as the benefits accrue to employees. In accordance with the provisions of GASB No. 16 (GASB Cod. sec. C60), *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

J. Long-Term Obligations

In the government-wide financial statements, and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of Net Position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

K. Equity Classification

The Town of Centreville, Mississippi has implemented the provisions of Statement No. 63 of the Governmental Accounting Standards Board, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Statement No. 63 provides financial reporting guidance for deferred outflows and deferred inflows of resources as a consumption of net position applicable to a future reporting period and an acquisition of net position applicable to a future reporting period, respectively.

Furthermore, GASB No. 63 requires equity be classified as net position and displayed in three components: (1) net investment in capital assets - consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets, (2) restricted net position - consists of net position with constraints placed on the use either by (a) external groups such as creditors, grantors, contributions or laws or regulations of other governments, or (b) law through constitutional provisions or enabling legislation, and (3) unrestricted net position - all other net position that do not meet the definition of "restricted" or "net investment in capital assets."

The government-wide statement of net position reports \$77,537 of restricted net position, all of which is restricted by enabling legislation.

**TOWN OF CENTREVILLE, MISSISSIPPI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**K. Equity Classification (continued)**

**Fund financial statements**

Beginning with fiscal year 2013, the Town implemented GASB Statement 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- **Nonspendable fund balance** - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- **Restricted fund balance** - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- **Committed fund balance** - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- **Assigned fund balance** - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- **Unassigned fund balance** - amounts that are available for any purpose; positive amounts are reported only in the general fund.

The Board of Aldermen establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board of Aldermen through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, and unassigned. Proprietary fund equity is classified the same as in the government-wide statements.

**L. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

TOWN OF CENTREVILLE, MISSISSIPPI  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

Budgets and Budgetary Accounting

The Town follows these procedures establishing budgetary data reflected in the financial statements:

1. Prior to September 1, the Town Clerk prepares a proposed operating budget and submits it to the Mayor and Board of Aldermen for the fiscal year commencing October 1.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at Town Hall to obtain taxpayer comments.
4. The budget, as submitted, is reviewed by the Mayor and the Board of Aldermen. Necessary revisions are made. The budget is approved prior to September 15.
5. Budgetary amendments involving the transfer of funds from one department, program, or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Town Council. The budget is revised as necessary during the year.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

**NOTE 3 - CASH AND CASH EQUIVALENTS**

At September 30, 2014, the municipality has cash and cash equivalents as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Unrestricted:		
Demand deposits	\$ 54,195	\$ 135,060
Time deposit	348,331	348,331
Totals - unrestricted accounts	<u>\$ 402,526</u>	<u>\$ 483,391</u>
Restricted:		
Demand deposits	\$ 135,205	\$ 157,080
Time deposit	60,281	60,281
Totals - restricted accounts	<u>\$ 195,486</u>	<u>217,361</u>
Totals - all accounts	<u>\$ 598,012</u>	<u>\$ 700,752</u>

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, Miss. 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.

In the event of a failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation.

TOWN OF CENTREVILLE, MISSISSIPPI  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

**NOTE 4 - PROPERTY TAX**

Real and personal property taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied in September and payable on or before February 1. These taxes and public utilities tax are collected by the Town. Auto and mobile home property taxes are collected and remitted to the Town by the county tax collector. The millage rate for the Town for January through December 2013, was 35.00 mills, broken down as follows:

General Fund	28.75
Debt Service Fund	6.00
Fire Fund	<u>.25</u>
	<u>35.00</u>

Restrictions associated with property tax levies are established by state law which provides that the tax levy for general purposes shall produce no more than 110% of the amount which resulted from those levies' assessments of the previous year.

The General Fund tax levy did not result in collections in excess of the 110% limit in the current year. Excess funds from the prior year were considered in establishing the millage for the current year.

The distribution of taxes to funds was found to be in accordance with prescribed tax levies, and uncollected taxes were determined to be properly handled.

**NOTE 5 - RECEIVABLES**

Receivables as of year end, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Enterprise</u>	<u>Total</u>
Receivables:			
Interest	\$ 17	\$ -	\$ 17
Taxes	27,198	-	27,198
Accounts	9,912	214,754	224,666
Other	-	<u>11,300</u>	<u>11,300</u>
Gross receivables	\$ 37,127	\$ 226,054	\$ 263,181
Less allowance for uncollectibles	<u>-</u>	<u>(101,609)</u>	<u>(101,609)</u>
Net total receivables	<u>\$ 37,127</u>	<u>\$ 124,445</u>	<u>\$ 161,572</u>

Uncollectible amounts due for customers' utility receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the receivable.

TOWN OF CENTREVILLE, MISSISSIPPI  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

**NOTE 6 - INTERFUND RECEIVABLES/PAYABLES**

The following is a summary of due from/to other funds:

	<u>Due From</u>	<u>Due To</u>
General fund	\$ 5,859	\$ 2,459
Special revenue		
Special fire fund	212	-
Debt service fund	2,773	-
Agency funds		
Accounts payable and payroll clearing	8,623	-
Tax clearing	-	8,844
Enterprise fund	-	6,164
	<u>          </u>	<u>          </u>
Total all funds	<u>\$ 17,467</u>	<u>\$ 17,467</u>

**NOTE 7 - CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended September 30, 2014, is as follows:

	<u>Beginning Balance 10/1/2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance 9/30/2014</u>
<u>Governmental activities:</u>				
Capital assets, not being depreciated				
Land	\$ 22,912	\$ -	\$ -	\$ 22,912
Total capital assets, not being depreciated	<u>\$ 22,912</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,912</u>
Capital assets being depreciated				
Buildings	\$ 298,750	\$ -	\$ -	\$ 298,750
Machinery and equipment	141,179	12,787	-	153,966
Vehicles	353,464	-	-	353,464
Civic Center	683,328	-	-	683,328
Street overlays - infrastructure	415,745	-	-	415,745
Total capital assets being depreciated	<u>\$ 1,892,466</u>	<u>\$ 12,787</u>	<u>\$ -</u>	<u>\$ 1,905,253</u>
Less accumulated depreciation for:				
Buildings	\$ (169,071)	\$ (24,155)	\$ -	\$ (193,226)
Machinery and equipment	(105,190)	(10,932)	-	(116,122)
Vehicles	(326,779)	(826)	-	(327,605)
Street overlays - infrastructure	(124,722)	(20,787)	-	(145,509)
Total accumulated depreciation	<u>\$ (725,762)</u>	<u>\$ (56,700)</u>	<u>\$ -</u>	<u>\$ (782,462)</u>
Total capital assets being depreciated, net	<u>\$ 1,166,704</u>	<u>\$ (43,913)</u>	<u>\$ -</u>	<u>\$ 1,122,791</u>
Governmental activities capital assets, net	<u>\$ 1,189,616</u>	<u>\$ (43,913)</u>	<u>\$ -</u>	<u>\$ 1,145,703</u>

TOWN OF CENTREVILLE, MISSISSIPPI  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

## NOTE 7 - CAPITAL ASSETS (continued)

	Beginning Balance 10/1/2013	Increases	Decreases	Ending Balance 9/30/2014
<u>Business-type activities:</u>				
Capital assets, not being depreciated				
Land	\$ 16,610	\$ -	\$ -	\$ 16,610
Construction in progress	154,550	60,300	-	214,850
Total capital assets, not being depreciated	<u>\$ 171,160</u>	<u>\$ 60,300</u>	<u>\$ -</u>	<u>\$ 231,460</u>
Capital assets being depreciated				
Distribution systems	\$ 4,653,128	\$ -	\$ -	\$ 4,653,128
Machinery, equipment, and vehicles	381,275	-	-	381,275
Total capital assets being depreciated	<u>\$ 5,034,403</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,034,403</u>
Less accumulated depreciation for:				
Distribution systems	\$ (2,622,742)	\$ (124,364)	\$ -	\$ (2,747,106)
Machinery, equipment, and vehicles	(323,756)	(21,326)	-	(345,082)
Total accumulated depreciation	<u>\$ (2,946,498)</u>	<u>\$ (145,690)</u>	<u>\$ -</u>	<u>\$ (3,092,188)</u>
Total capital assets being depreciated, net	<u>\$ 2,087,905</u>	<u>\$ (145,690)</u>	<u>\$ -</u>	<u>\$ 1,942,215</u>
Business-type activities capital assets, net	<u>\$ 2,259,065</u>	<u>\$ (85,390)</u>	<u>\$ -</u>	<u>\$ 2,173,675</u>

Depreciation expense of \$56,700 for the year ended September 30, 2014, was charged to the following governmental functions:

General government	\$ 29,651
Public safety	1,986
Highways and streets	<u>25,063</u>
Total	<u>\$ 56,700</u>

## NOTE 8 - CONSTRUCTION COMMITMENTS

The municipality has active construction projects as of September 30, 2014. At year end, the commitments with contractors are as follows:

Project	Spent to Date	Remaining Commitment
CDBG Emergency Generator Project	\$ 138,950	\$ 14,650
CDBG Disaster Recovery Drainage Project	75,900	862,700
Total	<u>\$ 214,850</u>	<u>\$ 877,350</u>

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TOWN OF CENTREVILLE, MISSISSIPPI  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

**NOTE 9 - INTERFUND TRANSFERS**

Interfund transfers during the year ended September 30, 2014, were as follows:

- \$335,950 was transferred from the Enterprise Fund to the General Fund to cover expenses of general operations.
- \$20,000 was transferred from the General Fund to the Debt Service Fund to cover the Town's general obligation debt requirements.

**NOTE 10 - ACCOUNTS, SALARIES, AND OTHER PAYABLES**

The payables of \$65,112 at September 30, 2014, are as follows:

	Governmental Funds	Enterprise Fund	Total
Accounts payable	\$ 23,259	\$ 32,157	\$ 55,416
Accrued liabilities	9,696	-	9,696
<b>Total</b>	<b>\$ 32,955</b>	<b>\$ 32,157</b>	<b>\$ 65,112</b>

**NOTE 11 - LONG-TERM DEBT**

Bonds and notes payable at September 30, 2014, are comprised of the following:

General

General Obligation Street Improvement Bond Series 2007 to finance the improving or paving of streets, sidewalks, driveways, parkways, walkways, or public parking facilities and the purchase of land thereof, dated April 5, 2007, payable in annual installments of principal and semi-annual installments of interest at an interest rate of 4.0% maturing March 1, 2019. \$ 250,000

Enterprise

Note payable to Mississippi Development Authority dated December 15, 1999, payable in monthly installments of \$802.00 at an interest rate of 3.0% maturing May 12, 2022. 66,480

Note payable to Hancock Bank to finance the purchase of a 416E Caterpillar Backhoe, dated June 8, 2014, payable in monthly installments of \$665.35 at an interest rate of 2.19%, maturing July 8, 2016, with a balloon payment of \$30,000.00. 43,688

Note payable to Mississippi Department of Environmental Quality to finance the construction and improvement of the Town's wastewater system to comply with the enforceable requirements of the Clean Water Act, dated August 16, 2014, payable in monthly installments of \$3,590.79 with an interest rate of 1.75% and maturing June 2031. 622,516

Total bonds and notes payable	\$ 982,684
Less current portion	<u>(92,302)</u>
Long-term portion	<u>\$ 890,382</u>

TOWN OF CENTREVILLE, MISSISSIPPI  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

NOTE 11 - LONG-TERM DEBT (continued)

Year ending September 30,	Bonds and Notes Payable					
	General		Enterprise		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 45,000	\$ 9,100	\$ 47,302	\$ 13,395	\$ 92,302	\$ 22,495
2016	50,000	7,200	77,550	12,324	127,550	19,524
2017	50,000	5,200	41,810	10,903	91,810	16,103
2018	50,000	3,200	42,653	10,061	92,653	13,261
2019	55,000	1,100	43,513	9,200	98,513	10,300
2020-2024	-	-	208,904	33,119	208,904	33,119
2025-2029	-	-	200,225	15,222	200,225	15,222
2030-2031	-	-	70,727	1,089	70,727	1,089
	<u>\$ 250,000</u>	<u>\$ 25,800</u>	<u>\$ 732,684</u>	<u>\$ 105,313</u>	<u>\$ 982,684</u>	<u>\$ 131,113</u>

There are a number of limitations and restrictions contained in the various bond indentures. The Town is in compliance with all significant limitations and restrictions.

The following is a schedule of limitations of the indebtedness of the Town at September 30, 2014:

Assessed valuation for the fiscal year ended September 30, 2014	\$ 5,919,178
Percent limitation	<u>15%</u>
Authorized debt limit	\$ 887,877
Present bonded debt service to 15% limitation	<u>250,000</u>
Margin for further indebtedness under 15% limitation	<u>\$ 637,877</u>

NOTE 12 - DEFINED BENEFIT PENSION PLAN

**Plan Description.** The Town of Centreville 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 required supplementary information. That information may be obtained by writing to Public Employees' Retirement System, PERS Building, 429 Mississippi Street, Jackson, Mississippi 39201-1005 or by calling (601) 359-3589 or 1-800-444-PERS.

**Funding Policy.** PERS members are required to contribute 9.00% of their annual covered salary, and Town of Centreville is required to contribute at an actuarially determined rate. The employer contribution rate is 15.75% for the current fiscal year, for annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The Town of Centreville's contributions to PERS for the years ending September 30, 2014, 2013, and 2012, were \$80,284, \$80,293, and \$67,697, respectively, equal to the required contributions for each year.

TOWN OF CENTREVILLE, MISSISSIPPI  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

**NOTE 13 - INTERGOVERNMENTAL REVENUES**

Intergovernmental revenues for the year ended September 30, 2014, consisted of the following:

	General Fund	Debt Service Funds	Special Revenue Fund	Utility Fund	Totals
State					
Sales tax allocation	\$ 229,885	\$ -	\$ -	\$ -	\$ 229,885
Taxes - nuclear plant	16,102	-	-	-	16,102
General municipal aid	900	-	-	-	900
Gasoline tax	5,550	-	-	-	5,550
Homestead exemption reimbursement	15,361	3,206	134	-	18,701
Fire insurance rebate	-	-	9,177	-	9,177
Federal					
CDBG disaster drainage project	-	-	-	60,300	60,300
Total intergovernmental revenues	<u>\$ 267,798</u>	<u>\$ 3,206</u>	<u>\$ 9,311</u>	<u>\$ 60,300</u>	<u>\$ 340,615</u>

**NOTE 14 - SEGMENT INFORMATION FOR ENTERPRISE FUND**

The Enterprise Fund operated by the Town provides garbage collection, gas utility, water, and sewer utility services. The following is a summary of disclosures required by the National Council on Governmental Accounting in Interpretation 2, Segment Information for Enterprise Funds:

	Garbage Collection	Gas Utility	Water and Sewer Utility	Total
Operating revenues	\$ 113,998	\$ 287,127	\$ 595,693	\$ 996,818
Operating expenses	(107,726)	(246,222)	(251,833)	(605,781)
Depreciation	(3,336)	(21,326)	(121,028)	(145,690)
Operating income	<u>\$ 2,936</u>	<u>\$ 19,579</u>	<u>\$ 222,832</u>	\$ 245,347
Interest income				889
Interest expense				(14,374)
Grant proceeds				60,300
Operating transfers, net				<u>(335,950)</u>
Net loss				<u>\$ (43,788)</u>

**NOTE 15 - UNEMPLOYMENT COMPENSATION FUND**

Mississippi Code Ann. (1972), Sec. 71-5-359 states that a municipality may elect to maintain an unemployment fund and pay all base unemployment claims and one-half of extended unemployment claims out of such fund. The fund after January 1, 1979, will maintain a minimum balance of 2% of the covered wages paid during the past calendar year. The Town was in compliance with state law as of September 30, 2014.

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**TOWN OF CENTREVILLE, MISSISSIPPI**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**NOTE 16 - ACCUMULATED UNPAID ANNUAL LEAVE AND SICK PAY**

Employees of the Town earn annual and sick leave as designated in the personnel policies adopted by the Town. Annual and sick days are accumulated as follows based on tenure: less than 6 months equals zero days earned; 6 months to 2 years equals half day earned per month; and individuals with 2 years and more earn 1 day per month. The max carryover balance is 48 days with any excess earned paid leave being rolled into the retirement system.

**NOTE 17 - RISK MANAGEMENT**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The Town carries commercial insurance for these risks. Settled claims resulting from these insured risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**NOTE 18 - CONTINGENT LIABILITIES**

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor, cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

**Required Supplemental Information (Part II)**

**TOWN OF CENTREVILLE, MISSISSIPPI**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Ad valorem taxes	\$ 248,000	\$ 248,000	\$ 151,210	\$ (96,790)
Licenses and permits	61,000	61,000	46,569	(14,431)
Intergovernmental	281,000	281,000	267,798	(13,202)
Fines	45,000	45,000	16,930	(28,070)
Interest	21,000	21,000	297	(20,703)
Miscellaneous	44,000	44,000	34,399	(9,601)
Total revenues	<u>\$ 700,000</u>	<u>\$ 700,000</u>	<u>\$ 517,203</u>	<u>\$ (182,797)</u>
<b>EXPENDITURES</b>				
General government	\$ 355,300	\$ 348,725	\$ 277,959	\$ 70,766
Public safety	446,006	443,006	421,945	21,061
Highways and streets	175,400	175,400	111,415	63,985
Total expenditures	<u>\$ 976,706</u>	<u>\$ 967,131</u>	<u>\$ 811,319</u>	<u>\$ 155,812</u>
Excess of revenues under expenditures	<u>\$ (276,706)</u>	<u>\$ (267,131)</u>	<u>\$ (294,116)</u>	<u>\$ (26,985)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers - in	\$ 420,000	\$ 420,000	\$ 335,950	\$ (84,050)
Operating transfers - out	_____	_____	(20,000)	(20,000)
Total other financing sources (uses)	<u>\$ 420,000</u>	<u>\$ 420,000</u>	<u>\$ 315,950</u>	<u>\$ (104,050)</u>
Excess revenues and other sources over (under) expenditures and other uses	<u>\$ 143,294</u>	<u>\$ 152,869</u>	<u>\$ 21,834</u>	<u>\$ (131,035)</u>
Fund balance - beginning of year	_____	_____	_____	_____
Fund balance - end of year	<u>\$ 479,492</u>	<u>\$ 489,067</u>	<u>\$ 358,032</u>	<u>\$ 205,163</u>

See Independent Auditor's Report.

TOWN OF CENTREVILLE, MISSISSIPPI  
NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION

Budgetary Comparison Schedule

1. Basis of Presentation

The Budgetary Comparison Schedule presents the original legally adopted budget, the final legally adopted budget, the actual data on the GAAP basis, and variances between the final budget and the actual data.

2. Budget Amendments and Revisions

The budget is adopted by the Board of Aldermen. Amendments can be made on the approval of the Board of Aldermen. A budgetary comparison is presented for the General Fund and each major special revenue fund consistent with accounting principles generally accepted in the United States of America. There were no major special revenue funds.

**Comparative/Combining Financial Statements and Schedules**

TOWN OF CENTREVILLE, MISSISSIPPI

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2014

	Special Revenue Funds			Debt Service Fund	Fiduciary Funds			Total Nonmajor Governmental Funds
	Special Fire Fund	Unemployment Compensation Fund	Total	Debt Service Fund	Accounts Payable and Payroll Clearing Fund	Tax Clearing Fund	Total	
<b>ASSETS</b>								
Cash and cash equivalents	\$ 60,474	\$ 5,057	\$ 65,531	\$ 10,735	\$ -	\$ 631	\$ 631	\$ 76,897
Receivables (net of allowance for uncollectibles)	-	-	-	-	-	8,213	8,213	8,213
Due from other funds	212	-	212	2,773	8,623	-	8,623	11,608
Total assets	\$ 60,686	\$ 5,057	\$ 65,743	\$ 13,508	\$ 8,623	\$ 8,844	\$ 17,467	\$ 96,718
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable	\$ 1,719	\$ -	\$ 1,719	\$ -	\$ 8,623	\$ -	\$ 8,623	\$ 10,342
Due to other funds	-	-	-	-	-	8,844	8,844	8,844
Total liabilities	\$ 1,719	\$ -	\$ 1,719	\$ -	\$ 8,623	\$ 8,844	\$ 17,467	\$ 19,186
Fund balances:								
Restricted								
Unemployment claims	\$ -	\$ 5,057	\$ 5,057	\$ -	\$ -	\$ -	\$ -	\$ 5,057
Debt payments	-	-	-	13,508	-	-	-	13,508
Fire department expenses	58,967	-	58,967	-	-	-	-	58,967
Total fund balances	\$ 58,967	\$ 5,057	\$ 64,024	\$ 13,508	\$ -	\$ -	\$ -	\$ 77,532
Total liabilities and fund balances	\$ 60,686	\$ 5,057	\$ 65,743	\$ 13,508	\$ 8,623	\$ 8,844	\$ 17,467	\$ 96,718

TOWN OF CENTREVILLE, MISSISSIPPI

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2014

	Special Revenue Funds			Debt Service Fund		Total Nonmajor Governmental Funds
	Special Fire Fund	Unemployment Compensation Fund	Total	Debt Service Fund		
Ad valorem Intergovernmental Interest	\$ 1,344 9,311 191	\$ - - 26	\$ 1,344 9,311 217	\$ 31,298 3,206 72	\$ 32,642 12,517 289	
Total revenues	\$ 10,846	\$ 26	\$ 10,872	\$ 34,576	\$ 45,448	
Expenditures:						
Public safety	\$ 1,757	\$ -	\$ 1,757	\$ -	\$ 1,757	
Unemployment claims Principal Interest	- - -	977 - -	977 - -	- 45,000 12,260	977 45,000 12,260	
Total expenditures	\$ 1,757	\$ 977	\$ 2,734	\$ 57,260	\$ 59,994	
Revenues under expenditures	\$ 9,089	\$ (951)	\$ 8,138	\$ (22,684)	\$ (14,546)	
Other financing sources						
Operating transfers - in (out)	\$ -	\$ -	\$ -	\$ 20,000	\$ 20,000	
Total other financing sources	\$ -	\$ -	\$ -	\$ 20,000	\$ 20,000	
Excess revenues and other sources over expenditures	\$ 9,089	\$ (951)	\$ 8,138	\$ (2,684)	\$ 5,454	
Fund balance - beginning of year	49,878	6,008	55,886	16,192	72,078	
Fund balance - end of year	\$ 58,967	\$ 5,057	\$ 64,024	\$ 13,508	\$ 77,532	

**GENERAL FUND**

The General Fund is used to account for resources traditionally associated with governments, which are not required to be accounted for in another fund.

## TOWN OF CENTREVILLE, MISSISSIPPI

## GENERAL FUND

## COMPARATIVE BALANCE SHEET

SEPTEMBER 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
<b><u>ASSETS</u></b>		
Cash	\$ -	\$ 599
Other deposits	348,331	348,160
Accounts receivable	28,914	28,037
Due from other funds	<u>5,859</u>	<u>15,228</u>
Total assets	<u>\$ 383,104</u>	<u>\$ 392,024</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>		
Liabilities		
Accounts payable	\$ 12,917	\$ 32,450
Accrued liabilities	9,696	8,275
Due to other funds	<u>2,459</u>	<u>15,101</u>
Total liabilities	<u>\$ 25,072</u>	<u>\$ 55,826</u>
Fund balance		
Unassigned	<u>\$ 358,032</u>	<u>\$ 336,198</u>
Total fund balance	<u>\$ 358,032</u>	<u>\$ 336,198</u>
Total liabilities and fund balance	<u>\$ 383,104</u>	<u>\$ 392,024</u>

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## TOWN OF CENTREVILLE, MISSISSIPPI

## GENERAL FUND

STATEMENTS OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES

YEAR ENDED SEPTEMBER 30, 2014

WITH COMPARATIVE AMOUNTS FOR YEAR ENDED SEPTEMBER 30, 2013

	<u>2014</u>	<u>2013</u>
<b>REVENUES</b>		
Ad valorem taxes	\$ 151,210	\$ 133,348
Licenses and permits	46,569	41,727
Intergovernmental	267,798	283,359
Fines	16,930	23,275
Interest	297	334
Miscellaneous	<u>34,399</u>	<u>27,696</u>
Total revenues	\$ <u>517,203</u>	\$ <u>509,739</u>
<b>EXPENDITURES</b>		
General government	\$ 277,959	\$ 324,797
Public safety	421,945	454,633
Highways and streets	<u>111,415</u>	<u>122,304</u>
Total expenditures	\$ <u>811,319</u>	\$ <u>901,734</u>
Excess of revenues under expenditures	\$ <u>(294,116)</u>	\$ <u>(391,995)</u>
<b>OTHER FINANCING SOURCES</b>		
Operating transfers - in	\$ 335,950	\$ 392,468
Operating transfers - out	<u>(20,000)</u>	<u>(26,572)</u>
Total other financing sources	\$ <u>315,950</u>	\$ <u>365,896</u>
Excess revenues and other sources over (under) expenditures and other uses	\$ 21,834	\$ (26,099)
Fund balances - beginning of year	<u>336,198</u>	<u>362,297</u>
Fund balances - end of year	<u>\$ 358,032</u>	<u>\$ 336,198</u>

See Independent Auditor's Report.

## SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are restricted to expenditure for particular purposes.

Special Fire Fund - to account for "Fire Protection Allocation" money received from the state and a .25 mill tax levy.

Unemployment Compensation Fund - to account for monies held in trust for unemployment compensation in accordance with the Mississippi Employment Security Law in lieu of quarterly contributions at a standard rate.

## TOWN OF CENTREVILLE, MISSISSIPPI

## SPECIAL REVENUE FUNDS

## COMBINING BALANCE SHEET

SEPTEMBER 30, 2014

WITH COMPARATIVE TOTALS FOR YEAR ENDED SEPTEMBER 30, 2013

	<u>Nonmajor Funds</u>		<u>Totals</u>	
	<u>Special Fire Fund</u>	<u>Unemployment Compensation Fund</u>	<u>2014</u>	<u>2013</u>
<b><u>ASSETS</u></b>				
Cash	\$ 60,474	\$ 5,057	\$ 65,531	\$ 37,979
Other deposits	-	-	-	17,614
Due from other funds	<u>212</u>	<u>-</u>	<u>212</u>	<u>293</u>
Total restricted assets	<u>\$ 60,686</u>	<u>\$ 5,057</u>	<u>\$ 65,743</u>	<u>\$ 55,886</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>				
<b>Liabilities</b>				
Accounts payable	\$ <u>1,719</u>	\$ <u>-</u>	\$ <u>1,719</u>	\$ <u>-</u>
Total liabilities	\$ <u>1,719</u>	\$ <u>-</u>	\$ <u>1,719</u>	\$ <u>-</u>
<b>Fund Balance</b>				
<b>Fund balance</b>				
Restricted for unemployment benefits	\$ -	\$ 5,057	\$ 5,057	\$ 6,008
Restricted for fire department expenditures	<u>58,967</u>	<u>-</u>	<u>58,967</u>	<u>49,878</u>
Total fund balance	\$ <u>58,967</u>	\$ <u>5,057</u>	\$ <u>64,024</u>	\$ <u>55,886</u>
Total liabilities and fund balance	<u>\$ 60,686</u>	<u>\$ 5,057</u>	<u>\$ 65,743</u>	<u>\$ 55,886</u>

See Independent Auditor's Report.

## TOWN OF CENTREVILLE, MISSISSIPPI

## SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES

YEAR ENDED SEPTEMBER 30, 2014

WITH COMPARATIVE TOTALS FOR YEAR ENDED SEPTEMBER 30, 2013

	Nonmajor Funds		Totals	
	Special Fire Fund	Unemployment Compensation Fund	2014	2013
<b>REVENUES</b>				
Taxes	\$ 1,344	\$ -	\$ 1,344	\$ 1,262
Intergovernmental	9,311	-	9,311	137
Interest	191	26	217	204
Miscellaneous	-	-	-	1,981
Total revenues	<u>\$ 10,846</u>	<u>\$ 26</u>	<u>\$ 10,872</u>	<u>\$ 3,584</u>
<b>EXPENDITURES</b>				
Public safety	\$ 1,757	\$ -	\$ 1,757	\$ 1,145
Employee benefits	-	977	977	2,347
Total expenditures	<u>\$ 1,757</u>	<u>\$ 977</u>	<u>\$ 2,734</u>	<u>\$ 3,492</u>
Excess (loss) of revenues	\$ 9,089	\$ (951)	\$ 8,138	\$ 92
Fund balance - beginning of year	<u>49,878</u>	<u>6,008</u>	<u>55,886</u>	<u>55,794</u>
Fund balance - end of year	<u>\$ 58,967</u>	<u>\$ 5,057</u>	<u>\$ 64,024</u>	<u>\$ 55,886</u>

See Independent Auditor's Report.

**CAPITAL PROJECT FUNDS**

**Municipal Building Construction Fund** - to account for the revenues and expenditures related to the construction of the new municipal building. Funding to be provided by federal grants.

**Public Safety Building Construction Fund** - to account for the revenues and expenditures related to the remodeling of restrooms and upgrading entrance way to comply with Americans With Disabilities Act. Funding to be provided by state grants.

TOWN OF CENTREVILLE, MISSISSIPPI  
MUNICIPAL BUILDING CONSTRUCTION FUND  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
YEAR ENDED SEPTEMBER 30, 2014  
WITH COMPARATIVE AMOUNTS FOR YEAR ENDED SEPTEMBER 30, 2013

	<u>2014</u>	<u>2013</u>
<b>REVENUES</b>		
Intergovernmental	\$ -	\$ -
Interest	-	-
<b>Total revenues</b>	<u>\$ -</u>	<u>\$ -</u>
<b>EXPENDITURES</b>		
Capital outlay	\$ -	\$ -
<b>Total expenditures</b>	<u>\$ -</u>	<u>\$ -</u>
Excess revenues over (under) expenditures before transfers	\$ -	\$ -
Transfer out	\$ -	\$ (1)
Excess revenues over (under) expenditures after transfers	\$ -	\$ (1)
Fund balances - beginning of year	\$ -	\$ 1
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditor's Report.

TOWN OF CENTREVILLE, MISSISSIPPI  
 PUBLIC SAFETY BUILDING CONSTRUCTION FUND  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 YEAR ENDED SEPTEMBER 30, 2014  
 WITH COMPARATIVE AMOUNTS FOR YEAR ENDED SEPTEMBER 30, 2013

	2014	2013
<b>REVENUES</b>		
Intergovernmental	\$ _____ -	\$ _____ -
Total revenues	\$ _____ -	\$ _____ -
<b>EXPENDITURES</b>		
Capital outlay	\$ _____ -	\$ _____ -
Total expenditures	\$ _____ -	\$ _____ -
Excess revenues over (under) expenditures before transfers	\$ _____ -	\$ _____ -
Transfer out	_____ -	_____ (15)
Excess of revenues under expenditures after transfers	\$ _____ -	\$ _____ (15)
Fund balances - beginning of year	_____ -	_____ 15
Fund balances - end of year	\$ _____ -	\$ _____ -

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**DEBT SERVICE FUND**

The Street Improvement Bond Series 2007 Fund is to account for the accumulation of funds for the annual payment of principal and interest on the General Obligation Street Improvement Bonds Series 2007. 6 mills of ad valorem tax have been dedicated for the repayment of the debt.

TOWN OF CENTREVILLE, MISSISSIPPI  
 DEBT SERVICE FUND  
 COMPARATIVE BALANCE SHEET  
 SEPTEMBER 30, 2014 AND 2013

<u>ASSETS</u>	<u>2014</u>	<u>2013</u>
Cash	\$ 10,735	\$ 11,463
Due from other funds	<u>2,773</u>	<u>4,729</u>
Total restricted assets	<u>\$ 13,508</u>	<u>\$ 16,192</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities	\$ -	\$ -
Total liabilities	\$ -	\$ -
 Fund balance		
Restricted for debt payments	<u>\$ 13,508</u>	<u>\$ 16,192</u>
Total fund balance	<u>\$ 13,508</u>	<u>\$ 16,192</u>
Total liabilities and fund balance	<u>\$ 13,508</u>	<u>\$ 16,192</u>

See Independent Auditor's Report.

## TOWN OF CENTREVILLE, MISSISSIPPI

## DEBT SERVICE FUND

STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES

YEAR ENDED SEPTEMBER 30, 2014

WITH COMPARATIVE AMOUNTS FOR YEAR ENDED SEPTEMBER 30, 2013

	<u>2014</u>	<u>2013</u>
<b>REVENUES</b>		
Ad valorem taxes	\$ 31,298	\$ 29,900
Licenses and permits	-	-
Intergovernmental	3,206	3,272
Interest	<u>72</u>	<u>64</u>
Total revenues	<u>\$ 34,576</u>	<u>\$ 33,236</u>
<b>EXPENDITURES</b>		
Legal and bond fees	\$ 1,360	\$ 850
Bond payments - principal	45,000	40,000
Bond payments - interest	<u>10,900</u>	<u>12,600</u>
Total expenditures	<u>\$ 57,260</u>	<u>\$ 53,450</u>
Excess of revenues under expenditures before transfers	\$ (22,684)	\$ (20,214)
Transfer in	<u>20,000</u>	<u>26,572</u>
Excess(shortage) of revenues under expenditures after transfers	\$ (2,684)	\$ 6,358
Fund balances - beginning of year	<u>16,192</u>	<u>9,834</u>
Fund balances - end of year	<u>\$ 13,508</u>	<u>\$ 16,192</u>

See Independent Auditor's Report.

## 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 government's council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the government's council has decided that periodic determination of net income is appropriate for accountability purposes.

Enterprise Fund – This fund is used to account for the activities of the government's water, sewer, garbage, and gas distribution operations.

## TOWN OF CENTREVILLE, MISSISSIPPI

## ENTERPRISE FUND

## COMPARATIVE BALANCE SHEET

SEPTEMBER 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
<b><u>ASSETS</u></b>		
Current assets		
Cash	\$ 54,195	\$ 121,612
Accounts receivable (net of allowance for doubtful accounts of \$101,609 and \$93,121, respectively)	124,445	95,151
Due from other funds	<u>(6,164)</u>	<u>(18,079)</u>
Total current assets	<u>\$ 172,476</u>	<u>\$ 198,684</u>
Noncurrent assets		
Restricted assets - customer deposits		
Cash	\$ 98,403	\$ 86,908
Deposits related to construction projects	5	5
Other deposits	<u>20,181</u>	<u>19,576</u>
Total restricted assets	<u>\$ 118,589</u>	<u>\$ 106,489</u>
Fixed assets		
Land	\$ 16,610	\$ 16,610
Distribution systems	5,034,403	5,034,403
Construction in progress	214,850	154,550
Accumulated depreciation	<u>(3,092,188)</u>	<u>(2,946,498)</u>
Fixed assets (net of accumulated depreciation)	<u>\$ 2,173,675</u>	<u>\$ 2,259,065</u>
Total assets	<u>\$ 2,464,740</u>	<u>\$ 2,564,238</u>
<b><u>LIABILITIES</u></b>		
Current liabilities (payable from current assets)		
Accounts payable	\$ 32,157	\$ 53,284
Notes payable - current	<u>47,302</u>	<u>46,357</u>
Total current liabilities (payable from current assets)	<u>\$ 79,459</u>	<u>\$ 99,641</u>
Current liabilities (payable from restricted assets)		
Customer deposits payable	<u>\$ 118,584</u>	<u>\$ 106,484</u>
Total current liabilities (payable from restricted assets)	<u>\$ 118,584</u>	<u>\$ 106,484</u>
Long-term liabilities		
Notes payable	\$ 685,382	\$ 732,808
Compensated absences	<u>1,522</u>	<u>1,724</u>
Total long-term liabilities	<u>\$ 686,904</u>	<u>\$ 734,532</u>
Total liabilities	<u>\$ 884,947</u>	<u>\$ 940,657</u>
<b><u>NET POSITION</u></b>		
Net investment in capital assets	\$ 1,440,991	\$ 1,479,900
Deposits for construction projects	5	5
Unrestricted	<u>138,797</u>	<u>143,676</u>
Total net position	<u>\$ 1,579,793</u>	<u>\$ 1,623,581</u>
Total liabilities and net position	<u>\$ 2,464,740</u>	<u>\$ 2,564,238</u>

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## TOWN OF CENTREVILLE, MISSISSIPPI

## ENTERPRISE FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION

YEARS ENDED SEPTEMBER 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
<b><u>OPERATING REVENUES</u></b>		
Charges for services:		
Water sales	\$ 406,960	\$ 376,849
Sewer sales	174,819	159,706
Gas sales	278,374	235,086
Garbage charges	111,141	109,093
Tap fees	6,595	5,130
Other operating revenue	<u>18,929</u>	<u>21,028</u>
Total operating revenues	<u>\$ 996,818</u>	<u>\$ 906,892</u>
<b><u>OPERATING EXPENSES</u></b>		
Personal services	\$ 207,098	\$ 248,476
Purchase of utilities provided	141,292	99,343
Materials and supplies	13,328	20,902
Repairs and maintenance	116,955	101,782
Depreciation	145,690	146,291
Utilities and telephone	54,441	57,088
Bad debts	8,488	6,858
Other operating expenses	<u>64,179</u>	<u>32,138</u>
Total operating expenses	<u>\$ 751,471</u>	<u>\$ 712,878</u>
Operating income	<u>\$ 245,347</u>	<u>\$ 194,014</u>
<b><u>NONOPERATING REVENUES (EXPENSES)</u></b>		
Interest earnings	\$ 889	\$ 1,198
Interest expense	<u>(14,374)</u>	<u>(14,893)</u>
Total nonoperating revenues (expenses)	<u>\$ (13,485)</u>	<u>\$ (13,695)</u>
Income before contributions and transfers	\$ 231,862	\$ 180,319
Grant proceeds	60,300	142,690
Transfers - out	<u>(335,950)</u>	<u>(392,452)</u>
Change in net position	<u>\$ (43,788)</u>	<u>\$ (69,443)</u>
Net position - beginning	<u>\$ 1,623,581</u>	<u>\$ 1,693,024</u>
Net position - ending	<u>\$ 1,579,793</u>	<u>\$ 1,623,581</u>

See Independent Auditor's Report.

## TOWN OF CENTREVILLE, MISSISSIPPI

## ENTERPRISE FUND

COMPARATIVE STATEMENT OF CASH FLOWS  
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

YEARS ENDED SEPTEMBER 30, 2014 AND 2013

	2014	2013
<b>Cash flows from operating activities</b>		
Receipts from customers and users	\$ 967,524	\$ 912,384
Payments to suppliers	(376,692)	(328,186)
Payments to employees	(238,318)	(247,666)
Net cash provided by operating activities	<u>\$ 352,514</u>	<u>\$ 336,532</u>
<b>Cash flows from noncapital financing activities</b>		
Transfers to other funds	\$ (347,865)	\$ (373,459)
Net cash used for noncapital financing activities	<u>\$ (347,865)</u>	<u>\$ (373,459)</u>
<b>Cash flows from capital and related financing activities</b>		
Proceeds from capital grants	\$ 60,300	\$ 142,690
Acquisition and construction of capital assets	(60,300)	(142,690)
Principal paid on notes payable	(46,481)	(43,143)
Interest paid on notes payable	(14,374)	(14,893)
Net cash used for capital and related financing activities	<u>\$ (60,855)</u>	<u>\$ (58,036)</u>
<b>Cash flows from investing activities</b>		
Interest on temporary investments	\$ 889	\$ 1,198
Net cash provided by investing activities	<u>\$ 889</u>	<u>\$ 1,198</u>
Net decrease in cash and cash equivalents	\$ (55,317)	\$ (93,765)
Cash and cash equivalents - beginning of year	<u>228,101</u>	<u>321,866</u>
Cash and cash equivalents - end of year	<u>\$ 172,784</u>	<u>\$ 228,101</u>
<b>Reconciliation of operating income to net cash provided by operating activities</b>		
Operating income	<u>\$ 245,347</u>	<u>\$ 194,014</u>
<b>Adjustments to reconcile operating income to net cash provided by operating activities</b>		
Depreciation	\$ 145,690	\$ 146,291
Change in assets and liabilities		
(Increase) decrease in:		
Accounts receivable	(37,782)	(1,708)
Allowance for doubtful accounts	8,488	6,858
Increase (decrease) in:		
Accounts payable	(21,127)	(16,933)
Customer deposits	12,100	7,200
Other payables	(202)	810
Total adjustments	<u>\$ 107,167</u>	<u>\$ 142,518</u>
Net cash provided by operating activities	<u>\$ 352,514</u>	<u>\$ 336,532</u>

See Independent Auditor's Report.

## FIDUCIARY FUNDS

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments, and/or other funds.

Accounts Payable Clearing Fund - to account for the collection and payment of purchases from vendors and suppliers.

Payroll Clearing Fund - to account for the collection and payment of employee compensation and payroll deductions to the appropriate agencies.

Tax Clearing Fund - to account for the collection and distribution of ad valorem taxes levied annually.

## TOWN OF CENTREVILLE, MISSISSIPPI

## FIDUCIARY FUNDS

## COMBINING BALANCE SHEET

SEPTEMBER 30, 2014

WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2013

	Accounts Payable and Payroll Clearing Funds	Tax Clearing Fund	Totals	
			2014	2013
<b>ASSETS</b>				
Cash	\$ -	\$ 631	\$ 631	\$ 12,764
Due from other funds	8,623	-	8,623	33,494
Accounts receivable	-	8,213	8,213	7,800
Total assets	<u>\$ 8,623</u>	<u>\$ 8,844</u>	<u>\$ 17,467</u>	<u>\$ 54,058</u>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>Liabilities</b>				
Accounts payable	\$ 8,623	\$ -	\$ 8,623	\$ 33,494
Due to other funds	-	8,844	8,844	20,564
Total liabilities	<u>\$ 8,623</u>	<u>\$ 8,844</u>	<u>\$ 17,467</u>	<u>\$ 54,058</u>
<b>Fund balance</b>				
Total fund balance	\$ -	\$ -	\$ -	\$ -
Total liabilities and fund balance	<u>\$ 8,623</u>	<u>\$ 8,844</u>	<u>\$ 17,467</u>	<u>\$ 54,058</u>

See Independent Auditor's Report.

**Other Supplemental Information**

TOWN OF CENTREVILLE, MISSISSIPPI  
 SCHEDULE RECONCILING ORIGINAL AD VALOREM TAX ROLLS TO  
 FUND COLLECTIONS ON 2013 AD VALOREM TAXES

YEAR ENDED SEPTEMBER 30, 2014

	Assessed Value	Tax	
Assessed valuation			
Real property	\$ 3,876,221	\$ 135,668	
Personal property	687,550	24,064	
Auto and mobile home	1,097,169	38,401	
Public utilities	<u>258,238</u>	<u>9,038</u>	
Total at 35.0 mills	<u>\$ 5,919,178</u>	<u>\$ 207,171</u>	
Less homestead credit allowed			
Add: Actual homestead reimbursement		18,701	
Prior year collections		1,145	
Less homestead credit allowed		<u>(18,778)</u>	
Total to be accounted for		<u>\$ 208,239</u>	
	Taxes	Homestead Reimbursement	Totals
Credits			
Collection allocated to:			
General fund	\$ 149,801	\$ 15,361	\$ 165,162
Debt service fund	31,263	3,206	34,469
Special fire fund	<u>1,344</u>	<u>134</u>	<u>1,478</u>
	<u>\$ 182,408</u>	<u>\$ 18,701</u>	<u>\$ 201,109</u>
Balance represented by:			
Unpaid real and personal			8,213
Unaccounted for			<u>(1,083)</u>
Total accounted for			<u>\$ 208,239</u>

Note: Ad valorem taxes on automobiles and mobile homes are collected and remitted by the respective county.

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TOWN OF CENTREVILLE, MISSISSIPPI  
SCHEDULE OF INVESTMENTS - ALL FUNDS  
SEPTEMBER 30, 2014

UNRESTRICTED INVESTMENTS

General Fund

Certificate of deposit, dated August 28, 2014, interest rate .05%, due November 26, 2014	\$ <u>348,331</u>
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RESTRICTED INVESTMENTS

Special Fire Fund

Certificate of deposit, dated July 4, 2014, interest rate .01%, due October 2, 2014	\$ <u>17,616</u>
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Enterprise Fund

Certificate of deposit, dated May 9, 2014, interest rate .05%, due November 7, 2014	\$ <u>42,665</u>
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Total investments	\$ <u><u>408,612</u></u>
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See Independent Auditor's Report.

TOWN OF CENTREVILLE, MISSISSIPPI  
 SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS  
 SEPTEMBER 30, 2014

<u>Name</u>	<u>Position</u>	<u>Insurance Company</u>	<u>Amount</u>
Larry Lee	Mayor	Travelers Casualty & Surety Company	\$ 50,000
James R. Reese	Chief of Police	Travelers Casualty & Surety Company	\$ 50,000
Faye Smith	Court Clerk	Travelers Casualty & Surety Company	\$ 50,000
Michelle Singleton	Town Clerk	Western Surety Company	\$ 50,000
Jerrie R. Love	Deputy Clerk	Western Surety Company	\$ 50,000
Kimberly Montgomery	Deputy Clerk	Travelers Casualty & Surety Company	\$ 50,000
Betty D'Aquila	Alderman	Travelers Casualty & Surety Company	\$ 50,000
Thomas Lobrano	Alderman	Travelers Casualty & Surety Company	\$ 50,000
Mary West	Alderman	Travelers Casualty & Surety Company	\$ 50,000
Mary Sanders	Alderman	Travelers Casualty & Surety Company	\$ 50,000
John Moore	Alderman	Travelers Casualty & Surety Company	\$ 50,000

See Independent Auditor's Report.

## TOWN OF CENTREVILLE, MISSISSIPPI

## SCHEDULE OF LONG-TERM DEBT

YEAR ENDED SEPTEMBER 30, 2014

<u>Definition and purpose</u>	Balance Outstanding 10/1/2013	Transactions During Year		Balance Outstanding 9/30/2014
		<u>Issued</u>	<u>Redeemed</u>	
<b>Bonds and notes payable</b>				
2007 Street improvement bonds	\$ 295,000	\$ -	\$ 45,000	\$ 250,000
	\$ 295,000	\$ -	\$ 45,000	\$ 250,000
Enterprise:				
2001 CAP loan	\$ 72,981	\$ -	\$ 6,501	\$ 66,480
2014 Caterpillar backhoe	51,776	-	8,088	43,688
MDEQ Loan	654,408	-	31,892	622,516
	\$ 779,165	\$ -	\$ 46,481	\$ 732,684
<b>Other long-term debt</b>				
Compensated absences	\$ 6,048	\$ -	\$ 2,786	\$ 3,262
<b>Total</b>	<b>\$ 1,080,213</b>	<b>\$ -</b>	<b>\$ 94,267</b>	<b>\$ 985,946</b>

See Independent Auditor's Report.

**Internal Control and Compliance Reports**



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Mayor and Board of Aldermen  
Town of Centreville, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Centreville, Mississippi, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise Town of Centreville, Mississippi's basic financial statements and have issued our report thereon dated November 14, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Town of Centreville, Mississippi's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Town of Centreville, Mississippi's internal control. Accordingly, we do not express an opinion on the effectiveness of Town of Centreville, Mississippi's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses: 2014-01 and 2014-03.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. However, we did not identify any deficiencies, in internal control, that we consider to be significant deficiencies.

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### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of Centreville, Mississippi's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2014-2.

### Town of Centreville, Mississippi's Response to Findings

Town of Centreville, Mississippi's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. Town of Centreville, Mississippi's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Silas Simmons, LLP". The signature is written in a cursive, flowing style.

Natchez, Mississippi  
November 14, 2015

**TOWN OF CENTREVILLE, MISSISSIPPI**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**SECTION I: SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements:**

- |  |             |
|--|-------------|
| 1. Type of auditor's report issued on the basic financial statements:                        | Unqualified |
| 2. Internal control over financial reporting:  |             |
| a. Material weakness(es) identified?   | Yes         |
| b. Significant deficiency(ies) identified that are not considered to be material weaknesses? | No          |
| 3. Material noncompliance relating to the basic financial statements?                        | Yes         |

**Federal Awards:**

Not applicable

## TOWN OF CENTREVILLE, MISSISSIPPI

## SCHEDULE OF CURRENT YEAR AUDIT FINDINGS, RECOMMENDATIONS, AND CORRECTIVE ACTION PLAN

FOR THE YEAR ENDED SEPTEMBER 30, 2014

**SECTION II: FINANCIAL STATEMENT FINDINGS**

2014-1	<u>Segregation of Duties (Internal Control Finding)</u>
Condition:	Due to the small size of the Town and its limited number of personnel, there is not an adequate segregation of duties of employees.
Criteria:	Good internal controls require that the same employee does not handle the collection, accounting, billing, account reconciliations, and check writing.
Cause of Condition:	The small size of the entity and the lack of employees is the cause of this condition.
Effect of Condition:	Material weakness in internal controls.
Recommendation:	We recommend that management continue to implement alternate procedures to help alleviate this condition. Also, we believe the board should be diligent in approving transactions and reviewing monthly financial information.
Response:	Management indicates that it is not cost efficient or feasible to provide the internal control that a larger organization could provide. Management will continue to provide the necessary oversight in its current internal control procedures in order to safeguard assets.
2014-2	<u>Financial Statement Submission to State Auditor (Compliance Finding)</u>
Condition:	The Town's audited financial statements were not completed and submitted to the MS State Auditor's office by the statutory date of September 30, 2015.
Criteria:	To be considered in good standing with the MS State Auditor, the audited financial statements should be completed and submitted to their office by the end of the next fiscal year.
Cause of Condition:	Due to employee turnover and election year responsibilities, the Town's management found it difficult to prepare the books in time for the external auditors.
Effect of Condition:	Material non-compliance relating to the financial statements.
Recommendation:	We recommend that management is diligent in performing monthly and year-end close responsibilities and getting the books to the external auditors earlier in the next year.
Response:	Management is aware of this and is working on getting the books to the auditors earlier for fiscal year 2015.

**TOWN OF CENTREVILLE, MISSISSIPPI**  
**SCHEDULE OF CURRENT YEAR AUDIT FINDINGS, RECOMMENDATIONS, AND CORRECTIVE**  
**ACTION PLAN**

**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**SECTION II: FINANCIAL STATEMENT FINDINGS** (continued)

2014-3	<u>Accounting for Police Tickets (Internal Control Finding)</u>
Condition:	The Town's police department is not monitoring the issuance of ticket books nor is their an accounting for the sequence of tickets issued.
Criteria:	MS Code Section 63-9-21 states that there should be a tracking mechanism in place for the ticket books as well as an accounting of the sequence of ticket numbers.
Cause of Condition:	The court clerk was unaware of this but was very open to implement the auditor's suggestions and started on the process immediately..
Effect of Condition:	Material weakness in internal controls.
Recommendation:	We recommend that the court clerk maintains a log of ticket books issued and regularly account for the sequence of tickets and maintain the ticket documentation for two years as prescribed in MS Code Section 63-9-21.
Response:	The court clerk is working on implementing the above procedures for fiscal year 2015.

**Section III - Internal Control and Compliance Material to Federal Awards:**

None noted.

**Section IV - Management Letter:**

No management letter issued.

TOWN OF CENTREVILLE, MISSISSIPPI  
STATUS OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

SECTION II: FINANCIAL STATEMENT FINDINGS

2013-1                    Segregation of Duties (Unresolved)  
Condition:                Due to the small size of the Town and its limited number of personnel, there is not an adequate segregation of duties of employees.  
Criteria:                    Good internal controls require that the same employee does not handle the collection, accounting, billing, account reconciliations and check writing.  
Cause of Condition:      The small size of the entity and the lack of employees is the cause of this condition.  
Effect of Condition:      Material weakness in internal controls.  
Recommendation:        We recommend that management continue to implement alternate procedures to help alleviate this condition. Also, we believe the board should be diligent in approving transactions and reviewing monthly financial information.  
Response:                  Management indicates that it is not cost efficient or feasible to provide the internal control that a larger organization could provide. Management will continue to provide the necessary oversight in its current internal control procedures in order to safeguard assets.

2013-2                    Financial Statement Submission to State Auditor (Unresolved)  
Condition:                The Town's audited financial statements were not completed and submitted to the MS State Auditor's office by the statutory date of September 30, 2015.  
Criteria:                    To be considered in good standing with the MS State Auditor, the audited financial statements should be completed and submitted to their office by the end of the next fiscal year.  
Cause of Condition:      Due to employee turnover and election year responsibilities, the Town's management found it difficult to prepare the books in time for the external auditors.  
Effect of Condition:      Material non-compliance relating to the financial statements.  
Recommendation:        We recommend that management is diligent in performing monthly and year-end close responsibilities and getting the books to the external auditors earlier in the next year.  
Response:                  Management is aware of this and is working on getting the books to the auditors earlier for fiscal year 2014.

Section III - Internal Control and Compliance Material to Federal Awards:

Not applicable.

Section IV - Management Letter:

No management letter issued.

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**JAN 20 2016**



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

Mayor and Board of Aldermen  
Town of Centreville, Mississippi

We have audited the basic financial statements of the Town of Centreville, Mississippi, as of and for the year ended September 30, 2014, and have issued our report thereon dated November 14, 2015. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government 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 our tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings and questioned costs as item 2014-2.

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

*Silas Simmons, LLP*

Natchez, Mississippi  
November 14, 2015