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TOWN OF STATE LINE
P O BOX 95
STATE LINE, MS 39362

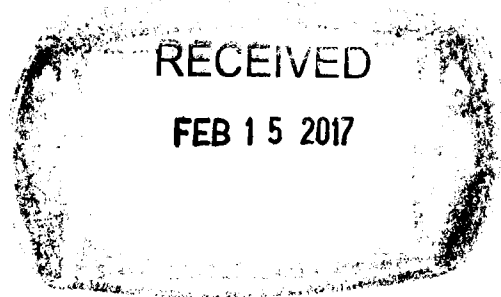
Office of the State Auditor
P O Box 956
Jackson, MS 39205-0956

RE: Annual Municipal Compilation

Accompanying this letter is a copy of the annual compilation of the Town of State Line, Mississippi, for the fiscal year ended September 30, 2015. A separate management letter was not written to the Town of State Line in connection with this compilation.

Sincerely,

Tanya Taylor
Town Clerk



Town of State Line

Compiled Financial Statements

For the Year Ended September 30, 2015

**Michael E Britton
Certified Public Accountant**

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Independent Accountant's Report on Compliance with State Laws and Regulations

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FINANCIAL STATEMENTS

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FEB 15 2017

MICHAEL E. BRITTON
Certified Public Accountant



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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Honorable Mayor and Board of Alderpersons
Town of State Line
State Line, Mississippi

I have compiled the accompanying statement of cash receipts and cash disbursements – governmental and business-type activities for the Town of State Line, Mississippi for the year ended September 30, 2015. I have not audited or reviewed the accompanying financial statement and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the cash basis of accounting.

The management of the Town of State Line, Mississippi, is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has not presented government-wide financial statements to display the cash basis financial position and changes in cash basis financial position of its governmental activities and business-type activities. Accounting principles generally accepted in the United States of America, as applied to the Town's cash basis of accounting, require the presentation of government-wide financial statements. The amounts that would be reported in government-wide financial statements resulting from the cash basis transactions for the Town's governmental activities and business-type activities are not reasonably determinable.

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

Management has omitted the management's discussion and analysis information that is required to be presented for purposes of additional analysis. Such missing 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. The supplementary information contained in Schedules 1 through 4 has been compiled from information that is the representation of management. I have not audited or reviewed the supplementary information and accordingly, I do not express an opinion or provide any assurance on such supplementary information.

In accordance with the provisions of §21-35-31, Miss. Code Ann. (1972), I have issued a report dated March 1, 2016, on the results of our agreed-upon procedures.

Michael E. Britton, CPA, CGMA

March 1, 2016

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Town of State Line, Mississippi
Statement of Cash Receipts and Disbursements
Governmental and Business – Type Activities
For the Year Ended September 30, 2015

| | <u>Governmental Activities</u> | | | <u>Business-Type Activities</u> | |
|----------------------------|--------------------------------|----------------------------|------------------|---------------------------------|------------------|
| | <u>Major Funds</u> | | Total | <u>Major Fund</u> | |
| | General Fund | Special Revenue Fund | | Water & Sewer Fund | Total |
| RECEIPTS | | | | | |
| Taxes | | | | | |
| General property taxes | 68,609 | | 68,609 | | |
| Licenses and Permits | | | | | |
| Privilege licenses | 546 | | 546 | | |
| Franchise charges | 19,964 | | 19,964 | | |
| Intergovernmental Receipts | | | | | |
| Federal receipts | | | | | |
| CDBG | | | 0 | | |
| State Grants | | | | | |
| Grant-Tobacco Control | 5,000 | | 5,000 | | |
| Homestead Exemption | 5,531 | | 5,531 | | |
| State Shared Revenues | | | | | |
| Sales Tax | 135,039 | | 135,039 | | |
| Fire Protection | | 3,074 | 3,074 | | |
| Gasoline Taxes | 1,624 | | 1,624 | | |
| Others | | | | | |
| Charges for services: | | | | | |
| Water | | | | 259,812 | 259,812 |
| Sewer | | | | 8,360 | 8,360 |
| Garbage | | | | 34,522 | 34,522 |
| Fines and forfeits | 90,710 | | 90,710 | | |
| Miscellaneous receipts | | | | | |
| Gym Revenue | 2,521 | | 2,521 | | |
| Interest | 287 | | 287 | 54 | 54 |
| Beautification | 869 | | 869 | | |
| Other | 24,486 | 3,044 | 27,530 | | |
| Total Receipts | <u>\$355,186</u> | <u>\$6,118</u> | <u>\$361,304</u> | <u>\$302,748</u> | <u>\$302,748</u> |

See Independent Accountant's Compilation Report

Town of State Line, Mississippi
Statement of Cash Receipts and Disbursements
Governmental and Business – Type Activities
For the Year Ended September 30, 2015

| | Governmental Activities | | | Business-Type Activities | |
|--|-------------------------|----------------------------|------------------|--------------------------|------------------|
| | Major Funds | | | Major Fund | |
| | General Fund | Special Revenue Fund | Total | Water & Sewer Fund | Total |
| DISBURSEMENTS | | | | | |
| General Government | 237,952 | | 237,952 | | |
| Public Safety | | | | | |
| Police | 140,499 | | 140,499 | | |
| Fire | | | | | |
| Enterprise | | | | | |
| Water and Sewer | | | | 191,267 | 191,267 |
| Garbage | | | | 32,736 | 32,736 |
| Grants | | | | | |
| Capital Outley | | | 0 | | |
| Redemption of principal | | 66,359 | | 12,378 | 12,378 |
| Debt service interest | | | | 2,915 | 2,915 |
| Total Disbursements | <u>378,451</u> | <u>66,359</u> | <u>378,451</u> | <u>239,296</u> | <u>239,296</u> |
| Excess of Cash Receipts Over Cash Disbursements | <u>(23,265)</u> | <u>(60,241)</u> | <u>(17,147)</u> | <u>63,452</u> | <u>63,452</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Interfund Transfers/Loans | | | 0 | | 0 |
| Total other financing resources (Uses) | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Excess (Deficiency) of receipts and other financing sources over disbursements and other financing uses | <u>(23,265)</u> | <u>(60,241)</u> | <u>(17,147)</u> | <u>63,452</u> | <u>63,452</u> |
| CASH BASIS FUND BALANCE-BEGINNING | <u>112,119</u> | <u>114,527</u> | <u>226,646</u> | <u>382,410</u> | <u>382,410</u> |
| CASH BASIS FUND BALANCE-ENDING | <u>\$88,854</u> | <u>\$54,286</u> | <u>\$209,499</u> | <u>\$445,862</u> | <u>\$445,862</u> |

See Independent Accountant's Compilation Report

SUPPLEMENTAL INFORMATION

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Town of State Line, Mississippi
Schedule of Investments
For the Year Ended September 30, 2015
Schedule 1

| <u>Ownership</u> | <u>Type of Investment</u> | <u>Interest Rate</u> | <u>Acquisition Date</u> | <u>Maturity Date</u> | <u>Other Information</u> | <u>Investment Cost/Value</u> |
|-------------------|---------------------------|----------------------|-------------------------|----------------------|--------------------------|------------------------------|
| NONE | | | | | | \$0 |
| | | | | | | _____ |
| TOTAL INVESTMENTS | | | | | | \$0 |
| | | | | | | ===== |

Town of State Line, Mississippi
Schedule of Long-Term Debt
For the Year Ended September 30, 2015
Schedule 2

| | Balance Outstanding <u>September 30, 2014</u> | <u>Transactions During Year</u> | | Balance Outstanding <u>September 30, 2015</u> |
|-------------------------------------|---|---------------------------------|-------------------------|---|
| | | <u>Issued</u> | <u>Redeemed</u> | |
| Other Long-Term Debt: | | | | |
| FmHA Loan 91-02 for Sewer System | \$ 19,946 | \$ - | \$ 8,370 | \$ 11,576 |
| FmHA Loan 91-04 for Water System | \$ 43,891 | \$ - | \$ 4,008 | \$ 39,883 |
| First State Bank Fire Truck | \$ - | \$ 230,450 | \$ 66,359 | \$ 164,091 |
| Total | <u>\$ 63,837</u> | <u>\$ 230,450</u> | <u>\$ 78,737</u> | <u>\$ 215,550</u> |

Town of State Line, Mississippi
Schedule of Surety Bonds of Municipal Officials
For the Year Ended September 30, 2015
Schedule 3

| <u>Name</u> | <u>Position</u> | <u>Surety</u> | <u>Amount</u> |
|--------------------|-----------------|---|---------------|
| Terry Simpson | Mayor | Travelers Casualty & Surety Co of America | \$ 25,000 |
| Tanya Taylor | Town Clerk | Travelers Casualty & Surety Co of America | \$ 50,000 |
| Jessica Blakley | Chief of Police | Western Surety Co. | \$ 50,000 |
| Melinda Gardner | Court Clerk | Travelers Casualty & Surety Co of America | \$ 50,000 |
| George Miller, Jr. | Alderman | Travelers Casualty & Surety Co of America | \$ 25,000 |
| Timmy Hill | Alderman | Travelers Casualty & Surety Co of America | \$ 25,000 |
| Brenda Sims | Alderwoman | Travelers Casualty & Surety Co of America | \$ 25,000 |
| Don Hinton | Alderman | Travelers Casualty & Surety Co of America | \$ 25,000 |
| Willie Miller | Alderman | Travelers Casualty & Surety Co of America | \$ 25,000 |

Town of State Line, Mississippi
Solid Waste Management Services Schedule
Full Cost Accounting
Summary of Costs Report
For the Year Ended September 30, 2015
Schedule 4

Operating Costs (Direct Costs):

| | |
|---------------------------|--------------------------------|
| Contractual Services | <u>\$ 34,522</u> |
| Total of all Costs | <u><u>\$ 34,522</u></u> |

Supplemental Information:

| | |
|----------------------------|--------------------------------|
| Cost of Collection | <u>\$ 32,736</u> |
| Total Cost | <u><u>\$ 32,736</u></u> |
| Total Cost Per User | <u><u>\$ 160</u></u> |

MICHAEL E. BRITTON
Certified Public Accountant



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

The Mayor and Board of Aldermen
Town of State Line
State Line, MS

I have applied certain agreed upon procedures to the basic financial statements of the Town of State Line, MS, as of and for the year ended September 30, 2015, and have issued my report thereon dated March 1, 2016. I have conducted my agreed upon procedures in accordance with attestation standards set by the American Institute of CPAs.

As required by the state legal compliance attestation program prescribed by the Office of the State Auditor, I 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 my agreed upon procedures and, accordingly, I do not express such an opinion.

The results of these procedures and my agreed upon procedures disclosed no material instances of noncompliance with state laws and regulations. The prior year findings have been corrected, if any.

This report is intended for the information of the Town's management and the Office of the State Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Sincerely,

Michael E. Britton, CPA, CGMA

March 1, 2016

Town of State Line, Mississippi

**Independent Accountant's Report on Applying
Agree-Upon Procedures**

Year Ended September 30, 2015

Michael E. Britton
Certified Public Accountant

MICHAEL E. BRITTON

Certified Public Accountant



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

The Mayor and Board of Aldermen
Town of State Line
State Line, Mississippi

I have performed the procedures enumerated below, which were agreed to by the Office of the State Auditor, to the accounting records of Town of State Line, Mississippi, solely to assist the Office of the State Auditor evaluate the Town of State Line, Mississippi's compliance with certain laws and regulations as of September 30, 2015, and for the year then ended. This agreed-upon-procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Office of the State Auditor, State of Mississippi. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

My procedures and findings are as follows:

1. I reconciled cash on deposit with the following banks to the balances in the respective general ledger accounts and obtained confirmation of the related balances from the banks:

| <u>Bank</u> | <u>Fund</u> | <u>Balance Per General Ledger</u> |
|------------------|----------------------------|---------------------------------------|
| First State Bank | General Fund | \$ 80,433 |
| First State Bank | General Fund | 5,719 |
| First State Bank | General Fund | 1,742 |
| First State Bank | General Fund | 583 |
| First State Bank | General Fund | 100 |
| First State Bank | General Fund | 100 |
| | Total General Fund | <u>\$ 88,677</u> |
| First State Bank | Special Revenue Fund | \$ 54,286 |
| | Total Special Revenue Fund | <u>\$ 54,286</u> |
| First State Bank | Water & Sewer Fund | \$ 378,402 |
| First State Bank | Water & Sewer Fund | 16,999 |
| First State Bank | Water & Sewer Fund | 21,361 |
| First State Bank | Water & Sewer Fund | 29,100 |
| | Total Water & Sewer Fund | <u>\$ 445,862</u> |

2. I physically examined securities held for investment. Securities held in trust were confirmed directly with respective trustees. All investment transactions during the year were examined for compliance with investments authorized by Section 21-33-323, Miss. Code Ann. (1972).

| <u>Security</u> | <u>Fund</u> | <u>Ledger Cost</u> |
|-----------------|-------------|--------------------|
| None | | |

3. I performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:
 - a. Examined uncollected taxes for proper handling, including tax sales;
 - b. Traced distribution of taxes collected to proper funds; and
 - c. Analyzed increase in taxes for most recent period for compliance with increase limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

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

Ad valorem tax collections were found to be within the limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

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

4. I obtained a statement of payments made by the Department of Finance and Administration to the municipality. Payments indicated were traced to deposit in the respective bank accounts and recorded in the general ledger without exception. Payments traced were as follows:

| <u>Payment Purpose</u> | <u>Receiving Fund</u> | <u>Ledger Amount</u> |
|---------------------------|-----------------------|----------------------|
| Fire protection | Special Revenue | 3,074 |
| General Municipal Aid | General | 282 |
| Gasoline Tax | General | 1,730 |
| Homestead Exemption | General | 2,732 |
| Sales Tax | General | 122,695 |
| Grant for Tobacco Control | General | 5,000 |

5. I selected a sample of purchases made by the municipality during the fiscal year. Each sample item was evaluated for compliance with purchasing requirements set forth Title 31, Chapter 7, Miss. Code Ann. (1972), as applicable.

The sample consisted of the following:

| | |
|------------------------|----------|
| Number of sample items | 5 |
| Dollar value of sample | \$ 1,832 |

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

6. I selected a sample of collection of fines and forfeitures and verified that the municipal court clerk had settled daily with the municipal clerk. I also selected a sample of state-imposed court assessments collected to determine that the municipal clerk had settled monthly with the Department of Finance and Administration.

I found the municipality to be in agreement with the requirements mentioned in the section above, making both the required daily and monthly settlements.

7. I have read the Municipal Compliance Questionnaire completed by the municipality. The following survey indicated one instance of noncompliance with state requirements as follows:

Fixed assets are not properly tagged and accounted for per Section 7-7-211 of the Municipal Audit and Accounting Guide.

I was not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on management's compliance with laws and regulations. Accordingly, I do not express such an opinion. Had I preformed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of Town of State Line and the Office of the State Auditor, State of Mississippi and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is not intended to be and should not be used by anyone other than those specified parties.

Michael E Britton, CPA, CGMA

March 1, 2016

