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TOWN OF ABBEVILLE, MISSISSIPPI

COMPILED FINANCIAL STATEMENTS
AND AGREED-UPON PROCEDURES
FOR THE YEAR ENDED SEPTEMBER 30, 2016

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Dwight L. Young, Sr., C.P.A.
1918 - 1977
Roger A. Garrett, C.P.A.
1922 - 2008

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INDEPENDENT ACCOUNTANT'S
SPECIAL REPORT ON AGREED-UPON PROCEDURES
FOR SMALL MUNICIPALITIES (TOWNS)

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Honorable Mayor and Board of Alderman
Town of Abbeville
Abbeville, Mississippi

We have applied certain agreed-upon procedures, as discussed below, to the accounting records of the Town of Abbeville, Mississippi, as of September 30, 2016, and for the year then ended, as required by the Office of the State Auditor, under the provisions of Section 21-35-31, Mississippi Code Ann. (1972). This report is solely for the use of the governing body of the Town of Abbeville, Mississippi, and the Office of the State Auditor and should not be used for any other purposes. Our procedures and findings are as follows:

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

<u>BANK</u>	<u>FUND</u>	<u>BALANCE PER GENERAL LEDGER</u>
General Fund Accounts		
Abbeville Bank	Operating	\$ 138,597
Abbeville Bank	Cemetery	8,492
Total General Fund Accounts		<u>147,089</u>
Water Fund Accounts		
Abbeville Bank	Operating	58,966
Abbeville Bank	Deposit Account	12,386
Abbeville Bank	Savings	13,879
Total Water Fund Accounts		<u>85,231</u>
Total		\$ <u>232,320</u>

2. The Town did not possess any securities held for investment during the year.

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3. We performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:

- a. Verified use of certified county assessment rolls and traced levies to governing body minutes,
- b. Traced distributions of taxes collected to proper funds; and
- c. Traced property tax levies to governing body minutes.

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

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

The Town collected sufficient funds from the water department to service the note payable to U.S. Department of Agriculture.

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

<u>PAYMENT PURPOSE</u>	<u>RECEIVING FUND</u>	<u>LEDGER AMOUNT</u>
General Municipal Aid	General	\$ 209
Sales Tax Allocation	General	61,636
Gasoline Tax	General	1,283
Homestead Exemption	General	1,883
Liquor Tax	General	1,350
Fire Protection	General	2,687
TVA in Lieu of Taxes	General	2,090
Grant Proceeds	General	161,428
Total		\$ <u>232,566</u>

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5. We selected a sample of purchases made by the municipality during the fiscal year. Each sample item was evaluated for proper approval and compliance with purchasing requirements set forth in Title 31, Chapter 7, Mississippi Code Ann. (1972), if applicable.

The sample consisted of the following:

Number of items	68
Total Dollar Value of Sample	\$39,873

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

6. No agreed-upon procedures were required for municipal fines as the Town of Abbeville does not have a municipal court.
7. We have read the Municipal Compliance Questionnaire completed by the municipality.

Because the above procedures do not constitute an audit in accordance with generally accepted auditing standards, we do not express an opinion on any of the specific accounts or classes of transactions referred to above. In connection with the procedures referred to above, no matters came to our attention that caused us to believe the items specified in Paragraphs 1, 2, and 3 should be adjusted. Had we performed additional procedures or had we conducted an audit of the financial statements in accordance with generally accepted auditing standards, matters might have come to our attention that would have been reported to you. This report should not be associated with the financial statements of the Town of Abbeville, Mississippi, for the year ended September 30, 2016.

The Dwight L. Young Group

The Dwight L. Young Group
Oxford, Mississippi
January 9, 2017

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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Mayor and Board of Alderman
Town of Abbeville
Abbeville, Mississippi

Management is responsible for the accompanying financial statements of the Town of Abbeville, which comprise the combined statement of revenue collected and expenses paid-all funds, statement of assets, and liabilities arising from cash transactions-water and sewer fund, and the statement of revenue collected and expenses paid-water and sewer fund as of September 30, 2016, and the related notes to the financial statements in accordance with the cash basis of accounting, and for determining that the cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The Dwight L. Young Group

The Dwight L. Young Group
Oxford, Mississippi
January 9, 2017

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TOWN OF ABBEVILLE, MISSISSIPPI
COMBINED STATEMENT OF REVENUE COLLECTED AND EXPENSES PAID-ALL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

	GOVERNMENTAL FUNDS	PROPRIETARY FUNDS	
<u>RECEIPTS</u>	<u>GENERAL FUND</u>	<u>WATER AND SEWER</u>	<u>TOTALS</u>
General Property Taxes	\$ 10,713	\$ -0-	\$ 10,713
Franchise Tax on Utilities	12,845	-0-	12,845
Intergovernmental Revenue-			
General Municipal Aid	209	-0-	209
Grant Proceeds	161,428	-0-	161,428
State Shared Revenue:			
Sales Tax	61,636	-0-	61,636
Gasoline Tax	1,283	-0-	1,283
Fire Insurance Premium	2,687	-0-	2,687
In Lieu Tax (Grand Gulf)	2,090	-0-	2,090
Liquor Tax	1,350	-0-	1,350
Homestead Exemption	1,883	-0-	1,883
Charges for Services:			
Water Sales	-0-	99,069	99,069
Donations and Vendor Fees	6,084	-0-	6,084
Lot Sales	225	-0-	225
Interest Income	31	69	100
Transfer In	11,994	166,751	178,745
TOTAL RECEIPTS	\$ 274,458	\$ 265,889	\$ 540,347

The accompanying notes are an integral part of these financial statements.

TOWN OF ABBEVILLE, MISSISSIPPI
COMBINED STATEMENT OF REVENUE COLLECTED AND EXPENSES PAID-ALL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

	GOVERNMENTAL FUNDS	PROPRIETARY FUNDS	
	GENERAL FUND	WATER FUND	TOTALS
<u>OPERATING DISBURSEMENTS</u>			
General Government	\$ 88,133	\$ -0-	\$ 88,133
Water and Sewage Utility	-0-	45,105	45,105
Total Operating			
TOTAL OPERATING DISBURSEMENTS	<u>88,133</u>	<u>45,105</u>	<u>133,238</u>
<u>OTHER DISBURSEMENTS</u>			
Capital Expenditures	-0-	166,751	166,751
Bond Payment Principal	-0-	17,000	17,000
Bond Payment Interest	-0-	3,460	3,460
Principal Payment-Bobcat	9,410	-0-	9,410
Interest Payment-Bobcat	768	-0-	768
Transfer Out	166,751	11,994	178,745
TOTAL OTHER DISBURSEMENTS	<u>176,929</u>	<u>199,205</u>	<u>376,134</u>
TOTAL DISBURSEMENTS	<u>265,062</u>	<u>244,310</u>	<u>509,372</u>
Excess (Deficiency) of			
Receipts over Disbursements	9,396	21,579	30,975
Cash Balance - Beginning of Year	<u>137,633</u>	<u>63,652</u>	<u>201,345</u>
Cash Balance - End of Year	\$ <u>147,089</u>	\$ <u>85,231</u>	\$ <u>232,320</u>

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The accompanying notes are an integral part of these financial statements.

TOWN OF ABBEVILLE
STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS-
WATER & SEWER FUND
SEPTEMBER 30, 2016

CURRENT ASSETS

Water Dept General Account	\$ 58,966
Water Dept Deposit Account	12,386
Savings Account	13,879
Accounts Receivable	11,110
TOTAL CURRENT ASSETS	<u>96,341</u>

FIXED ASSETS

Software	3,157
Furniture & Equipment	6,488
Land	150
Construction Work in Process	165,249
Water Well & Distribution System	473,961
Accumulated Depreciation	(315,754)
TOTAL FIXED ASSETS	<u>333,251</u>

OTHER ASSETS

Lease	45,000
Accumulated Amortization	(42,750)
TOTAL OTHER ASSETS	<u>2,250</u>

TOTAL ASSETS	\$ 431,842
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CURRENT LIABILITIES

Current Portion of Long-Term Debt	\$ 17,000
TOTAL CURRENT LIABILITIES	<u>17,000</u>

LONG-TERM LIABILITIES

2015 General Obligation Bond	139,000
TOTAL LONG-TERM LIABILITIES	<u>139,000</u>

EQUITY

Memberships	6,825
Unrestricted	269,017
TOTAL EQUITY	<u>275,842</u>

TOTAL LIABILITIES & EQUITY	\$ 431,842
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The accompanying notes are an integral part of these financial statements.

TOWN OF ABBEVILLE, MISSISSIPPI
STATEMENT OF REVENUE COLLECTED AND EXPENSES PAID - WATER & SEWER FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

REVENUE

Water Sales	\$ 98,299
Customer Deposits-Non Refundable	770
Interest Income	69
Transfer In	166,751
Total Water Receipts	<u>265,889</u>

EXPENSES

Interest - Rural Development Loan	3,460
Fees	644
Repairs & Maintenance	32,127
Insurance	700
Office Supplies	2,763
Utilities	8,871
Bond Payment-Principal	17,000
Capital Outlay	166,751
Transfer Out	11,994
Total Water Disbursements	<u>244,310</u>

NET RECEIPTS OVER DISBURSEMENTS	\$ 21,579
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The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

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TOWN OF ABBEVILLE, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 1. Summary of Significant Accounting Policies

The more significant of the government's accounting policies are described below:

A. Reporting Entity

The Town uses a Mayor and Board of Alderman type government. In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The Town of Abbeville has no component units.

The financial statement of the Town consists of all the funds of the Town.

B. Fund Accounting

The government uses funds to report on the cash receipts and disbursements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into governmental, proprietary, and fiduciary.

Governmental funds are used to account for all or most of a government's general activities including the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund. Special revenue funds account for revenue sources that are legally restricted to expenditures for specific purposes.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided to outside parties (enterprise funds).

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TOWN OF ABBEVILLE, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. When these assets are held under the terms of a formal trust agreement, a pension trust fund, a nonexpendable trust fund or an expendable trust fund is used. The terms "nonexpendable" and "expendable" refer to whether or not the government is under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the government holds on behalf of others as their agent.

C. Basis of Accounting

The financial statement is prepared on a cash receipts and disbursements basis, as prescribed by the Office of the State Auditor. Consequently, certain revenues are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligation is incurred.

D. Report Classification

Receipts and disbursements were classified according to requirements for small towns in the State of Mississippi as prescribed by the Office of the State Auditor.

E. Cash

The Town deposits excess funds in financial institutions selected by the board in accordance with state statutes. Cash consists of amounts on deposit in demand accounts and is valued at cost.

Various restrictions on these deposits are imposed by state statutes. These restrictions are summarized as follows:

All deposits with financial institutions insured by the Federal Deposit Insurance Corporation (FDIC) or by the Federal Savings and Loan Insurance Corporation (FSLIC), or any successors to such insurance corporations, must be collateralized in an amount equal to 105% of the uninsured amount. The collateral must be on deposit with the Town Clerk.

TOWN OF ABBEVILLE, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

The Town is allowed, by statue, 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 in interest-bearing time certificates of deposit with any financial institution approved for the deposit of state funds.

NOTE 2. Property Tax

Property taxes attach an enforceable lien on property as of January 1. Taxes are levied as of January 1 and payable on or before February 1. Taxes are collected and remitted by the Lafayette County Tax Collector.

The distribution of taxes to funds was in accordance with prescribed tax levies, and uncollected taxes were properly controlled.

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TOWN OF ABBEVILLE, MISSISSIPPI
SCHEDULE OF LONG-TERM DEBT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

	BALANCE OUTSTANDING 1-OCT-15		TRANSACTIONS DURING FISCAL YEAR ISSUED		REDEEMED		BALANCE OUTSTANDING 30-SEP-16
Oxford University Bank-Equipment							
Finance:							
Original amount \$38,126.							
Interest payable monthly starting							
07/30/2016. Principal payable							
monthly beginning 7/30/2016 and							
ending 6/30/2019	\$ 35,885	\$	-0-	\$	9,410	\$	26,475
2% General Obligation Water System							
Bonds, Series 2016:							
Original amount \$189,000.							
Interest payable annually starting							
07/01/2016. Principal payable							
annually beginning 07/01/2016 and							
ending 07/01/2024.	<u>173,000</u>		<u>-0-</u>		<u>17,000</u>		<u>156,000</u>
Total	\$ <u>308,885</u>	\$	<u>-0-</u>	\$	<u>26,410</u>	\$	<u>182,475</u>

TOWN OF ABBEVILLE, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

<u>NAME</u>	<u>POSITION</u>	<u>SURETY</u>	<u>BOND AMOUNT</u>
Gerald Pope	Alderman	Mississippi Municipal League	\$ 10,000
Kenneth Hanks	Alderman	Mississippi Municipal League	10,000
Lynn Klepzig	Alderman	Mississippi Municipal League	10,000
David Haney	Alderman	Mississippi Municipal League	10,000
Ronald Williams	Alderman	Mississippi Municipal League	10,000
Donald Fricker	Mayor	Mississippi Municipal League	25,000



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

Honorable Mayor and Board of Alderman
Town of Abbeville
Abbeville, Mississippi

We have audited the basic financial statements of the Town of Abbeville as of and for the year ended September 30, 2016, and have issued our report dated January 9, 2017. We have 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*.

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 those procedures and our audit of the general purpose financial statements disclosed no material instances of noncompliance with state laws and regulations.

This report is intended for the information of the Town of Abbeville'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.

The Dwight L. Young Group

The Dwight L. Young Group
Oxford, Mississippi
January 9, 2017

