



The following document was not prepared by the Office of the State Auditor, but was prepared by and submitted to the Office of the State Auditor by a private CPA firm. The document was placed on this web page as it was submitted. The Office of the State Auditor assumes no responsibility for its content or for any errors located in the document. Any questions of accuracy or authenticity concerning this document should be submitted to the CPA firm that prepared the document. The name and address of the CPA firm appears in the document.

**Town of Glen
P. O. Box 335
Glen, Mississippi 38846**

January 18, 2017

Office of the State Auditor
Technical Assistance Division
PO Box 956
Jackson, Mississippi 39205

RE: Annual Report

Accompanying this letter is the annual report for the Town of Glen, Mississippi, for the fiscal year ended September 30, 2016. A separate management letter was not written to the town in connection with this compilation.

Sincerely,



Lynn Fielding
Town Clerk



**Town of Glen
Annual Report
September 30, 2016**



TABLE OF CONTENTS

Accountant's Compilation Report	1
Statement of Cash Receipts and Disbursements	2
Notes to Financial Statements	4
Schedule of Long-term Debt	9
Schedule of Surety Bonds	10
Report on Agreed-Upon Procedures	11



David L. Nichols

Certified Public Accountant PC

P. O. Box 402 305 W. Eastport Street
Iuka, Mississippi 38852-0402

Member: American Institute of Certified Public Accountants

Telephone 662-423-5057

Fax 662-423-5061

Honorable Mayor and Board of Aldermen
Town of Glen
Glen, Mississippi

Accountant's Compilation Report

The accompanying combined Statement of Receipts and Disbursements (All Funds) of the Town of Glen, Mississippi for the year ended September 30, 2016, was compiled by me in accordance with standards established by the American Institute of Certified Public Accountants. I have also compiled the following supplemental information:

Schedule of Long-term Debt

Schedule of Surety Bonds for Employees and Elected Officials

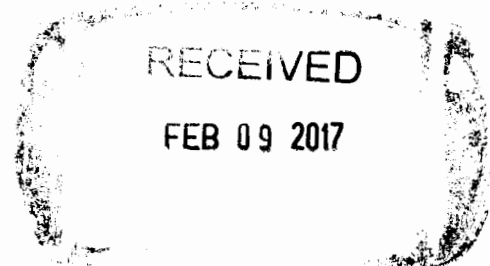
This compilation is limited to presenting in the form prescribed by the Mississippi State Department of Audit, information that is the representation of the town officials. I have not audited or reviewed the accompanying statements or the supplemental information and, accordingly, do not express an opinion or any other form of assurance on them.

These statements are presented in accordance with the requirements of the Mississippi State Department of Audit, which differs from generally accepted accounting principles. Accordingly, these statements are not designed for those who are not informed about such differences.

Sincerely,

David L. Nichols
Certified Public Accountant PC

January 18, 2017





Town of Glen
Statement of Cash Receipts and Disbursements
Governmental Activities
For the Year Ended September 30, 2016

	Governmental Activities	
	General Fund	Total
Receipts		
Railcar Tax	\$ 16,070	\$ 16,070
Licenses and Permits		
Privilege Taxes	360	360
Utility Taxes	5,338	5,338
Intergovernmental Revenues:		
Federal Revenues:		
Federal Payments in Lieu of Taxes	1,711	1,711
Federal Grants	371,153	371,153
State Shared Revenues:		
General Sales Tax	24,512	24,512
Fire Protection Allocation	2,642	2,642
Gasoline Tax	1,236	1,236
Municipal Aid	205	205
Local Grants	18,650	18,650
Interest Earned	24	24
Rents and Royalties	1,050	1,050
Miscellaneous		0
Total Receipts	\$ 442,951	\$ 442,951

See accompanying notes and accountant's report.



Town of Glen
Statement of Cash Receipts and Disbursements
Governmental Activities
For the Year Ended September 30, 2016

	Governmental Activities	
	General Fund	Total
Disbursements		
General Government	\$ 26,366	\$ 26,366
Public Safety	3,644	3,644
Total Disbursements	<u>\$ 30,010</u>	<u>\$ 30,010</u>
Excess (Deficiency) of receipts over disbursements	<u>\$ 412,941</u>	<u>\$ 412,941</u>
Other Sources (Uses)		
Note Payments	\$ (3,658)	\$ (3,658)
Interest Payments	(202)	(202)
Capital Outlay	(389,803)	(389,803)
Total Other Sources (Uses)	<u>\$ (393,663)</u>	<u>\$ (393,663)</u>
Excess (Deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>\$ 19,278</u>	<u>\$ 19,278</u>
Cash Balances - Beginning of Year	<u>74,209</u>	<u>74,209</u>
Cash Balances - End of Year	<u><u>\$ 93,487</u></u>	<u><u>\$ 93,487</u></u>

See accompanying notes and accountant's report.

See accountant's report.



Town of Glen
Notes to the Financial Statements
September 30, 2016

Note 1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Town of Glen are prepared in conformity with the cash basis of accounting, which differs from generally accepted accounting principles (GAAP). Under this basis of accounting revenues are recorded when cash is received and expenditures/expenses are recorded when cash is disbursed. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental and financial reporting principles.

Financial statement presentation is in the form prescribed by the Mississippi State Department of Audit and contains information that is the representation of management. The prescribed format used for these statements differs from generally accepted accounting principles.

The more significant accounting policies are described below.

A. Reporting Entity

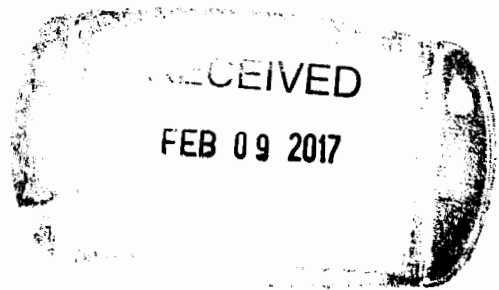
The Town is small municipality with a population of approximately 286. The municipality operates under the Mayor/Alderman form of government and all Town officials are elected for four-year terms which expire simultaneously. The Town provides the following services: general administration; public works (streets); and economic development.

Discreetly Presented Component Units

When applicable, discreetly presented component units are reported in separate columns in the combined financial statements to emphasize their legal separation from the government. However, for the year ended September 30, 2009, the Town had no component units.

B. Measurement Focus, Basis of Accounting, and Basis of Presentation

The accounts of the Town are organized on the basis of separate funds and account groups which are treated as separate accounting entities. Each utilizes a separate set of self-balancing accounts for assets, liabilities, fund equity, revenues, and expenditures (or expenses, as appropriate). Government resources are allocated to the various funds upon the basis of the purpose for which the resources are to be spent and the means by which the Government's spending activities are controlled. The minimum number of funds is maintained consistent with legal and managerial requirements. Account groups are a reporting device used to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.





Town of Glen
Notes to the Financial Statements
September 30, 2016

B. Measurement Focus, Basis of Accounting, and Basis of Presentation - Continued

In accordance with the cash basis of accounting, revenues are recognized when received and expenditures/expenses are recorded when cash is disbursed for all funds of the Town.

The following fund types are used by the Town:

Governmental Activities:

General Fund: The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

C. Assets, Liabilities, and Equity

1. Deposits and Investments

The Town invests surplus funds in a money market savings account as is permitted under Mississippi law. This account is a demand account which pays interest monthly.

For the purpose of the Statement of Receipts and Disbursements, cash and cash equivalents include all short-term highly liquid investments with original maturities of three months or less.

Instruments considered cash equivalents include: Treasury bills, certificates of deposit, money market funds, and cash management pools.

2. Inventory

Inventories of materials and supplies are not material to the Town and are expensed as purchased.

3. Restricted Cash

There were no restrictions on cash or cash equivalents of the Town for the year ended September 30, 2016.



Town of Glen
Notes to the Financial Statements
September 30, 2016

4. Fixed Assets

Fixed assets purchased, including amounts expended for infrastructure, are recorded as capital outlay and are expensed in the governmental and proprietary funds. These purchases are valued at original cost with no depreciation being recorded in accordance with the cash basis of accounting.

5. Capitalization of Interest

Interest costs on debt used for the construction of long-lived assets are charged to capital outlay in proprietary funds. The Town paid no capitalized interest for the year ended September 30, 2016.

A. Budgets

The Town prepares and adopts an annual budget for the general fund in accordance with the cash basis of accounting. The budget acts as the financial plan for the operation of the Town for the ensuing annual period. Revisions may be made to the original budget as necessary with the approval of the Board of Aldermen.

Steps in the budgetary process are as follows:

Revenues which can be expected to be available during the coming fiscal year are estimated. The municipal departmental budgets are submitted for approval by the Board of Aldermen at the July meeting.

The total proposed budget is presented at the August meeting of the Board and is published at least one time during September. At least one public hearing must be held prior to the final adoption of the budget.

The Board, by resolution, adopts and approves the final budget by September 15th and enters it in detail upon the minutes.

The governing body compares actual to budgetary expenditures at each regular monthly meeting and is required by statute to adhere to the limits prescribed by the budget.

B. Encumbrances

The Town does not employ encumbrance accounting.

C. Property Tax

The Town does not levy taxes on real or personal property.



Town of Glen
Notes to the Financial Statements
September 30, 2016

D. Risk Management

Significant losses of the Town were covered by the Mississippi Municipal Liability Plan for all major programs. For the insured programs, there were no significant reductions in insurance coverage, and settlement amounts did not exceed coverage for the current year.

Note 3. DETAILED NOTES ON ALL FUNDS

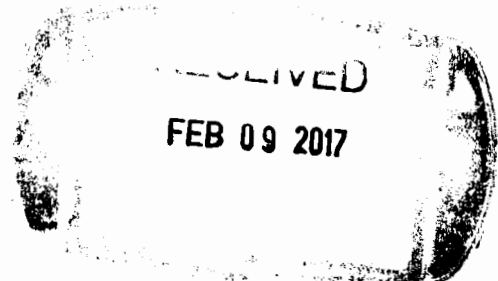
A. Deposits and Investments

Cash and Cash Equivalents

The Town's demand and interest-bearing deposits were held by the Renasant Bank of Corinth, Mississippi in the total amount of \$93,487 at September 30, 2016.

Pledged Securities for Cash on Deposit

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 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 Depository Insurance Corporation.





Town of Glen
Schedule of Capital Assets
For the Year Ended September 30, 2016

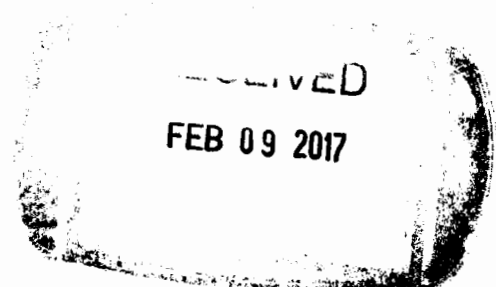
The Town did not maintain a capital assets ledger.



Town of Glen
Schedule of Long-term Debt
For the Year Ended September 30, 2016

	Beginning Balance	New Issues	Payments	Ending Balance
Miss. Dev. Auth.	\$11,837		\$3,658	\$8,179

See accountant's report.



Town of Glen
Schedule of Surety Bonds
September 30, 2016

<u>Position</u>	<u>Coverage</u>
Mayor	\$25,000
City Clerk	\$50,000
Alderman	\$10,000 each



David L. Nichols

Certified Public Accountant PC

P. O. Box 402 305 W. Eastport Street
Iuka, Mississippi 38852-0402

Member: American Institute of Certified Public Accountants

Telephone 662-423-5057

Fax 662-423-5061

David L. Nichols, CPA

Report on Agreed-Upon Procedures

Mayor and Board of Aldermen
Town of Glen
Glen, Mississippi

I have applied certain agreed-upon procedures, as discussed below to the accounting records of the Town of Glen, 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, Miss. Code Ann. (1972). It is understood that this report is solely for the use of the Governing Body of the Town of Glen, Mississippi, and the Office of the State Auditor and should not be used for any other purpose. My procedures and findings are as follows:

- A. 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 bank:

<u>Bank</u>	<u>Fund</u>	<u>Balance per General Ledger</u>
Renasant	General	\$93,487

- B. The Town owned no investment securities during the fiscal year ended September 30, 2016.
- C. The Town did not levy taxes on real and personal property for the year ended September 30, 2016.
- D. I obtained a statement of payments made by the Department of Finance and Administration to the municipality. The following payments indicated were traced to deposit in the respective bank accounts and were recorded in the general ledger without exception:

<u>Payment Purpose</u>	<u>Fund</u>	<u>Amount</u>
In lieu Tax	General	\$1,711
Gen Municipal Aid	General	\$205
Sales Tax Allocation	General	\$24,512
Gasoline Tax	General	\$1,236
Fire Protection Allocation	General	\$2,642
Grants	General	\$371,153

RECEIVED

FEB 09 2017



- E. I reviewed expenditures made by the municipality exceeding \$5,000 during the fiscal year totaling \$366,652 for compliance with purchasing requirements set forth in Sections 31-7-1, 31-7-13, 31-7-49, and 31-7-57, Miss. Code Ann. (1972), as applicable. The following instance of noncompliance with state purchasing requirements was noted:

The Town expended \$6,000 to The Christmas Tree Factory on January 6, 2016 without obtaining competitive bids or quotes.

- F. The Town did not levy fines and forfeitures for the year ended September 30, 2016.

- G. I read the Municipal Compliance Questionnaire completed by the municipality. The completed survey indicated the following instance of non-compliance with state requirements:

The Town failed to maintain a capital asset ledger and failed to inventory capital assets to adequately safeguard those assets.

- H. I performed procedures to test compliance with certain other state laws and regulations, specifically relating to budgeting, vehicle markings, surety bonds, transfer payments, depositories, investments, debt issuance, privilege taxes, and capital assets. The following instances of noncompliance with state requirements were noted:

The Town failed to identify, inventory, and account for capital assets.

Because my procedures do not constitute an audit in accordance with generally accepted auditing standards, I 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 my attention that caused me to believe that the items specified in the preceding paragraphs should be adjusted. Had I performed additional procedures or had I conducted an audit of the financial statements in accordance with generally accepted auditing standards, matters might have come to my attention that would have been reported to you. This report should not be associated with the financial statements of the Town of Glen, Mississippi for the year ended September 30, 2016.

Sincerely,

David L. Nichols
Certified Public Accountant PC

January 18, 2017



