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TOWN OF MYRTLE
P. O. BOX 127
MYRTLE, MISSISSIPPI 38650

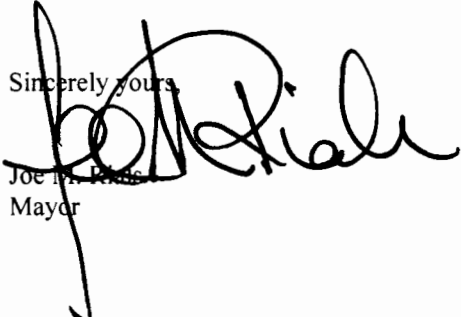
December 1, 2016

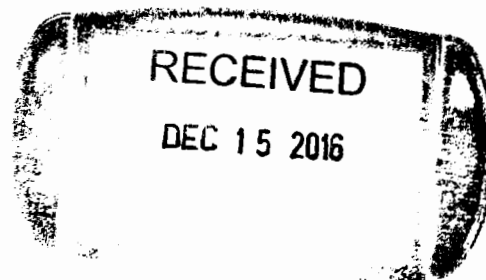
Office of the State Auditor
P. O. Box 956
Jackson, MS 39205

RE: Annual Municipal Audit

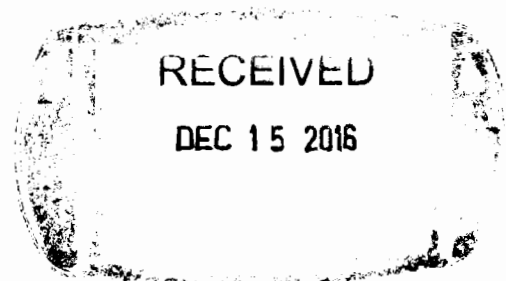
Accompanying this letter are two copies of the special report and two copies of the annual compilation of the Town of Myrtle, Mississippi, for the fiscal year ended September 30, 2016. A separate management letter was not written to the town in connection with this compilation.

Sincerely yours,


Joe M. Pike
Mayor



TOWN OF MYRTLE, MISSISSIPPI
FINANCIAL STATEMENTS
September 30, 2016



JACKSON and CREIGHTON, P.A.

Certified Public Accountants
122 WEST BANKHEAD STREET
NEW ALBANY, MISSISSIPPI 38652

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**To the Mayor and Board of Aldermen
Town of Myrtle
Myrtle, Mississippi**

Management is responsible for the accompanying Statement of Cash Receipts and Disbursements - Governmental and Business-Type Activities, Schedule of Investments - All Funds, Schedule of Long-Term Debt and Schedule of Surety Bonds for Town Officials of the Town of Myrtle, Mississippi, for the year ended September 30, 2016, 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 Statement of Cash Receipts and Disbursements - Governmental and Business-Type Activities or the supplementary schedules 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 the Statement of Cash Receipts and Disbursements - Governmental and Business-Type Activities.


The Statement of Cash Receipts and Disbursements - Governmental and Business-Type Activities is prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all of the disclosures ordinarily included in a financial statement prepared in accordance with the cash basis of accounting. If the omitted disclosures were included in the financial statement, 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 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 the government-wide financial statements resulting from the cash basis transactions for the Town's governmental activities and business-type activities are not reasonably determinable.

Management also has not presented Management's Discussion and Analysis and other required supplemental information that the Governmental Accounting Standards Board has determined is required to supplement, although not required to be a part of, the basic financial statements.

In accordance with the provisions of Section 21-35-31, Mississippi Code Annotated (1972), we have issued a report dated November 28, 2016, on the results of our agreed-upon procedures.


Jackson and Creighton, P.A.
New Albany, Mississippi

November 28, 2016

TOWN OF MYRTLE, MISSISSIPPI
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
For the Year Ended September 30, 2016

	Governmental Activities <u>General</u>	Business- Type Activities <u>Water & Sewer</u>
RECEIPTS		
Taxes		
General property taxes	\$ 84,577	
Licenses and permits	503	
Intergovernmental revenues:		
General municipal aid	244	
Federal shared revenues:		
CDBG Small Governments sewer grant		422,126
USDA grant for vehicles	23,900	
State shared revenues:		
Sales tax	57,306	
Gasoline tax	1,470	
Fire protection	3,143	
Homestead exemption	5,987	
TVA in lieu of taxes	2,300	
Public safety grants	11,851	
County shared revenues:		
Road taxes	9,023	
Charges for services:		
Water utility		263,057
Fines and bonds	5,493	
Interest income	38	48
Miscellaneous	639	
Total Receipts	<u>206,474</u>	<u>685,231</u>
DISBURSEMENTS		
General government		
Executive	59,066	
Financial	13,614	
Judicial	6,105	
Public safety		
Police	53,976	
Fire	8,390	
Public works	32,579	
Enterprise		
Water utility		202,789
Capital Expenditures	10,801	422,109
Redemption of principal	37,412	15,573
Debt service interest	6,457	7,044
Total Disbursements	<u>228,400</u>	<u>647,515</u>
Excess (Deficiency) of receipts over disbursements	<u>(21,926)</u>	<u>37,716</u>
OTHER FINANCING SOURCES (USES)		
Sale of capital assets	2,100	
Transfers	23,000	(23,000)
Total Other Financing Sources (Uses)	<u>25,100</u>	<u>(23,000)</u>
Excess (Deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>3,174</u>	<u>14,716</u>
CASH BASIS FUND BALANCE-BEGINNING OF YEAR	<u>37,388</u>	<u>94,513</u>
CASH BASIS FUND BALANCE-END OF YEAR	<u>\$ 40,562</u>	<u>\$ 109,229</u>

See accountant's compilation report.

**TOWN OF MYRTLE, MISSISSIPPI
SCHEDULE OF INVESTMENTS - ALL FUNDS
September 30, 2016**

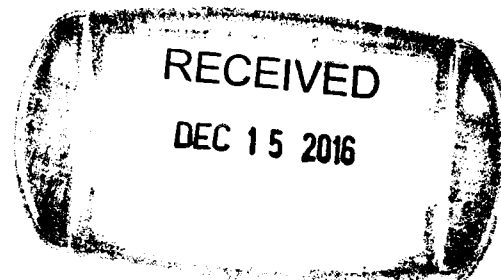
<u>OWNERSHIP</u>	<u>TYPE OF INVESTMENT</u>	<u>INTEREST RATE</u>	<u>ACQUISITION DATE</u>	<u>MATURITY DATE</u>	<u>OTHER INFORMATION</u>	<u>INVESTMENT COST/VALUE</u>
General Fund	Certificate of Deposit	0.15%	1/9/1985	3/27/2017	BNA Bank	\$ <u>9,097</u>

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See accountant's compilation report.

TOWN OF MYRTLE, MISSISSIPPI
SCHEDULE OF LONG-TERM DEBT
For the Fiscal Year Ended September 30, 2016

Definition and purpose	Balance	Transactions		Balance
	Outstanding Oct. 1, 2015	During Fiscal Year		Outstanding Sept. 30, 2016
		Issued	Redeemed	
Revenue bonds:				
RECD bonds, water system	\$ 4,257		\$ 4,257	\$ -
RECD bonds, water system	101,252		4,575	96,677
General obligation bonds:				
2012 GO Bonds USDA	165,472		6,831	158,641
Bank note:				
Three Rivers Planning & Development	19,189		2,004	17,185
BNA Bank	48,110		28,577	19,533
Other note:				
CAP Loan, tower renovation	99,635		6,741	92,894
TOTAL	\$ 437,915	\$ -	\$ 52,985	\$ 384,930



TOWN OF MYRTLE, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS
September 30, 2016

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Bond Amount</u>
Marie White	City Clerk	Brierfield Insurance Co RLI Surety	\$ 98,000 15,000
Jim White	Police Chief	Brierfield Insurance Co	50,000
David Peeler	Deputy Clerk	Travelers	50,000
Fleurette Ausburn	Alderman	MS Municipal Bond Program	10,000
Micheal Canerdy	Alderman	MS Municipal Bond Program	10,000
Jason Howell	Alderman	MS Municipal Bond Program	10,000
Carolyn McCuiston	Alderman	MS Municipal Bond Program	10,000
Jeanette Thomas	Alderman	MS Municipal Bond Program	10,000
Jeffrey Chism	Policeman	RLI Surety	25,000

See accountant's compilation report.

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**REPORT ON COMPLIANCE WITH STATE
LAWS AND REGULATIONS**

To the Mayor and the Board of Alderpersons
Town of Myrtle, Mississippi

We have compiled the accompanying Statement of Cash Receipts and Disbursements - Governmental and Business-Type Activities, Schedule of Investments - All Funds, Schedule of Long-Term Debt and Schedule of Surety Bonds for Town Officials, of the Town of Myrtle, Mississippi, for the year ended September 30, 2016, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statement has been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

We have performed procedures to test compliance with certain state laws and regulations as described by the Municipal Compliance Questionnaire that is prescribed by the office of the State Auditor. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Town's compliance with these requirements. Accordingly, we do not express such an opinion.

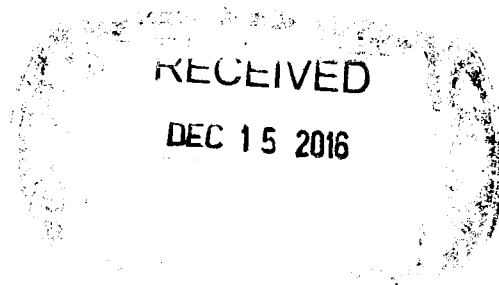
With respect to items tested, the results of those procedures and our compilation of the accompanying Statement of Cash Receipts and Disbursements - Governmental and Business-Type Activities, Schedule of Investments - All Funds, Schedule of Long-Term Debt and Schedule of Surety Bonds for Town Officials, of the Town of Myrtle, Mississippi, for the year ended September 30, 2016 disclosed no material instances of noncompliance with state laws and regulations.

This report is intended solely for the information and use of 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.

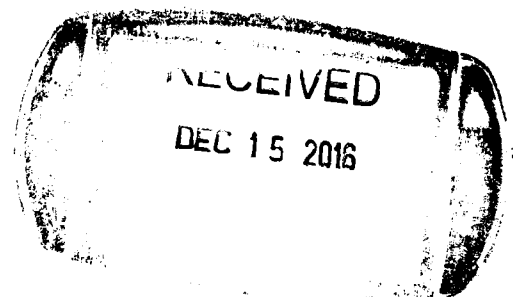
Jackson and Creighton, P.A.

Jackson and Creighton, P.A.
New Albany, Mississippi

November 28, 2016



TOWN OF MYRTLE, MISSISSIPPI
AGREED-UPON PROCEDURES
September 30, 2016



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November 28, 2016

Board of Aldermen
Town of Myrtle
P O Box 127
Myrtle, MS 38650

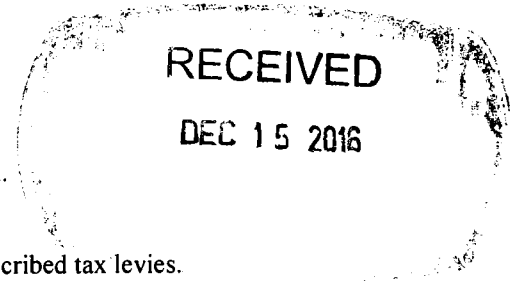
Independent Accountant's Report **On Applying Agreed-Upon Procedures**

We have applied certain agreed-upon procedures, as discussed below, which were agreed to by and the responsibility of the Myrtle, Mississippi to the accounting records of the Town of Myrtle, 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). This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of specified users of the report. It is understood the report is solely for the use of the governing body of the Town of Myrtle, Mississippi, and the Office of the State Auditor and should not be used for any other purposes. Consequently, we make no representation regarding the sufficiency of the procedures described below either for which this report has been requested or for any other purpose. Our procedures and findings are as follows:

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

Bank	Fund	Balance per General Ledger
BNA Bank	General	\$ 6,413
BNA Bank	General	337
BNA Bank	General	1,000
BNA Bank	General	9,000
BNA Bank	General	25
BNA Bank	General	8,840
BNA Bank	General	480
BNA Bank	General	931
BNA Bank	General	1,056
BNA Bank	General	3,219
BNA Bank	General	164
BNA Bank	General - CD	9,097
		<u>\$ 40,562</u>
BNA Bank	Utility	\$ 49,393
BNA Bank	Utility	29,434
BNA Bank	Utility	16,351
BNA Bank	Utility	14,051
		<u>\$ 109,229</u>

2. We 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). The general fund held a certificate of deposit from BNA Bank with a general ledger cost of \$9,097.
3. We performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:
 - a. Trace levies to the governing body minutes;
 - b. Traced distribution of taxes collected to proper funds; and
 - c. Analyzed increase in taxes for most recent period for completion with increase limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972).



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

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

Ad valorem tax collections for the retirement of general obligation debt were found to be sufficient for payment of current principal and interest in accordance with limitations imposed by Sections 21-33-87 and 21-33-303, Miss. Code Ann. (1972).

4. We 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:

Payment Purpose	Receiving Fund	Ledger Amount
Fire Protection	Fire Fund	\$ 3,143
Municipal Aid	General Fund	244
Gas Tax	General Fund	1,470
Homestead Exemption	General Fund	5,987
TVA in Lieu	General Fund	2,300
Sales Tax Allocation	General Fund	57,306
Public Safety	General Fund	11,851
Sewer Project	Water & Sewer Fund	422,126

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, Miss. Code Ann. (1972), if applicable.

The sample consisted of the following:

Number of Sample Items	60
Total Dollar Value of Sample	\$ 130,054

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

Fourteen instances were found where purchases were not approved by the board. These purchases total \$1,930.67.

6. We selected a sample of collection of fines and forfeitures and verified that the municipal court clerk had settled daily with the municipal clerk. We 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.

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

One instance was found where a fine was receipted 5 business days before it was deposited.

7. We have read the Municipal Compliance Questionnaire completed by the municipality. The following responses to the questionnaire indicate possible noncompliance with state requirements.

The deputy policeman hired during the current fiscal year was not bonded. Per the Municipal Compliance Questionnaire, only if hired under Section 45-5-9, Miss. Code Ann. (1972), deputy police should be covered by appropriate surety bonds.

Because the above procedures do not constitute an audit in accordance with auditing standards generally accepted in the United States of America, 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 auditing standards generally accepted in the United States of America, 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 Myrtle, Mississippi, for the year ended September 30, 2016.

Jackson and Creighton, P.A.
Jackson and Creighton, P.A.
Certified Public Accountants

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