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TOWN OF VARDAMAN
PO BOX 194
VARDAMAN, MS 38878

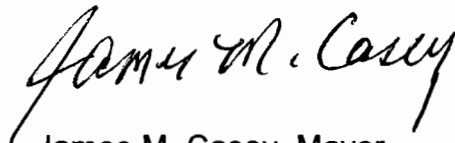
January 9, 2017

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

Re: Municipal Audit

Accompanying this letter is a copy of the annual compilation of the Town of Vardaman, 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,

A handwritten signature in cursive script that reads "James M. Casey".

James M. Casey, Mayor
TOWN OF VARDAMAN, MS



TOWN OF VARDAMAN, MISSISSIPPI

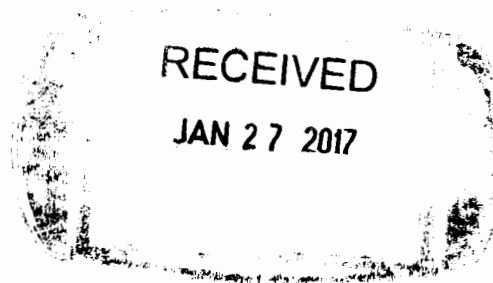
VARDAMAN, MISSISSIPPI

38878

FINANCIAL STATEMENTS

FISCAL YEAR ENDING SEPTEMBER 30, 2016

ROBERT L INMON
PUBLIC ACCOUNTANT



INMON TAX SERVICE

ROBERT L. INMON, E. A.
115 NORTH MAIN STREET
VARDAMAN, MS 38878

Honorable Mayor & Board of Aldermen
Town of Vardaman
Vardaman, Mississippi 38878

I have compiled the accompanying Combined Statement of Cash Receipts and Disbursements, Governmental and Business-type Activities of the Town of Vardaman, Mississippi, for the year ended September 30, 2016, in accordance with Statements of Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying Combined Statement of Cash Receipts and Disbursements, Governmental and Business-type Activities and, accordingly, do not express an opinion or any other form of assurance on it.

The Town's policy is to prepare its financial statement on the basis of cash receipts and disbursements; consequently, certain revenue is recognized when received rather than when measurable and available, and certain expenditures are recognized when paid rather than when the obligation is incurred. Accordingly, the Statement of Cash Receipts and Disbursements, Governmental and Business-type Activities is not intended to present results of operations, in conformity with generally accepted accounting principles.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements. If the omitted disclosures were included, they might influence the user's conclusions about the Town's cash receipts and disbursements. Accordingly, the financial statement is not designed for those who are not informed about such matters.

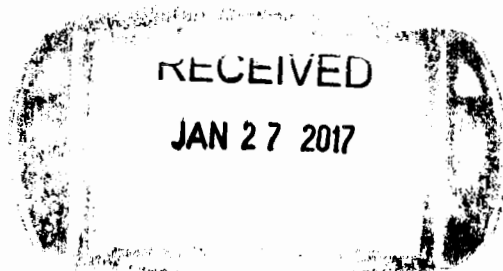
The supplementary information contained in Schedules 1 through 3 is presented for purposes of additional analysis and has been compiled by me from information that is the representation of management of the Town of Vardaman, Mississippi without audit or review. Accordingly, I do not express an opinion or any other form of assurance on such supplementary information.

I am not independent with respect to the Town of Vardaman, Mississippi.



Robert L. Inmon
Public Accountant

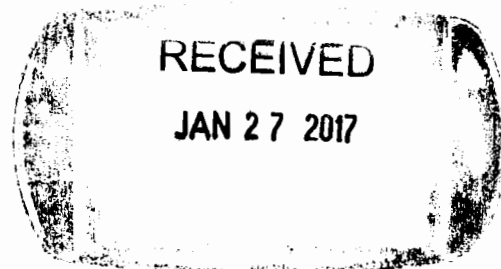
January 7, 2017



TOWN OF VARDAMAN, MISSISSIPPI
STATEMENT OF CASH RECEIPTS & DISBURSEMENTS (ALL FUNDS)
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
For the Year Ended September 30, 2016

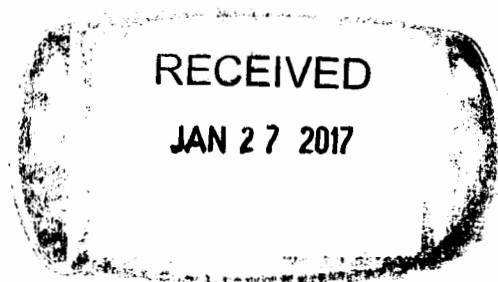
	GOVERNMENTAL ACTIVITIES			BUSINESS-TYPE ACTIVITIES	TOTALS	
	GENERAL FUNDS	CAPITAL PROJECTS	DEBT SERVICE	WATER FUND	(Memorandum Only)	
					9/30/2016	9/30/2015
RECEIPTS						
General Property Taxes						
Real & Personal	105,359.97		9,578.17		114,938.14	112,732.08
Automobiles	22,636.77		2,087.80		24,724.57	25,906.53
Penalties & Int - Delinq Tax	3,410.83		310.08		3,720.91	3,987.57
Licenses & Permits	1,227.99				1,227.99	1,288.50
Utility Franchise Charges	19,131.21				19,131.21	20,153.02
Intergovernmental Receipts						
Federal Sources						
Federal Grants	0.00			0.00	0.00	0.00
State Grants						
General Municipal Aid	656.26				656.26	656.26
Law Enforcement Assistance	0.00				0.00	0.00
State Emergency Mgt Funds	0.00			0.00	0.00	0.00
State Wildlife Grant	0.00				0.00	0.00
State Shared Revenue						
Sales Tax	123,645.64				123,645.64	122,832.09
Gasoline tax	3,948.00				3,948.00	3,948.00
Fire Insurance Premium Tax	8,440.22				8,440.22	7,160.58
Homestead Exemption Reimb.	17,656.41		1,708.68		19,365.09	19,333.83
TVA Payments In Lieu of Tax	7,200.77				7,200.77	12,473.20
County Grants & Shared Rec.						
Road Taxes	18,486.61				18,486.61	17,171.84
County Fire Reimbursements	7,174.10				7,174.10	15,410.57
Charges for Services						
Garbage Collection Charges	85,672.11				85,672.11	85,006.50
Fines & Forfeits	32,249.75				32,249.75	27,895.12
Miscellaneous						
Interest Earnings	96.08		78.69	51.63	226.40	256.68
Other Miscellaneous	26,548.05			28,906.50	55,454.55	47,002.73
Enterprise Account						
Metered Water Sales				218,463.60	218,463.60	214,877.47
Sewer Charges				108,893.02	108,893.02	106,990.23
TOTAL RECEIPTS	483,540.77	0.00	13,763.42	356,314.75	853,618.94	845,082.80
OTHER RECEIPTS						
Short Term Loans	0.00				0.00	0.00
Sale of Surplus Property	6,699.00				6,699.00	500.00
Sale of Buildings	89,879.00				89,879.00	0.00
Transfers	59,767.70		10,110.44		69,878.14	49,202.19
TOTAL OTHER RECEIPTS	156,345.70	0.00	10,110.44	0.00	166,456.14	49,702.19
TOTAL CASH RECEIPTS	639,886.47	0.00	23,873.86	356,314.75	1,020,075.08	894,784.99
Cash Balance, Oct 1, 2015	88,521.72	0.00	30,800.88	72,028.27	191,350.87	190,982.36
TOTAL AMOUNT TO ACCOUNT FOR	728,408.19	0.00	54,674.74	428,343.02	1,211,425.95	1,085,767.35

SEE ACCOMPANYING ACCOUNTANT'S COMPILATION REPORT



TOWN OF VARDAMAN, MISSISSIPPI
STATEMENT OF CASH RECEIPTS & DISBURSEMENTS (ALL FUNDS)
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
For the Year Ended September 30, 2016

	GOVERNMENTAL FUND TYPES			BUSINESS- TYPE ACTIVITIES	TOTALS	
	GENERAL FUNDS	CAPITAL PROJECTS	DEBT SERVICE	WATER FUND	(Memorandum Only) 9/30/2016	9/30/2015
DISBURSEMENTS						
General Government (Executive & Financial)	159,554.42				159,554.42	154,370.44
Public Safety:						
Police	147,771.01				147,771.01	147,173.47
Fire	22,184.61				22,184.61	23,745.92
Highways & Streets						
Repairs & Maintenance	25,800.49				25,800.49	25,024.67
Sanitation	71,935.20			35,573.10	107,508.30	100,334.12
Culture & Recreation:						
Parks	28,163.46				28,163.46	25,608.18
Library	29,500.00				29,500.00	29,000.00
Enterprise:						
Water & Sewer Utility				243,793.49	243,793.49	240,562.81
Interest Paid						
Notes	947.80		12,477.21	0.00	13,425.01	17,240.78
TOTAL OPERATING DISBURSEMENTS	485,856.99	0.00	12,477.21	279,366.59	777,700.79	763,060.39
OTHER DISBURSEMENTS						
Note Principal	9,663.48		15,819.20		25,482.68	21,666.91
Bank Loans repaid				0.00	0.00	0.00
Capital Outlays	146,339.63			77,918.36	224,257.99	60,486.99
Transfers				69,878.14	69,878.14	49,202.19
Short Term Investments						
TOTAL OTHER DISBURSEMENTS	156,003.11	0.00	15,819.20	147,796.50	319,618.81	131,356.09
TOTAL CASH DISBURSEMENTS	641,860.10	0.00	28,296.41	427,163.09	1,097,319.60	894,416.48
Cash Balance, SEPT 30, 2016	86,548.09	0.00	26,378.33	1,179.93	114,106.35	191,350.87
TOTAL AMOUNT ACCOUNTED FOR	728,408.19	0.00	54,674.74	428,343.02	1,211,425.95	1,085,767.35



SEE ACCOMPANYING ACCOUNTANT'S COMPILATION REPORT

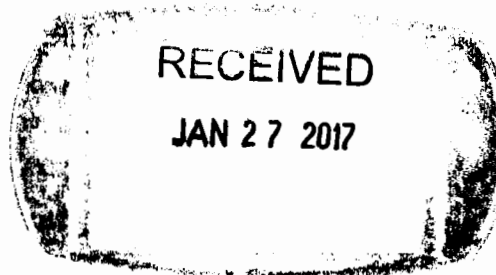
TOWN OF VARDAMAN, MISSISSIPPI
SCHEDULE OF RECONCILIATION OF TAX ASSESSMENTS
TO FUND COLLECTIONS
SEPTEMBER 30, 2016

Tax assessments were found to be mathematically correct and in agreement with collections as follows:

Assessed Valuation & Millage:	ASSESSMENT		AMT TAX
Realty	3,165,142		
Personal - Other than Auto	545,540		
Public Utilities	74,104		
Personal - Auto (From County)	717,132		
Total Municipal @36 Mills	4,501,918	162,278.15	
Less Homestead Exemption Allowed		(22,235.39)	
Total Tax Due			140,042.76
Collections Adjustments:			
Add: Homestead Reimbursement		19365.09	
Prior Year Tax Collections		3786.39	
Penalties & Interest		3720.91	
In Lieu Taxes - TVA		7200.77	
		34073.16	
Less: Tax Collector's Commission		(1301.21)	32,771.95
TOTAL TO BE ACCOUNTED FOR			172,814.71

	Taxes Pen & Interest	Homestead Reimb.	TOTAL	
Credits:				
Collections Allocated to:				
General Fund	110,664.25	13,669.48	124,333.73	
Fire Protection Fund	3,992.00	569.56	4,561.56	
Library Fund	15,968.04	2,278.25	18,246.29	
Bond & Interest Fund	11,976.05	1,708.68	13,684.73	
Park & Cemetery Fund	7,984.05	1,139.12	9,123.17	
Totals	150,584.39	19,365.09		169,949.48

Balance Represented By:
 Unpaid Realty Taxes
 Unpaid Personal Taxes
 Unaccounted for Difference



2,543.46
 321.77
 0.00

TOTAL ACCOUNTED FOR

172,814.71

See Accompanying Accountants Compilation Report

**TOWN OF VARDAMAN, MISSISSIPPI
SCHEDULE OF LONG-TERM DEBT
YEAR ENDED SEPTEMBER 30, 2016**

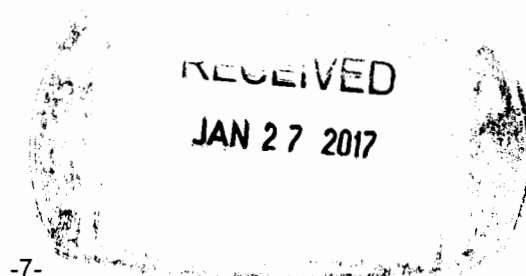
DEFINITION & PURPOSE	BALANCE	TRANSACTIONS DURING YEAR		BALANCE
	OCT 1, 2015	ISSUED	REDEEMED	SEP 30, 2016
GENERAL OBLIGATION BONDS				
General Issues	0.00	0.00	0.00	0.00
School Bonds	0.00	0.00	0.00	0.00
Revenue Bonds				
4/19/77 G.O. Revenue Bonds, 5% Callable & Noncallable Original Issue \$123,000.00	0.00	0.00	0.00	0.00
TOTAL BONDS	0.00	0.00	0.00	0.00
OFFICIAL LONG TERM DEBT				
11/22/1977 FmHA Water & Sewer Construction Mortgage Original Issue \$585,000.00	0.00	0.00	0.00	0.00
4/07/2006 USDA Rural Dev. Waterline Construction Original Issue \$343,000.00	300,653.37	0.00	8,087.55	292,565.82
2/04/2009 State of Mississippi Capital Improvement Loan	21,713.90	0.00	5,995.54	15,718.36
4/19/2007 State of Mississippi Capital Improvement Loan	38,441.60		7,731.65	30,709.95
TOTAL LONG TERM DEBT	360,808.87	0.00	21,814.74	338,994.13
TOTAL BONDS & LONG TERM DEBT	360,808.87	0.00	21,814.74	338,994.13

See accompanying Notes to Financial Statements.

**TOWN OF VARDAMAN, MISSISSIPPI
SCHEDULE OF SURETY BONDS OF MUNICIPAL OFFICIALS
YEAR ENDED SEPTEMBER 30, 2016**

<u>NAME</u>	<u>POSITION</u>	<u>SURETY</u>	<u>AMOUNT</u>
James M Casey	Mayor	Western Surety	50,000
Barbara Tedder	City Clerk	Western Surety	50,000
Kenneth Scott	Police Chief	Western Surety	50,000
Maxine Blue	Deputy Clerk	Western Surety	50,000
Michaela Wesley	Deputy Clerk	Western Surety	50,000
Jeffrey Clements	Alderman	Western Surety	15,000
Jeff Hamilton	Alderman	Western Surety	15,000
Peggy J Skinner	Alderman	Western Surety	15,000
Robert McGregor	Alderman	Western Surety	15,000
Wilbur Holmes	Alderman	Western Surety	15,000
Enix C Barnett	Ret. Police Chief	Western Surety	50,000
Juston Robertson	Policecman	Western Surety	50,000
Barbara A Ward	Policewoman	Western Surety	50,000
Bryan A Tallent	Policecman	Western Surety	50,000
Barbara Tedder	Notary	Western Surety	5,000

See accompanying Notes to Financial Statements



**TOWN OF VARDAMAN, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2016**

Note A: Summary of Significant Accounting Policies

General Information

The town operated under the Mayor-Alderman form of government and provides services as authorized by law.

Reporting Entity

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

Fund Accounting

The accounts of the town are organized on the basis of funds, each of which is considered a separate accounting entity.

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.

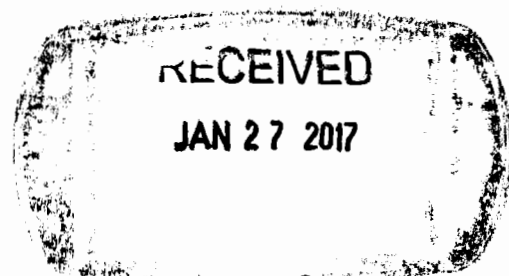
Note B: Report Classifications

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.

Note C: Contingent Liability - Litigation

No outstanding contingent liabilities as of 09/30/2016.

See accompanying Notes to Financial Statements.



INMON TAX SERVICE

PO BOX 72

VARDAMAN, MS 38878

SPECIAL REPORT ON AGREED- UPON PROCEDURES FOR SMALL MUNICIPALITIES

RECEIVED

JAN 27 2017

Honorable Mayor & Board of Aldermen
Town of Vardaman
Vardaman, Mississippi 38878

We have applied certain agreed-upon procedures, as discussed below, to the accounting records of the Town of Vardaman, 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 the report is solely for the use of the Governing Body of the Town of Vardaman, 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 banks to balances in the respective general ledger accounts and obtained confirmation of the related balances from the banks.

Bank	Fund	General Ledger Balance
Bancorpsouth Bank	General	50,811.76
Bancorpsouth Bank	Fire Protection	215.11
Bancorpsouth Bank	Cemetery Revenue	7,786.98
Bancorpsouth Bank	Police Department	10,857.90
Bancorpsouth Bank	Library	1,560.62
Bancorpsouth Bank	Park Beautification Fund	15,315.72
	Total General Funds	86,548.09
Bancorpsouth Bank	Utility Funds	1,179.93
Bancorpsouth Bank	Capital Projects	0.00
Bancorpsouth Bank	Debt Service Fund	26,378.33
	TOTALS - ALL FUNDS	114,106.35

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 of the Mississippi Code Ann. (1972).

<u>Security</u>	<u>Fund</u>	<u>General Ledger Cost</u>
BancorpSouth	None	0.00

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

- a. Traced levies to governing body minutes.
- 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).

RECEIVED

JAN 27 2017

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 was 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:

<u>Payment Purpose</u>	<u>Receiving Fund</u>	<u>General Ledger Amt</u>
Sales Tax Allocation	General Fund	123,645.64
Fire Protection	General Fund	8,440.22
Gasoline Tax	General Fund	3,948.00
Homestead Exempt. Reimb.	General Fund	17,656.41
Homestead Exempt. Reimb.	Debt Service Fund	1,708.68
General Municipal Aid	General Fund	656.26
TVA Payments in Lieu of Taxes	General Fund	7,200.77
Other Aid - State Grants/Sewer	General Fund	0.00

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 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	30
Dollar value of sample	30,140.35

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

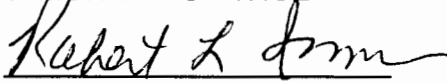
6. We selected a sample of collection of fines and forfeitures and verified that the municipal court clerk had settled daily with the municipal clerk. We also selected a sample of state-imposed court assessments collected and determined that the municipal court clerk had settled monthly with the Department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

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

7. We have read the Municipal Compliance Questionnaire completed by the municipality. The completed survey indicated no instances of noncompliance with state requirements.

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 that 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 Vardaman, Mississippi, for the year ended September 30, 2016.

INMON TAX SERVICE


Robert L. Inmon

January 7, 2017

