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TOWN OF MEADVILLE, MISSISSIPPI

FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2017

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Honorable Mayor and Board of Aldermen
Town of Meadville, Mississippi

Management is responsible for the accompanying financial statements of the Town of Meadville, Mississippi for the year ended September 30, 2017, as listed in the Table of Contents, in accordance with accounting principles generally accepted in the United States of America. I 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. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially disclosures required by accounting principles generally accepted in the United States of America, including a statement of cash flows for proprietary funds. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's financial position, results of operations and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Bernell M. Gehee

CERTIFIED PUBLIC ACCOUNTANT

Bernell McGehee, CPA
Liberty, Mississippi

December 11, 2017

**TOWN OF MEADVILLE, MISSISSIPPI
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
 (UNAUDITED)
 YEAR ENDED SEPTEMBER 30**

<u>Assets</u>	<u>Governmental Fund Types</u>	<u>Proprietary Fund Types</u>	<u>Total Memorandum Only</u>	
			<u>2017</u>	<u>2016</u>
Cash	\$161,339	\$387,780	\$549,119	\$416,098
Cash-Reserved	156,029	272,484	428,513	215,151
Accounts Receivable		21,296	21,296	21,048
Due from Water & Sewer	40,091		40,091	40,091
Fixed assets (net of accumulated depreciation)	<u>-0-</u>	<u>388,521</u>	<u>388,521</u>	<u>341,773</u>
Total Assets	<u>\$357,459</u>	<u>\$1,070,081</u>	<u>\$1,427,540</u>	<u>\$1,034,161</u>
 <u>Liabilities and Fund Equity</u>				
Accounts Payable	\$19,761	\$8,335	\$28,096	\$29,268
Due to General Fund	-0-	40,091	40,091	40,091
Notes Payable	-0-	283,843	283,843	267,957
Customer deposits	<u>-0-</u>	<u>12,484</u>	<u>12,484</u>	<u>10,681</u>
Total Liabilities	<u>\$19,761</u>	<u>\$344,753</u>	<u>\$364,514</u>	<u>\$347,997</u>
Retained Earnings:				
Unreserved		\$465,328	\$465,328	\$377,009
Designated		260,000	260,000	
Fund balance:				
Unreserved	181,669	-0-	181,669	153,987
Reserved - Fire Fund	151,257	-0-	151,257	150,412
Reserved - unemployment benefits	<u>4,772</u>	<u>-0-</u>	<u>4,772</u>	<u>4,756</u>
Total Fund Equity	<u>\$337,698</u>	<u>\$465,328</u>	<u>\$1,063,026</u>	<u>\$686,164</u>
Total Liabilities and Fund Equity	<u>\$357,459</u>	<u>\$1,070,081</u>	<u>\$1,427,540</u>	<u>\$1,034,161</u>

The accompanying compilation report is an integral part of this balance sheet.

**TOWN OF MEADVILLE, MISSISSIPPI
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
 (UNAUDITED)
 YEAR ENDED SEPTEMBER 30**

	<u>2017</u>	<u>2016</u>
Revenue:		
Ad valorem	\$ 135,713	\$ 130,739
Licenses and Permits	26,656	27,880
Intergovernmental	166,716	155,632
Fines and Forfeits	11,022	9,516
Interest	611	689
Other	<u>26,428</u>	<u>5,712</u>
Total Revenue	<u>\$ 367,146</u>	<u>\$ 330,168</u>
Expenditures:		
General government	\$ 160,441	\$ 173,872
Public safety	75,217	78,206
Streets	<u>102,945</u>	<u>81,516</u>
Total Expenditures	<u>\$ 338,603</u>	<u>333,594</u>
Excess (deficiency) of revenues over expenditures	\$ 28,543	\$ (3,426)
Fund balance at beginning of year	<u>309,155</u>	<u>312,581</u>
Fund balance at end of year	<u>\$ 337,698</u>	<u>\$ 309,155</u>

The accompanying compilation report is an integral part of this financial statement

**TOWN OF MEADVILLE, MISSISSIPPI
 COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
 RETAINED EARNINGS – ALL PROPRIETARY FUND TYPES
 (UNAUDITED)
 YEAR ENDED SEPTEMBER 30**

	<u>WATER</u>	<u>SEWER</u>	<u>TOTALS</u>	
			<u>2017</u>	<u>2016</u>
Operating revenues:				
Charges for services	\$ 178,342	\$ 106,202	\$ 284,544	\$ 235,843
Operating expenses:				
Personal services	19,974	18,065	38,039	38,862
Supplies	6,428	12,759	19,187	22,162
Other services and charges	35,823	36,089	71,912	78,554
Depreciation	<u>39,258</u>	<u>17,400</u>	<u>56,658</u>	<u>28,380</u>
Total operating expenses	<u>101,483</u>	<u>84,313</u>	<u>185,796</u>	<u>167,958</u>
Operating income	<u>76,859</u>	<u>21,889</u>	<u>98,748</u>	<u>67,885</u>
Non-operating revenues (expenses):				
State Sewer Bond		260,000	260,000	137,000
Interest - net	(5,849)	(4,580)	(10,429)	(6,552)
Transfers in (out)	<u>277,309</u>	<u>(277,309)</u>	<u>-</u>	<u>-</u>
Total non-operating revenue (expense)	271,460	(21,889)	249,571	130,448
Net income (loss)	<u>348,319</u>	<u>-</u>	<u>348,319</u>	<u>198,333</u>
Retained earnings, beginning of year	<u>377,009</u>	<u>-</u>	<u>377,009</u>	<u>178,676</u>
Retained earnings, end of year	<u>\$ 725,328</u>	<u>\$ -</u>	<u>\$ 725,328</u>	<u>\$ 377,009</u>

The accompanying compilation report is an integral part of this financial statement

**TOWN OF MEADVILLE, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

Note A: Summary of Significant Accounting Policies

General Information

The town operates 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 an accrual basis.

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.

**TOWN OF MEADVILLE, MISSISSIPPI
SCHEDULE OF CAPITAL ASSETS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
<i>Note: Governmental asset details are currently unavailable.</i>				
Business Type Activities:				
Capital Assets				
Land	8,000	-	-	<u>8,000</u>
Machinery and Equipment	664,148	282,780	-	<u>946,928</u>
Construction in Progress	<u>179,374</u>	<u>103,406</u>	<u>282,780</u>	<u>-</u>
Total Business-type activities capital assets	<u>\$ 851,522</u>	<u>\$ 386,186</u>	<u>\$ -</u>	<u>\$ 954,928</u>

**TOWN OF MEADVILLE, MISSISSIPPI
STATEMENT OF LONG-TERM DEBT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

<u>DEFINITION AND PURPOSE OF DEBT</u>	<u>BALANCE OUTSTANDING 10/01/2016</u>	<u>TRANSACTIONS DURING FISCAL YEAR</u>		<u>BALANCE OUTSTANDING 09/30/2017</u>
		<u>ISSUED</u>	<u>REDEEMED</u>	
Water and Sewer System				
General Obligation Notes:				
State of Mississippi - Capital Improvement Loans:				
Water Tank Refurbishing	\$ 12,881	\$ -	\$ 3,480	\$ 9,401
Water Well & Transmission System	41,355	-	9,461	31,894
State of Mississippi - Dept. of Enviromental Quality				
Water Pollution Control Emergency Loan Fund				
2013 Sewer Lift Station	127,021		16,533	110,488
US Department of Agriculture				
Rural Development	<u>91,700</u>	<u>54,400</u>	<u>9,040</u>	<u>137,060</u>
 Total Long Term Debt	 <u>\$ 272,957</u>	 <u>\$ 54,400</u>	 <u>\$ 38,514</u>	 <u>\$ 288,843</u>
 Population - 2010 Census	 449			

**TOWN OF MEADVILLE, MISSISSIPPI
 SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICERS
 YEAR ENDED SEPTEMBER 30, 2017**

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Bond Amount</u>
Lane B Reed	Mayor	FCCI Insurance Group	\$50,000
Kay Scott	Alderman	Briarfield	\$6,000
William D. Scarbrough	Alderman	FCCI Insurance Group	\$6,000
Bobby Kelly	Alderman	FCCI Insurance Group	\$6,000
Arthur B. Jones	Alderman	FCCI Insurance Group	\$6,000
Charles Calcote	Alderman	FCCI Insurance Group	\$6,000
Leslie Thompson	Clerk	FCCI Insurance Group	\$50,000
Margaret Causey	Asst Clerk	FCCI Insurance Group	\$10,000
Taylor McMinn	Police Chief	FCCI Insurance Group	\$50,000
James Cooley	Deputy	FCCI Insurance Group	\$50,000

**BERNELL McGEHEE, CPA
P. O. BOX 410
LIBERTY, MISSISSIPPI 39645**

Mayor and Board of Aldermen
Meadville, Mississippi

I have applied certain agreed upon procedures, as discussed below, to the accounting records of the Town of Meadville, Mississippi as of September 30, 2017 and for the year then ended, as required by the office of the State Auditor. This is solely for the use of the governing body of the Town of Meadville, Mississippi, and the office of the State Auditor. However, this report is a matter of public record, and its distribution is not limited. My procedures and findings are as follows:

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

<u>BANK</u>	<u>ACCOUNT NAME</u>	<u>BALANCE PER GENERAL LEDGER</u>	
Bank of Franklin	General	\$ 87,088	
Bank of Franklin	Fire Fund Special	151,257	
Bank of Franklin	Clearing Accounts	19,643	
Bank of Franklin	Employment Insurance Reserve	4,772	
United MS Bank	Certificates of Deposit	<u>54,608</u>	317,368
Bank of Franklin	Water and Sewer Fund	660,034	
Bank of Franklin	Water Construction	<u>230</u>	<u>660,264</u>
	Total		<u>977,632</u>

2. As of September 30, 2017 the town held no investment securities.
3. I performed the following procedures with respect to taxes on real and personal property levied during the fiscal year.
 - a. Traced levies to governing body minutes.
 - b. Traced distribution of taxes collected to proper funds.
 - 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).

Please note that the Town of Meadville contracts with Franklin County, Mississippi to collect property taxes on its behalf.

4. I obtained a statement of payments made by the Mississippi Department of Finance and Administration to the town. The payments were traced to deposit in banks and recording in the general fund, except one. A listing shown for \$2,823.29 from February 2014 was not received and an attempt is being made to reissue at this time. Payments to the Town of Meadville were, as follows.

<u>PAYMENT PURPOSE</u>	<u>FUND</u>	<u>AMOUNT</u>
Sales Tax	General	\$ 123,110
Fire Protection Allocation	General	2,514
Grand Gulf Nuclear Plant	General	8,540
Homestead Exemption Reimbursement	General	7,937
Other Aid (Loans, included)	General	1,539
Server Bond	Water and Sewer	26,030

5. I 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 sample items	5
Dollar value of sample	\$15,695

I found the town's purchasing procedures to be in compliance with the requirements of the above mentioned sections, except as follows:

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 clerk had settled monthly with the Department of Finance and Administration.

7. I have read the Municipal Compliance questionnaire completed by the Town. The completed survey indicated no instances of noncompliance with state requirements. However, it should be noted that no signed minutes for December 2014 were found to be in the minutes book.

Because the above procedures do not constitute an audit in accordance with generally accepted auditing standards, I do not express an opinion on any of the accounts or items referred to above. In connection with the procedures referred to above, no matters came to my attention that caused me to believe that the specified accounts or items should be adjusted. Had I performed additional procedures or had I conducted an audit on 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 relates only to the accounts and items specified above and does not extend to any financial statements of the Town of Meadville, taken as a whole.

Bernell M. Lehee
CERTIFIED PUBLIC ACCOUNTANT

December 11, 2017