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**TOWN OF MERIGOLD, MISSISSIPPI**

**SPECIAL REPORT ON AGREED-UPON PROCEDURES  
FOR SMALL MUNICIPALITIES**

**AND**

**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**



**TOWN OF MERIGOLD, MISSISSIPPI**

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## SPECIAL REPORT ON AGREED-UPON PROCEDURES FOR SMALL MUNICIPALITIES

### (COMPLIANCE LETTER)

Honorable Mayor and Alderpersons  
Town of Merigold, Mississippi

We have applied certain agreed-upon procedures, as discussed below, to the accounting records of the Town of Merigold, Mississippi, as of September 30, 2017, 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 Merigold, Mississippi, and the Office of the State Auditor and should not be used 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.

<u>Financial Institution</u>	<u>Fund</u>	<u>Balance per General Ledger</u>
Cleveland State Bank	General Fund	\$ 47,782
Cleveland State Bank	Other Governmental Funds	18,721
Cleveland State Bank	Proprietary Fund	107,840
Total		\$ <u>174,343</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).

<u>Financial Institution</u>	<u>Security</u>	<u>Fund</u>	<u>General Ledger</u>
Cleveland State Bank	Certificate of Deposit	General	\$ 106,778
Total			\$ <u>106,778</u>

**Town of Merigold, Mississippi**  
**Special Report on Agreed-Upon Procedures for Small Municipalities (Continued)**  
**September 30, 2017**

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

- A. Proved the mathematical accuracy of the tax rolls;
- B. Traced levies to governing body minutes;
- C. Reconciled the amount of taxes levied per the tax rolls to amounts actually collected;
- D. Examined uncollected taxes for proper handling, including tax sales;
- E. Traced distribution of taxes collected to proper funds; and
- F. Analyzed increase in taxes for most recent period for comparison with increase limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

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

<b>Tax Assessments</b>	<b>Assessed Value</b>	<b>Tax Millage</b>	<b>Tax Levy</b>
Realty	\$ 2,267,260		
Personal Property	122,173		
Personal - Automobile & Mobile Home	630,110		
Public Utility	151,502		
	<u>\$ 3,171,045</u>	<u>0.07587</u>	<u>240,587</u>
Add: Actual Homestead Reimbursement			10,592
Prior Year's Unpaid Realty Taxes			79,605
Deduct : Homestead Credit			(11,050)
Total to be Accounted for		\$	<u><u>319,734</u></u>
	<b>Taxes Penalties &amp; Interest</b>	<b>Homestead Reimbursement</b>	<b>Total</b>
Credits:			
Collections allocated to:			
General Fund	\$ 193,888	10,537	204,425
Fire Protection	642	55	697
Balance represented by:			
Unpaid realty taxes, Board Adjustments, etc.			114,612
Total Accounted for		\$	<u><u>319,734</u></u>

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

**Town of Merigold, Mississippi**  
**Special Report on Agreed-Upon Procedures for Small Municipalities (Continued)**  
**September 30, 2017**

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

Actual Collections (Excluding debt service)		Actual Collections (Excluding debt service)	
Tax Collected 2015-2016	\$ 211,322	Tax Collected 2016-2017	\$ 194,530
10% Increase	21,132	Homestead Exemption	
Tax increase due to increase in assessed value	-	Reimbursement	10,592
		Under (Over) Limitation	27,332
Total	<u>\$ 232,454</u>	Total	<u>\$ 232,454</u>

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 in the appropriate accounts.

Payment Purpose	Receiving Fund	General Ledger Amount
Sales Tax Allocation	General	\$ 72,664
Homestead Reimbursement	General	10,592
Grand Gulf	General	4,713
Liquor License	General	2,475
Gasoline Tax	General	1,262
General Municipal Aid	General	219
Total		<u>\$ 91,925</u>

5. We selected a sample of purchases made by the Municipality during the fiscal year. Each sample item was evaluated for compliance with purchasing requirements set forth in Sections 31-7-1, 31-7-49 and 31-7-57 Miss. Code Ann. (1972), as applicable. We also reviewed the board minutes for approval of claims.

The sample consisted of the following:

Number of sample items:	15
Total dollar value of sample:	\$13,727

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

- a. Requisitions were only of a verbal nature not written

**Town of Merigold, Mississippi**  
**Special Report on Agreed-Upon Procedures for Small Municipalities (Continued)**  
**September 30, 2017**

b. There was limited evidence of the matching of purchase orders to invoices.

6. We have read the Municipal Compliance Questionnaire completed by the Municipality. The following responses to the questionnaire indicate noncompliance with state requirements:

Part II- Question 17. The Town has not properly tagged and accounted for fixed assets.

Part V- Question 15. The Town has not conducted an annual inventory of its fixed assets.

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 Merigold, Mississippi, for the year ended September 30, 2017.

*Bridgers, Goodman, Baird & Clarke, PLLC*

Bridgers, Goodman, Baird & Clarke, PLLC  
Certified Public Accountants  
Vicksburg, Mississippi  
December 4, 2020



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## **INDEPENDENT ACCOUNTANT'S REPORT ON THE STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES**

Honorable Mayor and Alderpersons  
Town of Merigold, Mississippi

We have compiled the accompanying Statement of Cash Receipts and Disbursements - Governmental and Business-Type Activities of the Town of Merigold, Mississippi, for the year ended September 30, 2017. We have not audited or reviewed the accompanying financial statement and, accordingly, do not express an opinion or provide any assurance about whether the financial statement is in accordance with the cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statement.

Our responsibility is to conduct the compilation in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statement.

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

The accompanying supplemental information, Schedule of Long-Term Debt, Schedule of Investments and the Schedule of Surety Bonds for Municipal Officials referred to in the table of contents is presented for purposes of additional analysis and is not a required part of the statement of cash receipts and disbursements. We have not audited or reviewed the accompanying supplemental information and accordingly, do not express an opinion or any other assurance on it.

We conducted a limited scope audit as of September 30, 2017, as set forth in the Mississippi Municipal Audit and Accounting Guide which pertains to small municipalities. Under the provision of this Guide we performed prescribed procedures to the Municipality as outlined in the guide.

These reports are intended solely for informational use of the governing body and management of the Town of Merigold, Mississippi, and filing with the Office of the State Auditor of Mississippi. This restriction is not intended to limit the distribution of this report which is a matter of public record.

*Bridgers, Goodman, Baird & Clarke, PLLC*

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Certified Public Accountants  
Vicksburg, Mississippi  
December 4, 2020

**TOWN OF MERIGOLD, MISSISSIPPI**  
**Statement of Cash Receipts and Disbursements**  
**Governmental and Business-type Activities**  
**For the fiscal year ended September 30, 2017**

	<b>Governmental Activities</b>			<b>Business-Type Activities</b>	<b>Total All Activities</b>
	<b>Major Funds</b>	<b>Other</b>	<b>Total</b>	<b>Proprietary</b>	<b>Fiscal Year</b>
	<b>General</b>	<b>Governmental</b>	<b>Governmental</b>	<b>Fund</b>	<b>2017</b>
	<b>Fund</b>	<b>Funds</b>	<b>Funds</b>		
<b>Receipts:</b>					
General Property Taxes:					
Realty, Personalty & Public Utility	\$ 144,289	478	144,767	-	144,767
Motor Vehicle	43,480	144	43,624	-	43,624
Delinquent Taxes	6,119	20	6,139	-	6,139
Penalties & Interest on Delinquent Taxes	-	-	-	-	-
Licenses and Permits	1,454	-	1,454	-	1,454
Franchise Fees	12,446	-	12,446	-	12,446
Fines and forfeits	363	-	363	-	363
Cemetery Fees	5,200	-	5,200	-	5,200
State Shared Revenues:					
Sales Tax	84,381	-	84,381	-	84,381
Homestead Reimbursement	10,537	55	10,592	-	10,592
Grand Gulf	4,713	-	4,713	-	4,713
Fire Protection	-	-	-	-	-
Liquor Licenses	2,475	-	2,475	-	2,475
Gasoline Tax	1,262	-	1,262	-	1,262
Municipal Aid - Other	219	-	219	-	219
Bolivar County Revenue:					
Privilege Tax	2,003	-	2,003	-	2,003
Other Receipts:					
Interest	401	1	402	-	402
Miscellaneous	2,307	-	2,307	-	2,307
Insurance Reimbursements	-	-	-	-	-
Charges for Services:					
Water & Sewer Fees	-	-	-	166,802	166,802
<b>Total Receipts</b>	<b>\$ 321,649</b>	<b>698</b>	<b>322,347</b>	<b>166,802</b>	<b>489,149</b>

The notes to the financial statements are an integral part of this statement.

**TOWN OF MERIGOLD, MISSISSIPPI**  
**Statement of Cash Receipts and Disbursements**  
**Governmental and Business-type Activities**  
**For the fiscal year ended September 30, 2017**

	<b>Governmental Activities</b>			<b>Business-Type</b>	<b>Total</b>
	<b>Major Fund</b>	<b>Other</b>	<b>Total</b>	<b>Activities</b>	<b>All Activities</b>
	<b>General</b>	<b>Governmental</b>	<b>Governmental</b>	<b>Proprietary</b>	<b>Fiscal Year</b>
	<b>Fund</b>	<b>Funds</b>	<b>Funds</b>	<b>Fund</b>	<b>2016</b>
<b>Disbursements:</b>					
General Government	\$ 206,364	-	206,364	-	206,364
Public Safety	32,903	-	32,903	-	32,903
Highways and Streets	34,500	-	34,500	-	34,500
Sanitation	15,852	-	15,852	-	15,852
Health & Welfare	3,709	-	3,709	-	3,709
Education and Recreation	2,868	-	2,868	-	2,868
Water & Sewer Utilities	-	-	-	156,388	156,388
Capital Projects	-	-	-	-	-
Total Operating Disbursements	<u>296,196</u>	<u>-</u>	<u>296,196</u>	<u>156,388</u>	<u>452,584</u>
Other Financing Sources (Uses)					
Transfers	(26,160)	-	(26,160)	26,160	-
Total Other Financing Sources (Uses)	<u>(26,160)</u>	<u>-</u>	<u>(26,160)</u>	<u>26,160</u>	<u>-</u>
<b>Excess (Deficiency) of Receipts and other financing sources over disbursements and other financing uses</b>	<u>(707)</u>	<u>698</u>	<u>(9)</u>	<u>36,574</u>	<u>36,565</u>
Cash Basis Fund Balance: 10/1/2016	<u>155,267</u>	<u>18,023</u>	<u>173,290</u>	<u>71,266</u>	<u>244,556</u>
Cash Basis Fund Balance: 09/30/2017	<u>\$ 154,560</u>	<u>18,721</u>	<u>173,281</u>	<u>107,840</u>	<u>281,121</u>

The notes to the financial statements are an integral part of this statement.

**TOWN OF MERIGOLD, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017**

**NOTE (A)      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Town of Merigold, Mississippi (the Municipality), have been prepared using the cash receipts and disbursements basis of accounting. That is, revenues are recognized when received rather than when measurable and available, and expenditures are recognized when paid rather than when the obligations are incurred. Accordingly, the statement of cash receipts and disbursements - all fund types - is not intended to present results of operations in conformity with generally accepted accounting principles.

**General Information:**

The Municipality operates under the Mayor and Alderpersons form of government and provides services as required by law.

**Reporting Entity:**

The Municipality utilizes fund accounting, with each fund being considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures.

The Municipality reports the following fund types:

**Governmental Fund Types:**

General Fund - This fund is used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Funds- These funds are used to account for and report financial resources that are restricted, committed, or assigned to certain expenditures.

Capital Projects Funds- These funds are used to account for and report financial resources to be used for the acquisition and construction of major capital facilities.

**Proprietary Fund Types:**

Enterprise Funds - These funds are used to account for those operations that are financed and operated in a manner similar to private business enterprises or where the county has decided that periodic determination of revenues earned, expenses incurred and/or net income is necessary for management accountability.

**TOWN OF MERIGOLD, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

**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)      Budget**

Budgets are adopted as prescribed by the State of Mississippi. Annual appropriated budgets are adopted for all funds. The Mississippi Code Ann. (1972) prescribes cash basis reporting of revenues for budgeting of expenditures to be disbursed within thirty days after year end (with exception for construction in progress).

**NOTE (D)      Cash and Cash Equivalents**

The carrying amount of the Municipality's deposits with financial institutions reported in the governmental funds was \$281,121 which includes \$106,778 in certificate of deposits with original maturities beyond three months. The bank balance was \$287,943.

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of the failure of a financial institution, the Municipality will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Municipality does not have a formal policy for custodial credit risk. 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 Deposit Insurance Corporation (FDIC). Deposits above FDIC coverage are collateralized by the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on behalf of the Municipality.

**NOTE (E)      Property Tax**

The Board of Alderpersons, each year at a meeting in September, levies property taxes for the ensuing fiscal year which begins on October 1. Real property taxes become a lien on January 1 of the current year, and personal property taxes become a lien on March 1 of the current year. Taxes on both real and personal property, however, are due on or before February 1 of the next succeeding year. Taxes on motor vehicle and mobile homes become a lien and are due in the month that coincides with the month of the original purchase. The Municipality collects real and personal property taxes and has entered into an agreement with the Bolivar County Tax Collector to bill and collect personal auto taxes and mobile home taxes. The County tax collector remits these payments to the Municipality on a monthly basis. The General Fund millage rate for the Town of Merigold was 75.87 mills.

**TOWN OF MERIGOLD**  
**SCHEDULE OF LONG-TERM DEBT**  
**SEPTEMBER 30, 2017**

Definition and Purpose	Balance	Additions	Reductions	Balance
	Oct. 1, 2016			Sept. 30, 2017
Other Loans				
MDEQ Environmental Quality SRF Loan 915-01	113,859	-	6,296	107,563
MDEQ Environmental Quality SRF Loan 915-02	108,206	-	5,421	102,785
Excavator Purchase Note	37,000	-	7,987	29,013
	<u>259,065</u>	<u>-</u>	<u>19,704</u>	<u>239,361</u>

**TOWN OF MERIGOLD  
SCHEDULE OF INVESTMENTS  
SEPTEMBER 30, 2017**

<b>Type of Investment</b>	<b>Certificate Number</b>	<b>Interest Rate</b>	<b>Acquired Date</b>	<b>Maturity Date</b>	<b>Financial Institution</b>	<b>Balance as of September 30, 2017</b>
Certificate of Deposit	49607	0.35%	5/13/1996	11/27/2017	Cleveland State Bank	\$ 106,778
						\$ 106,778



**TOWN OF MERIGOLD  
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS  
SEPTEMBER 30, 2017**

<b>Name of Company</b>	<b>Policy Period Ending</b>	<b>Position</b>	<b>Person Covered</b>	<b>Amount</b>
Western	3/7/2018	Mayor	Andrew M.W. Westerfield	\$ 50,000
Western	6/11/2018	Town Clerk	Edna Scott Lloyd	\$ 50,000
Brierfield	7/1/2021	Aldersperson	Pierce L. Criss	\$ 25,000
Rimmer-Child	7/1/2021	Aldersperson	Charlie Miller	\$ 25,000
Rimmer-Child	7/1/2021	Aldersperson	Ken McGarrah	\$ 25,000
Rimmer-Child	7/1/2021	Aldersperson	Johnny W. Thomas	\$ 25,000
Western	3/24/2020	Aldersperson	John Meyer	\$ 25,000

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## **INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS**

Honorable Mayor and Alderpersons  
Town of Merigold, Mississippi

We have compiled the accompanying Statement of Cash Receipts and Disbursements - Governmental and Business-Type Activities, and Schedule of Surety Bonds for Municipal Officials for the year ended September 30, 2017, 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 of Mississippi. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Municipality's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to items tested, the results of those procedures, our compilation of the accompanying Statement of Cash Receipts and Disbursements - Governmental and Business-Type Activities, and Schedule of Surety Bonds for Municipal Officials, of the Town of Merigold, Mississippi, for the year ended September 30, 2017, disclosed no material instances of noncompliance with state laws and regulations.

This report is intended solely for the information and use of management, Town Alderpersons, and the Office of the State Auditor of Mississippi 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.

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Certified Public Accountants  
Vicksburg, Mississippi  
December 4, 2020