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FINANCIAL REPORT
TOWN OF MYRTLE, MISSISSIPPI

Myrtle, Mississippi

September 30, 2017

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CERTIFIED PUBLIC ACCOUNTANTS

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ACCOUNTANTS' COMPILATION REPORT

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

Management is responsible for the accompanying statement of cash receipts and disbursements-governmental and business-type activities of the Town of Myrtle, Mississippi as of September 30, 2017. 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 financial statements 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 these financial statements.

Management has elected to omit substantially all the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town'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.

The supplementary information contained on pages 7-10 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

Town officials have 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 and 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.

Town officials have also omitted Management's Discussion and Analysis and other required supplementary information that is required to be presented for purposes of additional analysis. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

In accordance with the provisions of section 21-35-31, Mississippi Code Annotated (1972), we have issued a report dated January 24, 2018, on the results of our agreed upon procedures.

Nail McKinney PA

New Albany, Mississippi

February 7, 2018

RECEIVED

TOWN OF MYRTLE, MISSISSIPPI
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
For the year ended September 30, 2017
(SEE ACCOUNTANTS' COMPILATION REPORT)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	General		Water & Sewer	
	<u>Fund</u>	<u>Total</u>	<u>Fund</u>	<u>Total</u>
Receipts:				
General property taxes	\$ 89,516	\$ 89,516	\$ -	\$ -
Licenses and permits:				
Privilege licenses	284	284	-	-
Intergovernmental revenues:				
State grants:				
General municipal aid	244	244	-	-
Public safety grants	767	767	-	-
State shared revenues:				
Sales tax	58,477	58,477	-	-
Gasoline tax	1,470	1,470	-	-
Fire protection	2,744	2,744	-	-
Homestead exemption reimbursement	6,115	6,115	-	-
TVA in lieu of taxes	3,941	3,941	-	-
County shared revenues:				
Road taxes	8,837	8,837	-	-
Charges for services:				
Water utility	-	-	267,946	267,946
Other receipts:				
Fines and bonds	6,472	6,472	-	-
Interest	29	29	57	57
Miscellaneous	4,896	4,896	-	-
Total receipts	<u>183,792</u>	<u>183,792</u>	<u>268,003</u>	<u>268,003</u>
Disbursements:				
General government				
Executive	57,069	57,069	-	-
Financial	16,596	16,596	-	-
Judicial	5,549	5,549	-	-
Public safety				
Police	60,393	60,393	-	-
Fire	5,426	5,426	-	-

TOWN OF MYRTLE, MISSISSIPPI
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES

For the year ended September 30, 2017

(SEE ACCOUNTANTS' COMPILATION REPORT)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	General		Water & Sewer	
	<u>Fund</u>	<u>Total</u>	<u>Fund</u>	<u>Total</u>
Public works	\$ 37,970	\$ 37,970	\$ -	\$ -
Enterprise				
Water and Sewer	-	-	221,376	221,376
Capital expenditures	33,344	33,344	3,678	3,678
Redemption of principal	14,773	14,773	13,166	13,166
Debt service interest	6,455	6,455	6,404	6,404
Total disbursements	<u>237,575</u>	<u>237,575</u>	<u>244,624</u>	<u>244,624</u>
Other financing sources (uses):				
Sale of capital assets	3,025	3,025	100	100
Loan proceeds	30,693	30,693	-	-
Transfers in (out)	30,000	30,000	(30,000)	(30,000)
Total other financing sources (uses)	<u>63,718</u>	<u>63,718</u>	<u>(29,900)</u>	<u>(29,900)</u>
Excess (Deficiency) of receipts and other financing sources over disbursements and other financing uses	9,935	9,935	(6,521)	(6,521)
Cash basis fund balance-beginning	<u>40,662</u>	<u>40,662</u>	<u>109,229</u>	<u>109,229</u>
Cash basis fund balance-ending	<u>\$ 50,597</u>	<u>\$ 50,597</u>	<u>\$ 102,708</u>	<u>\$ 102,708</u>

SUPPLEMENTARY INFORMATION

TOWN OF MYRTLE, MISSISSIPPI
SCHEDULE OF INVESTMENTS
September 30, 2017

(SEE ACCOUNTANTS' COMPILATION REPORT)

<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	3/24/2018	BNA Bank	<u>\$ 9,111</u>

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**TOWN OF MYRTLE, MISSISSIPPI
SCHEDULE OF LONG TERM DEBT
For the year ended September 30, 2017**

(SEE ACCOUNTANTS' COMPILATION REPORT)

DEFINITION AND PURPOSE	Balance Outstanding	Transactions During Fiscal Year		Balance Outstanding
	October 1, 2016	Issued	Redeemed	September 30, 2017
Revenue bonds:				
RECD bonds, water system	\$ 96,677		\$ 5,153	\$ 91,524
General obligation bonds:				
2012 GO Bonds USDA	158,641		7,062	151,579
Bank notes:				
Three Rivers Planning & Development	17,185		2,040	15,145
BNA Bank	19,533		4,355	15,178
Hancock Bank	-	30,693	2,381	28,312
Other note:				
CAP Loan, tower renovation	92,894	-	6,921	85,973
	<u>\$ 384,930</u>	<u>\$ 30,693</u>	<u>\$ 27,912</u>	<u>\$ 387,711</u>

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TOWN OF MYRTLE, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS
For the year ended September 30, 2017

(SEE ACCOUNTANTS' COMPILATION REPORT)

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Bond Amount</u>
John Micheal Canerdy	Mayor	MS Municipal Bond Program	\$ 10,000
Jason Len Howell	Aldersperson	MS Municipal Bond Program	\$ 10,000
Jessica Lynn Howell	Aldersperson	MS Municipal Bond Program	\$ 10,000
Dustin C. Rasberry	Aldersperson	MS Municipal Bond Program	\$ 10,000
Lisa Galloway	Aldersperson	MS Municipal Bond Program	\$ 10,000
Lisa Merritt Cook	Aldersperson	MS Municipal Bond Program	\$ 10,000
Alice Marie Tate White	Municipal Clerk	Brierfield Insurance Company	\$ 98,000
David Peeler	Deputy Clerk	Travelers	\$ 50,000
Jim White	Police Chief	Brierfield Insurance Company	\$ 50,000
Justin Gregory	Police Officer	RLI Surety	\$ 50,000
Jeffrey Dean Chism	Police Officer	RLI Surety	\$ 50,000

STATE AUDITOR COMPLIANCE

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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, 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, 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. 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 the 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, 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, 2017, disclosed two instances of noncompliance with the state laws and regulations which are noted in items 5 and 6 in the Independent Accountants' Report on Applying Agreed-Upon Procedures.

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

New Albany, Mississippi
February 7, 2018

**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING
AGREED-UPON PROCEDURES**

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

We have performed the procedures enumerated below to the accounting records of the Town of Myrtle, 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). The procedures, which were agreed to by Town officials, were performed to assist the Town officials in evaluating the Town's compliance with specified requirements. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representations regarding the sufficiency of the procedures described below either for the purpose 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	\$ 337
BNA Bank	General	1,000
BNA Bank	General	25
BNA Bank	General	8,622
BNA Bank	General	14,328
BNA Bank	General	9,966
BNA Bank	General	4,474
BNA Bank	General	165
BNA Bank	General	931
BNA Bank	General	480
BNA Bank	General	1,058
BNA Bank	General - CDs	9,111
		<u>\$ 50,497</u>

Bank	Fund	Balance per General Ledger
BNA Bank	Utility	\$ 41,760
BNA Bank	Utility	29,989
BNA Bank	Utility	16,660
BNA Bank	Utility	14,299
		<u>\$ 102,708</u>

2. We confirmed all investments as of the fiscal year end. 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 one certificate of deposit from BNA Bank with a general ledger cost of \$9,111.
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 of 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).

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 section 27-39-320 to 27-39-323, 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	\$ 2,744
Municipal Aid	General Fund	244
Gas Tax	General Fund	1,470
Homestead Exemption	General Fund	6,115
TVA Payments in Lieu of Taxes	General Fund	3,941
Public Safety Grants	General Fund	767
Sales Tax Allocation	General Fund	58,477
		<u>\$ 73,758</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 Title 31, Chapter 7, Miss. Code Ann. (1972) as applicable.

The sample consisted of the following:

Number of sample items	75
Total Dollar Value of sample	\$ 108,472

We found the municipality to be in compliance with the requirements of the above-mentioned except as follows: we found six instances in the sample selected that the municipality failed to meet the purchasing procedures requirements of the above-mentioned sections due to the fact that the amounts paid were not properly authorized.

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 three business days before it was deposited, one instance was found where a fine was receipted six business days before it was deposited, and we found that in four instances the municipality failed to remit the state-imposed court assessments to the Department of Finance and Administration.

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

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion, and, accordingly we do not express an opinion on the Town's compliance with specified requirements or 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, other 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, 2017.

This report is intended solely for the information and use of the governing body of the Town of Myrtle, Mississippi, and the Mississippi Office of the State Auditor and is not intended to be and should not be used by anyone other than those parties.



New Albany, Mississippi
February 7, 2018