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**TOWN OF VARDAMAN, MISSISSIPPI**

**VARDAMAN, MISSISSIPPI**

**38878**

**FINANCIAL STATEMENTS**

FISCAL YEAR ENDING SEPTEMBER 30, 2017

ROBERT L INMON  
PUBLIC ACCOUNTANT

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# 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, 2017 in accordance with Statements of Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

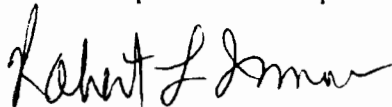
A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying Combined Statement of Cash Receipts and Disbursements, Governmental and Business-type Activities and, accordingly, do not express 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 8, 2018



**TOWN OF VARDAMAN, MISSISSIPPI**  
**STATEMENT OF CASH RECEIPTS & DISBURSEMENTS (ALL FUNDS)**  
**GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES**  
**For the Year Ended September 30, 2017**

	GOVERNMENTAL ACTIVITIES			BUSINESS- TYPE ACTIVITIES	TOTALS	
	GENERAL FUNDS	CAPITAL PROJECTS	DEBT SERVICE	WATER FUND	(Memorandum Only) 9/30/2017	9/30/2016
<b>RECEIPTS</b>						
General Property Taxes						
Real & Personal	107,172.29		9,742.93		116,915.22	114,938.14
Automobiles	24,818.46		2,252.95		27,071.41	24,724.57
Penalties & Int - Delinq Tax	2,235.57		203.23		2,438.80	3,720.91
Licenses & Permits	1,047.66				1,047.66	1,227.99
Utility Franchise Charges	21,054.15				21,054.15	19,131.21
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	143,605.20				143,605.20	123,645.64
Gasoline tax	3,948.00				3,948.00	3,948.00
Fire Insurance Premium Tax	7,368.36				7,368.36	8,440.22
Homestead Exemption Reimb.	16,782.18		1,525.65		18,307.83	19,365.09
TVA Payments In Lieu of Tax	12,863.06				12,863.06	7,200.77
County Grants & Shared Rec.						
Road Taxes	18,672.63				18,672.63	18,486.61
County Fire Reimbursements	13,316.87				13,316.87	7,174.10
Charges for Services						
Garbage Collection Charges	85,596.55				85,596.55	85,672.11
Fines & Forfeits	29,919.53				29,919.53	32,249.75
Miscellaneous						
Interest Earnings	53.30		75.00	16.31	144.61	226.40
Other Miscellaneous	31,028.19			22,782.29	53,810.48	55,454.55
Enterprise Account						
Metered Water Sales				228,772.76	228,772.76	218,463.60
Sewer Charges				113,458.21	113,458.21	108,893.02
TOTAL RECEIPTS	520,138.26	0.00	13,799.76	365,029.57	898,967.59	853,618.94
<b>OTHER RECEIPTS</b>						
Sale of Surplus Property	0.00				0.00	0.00
Short Term Loans	53,000.00				53,000.00	6,699.00
Sale of Buildings	0.00				0.00	89,879.00
Transfers	4,700.10		12,286.90		16,987.00	69,878.14
TOTAL OTHER RECEIPTS	57,700.10	0.00	12,286.90	0.00	69,987.00	166,456.14
TOTAL CASH RECEIPTS	577,838.36	0.00	26,086.66	365,029.57	968,954.59	1,020,075.08
Cash Balance, Oct 1, 2016	86,548.09	0.00	26,378.33	1,179.93	114,106.35	191,350.87
TOTAL AMOUNT TO ACCOUNT FOR	664,386.45	0.00	52,464.99	366,209.50	1,083,060.94	1,211,425.95

SEE ACCOMPANYING ACCOUNTANT'S COMPILATION REPORT

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**TOWN OF VARDAMAN, MISSISSIPPI**  
**STATEMENT OF CASH RECEIPTS & DISBURSEMENTS (ALL FUNDS)**  
**GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES**  
For the Year Ended September 30, 2017

	GOVERNMENTAL FUND TYPES			BUSINESS- TYPE ACTIVITIES	TOTALS	
	GENERAL FUNDS	CAPITAL PROJECTS	DEBT SERVICE	WATER FUND	(Memorandum Only) 9/30/2017	9/30/2016
<b>DISBURSEMENTS</b>						
General Government (Executive & Financial)	190,314.23				190,314.23	159,554.42
Public Safety:						
Police	162,318.95				162,318.95	147,771.01
Fire	30,159.69				30,159.69	22,184.61
Highways & Streets						
Repairs & Maintenance	27,219.06				27,219.06	25,800.49
Sanitation	71,935.20			40,004.45	111,939.65	107,508.30
Culture & Recreation:						
Parks	32,210.53				32,210.53	28,163.46
Library	29,200.00				29,200.00	29,500.00
Enterprise:						
Water & Sewer Utility				259,188.81	259,188.81	243,793.49
Interest Paid						
Notes	791.57		14,445.24	0.00	15,236.81	13,425.01
<b>TOTAL OPERATING DISBURSEMENTS</b>	<b>544,149.23</b>	<b>0.00</b>	<b>14,445.24</b>	<b>299,193.26</b>	<b>857,787.73</b>	<b>777,700.79</b>
<b>OTHER DISBURSEMENTS</b>						
Note Principal	16,970.17		13,733.08		30,703.25	25,482.68
Bank Loans repaid				0.00	0.00	0.00
Capital Outlays	46,535.74			0.00	46,535.74	224,257.99
Transfers				16,987.00	16,987.00	69,878.14
Short Term Investments						
<b>TOTAL OTHER DISBURSEMENTS</b>	<b>63,505.91</b>	<b>0.00</b>	<b>13,733.08</b>	<b>16,987.00</b>	<b>94,225.99</b>	<b>319,618.81</b>
<b>TOTAL CASH DISBURSEMENTS</b>	<b>607,655.14</b>	<b>0.00</b>	<b>28,178.32</b>	<b>316,180.26</b>	<b>952,013.72</b>	<b>1,097,319.60</b>
Cash Balance, SEPT 30, 2017	56,731.31	0.00	24,286.67	50,029.24	131,047.22	114,106.35
<b>TOTAL AMOUNT ACCOUNTED FOR</b>	<b>664,386.45</b>	<b>0.00</b>	<b>52,464.99</b>	<b>366,209.50</b>	<b>1,083,060.94</b>	<b>1,211,425.95</b>

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## Schedule 1

**TOWN OF VARDAMAN, MISSISSIPPI  
SCHEDULE OF LONG-TERM DEBT  
YEAR ENDED SEPTEMBER 30, 2017**

DEFINITION & PURPOSE	BALANCE OCT 1, 2016	TRANSACTIONS DURING YEAR		BALANCE SEP 30, 2017
		ISSUED	REDEEMED	
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				
4/07/2006 USDA Rural Dev. Waterline Construction Original Issue   \$343,000.00	292,565.82	0.00	5,808.56	286,757.26
2/04/2009 State of Mississippi Capital Improvement Loan	15,718.36	0.00	6,136.43	9,581.93
4/19/2007 State of Mississippi Capital Improvement Loan	30,709.95		7,924.52	22,785.43
11/18/2016 Three Rivers Planning Capital Improvement Loan	0.00	35,000.00	7,032.37	27,967.63
TOTAL LONG TERM DEBT	338,994.13	35,000.00	26,901.88	347,092.25
TOTAL BONDS & LONG TERM DEBT	338,994.13	35,000.00	26,901.88	347,092.25

See accompanying Notes to Financial Statements.

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**TOWN OF VARDAMAN, MISSISSIPPI  
SCHEDULE OF RECONCILIATION OF TAX ASSESSMENTS  
TO FUND COLLECTIONS  
SEPTEMBER 30, 2017**

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

Assessed Valuation & Millage:	ASSESSMENT		AMT TAX
Realty	3,210,448		
Personal - Other than Auto	553,185		
Public Utilities	85,295		
Personal - Auto (From County)	784,326		
Total Municipal @36 Mills	4,633,254	167,057.60	
Less Homestead Exemption Allowed		(22,019.47)	
<b>Total Tax Due</b>			145,038.13
Collections Adjustments:			
<b>Add:</b> Homestead Reimbursement		18307.83	
Prior Year Tax Collections		373.23	
Penalties & Interest		2438.81	
In Lieu Taxes - TVA		12863.06	
		33982.93	
<b>Less:</b> Tax Collector's Commission		(1424.74)	32,558.19
<b>TOTAL TO BE ACCOUNTED FOR</b>			<u>177,596.32</u>

	Taxes Pen & Interest	Homestead Reimb.	TOTAL
<b>Credits:</b>			
Collections Allocated to:			
General Fund	118,617.77	13,222.33	131,840.10
Fire Protection Fund	4,067.35	508.55	4,575.90
Library Fund	16,269.50	2,034.20	18,303.70
Bond & Interest Fund	12,199.11	1,525.65	13,724.76
Park & Cemetery Fund	8,134.76	1,017.10	9,151.86
Totals	159,288.49	18,307.83	177,596.32
Balance Represented By:			
Unpaid Realty Taxes			0.00
Unpaid Personal Taxes			0.00
Unaccounted for Difference			0.00
<b>TOTAL ACCOUNTED FOR</b>			<u>177,596.32</u>

See Accompanying Accountants Compilation Report

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**TOWN OF VARDAMAN, MISSISSIPPI  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2017**

**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 09/30/2017

See accompanying Notes to Financial Statements.



# INMON TAX SERVICE

PO BOX 72

VARDAMAN, MS 38878

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

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, 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 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	28,148.58
Bancorpsouth Bank	Fire Protection	8,202.08
Bancorpsouth Bank	Cemetery Revenue	8,192.11
Bancorpsouth Bank	Police Department	6,354.01
Bancorpsouth Bank	Library	592.20
Bancorpsouth Bank	Park Beautification Fund	5,242.33
	Total General Funds	56,731.31
Bancorpsouth Bank	Utility Funds	50,029.24
Bancorpsouth Bank	Capital Projects	0.00
Bancorpsouth Bank	Debt Service Fund	24,286.67
	TOTALS - ALL FUNDS	131,047.22





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).

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	143,605.20
Fire Protection	General Fund	7,368.36
Gasoline Tax	General Fund	3,948.00
Homestead Exempt. Reimb.	General Fund	16,782.18
Homestead Exempt. Reimb.	Debt Service Fund	1,525.65
General Municipal Aid	General Fund	656.26
TVA Payments in Lieu of Taxes	General Fund	12,863.06
Other Aid - State Grants/Sewer	General Fund	0.00

5. We selected a sample of purchases made by the municipality during the fiscal year.

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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	31,660.00

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

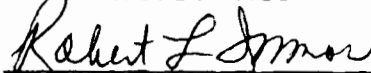
6. We selected a sample of collection of fines and forfeitures and verified that the municipal court clerk had settled daily with the municipal clerk. We also selected a sample of state-imposed court assessments collected and determined that the municipal court clerk had settled monthly with the Department 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, 2017.

INMON TAX SERVICE



Robert L. Inmon

January 9, 2018

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