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TOWN OF STATE LINE

Compilation Report & Agreed Upon Procedures

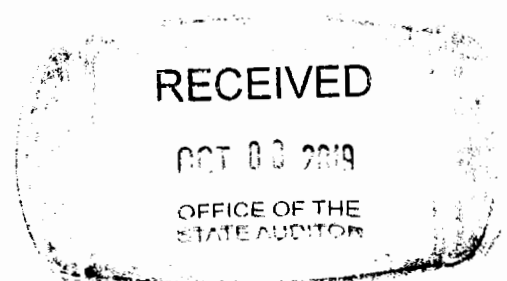
For the Year Ended September 30, 2018

Williams & Assoc., LLC
911 Court Street
Waynesboro, Mississippi 39367

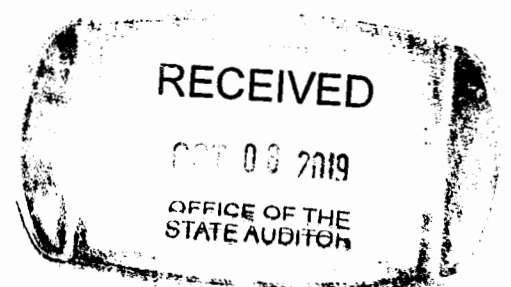


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FINANCIAL STATEMENTS



WILLIAMS & ASSOC. LLC

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Honorable Mayor and Board of Aldermen
Town of State Line
State Line, Mississippi

We have compiled the accompanying statement of cash receipts and cash disbursements – governmental and business-type activities for the Town of State Line, Mississippi for the year ended September 30, 2018. 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 in accordance with the cash basis of accounting. If the omitted disclosures were included in the accompanying statement of cash receipts and cash disbursements – governmental and business-type activities, they might influence the user's conclusions about the Town's cash basis financial position and changes in cash basis financial position of its governmental activities and business-type activities. Accordingly, the accompanying statement is not designed for those who are not informed about such matters.

Management has not presented the government-wide financial statements to display the 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 of accounting, require the presentation of government-wide financial statements. The amounts would be reported in government-wide financial statements resulting from the cash basis transactions for the Town's governmental activities and business-type activities are not reasonably determinable.

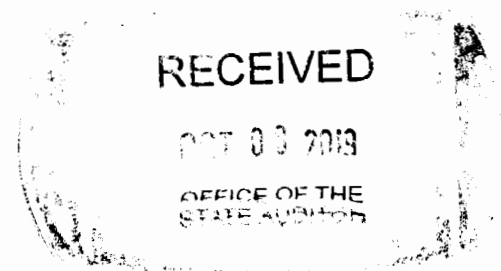
Management has omitted Management's Discussion and Analysis that accounting principles generally accepting in the United States of America, as applied to the Town's cash basis of accounting, require to be presented to supplement the basic financial statements. Such missing

information, although not a part of the basic financial statements, is required by 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. The supplementary information contained in Schedules 1 thru 4 has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and accordingly, we do not express an opinion or provide any assurance on such supplementary information.

In accordance with the provisions of 21-35-31, Miss Code Ann (1972), we have issued a report dated October 1, 2019, on the results of our agreed upon procedures.

Williams & Assoc., LLC

October 1, 2019



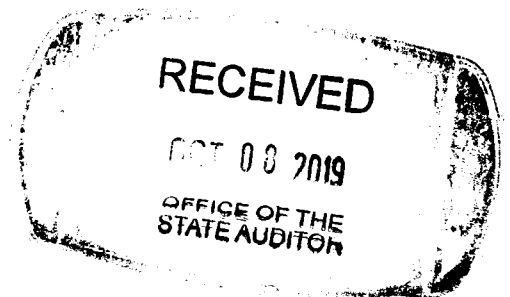
TOWN OF STATE LINE
Statement of Cash Receipts and Disbursements
Governmental and Business Type Activities
For the year ended September 30, 2018

| | <u>Governmental Activities</u> | | | <u>Business Type Activities</u> | |
|----------------------------|--------------------------------|------------------------|------------------|---------------------------------|------------------|
| | <u>Major Funds</u> | | <u>Total</u> | <u>Major Fund</u> | |
| | <u>General</u> | <u>Special Revenue</u> | | <u>Water & Sewer</u> | <u>Total</u> |
| RECEIPTS | | | | | |
| Taxes | | | | | |
| General Property Taxes | 79,805 | | 79,805 | | - |
| Licenses and Permits | | | | | - |
| Privilege Licenses | 240 | | 240 | | - |
| Franchise Fees | 21,111 | | 21,111 | | - |
| Intergovernmental Receipts | | | - | | - |
| Federal Receipts | | | - | | - |
| CDBG | | | - | | - |
| State Grants | | | - | | - |
| Tobacco Control Grant | | | - | | - |
| Homestead Exemption | 5,145 | | 5,145 | | - |
| State Shared Revenues | | | - | | - |
| Sales Tax | 120,334 | | 120,334 | | - |
| Fire Protection | | | - | | - |
| Gasoline Tax | 1,730 | | 1,730 | | - |
| Other | | | - | | - |
| Charges for Services | | | - | | - |
| Water | | | - | 208,933 | 208,933 |
| Sewer | | | - | 26,449 | 26,449 |
| Garbage | | | - | 37,276 | 37,276 |
| Fine and Forfeits | 68,696 | | 68,696 | | - |
| Miscellaneous Reciepts | 4,887 | | 4,887 | | - |
| Gym Revenue | 2,475 | | 2,475 | | - |
| Interest | 9 | 1 | 10 | 29 | 29 |
| Beautification | 200 | | 200 | | - |
| Other | 282 | 4,517 | 4,799 | 854 | 854 |
| Total Receipts | <u>\$ 304,914</u> | <u>\$ 4,518</u> | <u>\$309,433</u> | <u>\$ 273,542</u> | <u>\$273,542</u> |

TOWN OF STATE LINE
Statement of Cash Receipts and Disbursements
Governmental and Business Type Activities
For the year ended September 30, 2018

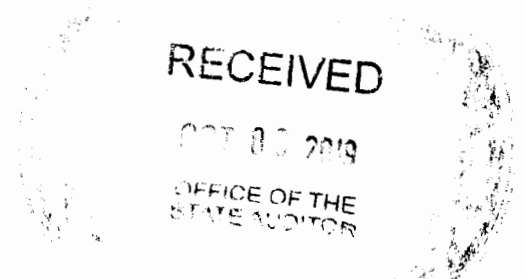
| | Governmental Activities | | | Business Type Activities | |
|---|-------------------------|--------------------|------------------|--------------------------|------------------|
| | Major Funds | | | Major Fund | |
| | General | Special Revenue | Total | Water & Sewer | Total |
| DISBURSEMENTS | | | | | |
| General Government | 208,573 | | 208,573 | - | - |
| Public Safety | | | - | - | - |
| Police | 82,253 | | 82,253 | - | - |
| Fire | | 5,647 | 5,647 | - | - |
| Enterprise | | | - | - | - |
| Water & Sewer | | | - | 325,215 | 325,215 |
| Garbage | | | - | 35,466 | 35,466 |
| Capital Outlay | | | - | - | - |
| Redemption of Principal | | | - | - | - |
| Debt Service Interest | | | - | - | - |
| Total Disbursements | <u>290,826</u> | <u>5,647</u> | <u>296,473</u> | <u>360,681</u> | <u>360,681</u> |
| Excess of Receipts Over Disbursements | <u>14,088</u> | <u>(1,129)</u> | <u>12,959</u> | <u>(87,139)</u> | <u>(87,139)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Interfund Transfers/Loans | | | | | |
| Temporary Transfer to Payroll Clearing | | | - | | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (Deficiency) of Receipts & Other Financing Sources Over Disbursements & Other Financing Uses | <u>14,088</u> | <u>(1,129)</u> | <u>12,959</u> | <u>(87,139)</u> | <u>(87,139)</u> |
| CASH BASIS FUND BALANCE - BEGINNING | <u>55,272</u> | <u>23,188</u> | <u>78,460</u> | <u>309,402</u> | <u>309,402</u> |
| CASH BASIS FUND BALANCE - ENDING | <u>\$ 69,360</u> | <u>\$22,059</u> | <u>\$ 91,419</u> | <u>\$ 222,263</u> | <u>\$222,263</u> |

SUPPLEMENTAL INFORMATION



TOWN OF STATE LINE
Schedule of Long-Term Debt
Year Ended September 30, 2018
Schedule 1

| Ownership | Type of Investment | Interest Rate | Acquisition Date | Maturity Date | Other Informations | Investment Cost/Value |
|------------------|---------------------------|----------------------|-------------------------|----------------------|---------------------------|------------------------------|
| | | | | | | |
| | NONE | | | | | <u>\$0</u> |
| | TOTAL INVESTMENTS | | | | | <u><u>\$0</u></u> |



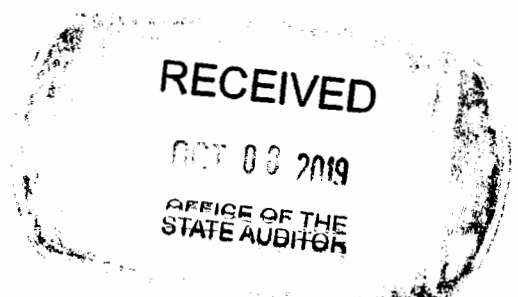
TOWN OF STATE LINE
Schedule of Long-Term Debt
Year Ended September 30, 2018
Schedule 2

| | Balance Outstanding September 30, 2017 | Transactions During Year | | Balance Outstanding September 30, 2018 |
|-------------------------------------|--|--------------------------|-------------------------|--|
| | | Issued | Redeemed | |
| Other Long-Term Debt: | | | | |
| FmHA Loan 91-04 for Water System | 38,265 | - | 3,172 * | 35,093 |
| First State Bank Dump Truck | 40,218 | | 8,617 | 31,601 |
| | <u>78,483</u> | <u>-</u> | <u>11,789</u> | <u>66,694</u> |
| First State Bank Fire Truck | 96,421 | - | 21,811 * | 74,610 |
| | <u>96,421</u> | <u>-</u> | <u>21,811</u> | <u>74,610</u> |
| Total | <u><u>\$ 174,904</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 33,600</u></u> | <u><u>\$ 141,304</u></u> |

*Redeemed principal amounts were estimated using current interest percentages.

TOWN OF STATE LINE
Schedule of Surety Bonds of Municipal Officials
September 30, 2018
Schedule 3

| <u>Name</u> | <u>Position</u> | <u>Surety</u> | <u>Amount</u> |
|-----------------------|-----------------|---|---------------|
| Terry J. Simpson, Sr. | Mayor | Travelers Casualty & Surety Co of America | \$ 25,000 |
| Tanya N. Taylor | Town Clerk | Travelers Casualty & Surety Co of America | \$ 50,000 |
| Adam Kelley | Chief of Police | Western Surety Co. | \$ 50,000 |
| Jillian Pope | Court Clerk | Travelers Casualty & Surety Co of America | \$ 50,000 |
| Terry Young | Alderman | Travelers Casualty & Surety Co of America | \$ 25,000 |
| David M. Chatham | Alderman | Travelers Casualty & Surety Co of America | \$ 25,000 |
| Michial West | Alderman | Travelers Casualty & Surety Co of America | \$ 25,000 |
| Don Hinton | Alderman | Travelers Casualty & Surety Co of America | \$ 25,000 |
| Willie Miller | Alderman | Travelers Casualty & Surety Co of America | \$ 25,000 |



TOWN OF STATE LINE
Solid Waste Management Services Schedule
Full Cost Accounting - Summary of Cost Report
Year Ended September 30, 2018
Schedule 4

Operating Costs (Direct Costs)

| | |
|---------------------------|------------------------|
| Contractual Services | \$35,466 |
| Total of All Costs | <u>\$35,466</u> |

Supplemental Information

| | |
|----------------------------|------------------------|
| Garbage Collection | \$37,276 |
| Total Collection | <u>\$37,276</u> |
| Total Cost Per User | 192 |

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

The Mayor and Board of Aldermen
Town of State Line
State Line, Mississippi

We have applied certain agreed upon procedures to the basic financial statements of the Town of State Line, Mississippi, as of and for the year ended September 30, 2018, and have issued our report thereon dated October 1, 2019. We have conducted our agreed upon procedures in accordance with attestation standards set by the American Institute of CPAs.

As required by the state legal compliance attestation program prescribed by the Office of the State Auditor, we have also performed procedures to test compliance with certain state laws and regulations. However, providing an opinion on compliance with state laws and regulations was not an objective of our agreed upon procedures and, accordingly, we do not express such an opinion.

The results of these procedures and our agreed upon procedures disclosed no material instances of noncompliance with state laws and regulations. The prior year findings have been corrected, if any.

This report is intended for the information of the Town's management and the Office of the State Auditor 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.

Williams & Assoc., LLC

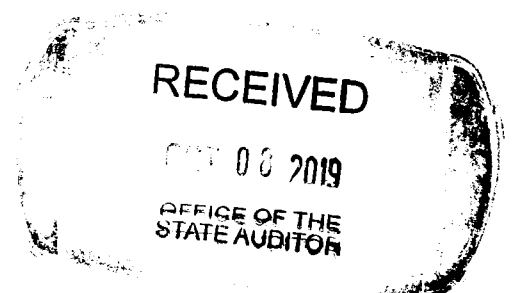
October 1, 2019

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AGREED UPON PROCEDURES



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

The Mayor and Board of Aldermen
Town of State Line
State Line, Mississippi

We have performed the procedures enumerated below, which were agreed to by the Office of the State Auditor, to the accounting records of the Town of State Line, Mississippi, solely to assist the Office of the State Auditor to evaluate the Town of State Line, Mississippi's compliance with certain laws and regulations as of September 30, 2018, and for the year then ended. This agreed-upon-procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Office of the State Auditor, State of Mississippi. Consequently, we make no representation 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 the balances in the respective general ledger accounts and obtained confirmation of the related balances from the banks:

| <u>Balance Per Bank</u> | <u>Fund</u> | <u>General Ledger</u> |
|-------------------------|---------------------|-----------------------|
| First State Bank | General Fund | 153,334 |
| First State Bank | General Fund-Police | 3,291 |
| First State Bank | General Fund-Gym | 2,040 |
| First State Bank | General Fund-Beauty | 151 |
| First State Bank | General Fund-Park | 114 |
| First State Bank | General Fund-CDBG | 100 |
| First State Bank | General Fund-Street | 10,126 |
| First State Bank | GF-Municipal Court | 230 |
| | Total General Fund | <u>169,386</u> |

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| | | | |
|----------------------------|--|---------|--|
| Special Revenue Fund | | 1,158 | |
| Total Special Revenue Fund | | 1,158 | |
| | | | |
| Water & Sewer Fund | | 100,731 | |
| Water & Sewer Fund | | 16,999 | |
| Water & Sewer Fund | | 21,393 | |
| Water & Sewer Fund | | 52,715 | |
| Total Water & Sewer Fund | | 191,838 | |
| | | | |
| PR Clearing Fund | | 10,574 | |
| Total PR Clearing Fund | | 10,574 | |
| | | | |

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).

Security Fund Ledger Cost

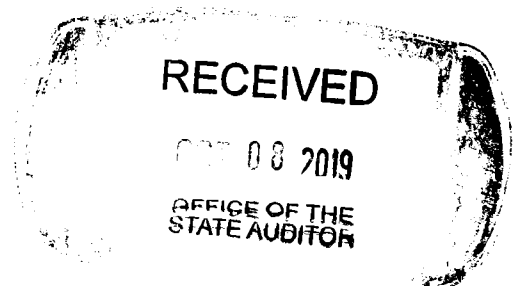
None

3. We performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:
- Examined uncollected taxes for proper handling, including tax sales;
 - Traced distribution of taxes collected to proper funds; and
 - 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, and uncollected taxes were determined to be properly handled.

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

There were no ad valorem tax collections for the retirement of General Obligation Debt.



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 | Special Revenue | 3,225 |
| General Municipal Aide | General | 282 |
| Gasoline Tax | General | 1,730 |
| Homestead Exemption | General | 5,146 |
| Sales Tax | General | 120,334 |
| Total Payments | | 130,717 |
| | | |

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 Title 31, Chapter 7, Miss Code Ann. (1972), as applicable.

Number of sample items 10

Dollar value of sample \$4,067

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. I 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 mentioned in the section above, making both the required daily and monthly settlements.

7. We have read the Municipal Compliance Questionnaire completed by the municipality. The following survey indicated one instance of noncompliance with state requirements as follows:

Fixed assets are not properly tagged and accounted for per Section 7-7-211 of the Municipal Audit and Accounting Guide.

We are not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on management's compliance with laws and regulations. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. This report is intended solely for the use of the Town of State Line and the Office of the State Auditor, State of Mississippi and should not be used by those who have not agreed to the procedures and taken responsibility for

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STATE AUDITOR

the sufficiency of the procedures for their purposes. This report is not intended to be and should not be used by anyone other than those specified parties.

Jessica L. Williams, CPA

Williams & Assoc., LLC

October 1, 2019

