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TOWN OF ABBEVILLE, MISSISSIPPI
COMPILATION REPORT
AND REPORT ON AGREED-UPON PROCEDURES
SEPTEMBER 30, 2019

TOWN OF ABBEVILLE, MISSISSIPPI
COMPILATION REPORT AND REPORT ON AGREED-UPON PROCEDURES
SEPTEMBER 30, 2019

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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To the Honorable Mayor and Board of Aldermen
Town of Abbeville, Mississippi

Management is responsible for the accompanying Statement of Cash Receipts and Disbursements–Governmental and Business-type Activities of the Town of Abbeville, Mississippi for the year ended September 30, 2019, and the related notes to financial statement, which collectively comprise the Town's basic financial statements as listed in the contents, in accordance with the cash basis of accounting, and for determining that the cash basis of accounting is an acceptable financial reporting framework. 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 Statement of Cash Receipts and Disbursements–Governmental and Business-type Activities 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 the Statement of Cash Receipts and Disbursements–Governmental and Business-type Activities.

We draw attention to Note 1 of the financial statement, which describes the basis of accounting. The Statement of Cash Receipts and Disbursements–Governmental and Business-type Activities is prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. 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.

The supplementary information contained in Schedules 1 and 2 is presented in compliance with the requirements of the Mississippi Office of the State Auditor and has been compiled from information that is the representation of management. This information was subject to our compilation engagement, however, we have not audited or reviewed the required supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such information.

Other Information

The Statement of Cash Receipts and Disbursements–Governmental and Business-type Activities and related notes to financial statement are intended to comply with the requirements of the Mississippi Office of the State Auditor, and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

In accordance with the provisions of §21-35-31, Miss Code Ann. (1972), we have issued a report dated March 16, 2020 on the results of our agreed-upon procedures.

Oxford, Mississippi
March 16, 2020

Watkins Ward and Stafford, PLLC

TOWN OF ABBEVILLE
Statement of Cash Receipts and Disbursements-
Governmental and Business-type Activities
For the Year Ended September 30, 2019

	Governmental Activities		Business-type Activities	
	General Fund	**Total**	**Water Fund**	**Total**
CASH RECEIPTS:				
Taxes				
General property tax	$ 10,584	$ 10,584	$ -	$ -
Franchise tax	10,076	10,076	-	-
Intergovernmental revenue				
Federal Grant Proceeds	-	-	151,986	151,986
State shared revenue				
General municipal aid	209	209	-	-
Sales tax	57,101	57,101	-	-
Gasoline tax	1,283	1,283	-	-
State fire rebate & fire prot.	2,473	2,473	-	-
TVA in Lieu of Taxes	3,268	3,268	-	-
Homestead reimbursement	2,141	2,141	-	-
Charges for services				
Water utility	-	-	99,777	99,777
Other receipts				
Fines and forfeitures	2,216	2,216	-	-
Interest earned	50	50	70	70
Autumnfest Donations	7,018	7,018	-	-
Cemetery Plot Sales	1,120	1,120	-	-
TOTAL CASH RECEIPTS	$ 97,539	$ 97,539	$ 251,833	$ 251,833

See accompanying notes and independent accountants' compilation report.

TOWN OF ABBEVILLE
Statement of Cash Receipts and Disbursements-
Governmental and Business-type Activities
For the Year Ended September 30, 2019

	Governmental Activities		Business-type Activities	
	General Fund	**Total**	**Water Fund**	**Total**
DISBURSEMENTS:				
General government	$ 81,642	$ 81,642	$ -	$ -
Public safety				
Police	3,136	3,136	-	-
Fire	2,473	2,473	-	-
Enterprises				
Water utility	-	-	32,121	32,121
TOTAL DISBURSEMENTS	$ 87,251	$ 87,251	$ 32,121	$ 32,121

See accompanying notes and independent accountants' compilation report.

TOWN OF ABBEVILLE
Statement of Cash Receipts and Disbursements-
Governmental and Business-type Activities
For the Year Ended September 30, 2019

	Governmental Activities		Business-type Activities	
	General Fund	Total	Water Fund	Total
EXCESS (DEFICIENCY) OF CASH RECEIPTS OVER DISBURSEMENTS	$ 10,288	$ 10,288	$ 219,712	$ 219,712
OTHER FINANCING SOURCES (USES)				
Transfers	(16,165)	(16,165)	16,165	16,165
Loans repaid	(7,527)	(7,527)	(19,000)	(19,000)
Capital outlay	-	-	(165,454)	(165,454)
TOTAL OTHER FINANCING SOURCES (USES)	(23,692)	(23,692)	(168,289)	(168,289)
Excess (Deficiency) of cash receipts and other financing sources over disbursements and other financing uses	(13,404)	(13,404)	51,423	51,423
CASH BALANCE-BEGINNING	150,855	150,855	172,662	172,662
CASH BALANCE-ENDING	$ 137,451	$ 137,451	$ 224,085	$ 224,085

See accompanying notes and independent accountants' compilation report.

TOWN OF ABBEVILLE, MISSISSIPPI
NOTES TO FINANCIAL STATEMENT

Note 1: Summary of Significant Accounting Policies

Reporting Entity

The financial statement of the Town consists of all the funds of the Town.

The Citizens of Abbeville have elected to operate under a Code Charter as permitted by Mississippi Statute 21-3-3, which prescribes a Mayor and Board of Aldermen form of government.

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in accounting principles generally accepted in the United States of America. The basic - but not only - criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financial relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, there are no includable or excludable potential component units.

Fund Accounting

The accounts of the Town are organized on the basis of funds and account groups, each of which is 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 or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statement in this report, into three generic fund types and two broad fund categories as follows:

Governmental Funds:

> **General Fund -** The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Note 1: Summary of Significant Accounting Policies (Continued):

Proprietary Funds:

Enterprise Funds - Enterprise Funds consist of the business-type activities and are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through use charges; or (b) where the governing body had decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Enterprise Funds are the Water Fund.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The Town uses the cash basis of accounting as prescribed by the Mississippi Office of the State Auditor.

In the fund financial statements, governmental and business-like activities are presented using a cash basis of accounting. This basis recognizes assets, liabilities, net-assets/fund equity, revenues and expenditures/expenses when they result from cash transactions with a provision for depreciation in the proprietary fund statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

If the town utilized accounting principles generally accepted in the United States of America, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financial statements would be presented on the accrual basis of accounting.

Under the modified accrual basis revenues are recognized when measurable and available. Measurable means, being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

Under the accrual basis revenues are recognized when earned. Expenses (including depreciation and amortization) are recorded when the liability is incurred or the economic asset is used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Note 2: 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.

SUPPLEMENTAL INFORMATION

TOWN OF ABBEVILLE, MISSISSIPPI
SCHEDULE OF LONG-TERM DEBT
SEPTEMBER 30, 2019

Payee	Balance Outstanding 10/01/2018	Issued	Redeemed	Balance Outstanding 09/30/2019
Mechanics Bank-General Obligation 2014 Series Bond	$121,000	$-	$19,000	$102,0000
Oxford University Bank-Equipment Purchase	7,527	-	7,527	-
	$128,527	$-	$26,527	$102,000

See accompanying notes and independent accountants' compilation report.

TOWN OF ABBEVILLE, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICERS
SEPTEMBER 30, 2019

POSITION	NAME	INSURANCE COMPANY	COVERAGE
Mayor	Scott Fricker	St Paul Travelers	$ 50,000
City Clerk	Pamela Roy	St Paul Travelers	$ 50,000
Water Operator	Robert Neese	St Paul Travelers	$ 50,000
Alderman	Lynn Klepzig	St Paul Travelers	$ 50,000
Alderman	David W. Haynie	St Paul Travelers	$ 50,000
Alderman	William Kent	St Paul Travelers	$ 50,000
Alderman	Ronald Williams	St Paul Travelers	$ 50,000
Alderman	Don Ward	St Paul Travelers	$ 50,000
Chief of Police	Timothy Pruitt	St Paul Travelers	$ 50,000
Court Clerk	Ginger Kesler	St Paul Travelers	$ 50,000

See accompanying notes and independent accountants' compilation report.

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REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

The Honorable Mayor and Board of Alderman
Town of Abbeville, Mississippi

We have compiled the accompanying Statement of Cash Receipts and Disbursements – Governmental and Business-type Activities, Schedule of Long-Term Debt and Schedule of Surety Bonds for Municipal Officers of the Town of Abbeville, Mississippi, for the year ended September 30, 2019, in accordance with Statements of 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 generally accepted accounting principles in the United States of America.

We have performed procedures to test compliance with certain state laws and regulations as described in 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 Long-Term Debt and Schedule of Surety Bonds for Municipal Officers of the Town of Abbeville, Mississippi, for the year ended September 30, 2019, disclosed no instances of noncompliance with state laws and regulations.

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.

Watkins Ward and Stafford, PLLC

Oxford, Mississippi
March 16, 2020

WWS

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

The Honorable Mayor and Board of Alderman
Town of Abbeville, 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 Abbeville, Mississippi, solely to assist the Office of the State Auditor in evaluating the Town of Abbeville, Mississippi's compliance with certain laws and regulations as of September 30, 2019, and for the year then ended. This agreed-upon procedures engagement was performed 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 balances in the respective general ledger accounts and obtained confirmation of the related balances from the banks:

Fund		Balance
General Funds:		
General Fund	$	124,614
Cemetery Fund		12,837
Total general Funds	$	137,451
Proprietary Funds:		
Water Fund-Operating	$	196,785
Water Fund-Deposit		13,211
Water Fund-Reserve		14,089
Total proprietary Funds	$	224,085

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

   a. Trace 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 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 §27-39-320 to §27-39-323, Miss. Code Ann. (1972).

3) 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
Gasoline tax	General	$ 1,283
General municipal aid	General	209
Fire protection allocation	General	2,473
Homestead exemption reimbursement	General	2,141
Sales tax allocation	General	57,101
Transfer to subgrantee	General	151,986
TVA payments in lieu of taxes	General	3,268
	Total	$ 218,461

4) 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:

   a. Number of Sample Items 24
   b. Total Dollar Value of Sample $19,187

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

5) 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.

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

6) The Town did not complete the Municipal Compliance Questionnaire during the year ended September 30, 2019. The Board completed the questionnaire at their February 6, 2020, meeting for the 2019 year end, and will complete a new one each year at year end going forward.

We were not engaged to, and did not perform, 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 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 the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

Watkins Ward and Stafford, PLLC

Oxford, Mississippi
March 16, 2020