

OFFICE OF THE STATE AUDITOR REPORT NOTE:

Section 7-7-211, Mississippi Code Annotated (1972) gives the Office of the State Auditor the authority to audit, with the exception of municipalities, any governmental entity in the state. In the case of municipalities, *Section 21-35-31, Mississippi Code Annotated (1972)* requires municipalities to obtain an annual audit performed by a private CPA firm and submit that audit report to the Office of the State Auditor. The Office of the State Auditor files these audit reports for review in case questions arise related to the municipality.

As a result, the following document was not prepared by the Office of the State Auditor. Instead, it was prepared by a private CPA firm and submitted to the Office of the State Auditor. The document was placed on this web page as it was submitted and no review of the report was performed by the Office of the State Auditor prior to finalization of the report. The Office of the State Auditor assumes no responsibility for its content or for any errors located in the document. Any questions of accuracy or authenticity concerning this document should be submitted to the CPA firm that prepared the document. The name and address of the CPA firm appears in the document.

Town of Coffeeville, Mississippi

Special Report on Agreed Upon Procedures
For Small Municipalities (Towns)

For the Year Ended September 30, 2020

Town of Coffeeville, Mississippi

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SPECIAL REPORT ON AGREED-UPON PROCEDURES FOR SMALL MUNICIPALITIES (TOWNS)

Honorable Mayor and Board of Alderman
Town of Coffeeville
Coffeeville, Mississippi
9/30/20

We have applied certain agreed-upon procedures, as discussed below, to the accounting records of the Town of Coffeeville, Mississippi, as of September 30, 2020, and for the year then ended, as required by the Office of the State Auditor, under the provisions of Section 21-35-31 Mississippi Code Ann. (1972). It is understood the report is solely for the use of the governing body of the Town of Coffeeville, 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 reviewed cash on deposit with the following bank and obtained statements of the related balances from the bank:

Bank	Fund	Balance Per Bank Statement
Renasant Bank	General	\$ 6,299
Renasant Bank	General-Fire - Rebate	31,352
Renasant Bank	General-Cemetery	23,084
Renasant Bank	General-Bond	24,093
Renasant Bank	General-Contingent	12,000
Renasant Bank	General-Depreciation	12,000
Renasant Bank	General-Court	8,849
Renasant Bank	General-Industrial Park	6,642
Renasant Bank	Water & Sewer-Drainage	4,796
Renasant Bank	General-State Code	1,228
Renasant Bank	General-Police Seized	14,930
Renasant Bank	Water & Sewer	1
Renasant Bank	Water & Sewer Revenue	3,142
Total		<u>\$ 148,416</u>

2. All investment transactions during the year were examined for compliance with investments authorized by Section 21-33-323, Mississippi Code Ann. (1972), and is presented in the Schedule of Investments on Page 12 of this report.

SPECIAL REPORT ON AGREED-UPON PROCEDURES FOR SMALL MUNICIPALITIES (TOWNS)

Honorable Mayor and Board of Alderman

Town of Coffeeville

Coffeeville, Mississippi

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3. We performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:
- a. Verified use of certified county assessment rolls and traced levies to governing body minutes,
 - b. Examined uncollected taxes for proper handling, including tax sales,
 - c. Traced distribution of taxes collected to proper funds; and
 - d. Analyzed increase in taxes for most recent period for completion with increase limitations of Sections 27-39-320 to 27-39-323, Mississippi 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, Mississippi Code Ann. (1972).

There were no Ad valorem tax collections for the retirement of general obligation debt. Ad valorem tax collections for the retirement of water and sewer bonds were 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, Mississippi 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 deposits in the respective bank accounts and recorded in the general ledger. Payments traced were as follows:

Homestead Reimbursement	\$	20,241
Fire Protection		5,460
Gasoline Tax		2,772
TVA Payments in Lieu Tax		8,567
Sales Tax Allocation		127,414
Utility Relocation		25,107
Municipal Aid		451
Health Grant Funds		700
MDA-CDBG		470,916
		<hr/>
Total	\$	<u>661,628</u>

5. We reviewed the Town of Coffeeville's record of purchases for the fiscal year. Nothing came to our attention that would lead us to believe that the Town's purchasing procedures were not in agreement with the requirement of Title 31, Chapter 7, Mississippi Code Ann. (1972)

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

SPECIAL REPORT ON AGREED-UPON PROCEDURES FOR SMALL MUNICIPALITIES (TOWNS)

Honorable Mayor and Board of Alderman

Town of Coffeeville

Coffeeville, Mississippi

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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. This report should not be associated with the financial statements of the Town of Coffeeville, Mississippi, for the year ended September 30, 2020.

The Myles Firm, PLLC

THE MYLES FIRM, PLLC

Tupelo, Mississippi

December 2, 2021

ACCOUNTANT'S REPORT

Honorable Mayor and Board of Alderman
Town of Coffeeville
Coffeeville, Mississippi

I have prepared the accompanying statement of cash receipts and disbursements – all fund types as of September 30, 2020, and for the year then ended.

My preparation 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 financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

The Myles Firm, PLLC

THE MYLES FIRM, PLLC
Tupelo, Mississippi
December 2, 2021

Town of Coffeeville Mississippi
Combined Statement of Cash Receipts and Disbursements (All Funds)
For the Fiscal Year Ended September 30, 2020

RECEIPTS	Governmental Activities				Business-Type Activities
	General Fund	Debt Service	Special Revenue	Total	Enterprise Fund
General Property Taxes	137,100	-	-	137,100	-
Licenses and Permits:					
Privilege Licenses	2,275	-	-	2,275	-
Franchise Charges	31,583	-	-	31,583	-
Other Taxes	12,517	-	-	12,517	-
Intergovernmental Revenues:					
Fire Protection Allocation	5,460	-	-	5,460	-
Gasoline Tax	2,772	-	-	2,772	-
General Municipal Aid	451	-	-	451	-
Pro Rata Road Taxes	33,686	-	-	33,686	-
Sales Taxes	127,414	-	-	127,414	-
TVA PILT	8,567	-	-	8,567	-
Charges for Services:					
Cemetery	17,675	-	-	17,675	-
Water	-	-	-	-	379,204
Fines and Forfeitures	39,721	-	-	39,721	-
Interest	615	-	-	615	1
Rent	12,783	-	-	12,783	13,892
Transfers	-	-	-	-	352
CDBG Improvement	470,916	-	-	470,916	-
Other Income	20,758	-	-	20,758	-
Total Receipts	924,293	-	-	924,293	393,449

The accompanying notes are an integral part of these Financial Statements.

Town of Coffeeville Mississippi
Combined Statement of Cash Receipts and Disbursements (All Funds)
For the Fiscal Year Ended September 30, 2020

	Governmental Activities				Business-Type Activities
	General Fund	Debt Service	Special Revenue	Total	Enterprise Fund
DISBURSEMENTS					
General Government	22,472	-	-	222,472	-
Public Safety:					
Police	77,986	-	-	177,986	-
Fire	52,098	-	-	52,098	-
Public Works	-			-	-
Culture and Recreation	-	-	-	-	-
Enterprise:					
Sanitation	-	-	-	-	60,000
Water	-	-	-	-	285,962
CDBG Improvement	523,326	-	-	523,326	-
Debt Service:					
Principal	-	-	-	-	29,754
Interest	-	-	-	-	25,290
Total Disbursements	975,882	-	-	975,882	401,006
Excess (deficiency) of Receipts over Disbursements	(51,589)	-	-	(51,589)	(7,557)
Other Financing Sources:					
Transfers	-	-	-	-	-
Excess (deficiency) of Receipts and Other Financing Sources over Disbursements and other financing uses	(51,589)	-	-	(51,589)	(7,557)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	186,669	46,832	3,783	237,284	46,097
Cash Balance Adjustment - CDs	85,569	-	-	85,569	5,354
CASH AND CASH EQUIVALENTS - END OF YEAR	220,649	46,832	3,783	271,264	43,894

The accompanying notes are an integral part of these Financial Statements.

NOTES TO FINANCIAL STATEMENTS

TOWN OF COFFEEVILLE, MISSISSIPPI
NOTES TO FINANCIAL STATEMENT
September 30, 2020

Note 1 - Summary of Significant Accounting Policies

A. Reporting Entity

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

The Citizens of Coffeeville 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 principals generally accepted in the United States of America. The basic – but not only – criterion for including a potential component unit with 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.

B. 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:

C. 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.

TOWN OF COFFEEVILLE, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

Note 1 - Summary of Significant Accounting Policies (Cont'd)

C. Governmental Funds (Cont'd)

Debt Service Fund - The Debt Service Fund is used to account for accumulation of resources for general long-term debt principal, interest, and related costs. The Debt Service Fund is used to account for the cash bond funds required for debt services.

D. Proprietary Fund

Enterprise Fund – The Enterprise Fund is 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 Fund is the Water Fund.

E. 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 financials 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.

TOWN OF COFFEEVILLE, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2020

Note 1 - Summary of Significant Accounting Policies (Cont'd)

C. Basis of Accounting (Cont'd)

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.

SUPPLEMENTARY INFORMATION

Town of Coffeeville Mississippi
Schedule of Investments (All Funds)
For the Fiscal Year Ended September 30, 2020

<u>Ownership</u>	<u>Type of Investment</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Other Information</u>	<u>Investment Cost/Value</u>
General Fund	Certificate of Deposit	0.145%	9/27/2019	Renasant Bank	\$ 25,778.00
General Fund	Certificate of Deposit	0.245%	10/27/2019	Renasant Bank	2,066.00
Debt Service	Certificate of Deposit	0.245%	12/27/2019	Renasant Bank	22,943.00
Enterprise Fund	Certificate of Deposit	0.245%	1/8/2020	Renasant Bank	35,955.00
General Fund	Certificate of Deposit	0.644%	12/29/2022	Renasant Bank	80,000.00
Total Investments					<u><u>\$ 166,742.00</u></u>

The accompanying notes are an integral part of these Financial Statements.

Town of Coffeeville Mississippi
Schedule of Long-Term Debt (All Funds)
For the Fiscal Year Ended September 30, 2020

Definition and Purpose	Balance Outstanding 9/30/2019	Transactions During Fiscal Year		Balance Outstanding 9/30/2020
		Issued	Redeemed	
5% USDA Rural Development Loan, issued December 8, 2000, original amount \$760,000, due in monthly installments of \$3,959, principal and interest, beginning January 8, 2001.	\$ 505,878	\$ -	\$ 22,730	\$ 483,148
3% Mississippi Development Authority Capital Improvements Loan, issued February 7, 2011, original amount \$65,000, due in monthly installments of \$628, principal and interest, beginning May 1, 2011.	13,895	-	7,024	6,871
Total	<u>\$ 519,773</u>	<u>\$ -</u>	<u>\$ 29,754</u>	<u>\$ 490,019</u>

The accompanying notes are an integral part of these Financial Statements.

Town of Coffeeville Mississippi
Schedule of Surety Bonds for Municipal Officials
September 30, 2020

<u>NAME</u>	<u>POSITION</u>	<u>SURETY</u>	<u>BOND</u>
William Shelton, Jr.	Mayor	Travelers	25,000
Rosaline Torrance	City Clerk	Travelers	50,000
Oria Sims	Deputy Clerk	Travelers	50,000
Gage Vance	Police Chief	Travelers	50,000
Donald Hayes	Alderman	Travelers	25,000
James A. Matthews, Sr.	Alderman	Travelers	25,000
Eva Lee Longstreet	Alderman	Travelers	25,000
Joe Ray Bourn	Alderman	Travelers	25,000
Michael Ayers, Sr.	Alderman	Travelers	25,000

The accompanying notes are an integral part of these Financial Statements.

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

Honorable Mayor and Board of Alderman
Town of Coffeeville
Coffeeville, Mississippi

We have compiled the general-purpose financial statements of the Town of Coffeeville as of and for the year ended September 30, 2020 and have issued our report dated December 2, 2021.

As required by the state legal compliance audit 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 compilation and, accordingly, we do not express such an opinion.

The results of those procedures and our compilation of the general-purpose financial statements disclosed the following material instances of noncompliance with state laws and regulations. Our findings and recommendations and your responses are as follows:

2020-1 Findings: Certain payments from the State were not properly categorized. For example: The first payment for Homestead Exemption was recorded properly as "Homestead Exemption" but the second payment was recorded on a different budget line item.

Recommendation: We recommend that greater care be taken in categorizing the expense and revenue items in the proper category(ies).

We recommend the Town develop a corrective action plan detailing the procedures and policies, it will take or initiate to correct the conditions mentioned above.

2020-2 Findings: Expenditures were not properly allotted to the various departments. For example, Police salaries and related payroll tax expenses were not separately reported under the "Police Department".

Recommendation: We recommend that the data entry personnel be properly trained and instructed to allocate and apply expenditures on a departmental basis.

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

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The Office of the State Auditor or a public accounting firm will review, on a subsequent year's audit engagement, the findings in this report to ensure that corrective action has been taken.

This report is intended for the information of the Town of Coffeeville'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.

The Myles Firm, PLLC

THE MYLES FIRM, PLLC
Tupelo, Mississippi
December 2, 2021