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**TOWN OF SUNFLOWER**  
**YEAR ENDED SEPTEMBER 30, 2004**

**TOWN OF SUNFLOWER, MISSISSIPPI**  
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**FRED T. NEELY & COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS  
311 WEST FLOYCE  
RULEVILLE, MS 38771  
(662) 756-2403**

**INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

Honorable Mayor and Board of Alderman  
Town of Sunflower  
SUNFLOWER, MISSISSIPPI

We have compiled the accompanying statement of cash receipts and disbursements - all fund types of the Town of Sunflower, Mississippi, for the year ended September 30, 2004, and the accompanying supplementary information - cash basis on page 6 and 7, which are presented only for supplementary analysis purposes, 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 receipts and disbursements basis of accounting, which is comprehensive basis of accounting other than generally accepted accounting principles.

A compilation is limited to presenting in the form of financial statements information that is the representation of the management of the Town of Sunflower. We have not audited or reviewed the accompanying statement of cash receipts and disbursements - all fund types and supplementary schedules and, accordingly, do not express an opinion or any other form of assurance on it.

Management has elected to omit substantially all of the disclosures ordinarily included in a financial statement prepared on the cash receipts and disbursements basis of accounting. If the omitted disclosures were included in the financial statement, 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.

Fred T. Neely & Company  
Certified Public Accountants

August 3, 2005

TOWN OF SUNFLOWER, MISSISSIPPI  
 COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS-ALL FUNDS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

	GOVERNMENTAL FUNDS		PROPRIETARY FUND	Totals (Memorandum Only) September 30, 2004
	General	Special Revenue	Water and Sewer	
<b>REVENUE RECEIPTS:</b>				
General Property Taxes:				
Current levy-real, personal & utility	\$ 65,634.23	\$	\$	\$ 65,634.23
Auto & mobile home	35,927.45			35,927.45
Prior year	10,150.20			10,150.20
Penalties and interest on delinquent taxes	6,576.13			6,576.13
Total Taxes	\$ 118,288.01			\$ 118,288.01
Licenses and Permits:				
Permits and privilege licenses	\$ 1,180.83			\$ 1,180.83
Franchise fees	12,042.77			12,042.77
Total licenses and permits	\$ 13,223.60			\$ 13,223.60
Intergovernmental Revenues:				
MDEZA POLICE	\$ 28,218.99			\$ 28,218.99
COPS	67,435.87			67,435.87
Total Federal Grants	\$ 95,654.86			\$ 95,654.86
State Grants				
General municipal aid	\$ 362.78			\$ 362.78
Homestead exemption	12,567.06			12,567.06
Forestry Grant				
Community Development				
Total state grants	\$ 12,929.84			\$ 12,929.84
State Shared Revenues				
General sales tax	\$ 21,407.77			\$ 21,407.77
Motor vehicle fuel tax	1,870.76			1,870.76
Alcoholic beverage license	900.00			900.00

See Accountant's Accompanying Report

TOWN OF SUNFLOWER, MISSISSIPPI  
 COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS-ALL FUNDS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

	GOVERNMENTAL FUNDS		PROPRIETARY FUND	Totals (Memorandum Only) September 30, 2004
	General	Special Revenue	Water and Sewer	
<b>REVENUE RECEIPTS: (Cont'd.)</b>				
Intergovernmental Revenue: (Cont'd.)				
State Shared Revenues: (Cont'd.)				
Grand Gulf	5,094.71			5,094.71
Utility taxes	772.35			772.35
Fire Protection	2,973.76			
Total state shared revenues	33,019.35			\$ 33,019.35
County Shared Revenues:				
Pro-rata county road taxes	298.35			298.35
County fire funds				
Total county shared revenues	298.35			\$ 298.35
Total intergovernmental revenues	141,902.40			\$ 141,902.40
Charges for Services:				
Water, Sewer and garbage			215,459.32	215,459.32
Fines and Forfeits.				
Police fines	23,337.73			23,337.73
Miscellaneous:				
Interest	596.97		1,647.99	2,244.96
Sale of fixed assets				
Other miscellaneous	925.42			925.42
Total miscellaneous	1,522.39		1,647.99	\$ 3,170.38
Total Revenues	298,274.13	-	217,107.31	515,381.44
Cash Balance-Beginning of Year		100.00		271,513.88
<b>TOTAL AMOUNT TO ACCOUNT FOR</b>	\$ 376,153.54	\$ 100.00	\$ 410,641.78	\$ 786,895.32

See Accountant's Accompanying Report

TOWN OF SUNFLOWER, MISSISSIPPI  
 COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS-ALL FUNDS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

	GOVERNMENTAL FUNDS		PROPRIETARY FUND	Totals
	General	Special Revenue	Water and Sewer	(Memorandum Only) September 30, 2004
<b>OPERATING DISBURSEMENTS:</b>				
General Government:				
Personal Services	\$ 30,424.99	\$	\$	\$ 30,424.99
Utilities	14,309.42			14,309.42
Insurance	4,282.09			4,282.09
Repairs, maintenance and supplies	1,429.50			1,429.50
Office	971.00			971.00
Property Tax Expense	483.00			483.00
Telephone	1,803.13			1,803.13
Travel, dues and CPE	7,654.58			7,654.58
Advertising	1,262.72			1,262.72
Legal and professional services	21,022.55			21,022.55
Miscellaneous other	71.04			71.04
Total general government	\$ 83,714.02			\$ 83,714.02
Public Safety:				
Police:				
Personal services	111,475.20			111,475.20
Utilities	1,309.39			1,309.39
Insurance	5,313.00			5,313.00
Telephone	1,878.73			1,878.73
Travel, training and uniforms	640.02			640.02
Gas and oil	4,656.12			4,656.12
Repairs, maintenance and supplies	1,883.85			1,883.85
Office	186.89			186.89
Dues & Fees	8,494.45			8,494.45
Total police	\$ 135,837.65			\$ 135,837.65

See Accountant's Accompanying Report

TOWN OF SUNFLOWER, MISSISSIPPI  
 COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS-ALL FUNDS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

	GOVERNMENTAL FUNDS		PROPRIETARY FUND	Totals
	General	Special Revenue	Water and Sewer	(Memorandum Only) September 30, 2004
<b>OPERATING DISBURSEMENTS: (Cont'd.)</b>				
Public Safety: (Cont'd.)				
Fire:				
Utilities	\$ 3,105.69	\$	\$	\$ 3,105.69
Repairs, Maintenance, and Supplies	232.63			232.63
Telephone	2,056.94			2,056.94
Gas and oil	78.40			78.40
Insurance				
Total fire	<u>\$ 5,473.66</u>			<u>\$ 5,473.66</u>
Total public safety	<u>\$ 141,311.31</u>			<u>\$ 141,311.31</u>
Welfare:				
HUD Rehabilitation project				
Water, Sewer and Garbage:				
Personal Services			\$ 81,910.88	\$ 81,910.88
Repairs, maintenance and supplies			17,574.57	17,574.57
Utilities and telephone			23,222.18	23,222.18
Insurance			9,553.83	9,553.83
Garbage collection fees			27,649.46	27,649.46
Office			1,992.35	1,992.35
Water Analysis			8,078.19	8,078.19
Gas and oil			4,109.79	4,109.79
Dues and Subscriptions			1,181.00	1,181.00
Other miscellaneous			3,316.04	3,316.04
Interest on bonds, notes & capital lease			9,108.51	9,108.51
Total water, sewer and garbage			<u>\$ 187,696.80</u>	<u>\$ 187,696.80</u>
Total operating disbursements	<u>\$ 225,025.33</u>		<u>\$ 187,696.80</u>	<u>\$ 412,722.13</u>

See Accountant's Accompanying Report

TOWN OF SUNFLOWER, MISSISSIPPI  
 COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS-ALL FUNDS  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

	GOVERNMENTAL FUNDS		PROPRIETARY FUNDS	Totals (Memorandum Only) September 30, 2004
	General	Special Revenue	Water and Sewer	
OTHER DISBURSEMENTS:				
Bond, note & capital lease principal payments	\$	\$	\$	\$
Capital outlay	26,494.52		19,397.58	19,397.58
Interfund transfers			2,399.95	28,894.47
In, Out (-)				
Total other disbursements	<u>323.11</u>		<u>(323.11)</u>	
	\$		\$	\$
Total Disbursements	251,196.74	-	209,817.44	461,014.18
Cash Balance-End of Year	\$	100.00	200,824.34	325,881.14
TOTAL AMOUNT ACCOUNTED FOR	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
	376,153.54	100.00	410,641.78	786,895.32

TOWN OF SUNFLOWER, MISSISSIPPI  
SCHEDULE OF LONG-TERM DEBT  
SEPTEMBER 30, 2004

	Transactions During Fiscal Year			
	Balance Outstanding October 1, 2003	Issued	Redeemed	Balance Outstanding September 30, 2004
<b>REVENUE BONDS:</b>				
Single registered 5% bond, Originally issued for \$250,000, due in annual payments of \$15,623	\$ 63,125.05		\$ 12,466.75	\$ 50,658.30
Single registered 5% bond, originally issued for \$65,100 due in equal amortized payments of \$4,068.75. Have entered into \$339.06 supplementary monthly payment agreement	33,397.72		2,454.85	30,942.87
Single registered 4.5% bond, originally issued for \$100,000 due in equal monthly payments of \$507.00	95,515.11		1,823.48	93,691.63
<b>NOTE PAYABLE:</b>				
GMAC, 36 month, 12.174% effective annual rate on a \$16,450 Chevrolet pickup. Origination date began with the 1st of 36 monthly payments (\$545.93) on March 23, 2001. The sub- sequent payments are due on the 23rd of each month.	<u>2,656.21</u>		<u>2,656.21</u>	<u>-</u>
Total long-term debt	<u>\$ 194,694.09</u>		<u>\$ 19,401.29</u>	<u>\$ 175,292.80</u>

See Accountant's Accompanying Report

TOWN OF SUNFLOWER  
 SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS  
 SEPTEMBER 30, 2004

Name	Position	Surety	Amount
Marlene Murphy	Deputy City Clerk	St. Paul	\$ 50,000
Joyce Walker	City Clerk	St. Paul	100,000
Betty Fowler	Mayor	St. Paul	25,000
Betty Fowler and Joyce Walker	Mayor and City Clerk	St. Paul Blanket Bond	100,000
Rochelle Stapleton	Police Chief	St. Paul	50,000
Tabatha Norwood Jones	Alderman	St. Paul	10,000
W. L. Patterson	Alderman	St. Paul	10,000
Oscar Isom, Jr.	Alderman	St. Paul	10,000
Linda Faye Williams	Alderman	St. Paul	10,000
Mildred Ann Hawthorne	Alderman	St. Paul	10,000
Alvin McCarty	Alderman	St. Paul	10,000

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**SPECIAL REPORT ON AGREED-UPON PROCEDURES FOR THE  
 TOWN OF SUNFLOWER, MS**

Honorable Mayor and  
 Board of Aldermen  
 Town of Sunflower, MS

We have applied certain agreed-upon procedures, as discussed below, to the accounting records of the Town of Sunflower, Mississippi, as of September 30, 2004, 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 the report is solely for use of the governing body of the Town of Sunflower, 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.

<u>Bank</u>	<u>Fund</u>	<u>Balance Per General Ledger</u>
Planters Bank:		
Checking:		
House	Special Revenue Fund	\$ 100.00
Money Market:		
Insurance Settlement	General/Water	12,922.26
Fire Protection	Special Revenue Fund	28,372.52
Depreciation	Water/Sewer	5,859.51
Cushion	Water/Sewer	4,695.10
Contingent	Water/Sewer	1,191.36
Interest & Sinking	Water/Sewer	73,699.66
Now Account:		
General Fund – operating	General Fund	16,109.44
Water & Sewer operating	Water/Sewer	60,359.98
Municipal Crime	General Fund	1.62
COPS Universal Hiring	General Fund	65,507.51
Court	General Fund	2,576.97
Fire/Police Building	General Fund	77.01
Rural Development Loan	Water/Sewer	855.28
Revolving Fund MESC	General Fund	1,270.42

Certificates of Deposit:		
12 months	Water/Sewer	21,478.20
12 months	Water/Sewer	21,478.20
12 months	Water/Sewer	<u>10,739.10</u>
Total		<u>\$ 327,294.14</u>

2. The Town of Sunflower had no investments as of September 30, 2004.
3. We performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:
  - a. Proved the mathematical accuracy of the tax rolls but could not trace levies back to minutes.
  - b. Reconciled the amount of taxes levied per the tax rolls to amounts collected.
  - c. Examined uncollected taxes for proper handling, including tax sales.
  - d. Traced distribution of taxes collected to proper fund.
  - e. Analyzed increase in taxes for most recent period for compliance with increase of limitations of Sections 27-39-320 to 27-39-323, Miss Code Ann. (1972).

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

	Taxable Assessed Value	Millage	Levy
Realty Property	\$ 1,099,857	69.32	\$ 76,242.09
Public Utilities	69,203	69.32	4,797.15
Personal Property	200,385	69.32	13,890.69
Automobiles and mobile homes	545,562	69.32	37,818.37
Less: Homestead	<u>274,617</u>	<u>69.32</u>	<u>-19,036.45</u>
Total	\$ 1,640,390	69.32	\$113,711.85
Homestead allowed and collected			12,567.06
County Tax Collector's Commission			-1,890.92
Interest & Penalties			10,150.20
Prior Year			<u>6,576.13</u>
Total to be Accounted for			<u>\$ 141,114.32</u>

	<u>Taxes</u>	<u>Homestead Reimbursement</u>	
General Fund	\$118,288.01	\$ 12,567.06	\$ 130,855.07
Unpaid Taxes			10,668.06
Other			<u>-408.81</u>
Total Accounted for			<u>\$ 141,114.32</u>

The distribution of taxes to funds was found to be in accordance within prescribed tax levies, and uncollected taxes were determined to be properly handled.

Ad valorem collections were found to be within the limitations of Sections 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:

<u>Payment Purpose</u>	<u>Receiving Fund</u>	<u>Ledger Amount</u>
Sales Tax Allocation	General Fund	\$ 21,407.77
Homestead Exemption	General Fund	12,567.06
Nuclear Funds	General Fund	5,094.71
Fire Protection	General Fund	2,973.76
Gasoline Tax	General Fund	1,870.36
City Utility	General Fund	772.35
Liquor Privilege Tax	General Fund	900.00
General Municipal Aid	General Fund	362.78
Total State Funds		<u>\$ 45,948.79</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	36
Total Dollar Value of Sample	\$ 84,158.39

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

6. We have read the Municipal Compliance Questionnaire completed by the municipality. The following issue is the only noted noncompliance with state requirements.

- (1) Mississippi Code Section 27-105-305 requires municipalities to reselect financial depositories ever 2 years. However, the depositories have not been reselected since 2002.

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. 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 Sunflower, Mississippi, for the year ended September 30, 2004.

August 3, 2005