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TOWN OF SUNFLOWER

Desiree Norwood
Mayor

POST OFFICE Box 127
103 East Quiver Street
Sunflower, Ms. 38778-0127
662.569.3388 or 662-569-3387
fax: 662-569-3711

Aldermen	
JaQuana Haley	Ward 1
Marc Box	Ward 2
Betty J. Miller	Ward 3
Paul J. Haley	Ward 4
Betty Nash Brown	At-Large

Yumekia Stovall
Municipal Clerk

Chris Powell, Town Attorney

December 8, 2017

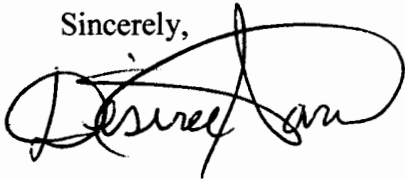
Office of the State Auditor
Department of Technical Assistance
P O Box 956
Jackson, MS 39205-0956

Re: Annual Compilation Report and Special Report on Applying Agreed-Upon Procedure for the fiscal year ending September 30, 2016

Dear Sir:

Accompanying this letter are two copies of the annual Compilation Report and Special Report on Applying Agreed-Upon Procedures for the Town of Sunflower, Mississippi for the fiscal year ended September 30, 2016. A separate management letter was not written to the Town in connection with these reports.

Sincerely,



Desiree Norwood
Mayor

TOWN OF SUNFLOWER, MISSISSIPPI
YEAR ENDED SEPTEMBER 30, 2016

Fred T. Neely & Company, PLLC

TOWN OF SUNFLOWER, MISSISSIPPI

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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Honorable Mayor and Board of Aldermen
Town of Sunflower
Sunflower, Mississippi

Management is responsible for the accompanying Statement of Cash Receipts and Disbursements – Governmental and Business-type Activities of The Town of Sunflower, Mississippi, as and for the year ended September 30, 2016, and the related notes to the financial statement, which collectively comprise the Town's basic financial statements as listed in the table of 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 these financial statements.

We draw attention to Note A of the financial statements, 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.

Management has omitted Management's Discussion and Analysis that is required to be presented to supplement the basic financial statements. Such 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 on Pages 6 through 8 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 supplementary information and, accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary 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 Code Section 21-35-31, Miss. Code Ann. (1972), we have issued a report dated December 8, 2017, on the results of our agreed-upon procedures.

Fred T. Neely & Company, PLLC

Fred T. Neely & Company, PLLC
Greenwood, Mississippi
December 8, 2017

105 West President Ave. • P.O. Box 894 • Greenwood, MS 38935 • P. 662-453-7112 • F. 662-453-7123

FINANCIAL STATEMENTS

TOWN OF SUNFLOWER, MISSISSIPPI
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - GOVERNMENTAL AND
BUSINESS-TYPE ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	
	<u>General Fund</u>	<u>Water, Sewer & Garbage Fund</u>	<u>Totals</u>
CASH RECEIPTS:			
General property taxes			
Current levy-real, personal & utility	\$ 119,279	\$ -	\$ 119,279
Auto & mobile home	53,399	-	53,399
Prior year	9,107	-	9,107
Penalties and interest on delinquent taxes	11,512	-	11,512
Licenses and permits			
Permits and privilege licenses	2,565	-	2,565
Franchise fees	12,118	-	12,118
Intergovernmental receipts			
State grants			
General municipal aid	578	-	578
Homestead exemption	15,770	-	15,770
State shared revenues			
General sales tax	34,110	-	34,110
Motor vehicle fuel tax	3,405	-	3,405
Alcoholic beverage license	1,800	-	1,800
Grand Gulf	4,300	-	4,300
Fire protection	7,433	-	7,433
Utility taxes	741	-	741
County shared receipts			
Local grant	-	-	-
Fire protection	4,145	-	4,145
Charges for services			
Water, sewer and garbage	-	243,566	243,566
Other receipts			
Interest earnings	1,734	658	2,392
Fines and forfeits	7,287	-	7,287
Facility building income	3,750	-	3,750
Miscellaneous	1,618	-	1,618
Transfers in	-	-	-
Total cash receipts	<u>294,651</u>	<u>244,224</u>	<u>538,875</u>

TOWN OF SUNFLOWER, MISSISSIPPI
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - GOVERNMENTAL AND
BUSINESS-TYPE ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Governmental Activities	Business-type Activities	
	General Fund	Water, Sewer & Garbage Fund	Totals
CASH DISBURSEMENTS:			
General government			
Employee wages & benefits	24,611	-	24,611
Utilities	19,483	-	19,483
Insurance	2,067	-	2,067
Repairs, maintenance and supplies	20,108	-	20,108
Office	2,018	-	2,018
Property tax expense	412	-	412
Telephone	2,289	-	2,289
Travel, dues and CPE	12,474	-	12,474
Advertising	1,684	-	1,684
Legal and professional services	35,337	-	35,337
Capital outlay	-	-	-
Miscellaneous	-	-	-
Transfers out	-	-	-
Public safety			
Police			
Employee wages & benefits	80,245	-	80,245
Utilities	1,233	-	1,233
Insurance	6,759	-	6,759
Telephone	2,184	-	2,184
Travel, training and uniforms	-	-	-
Gas and oil	4,256	-	4,256
Repairs, maintenance and supplies	4,703	-	4,703
Office	276	-	276
Dues & fees	7,766	-	7,766
Miscellaneous	833	-	833
Capital outlay	1,750	-	1,750
Fire			
Utilities	3,242	-	3,242
Repairs, maintenance and supplies	1,320	-	1,320
Gas and oil	133	-	133
Insurance	866	-	866
Travel, training and uniforms	-	-	-
Capital outlay	-	-	-
Water, sewer & garbage			
Employee wages & benefits	-	82,495	82,495
Repairs, maintenance and supplies	-	39,211	39,211
Utilities and telephone	-	26,751	26,751
Insurance	-	10,829	10,829
Garbage collection fees	-	39,876	39,876
Office	-	2,516	2,516
Water analysis	-	12,554	12,554
Gas and oil	-	5,765	5,765
Dues and subscriptions	-	1,114	1,114
Other miscellaneous	-	1,609	1,609
Capital outlay	-	1,463	1,463
Interest on bonds, notes & capital lease	-	2,584	2,584
Transfers out	-	-	-
Bond, note & capital lease principal payments	-	3,500	3,500
Total cash disbursements	236,049	230,267	466,316

TOWN OF SUNFLOWER, MISSISSIPPI
 STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - GOVERNMENTAL AND
 BUSINESS-TYPE ACTIVITIES
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	
	<u>General Fund</u>	<u>Water, Sewer & Garbage Fund</u>	<u>Totals</u>
Excess (deficiency) of receipts over (under) disbursements	58,602	13,957	72,559
CASH - BEGINNING	<u>457,930</u>	<u>140,407</u>	<u>598,337</u>
CASH - ENDING	<u>\$ 516,532</u>	<u>\$ 154,364</u>	<u>\$ 670,896</u>

**TOWN OF SUNFLOWER, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Information

The Town operates under the Mayor-Board of Aldermen form of government and provides services as authorized by law.

Reporting Entity

The financial statements 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 statements are 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: DEPOSITS AND INVESTMENTS

1. Policies and Practices

The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Mississippi Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Depository Insurance Corporation (FDIC).

2. Deposits

At year-end, the carrying amount of the Town's deposits was \$670,396, and the bank balances totaled \$672,548. Of the bank balances, \$250,000 was insured by federal deposit insurance and \$422,548 was covered by pooled and/or pledged collateral, as allowed by the Mississippi Code.

NOTE D: SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 8, 2017, the date on which the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

TOWN OF SUNFLOWER, MISSISSIPPI
SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2016

Fund	Interest Rate	Number	Purchase Date	Maturity Date	Amount
Water Fund	0.55	6606001876	2/20/2008	2/20/2017	\$ 13,226
Water Fund	0.55	6606001885	2/20/2008	2/20/2017	26,452
Water Fund	0.55	6606001894	2/20/2008	2/20/2017	26,452
					<u>\$ 66,130</u>

**TOWN OF SUNFLOWER, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS
SEPTEMBER 30, 2016**

Name	Position	Company	Amount
Wendy Stewart	Mayor	St Paul	\$ 50,000
Mayor/ City Clerk		Travelers - Blanket Bond	\$ 100,000
Yumekia Stovall	City Clerk	CNA Surety	\$ 100,000
Monica McCraney	Deputy City Clerk	CNA Surety	\$ 50,000
Louis Baymon	Police Chief	CNA Surety	\$ 50,000
Marc Box	Alderman	St Paul	\$ 50,000
Paul Haley	Alderman	St Paul	\$ 50,000
Pattie Holeman	Alderman	St Paul	\$ 50,000
Ondina Johnson	Alderman	St Paul	\$ 50,000
JaQuana Haley	Alderman	St Paul	\$ 50,000

TOWN OF SUNFLOWER, MISSISSIPPI
SCHEDULE OF LONG-TERM DEBT
SEPTEMBER 30, 2016

	Balance Outstanding 10/1/2015	Transactions During Fiscal Year		Balance Outstanding 9/30/2016
		Issued	Redeemed	
<u>REVENUE BONDS</u>				
Single registered 4.5% bond, originally issued for \$100,000 due in equal monthly payments of \$507.	59,012	-	3,500	55,512
Total long-term debt	\$ 59,012	\$ -	\$ 3,500	\$ 55,512

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REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

Honorable Mayor and Board of Aldermen
Town of Sunflower
Sunflower, Mississippi

We have compiled the accompanying Statement of Cash Receipts and Disbursements - Governmental and Business-type Activities, Schedule of Investments, Schedule of Long-Term Debt, and Schedule of Surety Bonds for Municipal Officers of the Town of Sunflower, Mississippi, for the year ended September 30, 2016, in accordance with Statements on Standards for Accounting 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 accounting principles generally accepted in the United States of America.

We have performed procedures to test compliance with certain state laws and regulations as described by 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 an opinion.

With respect to items tested, the results of those procedures and our compilation of the accompanying Statement of Cash Receipts and Disbursements - Governmental and Business-type Activities of the Town of Sunflower, Mississippi, for the year ended September 30, 2016 disclosed no material instances of noncompliance with state laws and regulations.

This report is intended solely for the information and use of management and the Office of the State Auditor and is not intended to be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Fred T. Neely & Company, PLLC

Fred T. Neely & Company, PLLC
Greenwood, Mississippi
December 8, 2017

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TOWN OF SUNFLOWER, MISSISSIPPI
INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING
AGREED-UPON PROCEDURES
SEPTEMBER 30, 2016

Fred T. Neely & Company, PLLC

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**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING
AGREED-UPON PROCEDURES**

The Mayor and Board of Aldermen
Town of Sunflower
Sunflower, 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 Sunflower, Mississippi, solely to assist the Office of the State Auditor in evaluating the Town of Sunflower, Mississippi's compliance with certain laws and regulations as of September 30, 2016, 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 bank:

<u>Bank</u>	<u>Fund</u>	<u>Balance per General Ledger</u>
Planters Bank & Trust	General	\$ 436,814
Planters Bank & Trust	Court	4,913
Planters Bank & Trust	MDES Revolving Fund	1,673
Planters Bank & Trust	MDEZA	103
	Total General Fund	<u>\$ 443,503</u>
Planters Bank & Trust	House	\$ 100
Planters Bank & Trust	Municipal Fire	195
Planters Bank & Trust	Fire Protection	72,234
	Total Special Revenue Fund	<u>\$ 72,529</u>
Planters Bank & Trust	Water/Sewer	\$ 33,314
Planters Bank & Trust	Depreciation	6,477
Planters Bank & Trust	Cushion	5,190
Planters Bank & Trust	Contingent	1,317
Planters Bank & Trust	Interest & Sinking	41,836
Planters Bank & Trust	Sewer Grant	100
	Total Proprietary Fund	<u>\$ 88,234</u>

December 08, 2017

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).

a. As of September 30, 2016, the Town of Sunflower had three certificates of deposit at Planters Bank & Trust with balances totaling \$66,130.

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 fund;
- c. Examined uncollected taxes for proper handling, including tax sale;
- d. Analyzed increase in taxes for the most recent period for compliance with increase limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972); and
- e. Verified the use of certified county assessment tax rolls.

The distribution of taxes to funds was found to be in accordance with prescribed tax levies.

Uncollected taxes were determined to be properly handled, the tax levy was approved by the Board and the certified county tax rolls were adopted by the Board.

Ad valorem tax collections were found to be within the limitations of Section 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 deposits in the respective bank accounts and recorded in the general ledger. Payments traced were as follows:

<u>Payment Purpose</u>	<u>Receiving Fund</u>	<u>Amount</u>
Sales tax allocation	General	\$ 34,110
Homestead exemption reimbursement	General	15,770
Fire rebate funds	General	7,433
Nuclear funds	General	4,300
Gasoline tax	General	3,405
Liquor privilege tax	General	1,800
City Utility	General	741
General municipal aid	General	578
Total State Revenues		<u>\$ 68,137</u>

December 08, 2017

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	29
Dollar value of sample	\$81,918

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 collections 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.
7. We have read the Municipal Compliance Questionnaire completed by the municipality. The completed survey and our inquiry and observation indicated no instances of noncompliance with state requirements..

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 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.

Fred T. Neely & Company, PLLC

Fred T Neely & Company, PLLC
Greenwood, Mississippi
December 08, 2017