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Office of the State Auditor
501 Northwest St.
Suite 801 Woolfolk Building
Jackson, MS 39201

Re: Annual Municipal Audit

Department of Technical Assistance

Accompanying this letter are two copies of the annual compilation of the Town of Slate Springs, Mississippi, for the fiscal year ended September 30, 2017. A separate management letter was not written to the town in connection with this audit.

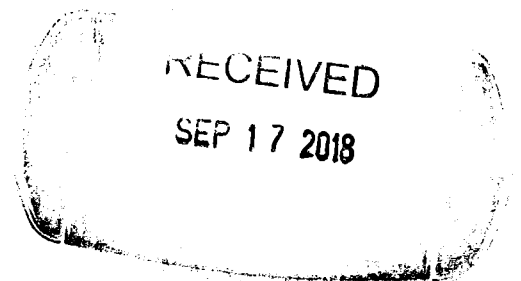
Sincerely,

Carrie Lee

Mayor

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**TOWN OF SLATE SPRING, MISSISSIPPI
COMPILATION REPORT
AND REPORT ON AGREED-UPON PROCEDURES
SEPTEMBER 30, 2017**



**WATKINS, WARD AND STAFFORD, PLLC
CERTIFIED PUBLIC ACCOUNTANTS**

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WATKINS, WARD AND STAFFORD, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

TOWN OF SLATE SPRING, MISSISSIPPI

Contents

	<u>Page</u>
Independent Accountants' Compilation Report	1
Statement of Cash Receipts and Disbursements – Governmental Activities	3
Notes to Financial Statement	4
Supplementary Information	
Schedule of Investments	7
Schedule of Long-Term Debt	8
Schedule of Surety Bonds for Municipal Officials	9
Report on Compliance with State Laws and Regulations	10
Independent Accountants' Report on Applying Agreed-Upon Procedures	11



WATKINS, WARD and STAFFORD
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Certified Public Accountants

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S. Keith Winfield, CPA	John N. Russell, CPA
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Kimberly S. Caskey, CPA	Clifford P. Stewart, CPA
Susan M. Lummus, CPA	

Independent Accountants' Compilation Report

To the Honorable Mayor and Board of Aldermen
Town of Slate Spring, Mississippi
Slate Spring, MS 38955

Management is responsible for the accompanying Statement of Cash Receipts and Disbursements – Governmental Activities of the Town of Slate Spring, Mississippi for the year ended September 30, 2017, 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 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 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 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 through 3 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 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 August 15, 2018 on the results of our agreed-upon procedures.

Calhoun City, Mississippi
August 15, 2018

Watkins Ward and Stafford, PLLC

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TOWN OF SLATE SPRING, MISSISSIPPI
Statement of Cash Receipts and Disbursements - Governmental Activities
For the Year Ended September 30, 2017

	<u>GOVERNMENTAL ACTIVITIES</u>	
	<u>General Fund</u>	<u>Total</u>
RECEIPTS		
Property taxes	\$ 9,663	\$ 9,663
Penalties and interest	40	40
Licenses and permits	2,217	2,217
Intergovernmental revenues		
State Shared Revenue		
Road tax	726	726
Sales tax	1,767	1,767
General municipal aid	385	385
Fire rebates	616	616
Homestead reimbursement	791	791
Interest Income	58	58
Miscellaneous revenues	560	560
Total Receipts	<u>16,823</u>	<u>16,823</u>
DISBURSEMENTS		
General government	12,701	12,701
Culture and recreation	1,710	1,710
Total Disbursements	<u>14,411</u>	<u>14,411</u>
Excess of receipts over disbursements	2,412	2,412
OTHER CASH USES		
Capital expenditures	(3,846)	(3,846)
Sale of equipment	2,879	2,879
Total Other Cash Uses	<u>(967)</u>	<u>(967)</u>
Excess of receipts over disbursements and other cash uses	1,445	1,445
CASH BALANCE - BEGINNING OF YEAR	132,654	132,654
CASH BALANCE - END OF YEAR	<u>\$ 134,099</u>	<u>\$ 134,099</u>

TOWN OF SLATE SPRING, 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 Slate Spring 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 operate under one governmental fund which comprises the general fund. The general fund is the general operating fund of the Town. It is used to account for all financial resources. The fund is accounted for using a set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate.

TOWN OF SLATE SPRING, MISSISSIPPI
Notes to Financial Statement

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

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 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. 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. 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.

SUPPLEMENTARY INFORMATION

8/17/2013

TOWN OF SLATE SPRING, MISSISSIPPI
Schedule of Investments
For the Year Ended September 30, 2017

Ownership	Type of Investment	Interest Rate	Maturity	Bank	Amount
General Fund	CD	0.05%	5/9/2017	Regions	\$94,326
				Total	<u>\$94,326</u>

See accompanying notes and independent accountants' compilation report.

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TOWN OF SLATE SPRING, MISSISSIPPI
Schedule of Long-Term Debt
For the Year Ended September 30, 2017

Definition & Purpose	Balance		Transactions During Year		Balance
	10/01/16		Issued	Redeemed	09/30/17
G.O. Bonds	\$ -		-	-	\$ -
Revenue Bonds	-		-	-	-
Other Long-Term Debt	-		-	-	-
Totals	\$ -		-	-	\$ -

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See accompanying notes and independent accountants' compilation report.

TOWN OF SLATE SPRING, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS
For the Year Ended September 30, 2017

<u>NAME</u>	<u>POSITION</u>	<u>SURETY</u>	<u>AMOUNT</u>
Kim Lenard	City Clerk	Western Surety	50,000
Ida Cheeseman	Tax Collector	Western Surety	10,000
Greg Lovorn	Alderman	St. Paul Travelers	10,000
Susie Hughes	Alderman	St. Paul Travelers	10,000
Darnell Nabors	Alderman	St. Paul Travelers	10,000
Carrie Gregg	Mayor	St. Paul Travelers	10,000
Donna Lovorn	Alderman	St. Paul Travelers	10,000
Andy Cannon	Alderman	St. Paul Travelers	10,000

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 Slate Spring
Slate Spring, MS 38955

We have compiled the accompanying Statement of Cash Receipts and Disbursements – Governmental Activities, Schedule of Investments, Schedule of Long-Term Debt, and Schedule of Surety Bonds for Municipal Officers of the Town of Slate Spring, Mississippi, for the year ended September 30, 2017, 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 Activities, Schedule of Investments, Schedule of Long-Term Debt, and Schedule of Surety Bonds for Municipal Officers of the Town of Slate Spring, Mississippi, for the year ended September 30, 2017, 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.

Calhoun City, Mississippi
August 15, 2018

Watkins Ward and Stafford, PLLC



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**Independent Accountants' Report on Applying
Agreed-Upon Procedures**

The Honorable Mayor and Board of Alderman
Town of Slate Spring
Slate Springs, MS 38955

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 Slate Spring, Mississippi, solely to assist the Office of the State Auditor in evaluating the Town of Slate Spring, Mississippi's compliance with certain laws and regulations as of September 30, 2017, 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:

<u>BANK</u>	<u>FUND</u>	<u>BALANCE</u>
Renasant Bank	General	\$ 39,772

- 2) We confirmed directly with respective banks all investments, including certificates of deposits, owned by the Town of Slate Springs. All investment transactions during the year were examined for compliance with investments authorized by §21-33-323, Mississippi Code Ann. (1972).

<u>TYPE</u>	<u>FUND</u>	<u>AMOUNT</u>
Certificate of Deposit-Regions Bank	General	\$ 94,326

- 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 funds; and
 - c. Analyzed increases in taxes for most recent period for compliance with increase limitations of §27-339-323, 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).

- 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>PURPOSE</u>	<u>RECEIVING FUND</u>	<u>AMOUNT</u>
Fire Protection	General	\$ 616
General Municipal Aid	General	\$ 55
Gasoline Tax	General	\$ 330
Homestead Exemption	General	\$ 791
TVA in lieu of Taxes	General	\$ 856
Sales Tax	General	\$ 1,767
Total		\$ 4,415

- 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:

- a. Number of Sample Items 29
- b. Total Dollar Value of Sample \$9,080

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 completed survey 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 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.

Calhoun City, Mississippi
August 15, 2018

Watkins Ward and Stafford, PLLC