



The following document was not prepared by the Office of the State Auditor, but was prepared by and submitted to the Office of the State Auditor by a private CPA firm. The document was placed on this web page as it was submitted. 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* STURGIS

MISSISSIPPI

Town Hall
Post Office Box 97
2750 Highway 12 West
Sturgis, Mississippi 39769

662-465-7970
Fax 662-465-7972
Email: sturgistownhall@aol.com

July 25, 2018

Office of the State Auditor
P.O. Box 956
Jackson, MS 39205

RE: Annual Municipal Compilation

Accompanying this letter is a copy of the annual compilation of the Town of Sturgis, Mississippi, for the fiscal year ending September 30, 2017. A separate management letter was not written to the town in connection with this compilation.

Sincerely,

Billy Blankenship
Mayor

RECEIVED
AUG 01 2018

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

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

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

Contents

	<u>Page</u>
Independent Accountants' Compilation Report	1
Statement of Cash Receipts and Disbursements – Governmental and Business-type Activities	3
Notes to Financial Statement	6
Supplemental Information	
Schedule of Investments	10
Schedule of Long-Term Debt	11
Schedule of Surety Bonds for Municipal Officials	12
Report on Compliance with State Laws and Regulations	13
Independent Accountants' Report on Applying Agreed-Upon Procedures	14



WATKINS, WARD and STAFFORD
Professional Limited Liability Company
Certified Public Accountants

James L. Stafford, CPA
Harry W. Stevens, CPA
S. Keith Winfield, CPA
William B. Staggers, CPA
Michael W. McCully, CPA
Mort Stroud, CPA
R. Steve Sinclair, CPA
Marsha L. McDonald, CPA
Wanda S. Holley, CPA
Robin Y. McCormick, CPA/PFS
J. Randy Scrivner, CPA
Kimberly S. Caskey, CPA
Susan M. Lummus, CPA

Thomas J. Browder, CPA
Stephen D. Flake, CPA
John N. Russell, CPA
Thomas A. Davis, CPA
Anita L. Goodrum, CPA
Ricky D. Allen, CPA
Jason D. Brooks, CPA
Robert E. Cordle, Jr., CPA
Perry C. Rackley, Jr., CPA
Jerry L. Gammel, CPA
Michael C. Knox, CPA
Clifford P. Stewart, CPA

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

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

Management is responsible for the accompanying Statement of Cash Receipts and Disbursements—Governmental and Business-type Activities of the Town of Sturgis, 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 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 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 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 June 2, 2018 on the results of our agreed-upon procedures.

Kosciusko, Mississippi
June 2, 2018

Watkins Ward and Stafford, PLLC

Town of Sturgis
Statement of Cash Receipts and Disbursements-
Governmental and Business-type Activities
For the Year Ended September 30, 2017

	<u>Governmental Activities</u>			<u>Fiduciary Activities</u>		<u>Business-type Activities</u>	
	<u>Other Governmental-type Funds</u>			<u>Fiduciary Fund</u>			
	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Total</u>	<u>Fiduciary Fund</u>	<u>Total</u>	<u>Water & Sewer Fund</u>	<u>Total</u>
CASH RECEIPTS:							
Taxes							
General property tax	\$ 60,762		\$ 60,762			\$ -	\$ -
Franchise tax	2,903		2,903				
Privilege tax	150		150				
Intergovernmental revenue							
State shared revenue							
General municipal aid	11,116		11,116				
Sales tax	29,614		29,614				
Gasoline tax	778		778				
TVA in lieu of Tax	1,949		1,949				
Liquor Privilege Tax	900		900				
Homestead reimbursement	3,067		3,067				
Other aid in municipalities	-		-				
Charges for services							
Water utility	-		-			123,160	123,160
Other receipts							
Grants	-		-			-	-
Fire rebate & fire protection	8,422		8,422			-	-
Fines and forfeitures	6,276		6,276			-	-
Interest earned	244	46	290	\$ -	\$ -	2,006	2,006
Miscellaneous	39,268	16,048	55,316	2,168	2,168	-	-
Rental income	264	-	264			-	-
TOTAL CASH RECEIPTS	\$ 165,713	16,094	\$ 181,807	\$ 2,168	\$ 2,168	\$ 125,166	\$ 125,166

See accompanying notes and independent accountants' compilation report.

Town of Sturgis
Statement of Cash Receipts and Disbursements-
Governmental and Business-type Activities
For the Year Ended September 30, 2017

	<u>Governmental Activities</u>			<u>Fiduciary Activities</u>		<u>Business-type Activities</u>	
	<u>Other Governmental-type Funds</u>			<u>Fiduciary Fund</u>			
	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Total</u>	<u>Fiduciary Fund</u>	<u>Total</u>	<u>Water & Sewer Fund</u>	<u>Total</u>
DISBURSEMENTS:							
General government	\$ 147,605		\$ 147,605			\$ -	\$ -
Public safety							
Police	3,208		3,208			-	-
Fire	27,151		27,151			-	-
Street	-		-			-	-
Culture and Recreation							
Libraries	8,125		8,125			-	-
Motorcycle rally		22,025	22,025				
Enterprises							
Water utility	-		-			120,458	120,458
Cemetery				\$ 3,193	\$ 3,193		
TOTAL DISBURSEMENTS	<u>\$ 186,089</u>	<u>22,025</u>	<u>\$ 208,114</u>	<u>\$ 3,193</u>	<u>\$ 3,193</u>	<u>\$ 120,458</u>	<u>\$ 120,458</u>

See accompanying notes and independent accountants' compilation report.

Town of Sturgis
Statement of Cash Receipts and Disbursements-
Governmental and Business-type Activities
For the Year Ended September 30, 2017

	<u>Governmental Activities</u>			<u>Fiduciary Activities</u>		<u>Business-type Activities</u>	
	<u>Other Governmental-type Funds</u>			<u>Fiduciary Fund</u>			
	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Total</u>	<u>Fiduciary Fund</u>	<u>Total</u>	<u>Water & Sewer Fund</u>	<u>Total</u>
EXCESS (DEFICIENCY) OF CASH RECEIPTS OVER DISBURSEMENTS	\$ (20,376)	\$ (5,931)	\$ (26,307)	\$ (1,025)	\$ (1,025)	\$ 4,708	\$ 4,708
OTHER FINANCING SOURCES (USES)							
Other Sources (Uses)	(4,156)	7,269	(4,156)	318		4,071	4,071
Loans repaid	-	-	-			(27,503)	(27,503)
Capital outlay	-	-	-			-	-
TOTAL OTHER FINANCING SOURCES (USES)	(4,156)	7,269	(4,156)	318	318	(23,432)	(23,432)
Excess (Deficiency) of cash receipts and other financing sources over disbursements and other financing uses	(24,532)	1,338	(23,194)	(707)	(707)	(18,724)	(18,724)
CASH BALANCE-BEGINNING	69,847	60,629	130,476	8,108	8,108	214,396	214,396
CASH BALANCE-ENDING	\$ 45,315	61,967	\$ 107,282	\$ 7,401	\$ 7,401	\$ 195,672	\$ 195,672

See accompanying notes and independent accountants' compilation report.

WATKINS, WARD AND STAFFORD, PLLC
 CERTIFIED PUBLIC ACCOUNTANTS

5

10/10/2017

**TOWN OF STURGIS, 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 Sturgis 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.

**TOWN OF STURGIS, MISSISSIPPI
NOTES TO FINANCIAL STATEMENT**

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

Other Governmental –type Funds – Special Revenue Funds are established by a government to collect money that must be used for a specific project. Special Revenue Funds provide an extra level of accountability and transparency to taxpayers that their tax dollars will go toward an intended purpose. The Special Revenue Funds consist of activities of the Little Sturgis Bike Rally and the Summer League.

Fiduciary Funds:

Fiduciary Funds – Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Town programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds. Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements. The Fiduciary Fund is the Cemetery Fund.

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 and Sewer 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.

**TOWN OF STURGIS, MISSISSIPPI
NOTES TO FINANCIAL STATEMENT**

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

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.

AUG 07 2013

SUPPLEMENTAL INFORMATION

**TOWN OF STURGIS, MISSISSIPPI
SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2017**

Ownership	Type of Investment	Interest Rate	Acquisition Date	Maturity	Bank	Amount
General fund	CD	0.35%	12-04-08	09-04-19	CB&S Bank	\$ 21,470
Water Fund	CD	0.35%	11-19-08	08-19-19	CB&S Bank	176,466
Little Sturgis	CD	0.35%	10-10-11	09-17-19	CB&S Bank	47,346
Cemetery Fund	CD	0.60%	09-04-17	09-04-18	CB&S Bank	3,541
					Total	<u>\$ 248,823</u>

AUG 01 2018

See accompanying notes and independent accountants' compilation report.

**TOWN OF STURGIS, MISSISSIPPI
SCHEDULE OF LONG-TERM DEBT
SEPTEMBER 30, 2017**

Payee	Balance Outstanding 10/01/2016	Issued	Redeemed	Balance Outstanding 09/30/2017
CB&S Bank	\$43,809	\$-	\$30,951	\$12,857
<hr/>				
	\$43,809	\$-	\$30,951	\$12,857

See accompanying notes and independent accountants' compilation report.

**TOWN OF STURGIS, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICERS
SEPTEMBER 30, 2017**

<u>POSITION</u>	<u>NAME</u>	<u>INSURANCE COMPANY</u>	<u>COVERAGE</u>
Mayor	Walter Turner	Scott Insurance	\$ 25,000
City Clerk	Penney McMinn	Western Surety	\$ 50,000
Alderman	Annie Morgan	Scott Insurance	\$ 10,000
Alderman	Billy Blankenship	Scott Insurance	\$ 10,000
Alderman	Eric Jackson	Scott Insurance	\$ 10,000
Alderman	Laura Smith	Scott Insurance	\$ 10,000
Alderman	Jim Morgan	Scott Insurance	\$ 10,000

See accompanying notes and independent accountants' compilation report.



WATKINS, WARD and STAFFORD
Professional Limited Liability Company
Certified Public Accountants

James L. Stafford, CPA
Harry W. Stevens, CPA
S. Keith Winfield, CPA
William B. Stagers, CPA
Michael W. McCully, CPA
Mort Stroud, CPA
R. Steve Sinclair, CPA
Marsha L. McDonald, CPA
Wanda S. Holley, CPA
Robin Y. McCormick, CPA/PFS
J. Randy Scrivner, CPA
Kimberly S. Caskey, CPA
Susan M. Lummus, CPA

Thomas J. Browder, CPA
Stephen D. Flake, CPA
John N. Russell, CPA
Thomas A. Davis, CPA
Anita L. Goodrum, CPA
Ricky D. Allen, CPA
Jason D. Brooks, CPA
Robert E. Cordle, Jr., CPA
Perry C. Rackley, Jr., CPA
Jerry L. Gammel, CPA
Michael C. Knox, CPA
Clifford P. Stewart, CPA

REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

The Honorable Mayor and Board of Alderman
Town of Sturgis, 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 Sturgis, 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 and Business-type Activities, Schedule of Investments, Schedule of Long-Term Debt and Schedule of Surety Bonds for Municipal Officers of the Town of Sturgis, 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.

Kosciusko, Mississippi
June 2, 2018

Watkins Ward and Stafford, PLLC



WATKINS, WARD and STAFFORD
Professional Limited Liability Company
Certified Public Accountants

James L. Stafford, CPA
Harry W. Stevens, CPA
S. Keith Winfield, CPA
William B. Stagers, CPA
Michael W. McCully, CPA
Mort Stroud, CPA
R. Steve Sinclair, CPA
Marsha L. McDonald, CPA
Wanda S. Holley, CPA
Robin Y. McCormick, CPA/PFS
J. Randy Scrivner, CPA
Kimberly S. Caskey, CPA
Susan M. Lummus, CPA

Thomas J. Browder, CPA
Stephen D. Flake, CPA
John N. Russell, CPA
Thomas A. Davis, CPA
Anita L. Goodrum, CPA
Ricky D. Allen, CPA
Jason D. Brooks, CPA
Robert E. Cordle, Jr., CPA
Perry C. Rackley, Jr., CPA
Jerry L. Gammel, CPA
Michael C. Knox, CPA
Clifford P. Stewart, CPA

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

The Honorable Mayor and Board of Alderman
Town of Sturgis, 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 Sturgis, Mississippi, solely to assist the Office of the State Auditor in evaluating the Town of Sturgis, 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 bank:

	General Fund	\$	10,039
	Fire Fund		13,804
	Total General Funds	\$	<u>23,843</u>
CB&S Bank	Special Revenue Funds:		
	Little Sturgis	\$	11,983
	Summer League		2,639
	Total Special Revenue Funds	\$	<u>14,622</u>
CB&S Bank	Fiduciary Funds:		
	Cemetery Fund	\$	3,860.00
	Total Fiduciary Funds	\$	<u>3,860.00</u>
CB&S Bank	Proprietary Funds:		
	Water Department	\$	19,206.00
	Total Proprietary Funds	\$	<u>19,206.00</u>

- 2) All investments were confirmed directly with respective trustees. All investment transactions during the year were examined for compliance with investments authorized by §21-33-323, Miss. Code Ann. (1972). This total is included in the ending cash balance in the statement of cash receipts and disbursements.

Type	Fund	Value
Certificate of Deposit	General Fund	\$ 21,470
Certificate of Deposit	Water Fund	176,466
Certificate of Deposit	Little Sturgis	47,346
Certificate of Deposit	Cemetery Fund	3,541
		<u>\$ 248,823</u>

- 3) We performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:
- Tax assessments, billings and collections are handled by the Oktibbeha County's tax collector's office and remitted monthly to the Town of Sturgis. The tax levy and the calculation of the distribution to the individual entities is audited extensively by the auditors of Oktibbeha County; therefore, the auditor will not perform a reconciliation of the tax roll to collections and will rely on the work of the audited Oktibbeha County tax roll.
 - Traced distribution of taxes collected to proper funds.

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).

There were no ad valorem tax collections for the retirement of General Obligation Debt.

- 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:

AUG 11 2010

<u>Payment Purpose</u>	<u>Receiving Fund</u>	<u>Ledger Amount</u>
Gasoline tax	General	\$ 778
General municipal aid	General	128
Liquor Tax	General	900
Homestead exemption reimbursement	General	3,068
Sales tax allocation	General	29,615
Grantor Payments Nontaxable	General	10,000
Nuclear plant payments in lieu of taxes	General	1,946
Prior Year Expenses - Subsidies	General	990
	Total	<u>\$ 47,425</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:

- a. Number of Sample Items 14
- b. Total Dollar Value of Sample \$5,454

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.

Kosciusko, Mississippi
June 2, 2018

Watkins Ward and Stafford, P.C.