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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

April 15, 2019

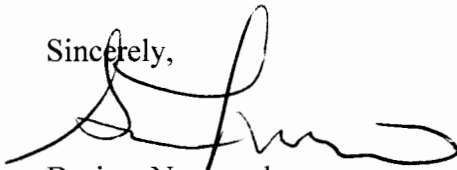
Office of the State Auditor
Department of Technical Assistance
P O Box 956
Jackson, MS 39205-0956

Re: Annual Compilation Report and Special Report on Applying Agreed-Upon Procedures for the fiscal year ending September 30, 2017

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, 2017. A separate management letter was not written to the Town in connection with these reports.

Sincerely,



Desiree Norwood
Mayor

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OFFICE OF THE
STATE AUDITOR

TOWN OF SUNFLOWER, MISSISSIPPI
YEAR ENDED SEPTEMBER 30, 2017



Fred T. Neely & Company, PLLC

TOWN OF SUNFLOWER, MISSISSIPPI

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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, 2017, 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 5 through 7 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 April 15, 2019, on the results of our agreed-upon procedures.

Fred T. Neely & Company, PLLC

Fred T. Neely & Company, PLLC
Greenwood, Mississippi
April 15, 2019

FINANCIAL STATEMENTS

TOWN OF SUNFLOWER, MISSISSIPPI

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

	<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	\$ 132,145	\$ -	\$ 132,145
Auto & mobile home	57,749	-	57,749
Prior year	22,443	-	22,443
Penalties and interest on delinquent taxes	-	-	-
Licenses and permits			
Permits and privilege licenses	593	-	593
Franchise fees	11,205	-	11,205
Intergovernmental receipts			
State grants			
General municipal aid	3,405	-	3,405
Homestead exemption	14,361	-	14,361
MEMA grant	-	36,420	36,420
State shared revenues			
General sales tax	38,097	-	38,097
Motor vehicle fuel tax	578	-	578
Alcoholic beverage license	1,800	-	1,800
Grand Gulf	4,400	-	4,400
Fire protection	6,489	-	6,489
Utility taxes	1,029	-	1,029
County shared receipts			
Local grant	4,282	-	4,282
Fire protection	4,145	-	4,145
Charges for services			
Water, sewer and garbage	-	244,822	244,822
Other receipts			
Interest earnings	1,629	721	2,350
Fines and forfeits	6,103	-	6,103
Facility building income	4,113	-	4,113
Miscellaneous	4,910	-	4,910
Transfers in	-	5,032	5,032
Total cash receipts	<u>319,476</u>	<u>286,995</u>	<u>606,471</u>
Cash Disbursements:			
General government			
Employee wages & benefits	26,801	-	26,801
Utilities	18,317	-	18,317
Insurance	1,482	-	1,482
Repairs, maintenance and supplies	13,650	-	13,650
Office	3,576	-	3,576
Telephone	1,990	-	1,990
Travel, dues and CPE	10,885	-	10,885
Advertising	916	-	916
Legal and professional services	43,056	-	43,056
Capital outlay	4,401	-	4,401
Miscellaneous	4,557	-	4,557
Transfers out	5,032	-	5,032

TOWN OF SUNFLOWER, MISSISSIPPI

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

	Governmental Activities	Business-type Activities	
	General Fund	Water, Sewer & Garbage Fund	Totals
Cash Disbursements (continued):			
Public safety			
Police			
Employee wages & benefits	101,281	-	101,281
Utilities	1,284	-	1,284
Insurance	6,731	-	6,731
Telephone	2,416	-	2,416
Travel, training and uniforms	2,721	-	2,721
Gas and oil	5,614	-	5,614
Repairs, maintenance and supplies	4,381	-	4,381
Office	463	-	463
Dues & fees	11,504	-	11,504
Interest on notes & capital lease	260	-	260
Notes & capital lease principal payments	1,602	-	1,602
Capital outlay	6,120	-	6,120
Fire			
Utilities	4,318	-	4,318
Repairs, maintenance and supplies	3,069	-	3,069
Gas and oil	126	-	126
Insurance	759	-	759
Capital outlay	47,344	-	47,344
Water, sewer & garbage			
Employee wages & benefits	-	75,098	75,098
Repairs, maintenance and supplies	-	79,074	79,074
Utilities and telephone	-	27,829	27,829
Insurance	-	6,078	6,078
Garbage collection fees	-	40,161	40,161
Office	-	3,350	3,350
Water analysis	-	13,265	13,265
Gas and oil	-	5,842	5,842
Dues and subscriptions	-	205	205
Other miscellaneous	-	3,253	3,253
Capital outlay	-	1,600	1,600
Interest on bonds, notes & capital lease	-	2,423	2,423
Transfers out	-	-	-
Bond, note & capital lease principal payments	-	3,661	3,661
Total cash disbursements	<u>334,656</u>	<u>261,839</u>	<u>596,495</u>
 Excess (deficiency) of receipts over (under) disbursements and other financing uses	 (15,180)	 25,156	 9,976
 Cash Basis Fund Balance - Beginning of Year	 <u>516,532</u>	 <u>154,364</u>	 <u>670,896</u>
 Cash Basis Fund Balance - End of Year	 <u>\$ 501,352</u>	 <u>\$ 179,520</u>	 <u>\$ 680,872</u>

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TOWN OF SUNFLOWER, MISSISSIPPI

Notes to the Financial Statements

September 30, 2017

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 consist 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 Town's policy is to prepare its financial statement on the basis of cash receipts and disbursements; consequently, certain revenue is recognized when received rather than when measurable and available, and certain expenditures are recognized when paid rather than when the obligation is incurred. Under the cash basis, the only asset recognized is cash, and no liabilities are recognized. All transactions are recognized as either cash receipts or disbursements, and non-cash transactions are not recorded. The cash basis differs from generally accepted accounting principles primarily because accounts receivable, inventory, fixed assets, accounts payable, and long-term debt are not included in the financial statements. Accordingly, the statement of cash receipts and disbursements is not intended to present results of operations in conformity with U.S. generally accepted accounting principles.

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 are 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 \$680,372, and the bank balances totaled \$673,383. Of the bank balances, \$250,000 was insured by federal deposit insurance and \$423,383 was covered by pooled and/or pledged collateral, as allowed by the Mississippi Code.

NOTE D: SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 15, 2019, the date on which the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION



TOWN OF SUNFLOWER, MISSISSIPPI
Schedule of Investments
September 30, 2017

Fund	Interest Rate	Number	Purchase Date	Maturity Date	Amount
Water Fund	0.55	6606001876	2/20/2008	2/20/2018	\$ 13,299
Water Fund	0.55	6606001885	2/20/2008	2/20/2018	26,597
Water Fund	0.55	6606001894	2/20/2008	2/20/2018	<u>26,597</u>
					<u><u>\$ 66,493</u></u>

TOWN OF SUNFLOWER, MISSISSIPPI
Schedule of Surety Bonds for Town Officials
September 30, 2017

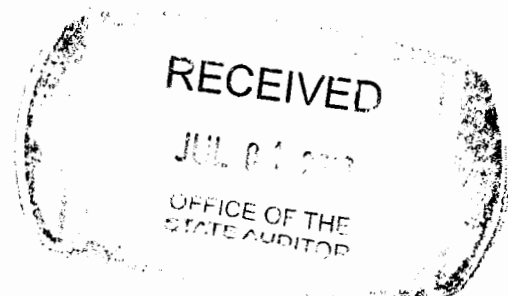
Name	Position	Company	Amount
Desiree D Norwood	Mayor	St Paul	\$ 50,000
Yumekia Stovall	City Clerk	Western Surety Company	\$ 100,000
	Mayor/ City Clerk	Travelers - Blanket Bond	\$ 100,000
Monica McCraney	Deputy City Clerk	Western Surety Company	\$ 50,000
Louis Baymon	Police Chief	Western Surety Company	\$ 50,000
Marcus Box	Alderman	St. Paul	\$ 50,000
Paul Haley	Alderman	St. Paul	\$ 50,000
Betty Brown	Alderman	St. Paul	\$ 50,000
Betty Miller	Alderman	St. Paul	\$ 50,000
JaQuana Haley	Alderman	St. Paul	\$ 50,000

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See accountants' compilation report

TOWN OF SUNFLOWER, MISSISSIPPI
Schedule of Long-term Debt
September 30, 2017

	Balance Outstanding 10/1/2016	Transactions During Fiscal Year		Balance Outstanding 9/30/2017
		Issued	Redeemed	
<u>REVENUE BONDS</u>				
Single registered 4.5% bond, originally issued for \$100,000 due in equal monthly payments of \$507.	\$ 55,512	\$ -	\$ 3,661	\$ 51,851
<u>LEASE PURCHASE - POLICE CARS</u>				
Governmental lease purchase agreement in the amount of \$51,760 at a nominal annual rate of 3.03%, due in equal payments of \$930.75	-	51,760	1,602	50,158
Total long-term debt	\$ 55,512	\$ 51,760	\$ 5,263	\$ 102,009



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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 Surety Bonds for Town Officials, and Schedule of Long-Term Debt of the Town of Sunflower, Mississippi, for the year ended September 30, 2017, 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.

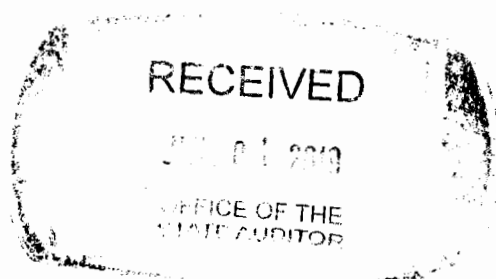
We have performed procedures to test compliance with certain state laws and regulations as described in the Municipal Compliance Questionnaire that is prescribed by the Office of the State Auditor. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Town's compliance with these requirements. Accordingly we do not express 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, 2017 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
April 15, 2019



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Independent Accountant's Report on Applying Agreed-Upon Procedures for Small Municipalities (Towns)

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

We have applied certain agreed-upon procedures, as discussed below, to the accounting records of the Town of Sunflower, Mississippi, as of September 30, 2017, 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) and 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, 2017, and for the year then ended. It is understood the report is solely for the 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. 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	\$ 450,616
Planters Bank & Trust	Court	9,610
Planters Bank & Trust	MDES Revolving Fund	1,673
Planters Bank & Trust	MDEZA	603
	Total General Fund	<u>\$ 462,502</u>
Planters Bank & Trust	House	\$ 100
Planters Bank & Trust	Municipal Fire	195
Planters Bank & Trust	Fire Protection	35,572
	Total Special Revenue Fund	<u>\$ 35,867</u>
Planters Bank & Trust	Water/Sewer	\$ 60,399
Planters Bank & Trust	Depreciation	6,500
Planters Bank & Trust	Cushion	5,206
Planters Bank & Trust	Contingent	1,322
Planters Bank & Trust	Interest and Sinking	41,983
Planters Bank & Trust	Sewer Grant	100
	Total Proprietary Fund	<u>\$ 115,510</u>

April 15, 2019

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, 2017, the Town of Sunflower had three certificates of deposit at Planters Bank & Trust with balances totaling \$66,493.
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 in accordance with Section 21-33-53, Miss. Code Ann. (1972).

The tax levy was approved by the Board and the certified county tax rolls were adopted by the Board as required by Section 27-35-167, Miss. Code Ann. (1972)

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	\$ 38,097
Grant funds	Water/Sewer	36,420
Homestead exemption reimbursement	General	14,361
Fire rebate funds	General	6,489
Nuclear funds	General	4,400
Gasoline tax	General	3,405
Liquor privilege tax	General	1,800
City utility	General	1,029
General municipal aid	General	578
Total State Revenues		<u>\$ 106,579</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	23
Dollar value of sample	\$129,609

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.

In connection with the procedures referred to above, we were not engaged to perform an examination with the objective of expressing an opinion on management's compliance with laws and regulations. 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 referenced in this report. 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
April 15, 2019

