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**APPLICATION FOR EXEMPTION FROM AUDIT - FOR MUNICIPALITIES WITH REVENUES OR EXPENDITURES OF \$100,000 OR LESS**

NAME OF GOVERNMENT:	TOWN OF THAXTON	For the Fiscal Year Ended September 30, <u>2017</u>
ADDRESS:	P O BOX 56 THAXTON, MS 38871	
CONTACT PERSON:	SAMMIE JAGGERS	
TELEPHONE:	(662) 489-4888	
E-MAIL:	OKEEMCDONALD@YAHOO.COM	
FAX:	(662) 489-0098	

Return to: State of Mississippi  
Office of the State Auditor  
Technical Assistance Division  
P. O. Box 956  
Jackson, MS 39205  
FAX: (601) 576-2750  
Email: tech@osa.ms.gov  
Call (800) 321-1275 if you need help completing this form.

Regulations issued by the Office of the State Auditor explain the requirement to apply for an exemption from audit.

If total revenues or expenditures are \$100,000 or less you may use this form.

**Instructions:**

In order to ensure that your government's application will be accepted by the Office of the State Auditor, you must do the following:

1. Prepare this form completely and accurately. Please note that there are seven parts to this form and all questions must be answered for the application to be considered complete.
2. File this form with the Office of the State Auditor within **3 months** after the end of the fiscal year. For years ended September 30, the form **must** be in the Office of the State Auditor by December 31.
3. The form **must** be completed by a person skilled in governmental accounting.
4. The application may be **mailed, faxed, or emailed** as indicated above. If faxed or emailed, a resolution of the governing board **must** accompany the application from exemption from audit in a format that includes the signatures of a majority of the governing body (see sample resolution). If mailed, an original plus one copy should be sent.
5. The **preparer must sign** the application that is submitted in order for it to be accepted.
6. Additional information may be attached to the exemption at the preparer's discretion.

**PART 1 - CERTIFICATION OF PREPARER**

1-1	Name: OKEE MCDONALD	Title: ACCOUNTANT	
1-2	Firm name (if applicable): M M WINKLER & ASSOCIATES		
1-3	Address: P O BOX 562, PONTOTOC, MS 38863-0562		
1-4	Date prepared: 12/27/2017	Telephone number: (662) 489-0097	
1-5	Signature: <i>Okee McDonald</i>		
	The person that completes this form must be skilled in governmental accounting. (Skilled means possessing sufficient knowledge of governmental accounting to complete the exemption form.)	<b>Check One</b>	
		Yes	No
1-6	Are you a person skilled in governmental accounting?	X	
	If no, this exemption will be rejected.		

**PART 2 - REVENUE (Receipts-Cash Basis)**

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REVENUE: All revenues for all funds must be reflected in this section including proceeds from the sale of the government's land, building, and equipment and proceeds from debt or lease transactions.		
	Description	(Omit cents)
2-1	Taxes:	\$ -
2-2	Property	\$ -
2-3	Sales	\$ -
2-4	Franchise	\$ 10,932 -
2-5	Licenses and permits	\$ 305 -
2-6	Intergovernmental	\$ 49,714 -
2-7	Fines	\$ -
2-8	Investment earnings	\$ 24 -
2-9	Payments in lieu of tax	\$ 4,145 -
2-10	Drug forfeitures	\$ -
2-11	Charges for utility services	\$ -
2-12	Debt proceeds	\$ -
2-13	Lease proceeds	\$ -
2-14	Proceeds from sale of capital assets	\$ -
2-15	Other (specify):	\$ -
2-16	FACILITIES USE	\$ 5,791 -
2-17	DONATIONS AND FUNDRAISERS	\$ 2,734 -
2-18	REIMBURSEMENTS	\$ 500 -
2-19	STATE MATCHING GRANT - WFP	\$ 24,909 -
2-20		\$ -
2-21	<b>TOTAL REVENUE</b> all sources	\$ 99,054 -

PART 3 - EXPENDITURES(Disbursements-Cash Basis)		
EXPENDITURES: All expenditures for all funds must be reflected in this section including the purchase of fixed and movable assets and principal and interest payments on long-term debt.		
	Description	(Omit cents)
3-1	Administrative	\$ -
3-2	Salaries	\$ 8,700 -
3-3	Payroll taxes	\$ 1,886 -
3-4	Contract services	\$ -
3-5	Employee benefits	\$ -
3-6	Insurance	\$ 5,239 -
3-7	Accounting and legal fees	\$ 4,425 -
3-8	Repair and maintenance	\$ -
3-9	Supplies	\$ 3,075 -
3-10	Utilities and telephone	\$ 2,281 -
3-11	Police	\$ 2,561 -
3-12	Fire	\$ 1,771 -
3-13	Streets and highways	\$ 8,420 -
3-14	Public health	\$ -
3-15	Culture and recreation	\$ 37,047 -
3-16	Utility operations	\$ -
3-17	Capital outlay	\$ 22,346 -
3-18	Debt service principal	\$ 26,070 -
3-19	Debt service interest	\$ 432 -
3-20	Contribution to pension plan	\$ -
3-21	Other (specify):	\$ -
3-22		\$ -
3-23		\$ -
3-24		\$ -
3-25	<b>TOTAL EXPENDITURES</b> all categories	\$ 124,253 -

PART 4 - DEBT OUTSTANDING, ISSUED AND RETIRED		
Please answer the following questions by marking the appropriate box	Yes	No

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4-1	Do you have outstanding debt?			X	
If yes:	Is the debt repayment schedule attached?				X
	Please complete the following debt schedule, if applicable:	Outstanding at start of fiscal year	Total issued during fiscal year (add)	Total retired during fiscal year (less)	Outstanding at fiscal year end
	General obligation bonds	\$ -	\$ -	\$ -	\$ -
	Revenue bonds	\$ -	\$ -	\$ -	\$ -
	Notes/loans	\$ 62,506 -	\$ -0-	\$ 28,809 -	\$ 33,697
	Leases	\$ -	\$ -	\$ -	\$ -
	Other (specify):	\$ -	\$ -	\$ -	\$ -
	Please answer the following questions by marking the appropriate box			Yes	No
4-2	Does the municipality have any authorized, but unissued debt?				X
If yes:	If yes, how much?	\$ -			
	If yes, what is the authorization date?				
4-3	Does the municipality intend to issue debt within the next fiscal year?				X
If yes:	If yes, how much?	\$ -			

PART 5 - CASH AND INVESTMENTS HELD AT END OF FISCAL YEAR					
	Please provide the entity's cash deposit and investment balances.	Checking Accounts	Savings Accounts	Certificates of Deposit	Total
5-1	Cash deposits	\$ 7,956 -	\$ 20,559 -	\$ -	\$ 28,515 -
5-2	Investments:				
5-3					\$ -
5-4					\$ -
5-5					\$ -
5-6					\$ -
5-7	Total Investments				\$ -
5-8	Total Cash and Investments				\$ 28,515 -
	Please answer the following question by marking in the appropriate box			Yes	No
5-9	Are your deposits in an eligible public depository (Sec 27-105-5 & 27-105-353)			X	
5-10	If no, please explain:				

PART 6 - CAPITAL ASSETS					
	Please answer the following questions by marking in the appropriate boxes			Yes	No
6-1	Do you have land, buildings, and/or equipment?			X	
6-2	Have you prepared an inventory of your land, buildings, and/or equipment			X	
If yes:	If no, please explain:				
	Complete the following table:	Balance - Beginning of the Year	Additions	Deletions	Balance - End of the Year
	Land	\$ 7,500 -	\$ -	\$ -	\$ 7,500 -
	Buildings	\$ 70,433 -	\$ -	\$ -	\$ 70,433 -
	Machinery and equipment	\$ 138,949 -	\$ 22,346 -	\$ -	\$ 161,295 -
	Furniture and fixtures	\$ 5,572 -	\$ -	\$ -	\$ 5,572 -
	Other (explain):	\$ -	\$ -	\$ -	\$ -

PART 7 - BUDGET INFORMATION				
	Please answer the following question by marking in the appropriate boxes		Yes	No
7-1	Did the municipality approve a budget for the next fiscal year end?		X	
7-2	If no, please explain:			

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If yes:	Please indicate the amount appropriated for each of your funds for the next fiscal year end?	
	Fund Name	Budgeted fiscal year end Expenditures
	GENERAL FUND	\$ 72,606 -
		\$ -

### PART 8 - GENERAL INFORMATION

Please answer the following question by marking in the appropriate boxes		Yes	No
8-1	Has the Municipal Compliance Questionnaire been completed, adopted by your board and now part of your minutes? If no please explain:	X	

### PART 9 - GOVERNING BODY APPROVAL

We, the undersigned, certify that this Application for Exemption from Audit has been:

Prepared consistent with regulations by OSA, which states that an Application with revenues or expenditures of \$100,000 or less must be prepared by a person skilled in governmental accounting;

Completed to the best of our knowledge and is accurate and true;

Reviewed and approved by a majority of the governing body.

Note: Please list all current members of the governing body. In addition, original signatures must be provided for a majority of those listed.

	Name (please print or type all current members of the governing body)	Date Term Expires	Signature
9-1	Johnny Coleman, Mayor	06/30/2021	<i>Johnny Coleman</i>
9-2	Bryson Dillard, Alderman	06/30/2021	<i>Bryson Dillard</i>
9-3	James N Ford, Alderman	06/30/2021	<i>James N Ford</i>
9-4	Grant Gooch, Alderman	06/30/2021	
9-5	Kim Gilliam, Alderman	06/30/2021	<i>Kim Gilliam</i>
9-6	Steve Moss, Alderman	06/30/2021	<i>Steve Moss</i>
9-7	Sammie Jagers, Clerk		<i>Sammie Jagers</i>
9-8			

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**M. M. WINKLER & ASSOCIATES**

*Accounting & Tax Services*

304 B Coffee Street - P. O. Box 562  
Pontotoc, Mississippi 38863

Telephone (662) 489-0097  
Facsimile (662) 489-0098

December 27, 2017

Office of State Auditor  
Technical Assistance Division  
P O Box 956  
Jackson, MS 38205

Gentlemen:

Enclosed is the Application for Exemption From Audit – For Municipalities with Revenues or Expenditures of \$100,000 or Less for the year ended September 30, 2017.

Expenditures for the year ended September 30, 2017 were in excess of \$100,000; however, there were extenuating circumstances that caused that excess to occur in fiscal year 2017.

The Town of Thaxton was awarded a matching grant of \$25,000 from the Mississippi Department of Wildlife, Fisheries and Parks for playground equipment during the year ended September 30, 2016. The Town borrowed \$50,000 for the project and disbursed the funds in fiscal year 2016, which resulted in revenues and expenditures in excess of \$100,00 for the year ended September 30, 2016, requiring additional accounting services for minimum reporting requirements. However, the project was not inspected, approved and reimbursement made until fiscal year 2017 in the amount of \$24,909, which was subsequently used to repay the loan funds borrowed for that project. It was this loan repayment that caused the expenditures to exceed the \$100,000 limit.

Please consider these extenuating circumstances and accept this application for exemption from audit.

For the Town of Thaxton, Mayor and Board of Aldermen,



Okee L. McDonald  
Accountant

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