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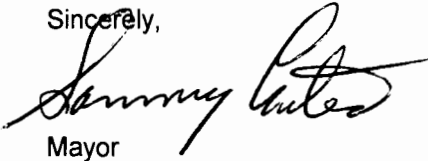
Office of the State Auditor
3750 I-55 North Frontage Road
Jackson, MS 39211

Re: Annual Municipal Compilation

Department of Technical Assistance

Accompanying this letter are two copies of the annual compilation of the Town of Noxapater, Mississippi, for the fiscal year ended September 30, 2018. A separate management letter was not written to the town in connection with this audit.

Sincerely,

A handwritten signature in black ink, appearing to read "Sammy Rute", written over the word "Mayor".

Mayor

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TOWN OF NOXAPATER, MISSISSIPPI
SPECIAL REPORT ON AGREED-UPON PROCEDURES
FOR SMALL MUNICIPALITIES
AND
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

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**TOWN OF NOXAPATER, MISSISSIPPI
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SPECIAL REPORT ON AGREED-UPON PROCEDURES FOR SMALL MUNICIPALITIES (COMPLIANCE LETTER)

Honorable Mayor and Board of Aldermen
Town of Noxapater
Noxapater, Mississippi 39346

We have applied certain agreed-upon procedures, as discussed below, to the accounting records of the Town of Noxapater, Mississippi, as of September 30, 2018 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). It is understood the report is solely for the use of the governing body of the Town of Noxapater, Mississippi, and the Office of the State Auditor and should not be used 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>Financial Institution</u>	<u>Fund</u>	<u>Balance Per General Ledger</u>
The Citizens Bank & Trust Co.	General	\$ 132,558
The Citizens Bank & Trust Co.	Water & Sewer	362,730
The Citizens Bank & Trust Co.	Fire	19,254
Total		<u>\$ 514,542</u>

2. We confirmed with the bank the certificates of deposit owned by the Town. All investment transactions were in compliance with Section 21-33-323, Miss. Code Ann. (1972).

<u>Financial Institution</u>	<u>Fund</u>	<u>Principal (Cost)</u>
The Citizen's Bank	General	\$ 151,113
The Citizen's Bank	Water	125,904
Total		<u>\$ 277,017</u>

The Town did not own any other investments.

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3. 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 in the appropriate accounts.

<u>Payment Purpose</u>	<u>Receiving Fund</u>	<u>General Ledger Amount</u>
Sales Tax Allocation	General	\$ 94,872
TVA	General	4,597
Gasoline Tax	General	1,446
General Municipal Aid	General	235
Homestead Exemption Reimb.	General	7,595
Insurance	Fire	2,694
MS Development Authority & USDA	Grant	13,348
Total		<u>\$ 124,787</u>

4. 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 Sections 31-7-1, 31-7-49 and 37-7-57 Miss. Code Ann. (1972), as applicable. We also reviewed the board minutes for approval of claims.

The sample consisted of the following:

Number of Sample Items	31
Total Dollar Value of Sample	\$ 78,437

We found the municipality's purchasing procedures to be in agreement with the requirements of the above-mentioned sections.

5. We performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the year:
- Proved the mathematical accuracy of the tax rolls;
 - Traced levies to governing body minutes;
 - Reconciled the amount of taxes levied per the tax rolls to amounts actually collected;
 - Examined uncollected taxes for proper handling, including tax sales;
 - Traced distribution of taxes collected to proper funds; and
 - The Town made no increase to the millage rate.
 - Tax Assessments were found to be mathematically correct and in agreement with collections.
 - The distribution of taxes to funds was found to be in accordance with prescribed tax levies, and uncollected taxes were determined to be properly handled.
 - Ad valorem tax collections were found to be within the limitations of Sections 27-39-320 to 27-39-323. Miss. Code Ann. (1972).

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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 referred to above. In connection with the procedures referred to above, no matters came to our attention that caused us to believe the items specified in paragraphs 1 and 2 should be adjusted. Had we performed additional procedures or had we conducted an audit of the financial statements in accordance with generally accepted auditing standards, matters might have come to our attention that would have been reported to you. This report should not be associated with the financial statements of the Town of Noxapater, Mississippi, for the year ended September 30, 2018.

Bridgers, Goodman, Baird & Clarke, PLLC

Bridgers, Goodman, Baird & Clarke, PLLC
Certified Public Accountants
Louisville, Mississippi

May 2, 2019



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**INDEPENDENT'S ACCOUNTANT'S REPORT ON THE STATEMENT OF CASH RECEIPTS
and DISBURSEMENTS - GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES**

To the Mayor and the Board of Alderman
Town of Noxapater, Mississippi

We have compiled the accompanying Statement of Cash Receipts and Disbursements - Governmental and Business-type Activities, of the Town of Noxapater, Mississippi for the year ended September 30, 2018. We have not audited or reviewed the accompanying financial statement and, accordingly, do express an opinion or provide any assurance about whether the financial statement is in accordance with the cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statement.

Our responsibility is to conduct the compilation in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures ordinarily included in the financial statements and the statement of cash flows required by generally accepted accounting principles. If the omitted disclosures and statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Town's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

The accompanying supplemental information, Schedule of Long-term Debt and Schedule of Surety Bonds for Town Officials referred to in the table of contents is prepresented for purposes of additional analysis and is not a required part of the statement of cash receipts and disbursements. We have not audited or reviewed the accompanying supplemental information and accordingly, do not express an opinion or any other assurance on it.

We conducted a limited scope audit as of September 30, 2018, as set forth in the Mississippi Municipal Audit and Accounting Guide which pertains to small municipalities. Under the provision of this guide we performed prescribed procedures to the municipality as outlined in the guide.

These reports are intended solely for informational use of the governing body and management of the Town of Noxapater, Mississippi, and filing with the Office of the State Auditor of Mississippi. This restriction is not intended to limit the distribution of this report which is a matter of public record.

Bridgers, Goodman, Baird & Clarke, PLLC

Bridgers, Goodman, Baird, & Clarke, PLLC
Certified Public Accountants
Louisville, Mississippi

May 2, 2019

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Town of Noxapater
Statement of Cash Receipts and Disbursements
Governmental and Business-Type Activities
For the Year Ended September 30, 2018

	<u>Governmental Activities</u>			<u>Activities</u>
	<u>Major Fund</u>	<u>Other</u>		<u>Water &</u>
	<u>General</u>	<u>Governmental</u>		<u>Garbage</u>
	<u>Fund</u>	<u>Fund</u>	<u>Total</u>	<u>Fund</u>
Revenue Receipts:				
General Property Taxes	\$ 35,423		35,423	
Penalties and Interest	493		493	
Licenses and Permits	1,013		1,013	
Intergovernmental Revenues:				
State Shared Revenues:				
Sales Tax	94,872		94,872	
Gasoline Tax	1,445		1,445	
TVA	4,597		4,597	
Homestead Exemption Reimbursement	7,595		7,595	
General Municipal Aid	235		235	
State Fire Protection		2,694	2,694	
Railcar Tax	1,189		1,189	
County Shared Revenues:				
County Maintenance	3,498		3,498	
County Fire Protection				
Charges for Services:				
Water and Tap Fees				338,401
Garbage and Sewer Fees				112,786
Utility Franchise Charges	20,012		20,012	
Miscellaneous	2,795		2,795	5,111
Fines and Bonds	3,282		3,282	
State Assessment				
Other Receipts:				
Interest	610	4	614	869
Rent	2,565		2,565	
Grants	150		150	13,348
Total Receipts	<u>179,774</u>	<u>2,698</u>	<u>182,472</u>	<u>470,515</u>

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Town of Noxapater
Statement of Cash Receipts and Disbursements - Cont.
Governmental and Business-Type Activities
For the Year Ended September 30, 2018

	<u>Governmental Activities</u>			<u>Business-type Activities</u>
	<u>Major Funds</u>	<u>Other</u>		<u>Water &</u>
	<u>General</u>	<u>Governmental</u>		<u>Garbage</u>
	<u>Fund</u>	<u>Fund</u>	<u>Total</u>	<u>Fund</u>
OPERATING DISBURSEMENTS:				
General Government				
Personnel	\$ 83,491		83,491	
Other	74,236		74,236	
Public Safety:				
Police:				
Personnel	31,616		31,616	
Other	2,042		2,042	
Fire Department				
Cultural and Recreation:				
Parks	1,117		1,117	
Grant Expenditures				13,348
Enterprise:				
Water Utility-Personnel				89,407
Water Utility-Other				146,469
Sewer/Garbage Collection-Personnel				36,641
Sewer/Garbage Collection-Other				51,183
Total Operating Disbursements	<u>192,502</u>	<u>0</u>	<u>192,502</u>	<u>337,048</u>
Excess of Receipts over (under) Disbursements	<u>(12,728)</u>	<u>2,698</u>	<u>(10,030)</u>	<u>133,467</u>
OTHER CASH SOURCES (USES)				
Capital outlay				(40,049)
Interest on loans				(22,302)
Principal on Notes Retired				(20,598)
Transfers - Other				
Deposits received over refunded				(967)
Total Other Cash Sources (Uses)	<u></u>	<u></u>	<u></u>	<u>(83,916)</u>
Net Changes in Cash	(12,728)	2,698	(10,030)	49,551
Cash Balance, Beginning	<u>145,286</u>	<u>16,556</u>	<u>161,842</u>	<u>313,179</u>
Cash Balance, Ending	<u>\$ 132,558</u>	<u>19,254</u>	<u>151,812</u>	<u>362,730</u>

TOWN OF NOXAPATER, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE A Summary of Significant Accounting Policies

The financial statements of the Town of Noxapater, Mississippi (the Town), have been prepared using the cash receipts and disbursements basis of accounting. That is, revenues are recognized when received rather than when measurable and available, and expenditures are recognized when paid rather than when the obligations are incurred. Accordingly, the statement of cash receipts and disbursements - all fund types - is not intended to present results of operations in conformity with generally accepted accounting principles.

General Information:

The Town operates under the Mayor and Alderman form of government and provides services as required by law.

Reporting Entity:

The Town utilizes fund accounting, with each fund being 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.

The Town reports the following major Governmental Funds:

General Fund - This fund is used to account for and report all financial resources not accounted for and reported in another fund.

Governmental Fund Types:

Fire Protection Fund - This fund is used to account for and report financial resources to be used for fire protection.

Proprietary Fund Types:

Enterprise Funds - These funds are used to account for those operations that are financed and operated in a manner similar to private business enterprises or where the Town has decided that periodic determination of revenues earned, expenses incurred and/or net income is necessary for management accountability.

NOTE B Report Classification

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 Budget

Budgets are adopted as prescribed by the State of Mississippi. Annual appropriated budgets are adopted for all funds. The Mississippi Code Ann. (1972) prescribes cash basis reporting revenues for budgeting of expenditures to be disbursed within thirty days after year end (with exception for construction in progress).

NOTE D Cash and Cash Equivalents

The carrying amount of the Town's Deposits with financial institutions reported in the governmental funds was \$791,559 which includes \$277,017 in certificate of deposits with original maturities beyond three months. The bank balance was \$800,657.

TOWN OF NOXAPATER, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS (cont'd)
September 30, 2018

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of the failure of a financial institution, the Town will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Town does not have a formal policy for custodial credit risk. 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 Deposit Insurance Corporation (FDIC). Deposits above FDIC coverage are collateralized by the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on behalf of the Town.

NOTE E Property Tax

The Board of Alderman, each year at a meeting in September, levies property taxes for the ensuing fiscal year which begins October 1. Real property taxes become a lien on January 1 of the current year, and personal property taxes become a lien on March 1 of the current year. Taxes on both real and personal property, however, are due on or before February 1 of the next succeeding year. Taxes on motor vehicle and mobile homes become a lien and are due in the month that coincides with the month of the original purchase. The Town entered into an agreement with the Winston County Tax Collector to bill and collect real and personal taxes. Personal auto taxes and mobile home taxes continue to be collected and remitted to the Town by the county tax collector. The General Fund millage rate for the Town of Noxapater was 25 mills.

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**Town of Noxapater
Schedule of Long-term Debt
For the Year Ended September 30, 2018**

<u>Definition and Purpose</u>	<u>Balance Outstanding Oct. 1, 2017</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance Outstanding Sept. 30, 2018</u>
United States Dept. of Agriculture, Rural Development Loan, dated March, 1999; payments of \$3,200 monthly, including interest of 4.50%	\$ 448,754	0	(18,596)	\$ 430,158
United States Dept. of Agriculture, Rural Development Loan, dated August, 2003; payments of \$375 monthly, including interest of 4.50%	60,086	0	(2,002)	58,084
Total	<u>\$ 508,840</u>	<u>0</u>	<u>(20,598)</u>	<u>\$ 488,242</u>

See accompanying accountant's compilation report.

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**Town of Noxapater
Schedule of Surety Bonds for Town Officials
September 30, 2018**

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Bond Amount</u>
Sammy Carter	Mayor	Travelers Casualty & Surety Co.	\$ 50,000
Brian Burrage	Alderman	Travelers Casualty & Surety Co.	25,000
Thomas Bartholomew	Alderman	Travelers Casualty & Surety Co.	25,000
Robert Wall, Jr.	Alderman	Travelers Casualty & Surety Co.	25,000
Chris Wells	Alderman	Travelers Casualty & Surety Co.	25,000
Lana Deese	Alderwoman	Travelers Casualty & Surety Co.	25,000
Faye Ellis	Town Clerk	Travelers Casualty & Surety Co.	50,000
Faye Ellis	Court Clerk	Travelers Casualty & Surety Co.	50,000
Roseann Reynolds	Deputy Clerk	Travelers Casualty & Surety Co.	50,000

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**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE
WITH STATE LAWS AND REGULATIONS**

To the Mayor and the Board of Alderman
Town of Noxapater, Mississippi

We have compiled the accompanying Statement of Cash Receipts and Disbursements - Governmental and Business-type Activities, Schedule of Long-term Debt and Schedule of Surety Bonds for Town Officials for the year ended September 30, 2018, in accordance with Statements on 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, our compilation of the accompanying Statement of Cash Receipts and Disbursements - Governmental and Business-type Activities, Schedule of Long-term Debt and Schedule of Surety Bonds for Town Officials of the Town of Noxapater, Mississippi, for the year ended September 30, 2018, disclosed no material instances of noncompliance with state laws and regulations.

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

Bridgers, Goodman, Baird & Clarke, PLLC

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Louisville, Mississippi

May 2, 2019

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