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FINANCIAL STATEMENT

TOWN OF WALNUT

WALNUT, MISSISSIPPI

SEPTEMBER 30, 2018



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INDEPENDENT AUDITOR'S REPORT

To the Mayor and Board of Aldermen
Town of Walnut
Walnut, Mississippi 38683

Report on the Financial Statements

We have audited the accompanying statement of cash receipts and disbursements - (all funds) cash basis of the Town of Walnut for the year ended September 30, 2018.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Basis of Accounting

We draw attention to Note A of the financial statement, which describes the basis of accounting. This financial statement is prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements - (all funds) cash basis of the Town of Walnut for the year ended September 30, 2018, on the basis of accounting described in Note A.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis information that is required to be presented for purposes of additional analysis. Such missing information, although not 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.

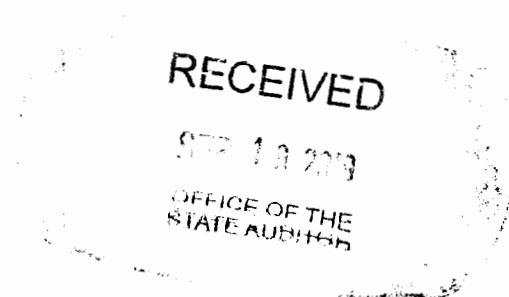
The supplementary information contained on pages 8, 9 and 10 is presented for the purpose of additional analysis and is not a required part of the financial statements. The supplementary information has not been subjected to the auditing procedures applied in the audit of the statement of cash receipts and disbursements - (all funds) cash basis and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2019, on our consideration of the Town of Walnut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Walnut's internal control over financial reporting and compliance.

Lindsey, Davis & Associates
Lindsey, Davis and Associates
Certified Public Accountants

Ripley, Mississippi
March 21, 2019



TOWN OF WALNUT
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS) - CASH BASIS
YEAR ENDED SEPTEMBER 30, 2018

	GOVERNMENTAL FUND TYPE	PROPRIETARY FUND TYPE	TOTALS (MEMORANDUM ONLY)	
	GENERAL	ENTERPRISE	2018	2017
CASH OPERATING RECEIPTS				
Privilege License	\$ 2,186		\$ 2,186	\$ 5,892
General Property Taxes	52,829		52,829	53,604
Prior Year Taxes	75		75	94
Penalties and Interest on Delinquent Taxes				436
Intergovernmental Receipts				
State Shared Receipts:				
Sales Tax	252,172		252,172	230,895
Gasoline Tax	2,361		2,361	2,361
Fire Protection	4,401		4,401	4,317
Homestead Exemption	2,987		2,987	2,906
TVA in Lieu of Taxes	11,339		11,339	12,144
General Municipal Aid	384		384	384
County Shared Receipts:				
Road Tax	14,201		14,201	15,523
Fire Protection	16,000		16,000	16,000
Charges for Services:				
Gas & Water Utilities		1,158,157	1,158,157	847,005
Garbage Collection Fees	22,859		22,859	19,533
Fines	9,765		9,765	14,896
Park - Fees	43,273		43,273	40,248
Gross Receipts Tax	35,009		35,009	12,224
Wellness Center Memberships	44,923		44,923	
Miscellaneous	83,171	1,191	84,362	3,947
TOTAL OPERATING RECEIPTS	597,935	1,159,348	1,757,283	1,282,409
OTHER CASH RECEIPTS				
Interest	1,227	4,418	5,645	4,996
Transfer	40,600		40,600	20,574
Loan Proceeds				247,500
Grant Proceeds	89,275		89,275	187,148
TOTAL OTHER RECEIPTS	131,102	4,418	135,520	460,218
TOTAL CASH RECEIPTS	729,037	1,163,766	1,892,803	1,742,627

See Independent Auditor's Report

TOWN OF WALNUT
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS) - CASH BASIS
YEAR ENDED SEPTEMBER 30, 2018

	GOVERNMENTAL FUND TYPE	PROPRIETARY FUND TYPE	TOTALS (MEMORANDUM ONLY)	
	GENERAL	ENTERPRISE	2018	2017
CASH OPERATING DISBURSEMENTS				
General Government	126,256		126,256	119,741
Public Safety:				
Police	132,812		132,812	148,686
Fire	36,158		36,158	26,965
Highways and Streets:				
Repairs & Maintenance	28,114		28,114	23,329
Enterprise:				
Gas & Water Utilities		691,596	691,596	635,674
Sanitation	20,216		20,216	20,435
Park & Recreation	61,575		61,575	63,115
TOTAL OPERATING DISBURSEMENTS	405,131	691,596	1,096,727	1,037,945
OTHER CASH DISBURSEMENTS				
Interest	5,514	25,431	30,945	25,429
Transfer		40,600	40,600	20,574
Principal Payments	33,114	33,070	66,184	43,608
Capital Expenditures	177,239	242,914	420,153	99,111
Grant Expenditures	30,993	7,000	37,993	494,049
TOTAL OTHER DISBURSEMENTS	246,860	349,015	595,875	682,771
TOTAL CASH DISBURSEMENTS	651,991	1,040,611	1,692,602	1,720,716
EXCESS OF CASH RECEIPTS OVER (UNDER) CASH DISBURSEMENTS	77,046	123,155	200,201	21,911
Cash Balances - Beginning of Year	246,679	855,960	1,102,639	1,080,728
Cash Balances - End of Year	<u>\$ 323,725</u>	<u>\$ 979,115</u>	<u>\$ 1,302,840</u>	<u>\$ 1,102,639</u>

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TOWN OF WALNUT
NOTES TO THE FINANCIAL STATEMENT
YEAR ENDED SEPTEMBER 30, 2018

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 statement of the Town consists 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 financial statement is prepared on a cash receipts and disbursements basis, as prescribed by the Office of the State Auditor. Consequently, certain revenues are recognized when received, and certain expenses are recognized when paid rather than when the obligation is incurred.

NOTE B. REPORT CLASSIFICATIONS

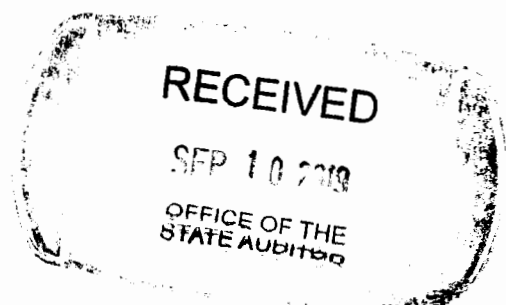
Receipts and disbursements were classified according to requirements for small towns in the State of Mississippi as prescribed by the Office of the State Auditor.

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TOWN OF WALNUT
SCHEDULE OF LONG-TERM DEBT
YEAR ENDED SEPTEMBER 30, 2018

		Balance	Transactions		Balance
		Outstanding	During Fiscal Year		Outstanding
		Oct. 1, 2017	Issued	Redeemed	Sept. 30, 2018
Definition	Purpose				
Rural Development	Water System	\$ 189,694	\$	\$ 6,018	\$ 183,676
MS Dept of Environmental Quality	Water System	83,620		5,738	77,882
MS Dept of Environmental Quality	Water System	92,288		5,428	86,860
Rural Development	Gas System	271,083		15,885	255,198
Northeast Mississippi Planning and Development District	General Fund	247,500		33,114	214,386
Total		<u>\$ 884,185</u>	<u>\$</u>	<u>\$ 66,183</u>	<u>\$ 818,002</u>

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TOWN OF WALNUT
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS
 SEPTEMBER 30, 2018

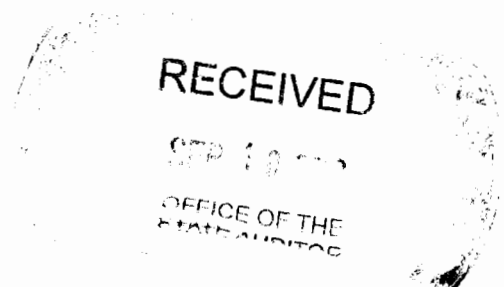
<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Amount</u>
Vickie Skinner	Mayor	Western Surety Company	\$ 50,000
Dana Hopkins	Town Clerk	Western Surety Company	250,000
Dana Hopkins	Court Clerk	Western Surety Company	25,000
Meghan Burchfield	Deputy Clerk	Western Surety Company	25,000
Laura Hines	Police Chief	Western Surety Company	50,000
Adam Zellener	Part-Time Policeman	Western Surety Company	25,000
Richard Jones	Part-Time Policeman	Western Surety Company	25,000
Cody Moore	Part-Time Policeman	Western Surety Company	25,000
Charles Woods	Part-Time Policeman	Western Surety Company	25,000
Johnathon Luttrell	Part-Time Policeman	Western Surety Company	25,000
Sarah Barnes	Part-Time Policeman	Western Surety Company	25,000
Michael Anglin	Part-Time Policeman	Western Surety Company	25,000
Chad Bateman	Alderman	Western Surety Company	25,000
Kevin Winter	Alderman	Western Surety Company	25,000
William D. Nabors	Alderman	Western Surety Company	25,000
Scott Pulliam	Alderman	Western Surety Company	25,000
Larry Dollar	Alderman	Western Surety Company	25,000

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TOWN OF WALNUT
SCHEDULE OF INVESTMENTS (ALL FUNDS) - CASH BASIS
YEAR ENDED SEPTEMBER 30, 2018

The Town of Walnut owned no securities held for investment at September 30, 2018.

See Independent Auditor's Report



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

To the Mayor and Board of Aldermen
Town of Walnut
Walnut, Mississippi 38683

We have audited the statement of cash receipts and disbursements - (all funds) cash basis of the Town of Walnut as of and for the year ended September 30, 2018 and have issued our report dated March 21, 2019. We have conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*.

As required by the state legal compliance audit program prescribed by the Office of the State Auditor, we have also performed procedures to test compliance with certain state laws and regulations. However, providing an opinion on compliance with state laws and regulations was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of those procedures and our audit of the general purpose financial statement disclosed no material instances of noncompliance with state laws and regulations.

This report is intended for the information of the Town's management and the Office of the State Auditor 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.

Lindsey, Davis & Associates
Lindsey, Davis and Associates
Certified Public Accountants

Ripley, Mississippi
March 21, 2019

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

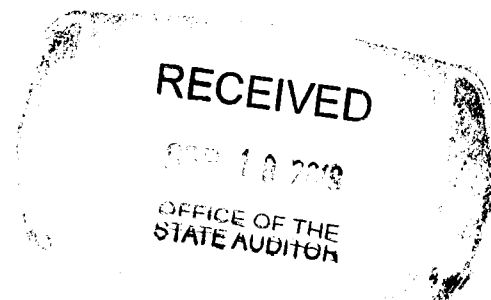
To the Mayor and Board of Aldermen
Town of Walnut
Walnut, MS 38683

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of the governmental activities and the business-type activities of the Town of Walnut, as of and for the year ended September 30, 2018, and the related notes to the financial statement, which collectively comprise the Town of Walnut basic financial statement, and have issued our report thereon dated March 21, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the Town of Walnut's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Town of Walnut's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Walnut's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Walnut's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Lindsey, Davis and Associates
Certified Public Accountants

Ripley, Mississippi
March 21, 2019

