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TOWN OF SUNFLOWER
YEAR ENDED SEPTEMBER 30, 2008

**TOWN OF SUNFLOWER, MISSISSIPPI
TABLE OF CONTENTS**

	<u>Page</u>
Accountant's Compilation Report	
Combined Statement of Cash Receipts and Disbursements- All Funds	1
Schedule of Long-Term Debt	6
Schedule of Surety Bonds for Town Officials	7

**FRED T. NEELY & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
105 W PRESIDENT
GREENWOOD, MS 38930
(662) 453-7112**

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Honorable Mayor and Board of Alderman
Town of Sunflower
SUNFLOWER, MISSISSIPPI

We have compiled the accompanying statement of cash receipts and disbursements - all fund types of the Town of Sunflower, Mississippi, for the year ended September 30, 2008, and the accompanying supplementary information - cash basis on page 6 and 7, which are presented only for supplementary analysis purposes, 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 receipts and disbursements basis of accounting, which is comprehensive basis of accounting other than generally accepted accounting principles.

A compilation is limited to presenting in the form of financial statements information that is the representation of the management of the Town of Sunflower. We have not audited or reviewed the accompanying statement of cash receipts and disbursements - all fund types and supplementary schedules and, accordingly, do not express an opinion or any other form of assurance on it.

Management has elected to omit substantially all of the disclosures ordinarily included in a financial statement prepared on the cash receipts and disbursements basis of accounting. If the omitted disclosures were included in the financial statement, they might influence the user's conclusions about the Town's cash receipts and disbursements. Accordingly, the financial statement is not designed for those who are not informed about such matters.

Fred T Neely & Company
Certified Public Accountants

August 4, 2009

TOWN OF SUNFLOWER, MISSISSIPPI
 COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS-ALL FUNDS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008

	GOVERNMENTAL FUNDS	PROPRIETARY FUND		Totals (Memorandum Only)
	General	Water	Sewer	September 30, 2008
REVENUE RECEIPTS:				
General Property Taxes:				
Current levy-real, personal & utility	\$ 111,540.61	\$		\$ 111,540.61
Auto & mobile home	57,191.23			57,191.23
Prior year	12,389.63			12,389.63
Penalties and interest on delinquent taxes	8,776.24			8,776.24
Total Taxes	189,897.71			189,897.71
Licenses and Permits:				
Permits and privilege licenses	1,420.55			1,420.55
Franchise fees	17,648.30			17,648.30
Total licenses and permits	19,068.85			19,068.85
Intergovernmental Revenues:				
Federal Grants				
CDBG Grant		\$	8,750.00	8,750.00
Home Grant	192,377.00			192,377.00
Total federal grants	192,377.00	\$	8,750.00	201,127.00
State Grants				
General municipal aid	362.78			362.78
Homestead exemption	16,764.90			16,764.90
Total state grants	17,127.68			17,127.68
State Shared Revenues				
General sales tax	45,986.13			45,986.13
Motor vehicle fuel tax	1,869.92			1,869.92
Alcoholic beverage license	900.00			900.00

See Accountant's Report

TOWN OF SUNFLOWER, MISSISSIPPI
 COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS-ALL FUNDS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008

	GOVERNMENTAL FUNDS	PROPRIETARY FUND Water and Sewer	Totals (Memorandum Only) September 30, 2008
REVENUE RECEIPTS: (Cont'd.)			
Infergovernmental Revenue: (Cont'd.)			
State Shared Revenues: (Cont'd.)			
Grand Gulf	4,672.87		4,672.87
Fire Protection	3,604.73		3,604.73
Utility taxes	1,102.95		1,102.95
Total state shared revenues	58,136.60		58,136.60
County Shared Revenues:			
Pro-rata county road taxes	4,174.47		4,174.47
Total county shared revenues	4,174.47		4,174.47
Total intergovernmental revenues	79,438.75		79,438.75
Charges for Services:			
Water, Sewer and garbage	224,900.95	224,900.95	224,900.95
Fines and Forfeits:			
Police fines	21,230.92		21,230.92
Miscellaneous:			
Interest			
Insurance Proceeds	3,780.05	2,121.55	5,901.60
Facility Building Income	7,056.99		7,056.99
Other miscellaneous	2,155.00		2,155.00
Total miscellaneous	15,571.50	2,121.55	17,693.05
Total Revenues:	517,584.73	235,772.50	753,357.23
Cash Balance-Beginning of Year	244,365.51	141,772.08	386,137.59
TOTAL AMOUNT TO ACCOUNT FOR	761,950.24	377,544.58	1,139,494.82

See Accountant's Report

TOWN OF SUNFLOWER, MISSISSIPPI
 COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS-ALL FUNDS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008

	GOVERNMENTAL FUNDS	PROPRIETARY FUND Water Sewer and	Totals (Memorandum Only) September 30, 2008
OPERATING DISBURSEMENTS:			
General Government:			
Employee Wages & Benefits	\$ 29,055.12	\$	\$ 29,055.12
Utilities	20,915.14		20,915.14
Insurance	5,503.69		5,503.69
Repairs, maintenance and supplies	7,339.95		7,339.95
Office	918.58		918.58
Property Tax Expense	913.00		913.00
Telephone	2,821.47		2,821.47
Travel, dues and CPE	6,628.72		6,628.72
Advertising	942.06		942.06
Legal and professional services	20,450.00		20,450.00
Miscellaneous other	729.47		729.47
Total general government	\$ 96,217.20		\$ 96,217.20
Public Safety:			
Police:			
Employee Wages & Benefits	\$ 103,986.39		\$ 103,986.39
Utilities	1,777.66		1,777.66
Insurance	7,525.88		7,525.88
Telephone	1,604.46		1,604.46
Travel, training and uniforms	1,230.01		1,230.01
Gas and oil	7,055.76		7,055.76
Repairs, maintenance and supplies	11,128.81		11,128.81
Office	551.12		551.12
Dues & Fees	8,044.20		8,044.20
Total police	\$ 142,904.29		\$ 142,904.29

See Accountant's Report

TOWN OF SUNFLOWER, MISSISSIPPI
 COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS-ALL FUNDS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008

	GOVERNMENTAL FUNDS	PROPRIETARY FUND Water and Sewer	Totals (Memorandum Only)
	General		September 30, 2008
OPERATING DISBURSEMENTS: (Cont'd.)			
Public Safety: (Cont'd.)			
Fire:			
Utilities	\$ 3,452.07		\$ 3,452.07
Repairs, Maintenance, and Supplies	436.60		436.60
Telephone	99.48		99.48
Gas and oil	342.03		342.03
Insurance	898.00		898.00
Total fire	\$ 5,228.18		\$ 5,228.18
Total public safety	\$ 148,132.47		\$ 148,132.47
Welfare:			
HUD Rehabilitation project	\$ 192,377.00		\$ 192,377.00
Water, Sewer and Garbage:			
Employee Wages & Benefits		93,467.05	93,467.05
Repairs, maintenance and supplies		19,594.12	19,594.12
Utilities and telephone		24,302.13	24,302.13
Insurance		9,793.43	9,793.43
Garbage collection fees		38,152.63	38,152.63
Office		2,320.52	2,320.52
Water Analysis		8,263.50	8,263.50
Gas and oil		8,825.06	8,825.06
Dues and subscriptions		1,475.11	1,475.11
Legal and Professional Service		6,000.00	6,000.00
Other miscellaneous		1,599.35	1,599.35
Interest on bonds, notes & capital lease		5,734.86	5,734.86
Total water, sewer and garbage		\$ 219,527.76	\$ 219,527.76
Total operating disbursements	\$ 436,726.67	\$ 219,527.76	\$ 656,254.43

See Accountant's Report

TOWN OF SUNFLOWER, MISSISSIPPI
 COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS-ALL FUNDS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008

	GOVERNMENTAL FUNDS	PROPRIETARY FUND Water Sewer and	Totals (Memorandum Only) September 30, 2008
OTHER DISBURSEMENTS:			
Bond, note & capital lease principal payments	\$	20,522.86	\$ 20,522.86
Capital outlay	875.95	9,627.72	10,503.67
Interfund transfers			
In, Out (-)			
Total other disbursements	\$ 875.95	\$ 30,150.58	\$ 31,026.53
Total Disbursements	\$ 437,602.62	\$ 249,678.34	\$ 687,280.96
Cash Balance-End of Year	324,347.62	127,866.24	452,213.86
TOTAL AMOUNT ACCOUNTED FOR	\$ 761,950.24	\$ 377,544.58	\$ 1,139,494.82

See Accountant's Report

TOWN OF SUNFLOWER, MISSISSIPPI
 SCHEDULE OF LONG-TERM DEBT
 SEPTEMBER 30, 2008

	Transactions During Fiscal Year			Balance Outstanding September 30, 2008
	Balance Outstanding October 1, 2007	Issued	Redeemed	
	\$ 9,391.82	\$ 9,391.82	\$ -	
	22,798.79		2,997.11	19,801.68
	87,703.00		8,133.93	79,569.07
	\$ 119,893.61	\$ 20,522.86	\$ -	\$ 99,370.75

REVENUE BONDS:

Single registered 5% bond, Originally issued for \$250,000, due in annual payments of \$15,623

Single registered 5% bond, originally issued for \$65,100 due in equal amortized payments of \$4,068.75. Have entered into \$339.06 supplementary monthly payment agreement

Single registered 4.5% bond, originally issued for \$100,000 due in equal monthly payments of \$507.00

Total long-term debt

See Accountant's Report

TOWN OF SUNFLOWER
 SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS
 SEPTEMBER 30, 2008

Name	Position	Surety	Amount
Marlene Murphy	Deputy City Clerk	Travelers	50,000
Joyce Walker	City Clerk	Travelers	100,000
Yumekia Stovall	Assistant Deputy Clerk	Travelers	50,000
Betty Fowler	Mayor	Travelers	25,000
Betty Fowler and Joyce Walker	Mayor and City Clerk	Travelers Blanket Bond	100,000
Shelia Pointer	Police Chief	Brierfield	50,000
Alvin McCarty	Alderman	Travelers	10,000
Wilmon Wash	Alderman	Travelers	10,000
Paul Haley	Alderman	Travelers	10,000
Eva Greer	Alderman	Travelers	10,000
Mildred Ann Hawthorne	Alderman	Travelers	10,000

See Accountant's Report

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 105 W PRESIDENT
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**SPECIAL REPORT ON AGREED-UPON PROCEDURES FOR THE
 TOWN OF SUNFLOWER, MS**

Honorable Mayor and
 Board of Aldermen
 Town of Sunflower, MS

We have applied certain agreed-upon procedures, as discussed below, to the accounting records of the Town of Sunflower, Mississippi, as of September 30, 2008, 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 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. 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.

Bank	Fund	Balance Per General Ledger
Planters Bank:		
Checking:		
House	Special Revenue Fund	\$ 100.00
Money Market:		
Insurance Settlement	General/Water	13,709.99
Fire Protection	Special Revenue Fund	41,191.72
Depreciation	Water/Sewer	6,212.53
Cushion	Water/Sewer	4,977.62
Contingent	Water/Sewer	1,263.14
Interest & Sinking	Water/Sewer	39,814.18
Now Account:		
General Fund – operating	General Fund	204,302.01
Water & Sewer – operating	Water/Sewer	14,666.14
Municipal Crime	General Fund	1.62
COPS Universal Hiring	General Fund	63,342.75
Court	General Fund	43.26
Fire/Police Building	General Fund	77.01
Rural Development Loan	Water/Sewer	855.28
Revolving Fund MESC	General Fund	1,562.12

MDEZA	General Fund	100.00
Sewer Grant	Water/Sewer	100.00
Certificates of Deposit:		
12 months	Water/Sewer	23,837.79
12 months	Water/Sewer	23,837.79
12 months	Water/Sewer	<u>11,918.91</u>
Total		<u>\$ 451,913.86</u>

2. The Town of Sunflower had no investments as of September 30, 2008.
3. We performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:
 - a. Proved the mathematical accuracy of the tax rolls but could not trace levies back to minutes.
 - b. Reconciled the amount of taxes levied per the tax rolls to amounts collected.
 - c. Examined uncollected taxes for proper handling, including tax sales.
 - d. Traced distribution of taxes collected to proper fund.
 - e. Analyzed increase in taxes for most recent period for compliance with increase of limitations of Sections 27-39-320 to 27-39-323, Miss Code Ann. (1972).

Tax assessments were found to be mathematically correct and in agreement with collections as follows:

	<u>Taxable Assessed Value</u>	<u>Millage</u>	<u>Levy</u>
Realty Property	\$ 1,867,566	72.00	\$134,464.75
Public Utilities	83,515	72.00	6,013.08
Personal Property	244,060	72.00	17,572.32
Automobiles and mobile homes	794,323	72.00	57,191.23
Less: Homestead	<u>366,462</u>	<u>72.00</u>	<u>-26,385.26</u>
Total	\$ 2,623,002	72.00	\$188,856.12
Homestead allowed and collected			16,764.90
Interest & Penalties			12,389.63
Prior Year			<u>8,776.24</u>
Total to be Accounted for			<u>\$ 226,786.89</u>

	<u>Taxes</u>	<u>Homestead Reimbursement</u>	
General Fund	\$189,897.71	\$ 16,764.90	\$ 206,662.61
Unpaid Taxes			19,860.61
Other			<u>263.67</u>
Total Accounted for			<u>\$ 226,786.89</u>

The distribution of taxes to funds was found to be in accordance within prescribed tax levies, and uncollected taxes were determined to be properly handled.

Ad valorem collections were found to be within the limitations of Sections 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 deposit in the respective bank accounts and recorded in the general ledger without exception. Payments traced were as follows:

<u>Payment Purpose</u>	<u>Receiving Fund</u>	<u>Ledger Amount</u>
Home Grant	General Fund	\$ 192,377.00
Sales Tax Allocation	General Fund	45,986.13
Homestead Exemption	General Fund	16,764.90
Fire Rebate Funds	General Fund	3,604.73
Nuclear Funds	General Fund	4,672.87
Gasoline Tax	General Fund	1,869.92
City Utility	General Fund	1,102.95
Liquor Privilege Tax	General Fund	900.00
General Municipal Aid	General Fund	362.78
Total State Funds		<u>\$ 267,641.28</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	37
Total Dollar Value of Sample	\$ 96,088.99

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 following issue is the only noted noncompliance with state requirements.

(1) Mississippi Code Section 27-105-305 requires municipalities to reselect financial depositories every two years. At September 30, 2008, the depositories had not been reselected since 2006.

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 1,2, and 3 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 Sunflower, Mississippi, for the year ended September 30, 2008.

August 4, 2009