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TOWN OF SCOوبا, MISSISSIPPI

REPORT ON COMPILATION  
OF  
FINANCIAL STATEMENT

Year Ended September 30, 2014

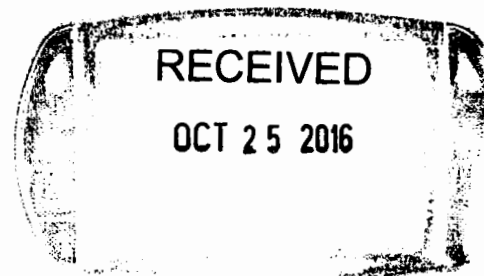
BARLOW, WALKER & COMPANY, P. A.  
CERTIFIED PUBLIC ACCOUNTANTS  
BRANDON, MISSISSIPPI



TOWN OF SCOoba, MISSISSIPPI  
Year Ended September 30, 2014

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# Barlow, Walker & Company, P.A.

## *Certified Public Accountants*

Charles S. Barlow, CPA  
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Carley W. Moore, CPA, CFE  
Jeffrey S. Eilders, CPA

Members of:  
American Institute of CPA's  
Mississippi Society of CPA's

282 Maxey Drive  
P.O. Box 150  
Brandon, Mississippi 39043  
(601) 825-1310  
(601) 825-1326 Fax

113-C Main Street  
Quitman, Mississippi 39355  
(601) 776-3361

Email: [sandy@brandoncpas.com](mailto:sandy@brandoncpas.com)  
[ken@brandoncpas.com](mailto:ken@brandoncpas.com)

Web: [www.barlowwalkercpa.com](http://www.barlowwalkercpa.com)

### **Independent Accountant's Compilation Report**

Honorable Mayor & Board of Aldermen  
Town of Scooba  
Scooba, Mississippi

We have compiled the accompanying statement of receipts and disbursements – governmental and business-type activities for the Town of Scooba, Mississippi (the "Town") for the year ended September 30, 2014. We have not audited or reviewed the accompanying financial statement and, accordingly, do not express an opinion or provide any assurance about whether the financial statement is in accordance with the cash basis of accounting.

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 controls 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 a financial statement without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statement.

Management has not presented government-wide financial statements to display the cash basis financial position and changes in cash basis financial position of its governmental activities and business-type activities. Accounting principles generally accepted in the United States of America, as applied to the Town's cash basis of accounting, require the presentation of government-wide financial statements. The amounts that would be reported in the government-wide financial statements resulting from the cash basis transactions for the Town's governmental activities and business-type activities are not reasonably determinable.

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 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 statement in an appropriate operational, economic, or historical context. The supplementary information contained on pages 5 through 11 is presented for purposes of additional analysis and has been compiled by us from information that is the representation of management. We have not audited or reviewed the supplementary information and, accordingly, we do not express an opinion or provide any assurance on such supplementary information.

*Barlow, Walker & Company, P.A.*  
Brandon, Mississippi  
September 9, 2016



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**TOWN OF SCOOBA, MISSISSIPPI**  
**Combined Statement of Receipts and Disbursements (all Funds)**  
**For the Year Ended September 30, 2014**

	Government Activities General Fund	Business Activities Water Fund	Totals (Memo Only)	
			Sept. 30, 2014	Sept. 30, 2013
Revenue receipts:				
General property taxes	\$ 35,731	\$ -	\$ 35,731	\$ 37,453
Road and bridge taxes	-	-	-	505
Auto advalorem taxes	3,291	-	3,291	2,698
Fines and forfeits	27,351	-	27,351	26,549
Licenses and permits	832	-	832	1,045
Franchise taxes	14,022	-	14,022	20,991
Personal property taxes	274	-	274	274
Intergovernmental revenues:				
State shared revenues:				
Sales tax	75,549	-	75,549	73,775
Municipal aid and gasoline tax	2,367	-	2,367	2,367
TVA taxes	6,609	-	6,609	8,616
Fire rebates	3,989	-	3,989	-
Homestead reimbursement	3,124	-	3,124	2,842
County shared revenues:				
Railbox taxes	1,834	-	1,834	1,744
Receipts from Board of Supervisors	1,955	-	1,955	1,650
Fire rebates and donations	4,194	-	4,194	6,586
Other grants	-	-	-	309,792
Reimbursements and other income	8,349	-	8,349	8,542
Charges for services:				
Water and sewer	-	176,851	176,851	154,342
Interest income	372	6	378	152
Total revenue receipts	<u>\$ 189,843</u>	<u>\$ 176,857</u>	<u>\$ 366,700</u>	<u>\$ 659,923</u>
Cash balance, beginning of year (including CD's and petty cash)	<u>22,571</u>	<u>24,323</u>	<u>46,894</u>	<u>106,587</u>
Total amount to account for	<u>\$ 212,414</u>	<u>\$ 201,180</u>	<u>\$ 413,594</u>	<u>\$ 766,510</u>

See independent accountant's compilation report.

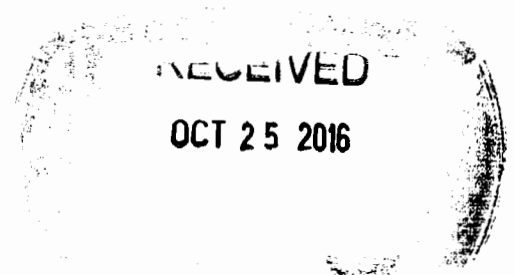




**TOWN OF SCOOPA, MISSISSIPPI**  
**Combined Statement of Receipts and Disbursements (all Funds)**  
**For the Year Ended September 30, 2014**

	Government Activities General Fund	Business Activities Water Fund	Totals (Memo Only)	
			Sept. 30, 2014	Sept. 30, 2013
Operating disbursements:				
General government:				
Advertisement, dues and schools	\$ 446	\$ -	\$ 446	\$ 1,170
Audit fees	10,900	-	10,900	6,350
Legal fees	-	-	-	225
Bonds and insurance	19,240	-	19,240	21,586
Health insurance	23,426	-	23,426	18,825
Utilities	24,808	-	24,808	20,532
Kemper Newton Regional Library	-	-	-	400
Gasoline	1,489	-	1,489	4,890
State police fees	-	-	-	9,738
Office supplies	5,693	-	5,693	6,127
Training and travel	3,401	-	3,401	4,089
Compensation, mayor, board, attorney	67	-	67	828
Payroll expense	58,002	-	58,002	60,839
Payroll taxes	4,471	-	4,471	2,142
Employee benefits	125	-	125	-
Equipment maintenance and supplies	6,435	-	6,435	4,993
Miscellaneous expense	11,260	-	11,260	6,056
Special assessments	8,096	-	8,096	1,664
	<u>177,859</u>	<u>-</u>	<u>177,859</u>	<u>170,454</u>
Public safety:				
Police:				
Advertisement, dues and schools	-	-	-	625
Bonds and insurance	471	-	471	235
Gasoline	2,369	-	2,369	260
Office supplies	1,579	-	1,579	126
Utilities	-	-	-	1,653
Training and travel	169	-	169	621
Payroll expense	28,669	-	28,669	22,789
Payroll taxes	2,193	-	2,193	2,287
Special services	1,345	-	1,345	122
Equipment maintenance and supplies	1,009	-	1,009	3,177
Uniforms	826	-	826	2,054
Miscellaneous expense	4,864	-	4,864	1,915
Jail fees	90	-	90	-
	<u>43,584</u>	<u>-</u>	<u>43,584</u>	<u>35,864</u>

See independent accountant's compilation report.





**TOWN OF SCOoba, MISSISSIPPI**  
**Combined Statement of Receipts and Disbursements (all Funds)**  
**For the Year Ended September 30, 2014**

	Government Activities General Fund	Business Activities Water Fund	Totals (Memo Only)	
			Sept. 30, 2014	Sept. 30, 2013
Enterprise:				
Water and sewer utility:				
Advertisement, dues and schools	-	559	559	1,178
Legal Fees	-	-	-	3,000
Engineering fees	-	-	-	26,417
Gasoline	-	4,782	4,782	26
Office supplies	-	5,907	5,907	2,914
Payroll expense	-	81,342	81,342	32,462
Supplies, labor and maintenance	-	17,416	17,416	116,483
Contract water dept	-	-	-	99,175
Miscellaneous expense	-	3,446	3,446	36,616
Sales tax	-	715	715	876
Sewer lab	-	1,374	1,374	1,703
Utilities	-	27,637	27,637	31,042
	-	143,178	143,178	351,892
Total operating disbursements	221,443	143,178	364,621	558,210
Other disbursements and transfers:				
Debt principal payments	-	5,791	5,791	6,427
Debt interest payments	-	2,185	2,185	2,275
Capital outlay - General Fund	725	-	725	2,640
Capital outlay - Public Safety	794	-	794	3,444
Capital outlay - Water/Sewer	-	3,276	3,276	140,620
Lease payments	-	5,195	5,195	6,000
Transfers in (out)	(24,710)	24,710	-	-
Total other disbursements and transfers	(23,191)	41,157	17,966	161,406
Total disbursements and transfers	\$ 198,252	\$ 184,335	\$ 382,587	\$ 719,616
Cash balance, end of year (including CD's and petty cash)	14,162	16,845	31,007	46,894
Total amount accounted for	\$ 212,414	\$ 201,180	\$ 413,594	\$ 766,510

See independent accountant's compilation report.



Town of Scooba, Mississippi  
Notes to the Financial Statement  
For the Year Ended September 30, 2014

**Note 1 - 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 the cash receipts and disbursements basis, as prescribed by the Mississippi Office of the State Auditor, which is a comprehensive basis of accounting other than generally accepted accounting principles. Consequently, certain revenues are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligation is incurred.

**Note 2 - Report Classifications**

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

**Note 3 - Total Columns on the Combined Statement**

Total columns on the combined statement are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Certain amounts in prior year totals memo column have been reclassified for comparability purposes. Additionally, such data is not comparable to a consolidation. Interfund eliminations have been made in the aggregation of this data.



Town of Scooba, Mississippi  
Schedule of Investments  
September 30, 2014

<u>Ownership</u>	<u>Type of Investment</u>	<u>Interest Rate</u>	<u>Acquisition Date</u>	<u>Maturity Date</u>	<u>Financial Institution</u>	<u>Investment Cost/Value</u>
General Fund	Certificate of Deposit	0.60%	8/26/2014	2/26/2015	Citizens Bank	\$ 6,937
General Fund	Certificate of Deposit	0.35%	2/11/2014	2/10/2015	Citizens Bank	\$ 4,132
Water Fund	Certificate of Deposit	0.45%	7/24/2014	7/23/2015	Citizens Bank	\$ 8,747

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Town of Scooba, Mississippi  
Schedule of Long-Term Debt  
September 30, 2014

	Balance Outstanding 10/1/2013	Issued in Fiscal Year 2014	Redeemed in Fiscal Year 2014	Balance Outstanding 9/30/2014
CAP Loan - Mississippi Development Authority, 2.0% interest, construction of Water System Improvement	<u>\$ 108,615</u>	<u>\$ -</u>	<u>\$ 5,791</u>	<u>\$ 102,824</u>

See independent accountant's compilation report.



Town of Scooba, Mississippi  
Schedule of Surety Bonds for Town Officials  
September 30, 2014

Position	Company	Bond
Mayor	MS Municipal Bond Program	\$ 25,000
Aldermen (5 @ \$10,000 each)	MS Municipal Bond Program	\$ 50,000
Police Chief	Traveler's Casualty & Surety	\$ 50,000
Police Officers (6 @ \$25,000 each)	Traveler's Casualty & Surety	\$ 150,000
Town Clerk	Traveler's Casualty & Surety	\$ 50,000
Deputy Town Clerk	Traveler's Casualty & Surety	\$ 50,000
Court Clerk	Traveler's Casualty & Surety	\$ 50,000
Office Clerk	Traveler's Casualty & Surety	\$ 50,000

See independent accountant's compilation report.



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282 Maxey Drive  
P.O. Box 150  
Brandon, Mississippi 39043  
(601) 825-1310  
(601) 825-1326 Fax

113-C Main Street  
Quitman, Mississippi 39355  
(601) 776-3361

Email: [sandy@brandoncpas.com](mailto:sandy@brandoncpas.com)  
[ken@brandoncpas.com](mailto:ken@brandoncpas.com)

Web: [www.barlowwalkercpa.com](http://www.barlowwalkercpa.com)

Honorable Mayor & Board of Aldermen  
Town of Scooba, Mississippi

We have applied certain agreed upon procedures, as discussed below, to the accounting records of the Town of Scooba, Mississippi, as of September 30, 2014, 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 Scooba, Mississippi and the Office of the State Auditor and should not be used for any other purposes. Our procedures and findings are as follows:

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
Citizens Bank	General Fund	\$ 14,162
Citizens Bank	Water & Sewer	\$ 16,845

2. We obtained a statement of payments made by the State 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 without exception. Payments traced were as follows:

Payment Purpose	Receiving Fund	Amount per General Ledger
Sales Tax Allocation	General Fund	\$ 75,549
State Fire Insurance Rebate	General Fund	\$ 3,989
Municipal Aid and Gas Tax	General Fund	\$ 2,367
Homestead Exemption Reimbursement	General Fund	\$ 3,124
TVA Payment in Lieu of Taxes	General Fund	\$ 6,609





3. 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, 31-7-13, 31-7-49 and 31-7-51, Miss. Code Ann. (1972), as applicable.

The sample consisted of the following:

Number of sample items: 15  
Dollar value of sample: \$35,176

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

4. We performed the following procedures with respect to taxes on real and personal property levied during the fiscal year:
  - a. Traced levies to governing body minutes;
  - b. Traced distribution of taxes collected to proper funds; and
  - c. Analyzed increase in taxes for most recent period for completion and increase limitations of Sections 27-39-320 to 27-39-233, Miss. Code Ann. (1972).

We found the municipality's collection procedures to be in agreement with the requirements of the above mentioned sections. Distributions of taxes to funds were found to be in accordance with prescribed tax levies. Ad valorem tax collections were found to be within the limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

5. We selected a sample of collection 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.

We found the municipality to be in agreement with the requirements of the above mentioned sections except as follows:

The Court clerk did not settle daily with the municipal clerk.

The Court clerk did not settle monthly with the Department of Finance and Administration.

6. We have read the Municipal Compliance Questionnaire completed by the municipality. The following responses to the questionnaire indicate noncompliance with state requirements.

The municipal compliance questionnaire indicates on Part 2, question 4, that all warrants be approved by the Board, signed by the mayor, attested by the clerk, and bears the municipal seal. Our testing indicated that the signature of the mayor and municipal seal were not being applied to the warrants.

The questionnaire indicates on Part 5, question 10, that court assessments be settled monthly with the Department of Finance and Administration. Our testing indicated that the court assessments are not being settled monthly with the Department.

The questionnaire indicates on Part 5, question 11, that fines and forfeitures are collected when due and settled immediately to the municipal treasurer. Our testing indicated that the court clerk does not settle daily with the municipal clerk.

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 above should be adjusted. Had we performed additional procedures or had we

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conducted an audit of the financial statement in accordance with generally accepted auditing standards, matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the governing body of the Town of Scooba, Mississippi, and the Office of the State Auditor 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. This report should not be associated with the financial statement of the Town of Scooba, Mississippi for the year ended September 30, 2014.

*Barlow, Walker & Company, P.A.*

Brandon, Mississippi  
September 9, 2016



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[ken@brandoncpas.com](mailto:ken@brandoncpas.com)

Web: [www.barlowwalkercpa.com](http://www.barlowwalkercpa.com)

### REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

Honorable Mayor & Board of Aldermen  
Town of Scooba, Mississippi

We have compiled the statement of cash receipts and disbursements – all funds for the Town of Scooba, Mississippi (the "Town") as of and for the year ended September 30, 2014, and have issued our report dated September 9, 2016, 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 accounting principles generally accepted in the United States of America.

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. 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.

The results of those procedures and our compilation of the statement of cash receipts and disbursements – all funds disclosed the following instances of noncompliance with state laws and regulations:

2014-01 – Finding: The court clerk did not settle collections daily with the municipal clerk.

Recommendation: The court clerk should settle collections daily with the municipal clerk as required by state laws and regulations.

Management's Response: The clerk will make an effort to settle collections daily with the municipal clerk.

2014-02 – Finding: The court clerk did not settle monthly with the Department of Finance and Administration.

Recommendation: The court clerk should settle monthly with the Department of Finance and Administration as required by state laws and regulations.

Management's Response: The court clerk will make an effort to settle monthly with the Department of Finance and Administration.



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2014-03 – Finding: The signature of the mayor and municipal seal were not applied to all warrants.

Recommendation: The Mayor and Board should take efforts to ensure that all warrants are properly signed and stamped as required by the state laws and regulations.

Management's Response: The Mayor and Board will make an effort to ensure that all warrants are signed and sealed as required by 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.

*Barlow, Walker & Company, P.A.*  
September 9, 2016

