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**TOWN OF BROOKSVILLE, MISSISSIPPI**

**COMPILATION AND AGREED-UPON  
PROCEDURES REPORT**

**For the Year Ended September 30, 2015**

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## INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Honorable Mayor and Board of Aldermen  
Town of Brooksville  
Brooksville, Mississippi

We have compiled the accompanying combined statement of cash receipts and disbursements – all funds of the Town of Brooksville, Mississippi, for the year ended September 30, 2015. 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, 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 statement.

Management has elected to omit substantially all of the disclosures ordinarily included in a financial statement prepared in accordance with the cash 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.

The supplementary information contained in schedules 1, 2, and 3 is presented for purposes of additional analysis and is not a required part of the basic financial statement. The supplementary information has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and, accordingly, do not express an opinion or provide any assurance on such supplementary information.

Management has not presented the management's discussion and analysis information and budgetary comparison information that the Governmental Accounting Standards Board has determined is required to supplement, although not required to be a part of, the basic financial statement.

*Rea, Shaw, Giffin & Stuart*

REA, SHAW, GIFFIN & STUART, LLP

Meridian, Mississippi  
December 18, 2015

**TOWN OF BROOKSVILLE, MISSISSIPPI**  
**COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS – ALL FUNDS**  
For the Year Ended September 30, 2015

	<u>General Fund Type</u>		Proprietary	Total
	<u>General</u>	<u>Special Revenue</u>	<u>Fund Type</u>	(Memorandum Only)
<b>REVENUE RECEIPTS</b>				
General property taxes	\$ 216,111	\$ -	\$ -	\$ 216,111
Penalties and interest	587	-	-	587
Intergovernmental revenues:				
Federal revenue:				
Fire protection	23,878	-	-	23,878
State shared revenues:				
TVA payments	8,068	-	-	8,068
Sales tax	121,291	-	-	121,291
Gasoline tax and municipal aid	4,279	-	-	4,279
County revenues:				
Road and bridge tax	22,215	-	-	22,215
Charge for services:				
Sewer utility	-	-	71,572	71,572
Water utility	-	-	288,371	288,371
Garbage fees	-	-	74,256	74,256
Lagoon fees	-	-	24,102	24,102
Fines and forfeitures	14,491	-	15,736	30,227
<b>Total revenue receipts</b>	<u>\$ 410,920</u>	<u>\$ -</u>	<u>\$ 474,037</u>	<u>\$ 884,957</u>
<b>OTHER RECEIPTS</b>				
Loans and transfers	\$ 167,200	\$ -	\$ -	\$ 167,200
MDA grant	2,000	-	-	2,000
Superior Asphalt lease payments	12,000	-	-	12,000
Miscellaneous	32,774	-	16,675	49,449
<b>Total other receipts</b>	<u>\$ 213,974</u>	<u>\$ -</u>	<u>\$ 16,675</u>	<u>\$ 230,649</u>
<b>Total receipts</b>	<u>\$ 624,894</u>	<u>\$ -</u>	<u>\$ 490,712</u>	<u>\$ 1,115,606</u>
<b>Cash balance - beginning of year</b>	\$ 213,775	\$ 1,138	\$ 45,789	\$ 260,702
Total unaccounted for	<u>-</u>	<u>131</u>	<u>-</u>	<u>131</u>
<b>Total amount to account for</b>	<u>\$ 838,669</u>	<u>\$ 1,269</u>	<u>\$ 536,501</u>	<u>\$ 1,376,439</u>

See Independent Accountants' Compilation Report.

**TOWN OF BROOKSVILLE, MISSISSIPPI**  
**COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS – ALL FUNDS**  
(continued)  
For the Year Ended September 30, 2015

	<u>General Fund Type</u>		<u>Proprietary</u>	<u>Total</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Fund Type</u>	<u>(Memorandum Only)</u>
<b>OPERATING DISBURSEMENTS</b>				
General government	\$ 220,492	\$ -	\$ -	\$ 220,492
Public safety:				
Police	178,445	-	-	178,445
Fire	8,367	-	-	8,367
Highways and streets:				
Repairs and maintenance	3,259	-	-	3,259
Other	100,884	-	-	100,884
Culture and recreation:				
Parks	4,728	-	-	4,728
Library	2,773	-	-	2,773
Enterprises:				
Sanitation	-	-	11,769	11,769
Sewer utility	-	-	6,151	6,151
Water utility	-	-	248,629	248,629
<u>Total operating disbursements</u>	<u>\$ 518,948</u>	<u>\$ -</u>	<u>\$ 266,549</u>	<u>\$ 785,497</u>
<b>OTHER DISBURSEMENTS</b>				
Loans and transfers	\$ -	\$ -	\$ 167,200	\$ 167,200
<u>Total other disbursements</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 167,200</u>	<u>\$ 167,200</u>
<b>TOTAL DISBURSEMENTS</b>	<u>\$ 518,948</u>	<u>\$ -</u>	<u>\$ 433,749</u>	<u>\$ 952,697</u>
<b>Cash balance - end of year</b>	\$ 292,559	\$ 1,269	\$ 95,470	\$ 389,298
Total unaccounted for	<u>27,162</u>	<u>-</u>	<u>7,282</u>	<u>34,444</u>
<u>Total amount accounted for</u>	<u>\$ 838,669</u>	<u>\$ 1,269</u>	<u>\$ 536,501</u>	<u>\$ 1,376,439</u>

See Independent Accountants' Compilation Report.

**TOWN OF BROOKSVILLE, MISSISSIPPI**  
**SELECTED INFORMATION – SUBSTANTIALLY ALL**  
**DISCLOSURES ARE NOT INCLUDED**

**Note 1. Summary of Significant Accounting Policies**

Reporting entity

The financial statement of the Town consists of all the funds of the Town.

The citizens of Brooksville have elected to operate under a Code Charter as permitted by Mississippi Statutes 21-3-3, which prescribes a Mayor and Board of Aldermen form of government.

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in accounting principles generally accepted in the United States of America. The basic, but not only criterion for including a potential component unit within the reporting entity, is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financial relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, there are no includable or excludable potential component units.

Fund accounting

The accounts of the Town are organized on the basis of funds, each of which is 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. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in financial statements in this report, into three generic fund types and two broad fund categories as follows:

**Note 1. Summary of Significant Accounting Policies (continued)**

**Governmental Funds:**

General Fund – the General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund – the Special Revenue Fund accounts for the proceeds of specific revenue sources, other than major capital projects or expendable trust funds that are legally restricted to expenditures for specified purposes. The Special Revenue Fund reflects cash balances for the cemetery, park and recreation, and the library/Lottie Smith.

**Proprietary Funds:**

Enterprise Funds – the Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through use charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Proprietary Fund is the water and sewer fund.

**Basis of accounting**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The Town uses the cash receipts and disbursements basis of accounting as prescribed by the Mississippi State Department of Audit. Revenues are recognized when received rather than when earned, and expenditures are recognized when paid rather than when the liability 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 office of the state auditor.



## **SUPPLEMENTARY INFORMATION**

**TOWN OF BROOKSVILLE, MISSISSIPPI**  
**SCHEDULE OF INVESTMENTS – ALL FUNDS**  
September 30, 2015

Ownership	Type of Investment	Interest Rate	Other Information	Investment Cost/Value
General Fund	Certificate of deposit	0.75%	Cadence Bank	\$ 3,697
General Fund	Certificate of deposit	0.75%	Cadence Bank	45,220
General Fund	Certificate of deposit	0.55%	Cadence Bank	31,378
General Fund	Certificate of deposit	0.55%	Cadence Bank	33,048
General Fund	Certificate of deposit	1.20%	Cadence Bank	48,422
General Fund	Certificate of deposit	0.20%	Cadence Bank	25,279

See Independent Accountants' Compilation Report.

## TOWN OF BROOKSVILLE, MISSISSIPPI

## SCHEDULE OF LONG-TERM DEBT

September 30, 2015

Definition and Purpose	Account	Balance Outstanding October 1, 2014	Transactions During Fiscal Year Issued	Redeemed	Balance Outstanding September 30, 2015
<b>General obligation bonds</b>					
USDA	28-052 Ln 02	\$ 12,641	\$ -	\$ 4,682	\$ 7,959
USDA	28-052 Ln 04	\$ 31,061	\$ -	\$ 4,824	\$ 26,237
USDA	28-052 Ln 10	\$ 93,169	\$ -	\$ 4,239	\$ 88,930
<b>Other long-term debt</b>					
Cadence Bank - street Improvement loan	94558201	\$ 49,101	\$ -	\$ 13,559	\$ 35,542
Cadence Bank - truck and trailer loan	4648358	\$ -	\$ 5,269	\$ 433	\$ 4,836
Trustmark Bank- vehicle loan, police department	28427912	\$ 9,945	\$ -	\$ 6,293	\$ 3,652

See Independent Accountants' Compilation Report.

## TOWN OF BROOKSVILLE, MISSISSIPPI

## SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS

September 30, 2015

Name	Position	Insurance Company	Bond Amount	Bond Number	Time Period
Eric Dooley	Alderman	Travelers Casualty & Surety	\$ 50,000	105935365	07/01/13 - 07/01/17
David Boswell	Mayor	Travelers Casualty & Surety	50,000	105935360	07/01/13 - 07/01/17
Albert "A.E." Williams	Mayor Pro-Tem	Travelers Casualty & Surety	50,000	105935363	07/01/13 - 07/01/17
Annie Anthony - Brooks	Alderman	Travelers Casualty & Surety	50,000	105935362	07/01/13 - 07/01/17
Curtis Bush	Alderman	Travelers Casualty & Surety	50,000	105935364	07/01/13 - 07/01/17
Tina Williams	Alderman	Travelers Casualty & Surety	50,000	105935361	07/01/13 - 07/01/17
Monica Chandler	Deputy Clerk	Western Surety Company	50,000	14769306	11/14/14 - 11/14/15
Aleasha G. Jordan	Deputy Clerk	Travelers Casualty & Surety	50,000	105961078	06/24/14 - 07/17/15
Tochonda L. Brooks	Deputy Clerk	Travelers Casualty & Surety	50,000	106327967	07/28/15 - 07/28/16

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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Honorable Mayor and Board of Aldermen  
Town of Brooksville  
Brooksville, Mississippi

We have applied certain agreed-upon procedures, as discussed below, to the accounting records of the Town of Brooksville, Mississippi as of September 30, 2015, 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). This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. Our procedures and findings are as follows:

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	Reconciled Balance
BankFirst	General Fund	\$ 928
BankFirst	General Fund	19,575
BankFirst	General Fund	56,046
BankFirst	General Fund	723
	Total general fund	<u>\$ 77,272</u>
BankFirst	Special revenue fund	<u>\$ 1,269</u>
	Total special revenue fund	<u>\$ 1,269</u>
BankFirst	Water and sewer	\$ 59,110
BankFirst	Water and sewer	8,184
BankFirst	Water and sewer	18,855
BankFirst	Water and sewer	5,691
BankFirst	Water and sewer	3,630
	Total water and sewer	<u>\$ 95,470</u>

Bank	Fund	Reconciled Balance
BankFirst	Clearing account	\$ 7,929
BankFirst	Payroll clearing account	<u>20,314</u>
	Total clearing account	<u>\$ 28,243</u>

The following accounts did not reconcile to the general ledger accounts:

Bank	Fund	Balance per G/L	Reconciled Balance
BankFirst	General Fund	\$ -	\$ 928
BankFirst	General Fund	-	19,575
BankFirst	General Fund	-	56,046
BankFirst	General Fund	-	723
BankFirst	Special revenue fund	-	1,269
BankFirst	Water and sewer	-	59,110
BankFirst	Water and sewer	-	8,184
BankFirst	Water and sewer	-	18,855
BankFirst	Water and sewer	-	5,691
BankFirst	Water and sewer	-	3,630
BankFirst	Clearing account	-	7,929
BankFirst	Payroll clearing account	-	20,314

We confirmed the certificate of deposit investments as of the fiscal year end. All investment transactions during the year were examined for compliance with investments authorized by Section 21-33-323, Miss. Code Ann. (1972).

Fund	General Security	Bank Balance
General Fund	Certificate of Deposit	\$ 3,697
General Fund	Certificate of Deposit	45,220
General Fund	Certificate of Deposit	31,378
General Fund	Certificate of Deposit	33,048
General Fund	Certificate of Deposit	48,422
General Fund	Certificate of Deposit	25,279

The following accounts did not reconcile to the general ledger accounts:

Bank	Fund	Balance per G/L	Balance per Bank
Cadence	General Fund	\$ -	\$ 3,697
Cadence	General Fund	-	45,220
Cadence	General Fund	-	31,378
Cadence	General Fund	-	33,048
Cadence	General Fund	-	48,422
Cadence	General Fund	-	25,279

We performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:

- a. discussed with Town management the process used to budget for ad valorem taxes and we determined that rather than using certified county assessment rolls to set the budget for ad valorem taxes, the Town consulted with the Noxubee County Tax Collector to obtain an estimated dollar per mill amount to determine the amount of mills that should be levied;
- b. traced levies to governing body minutes;
- c. examined uncollected taxes for proper handling, including tax sales;
- d. we were unable to trace the distribution of taxes collected to proper funds because the Town deposits all taxes into the General Fund rather than maintain separate special revenue funds for each individual levy; and
- e. analyzed increase in taxes for most recent period for compliance with increase limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

The distribution of taxes to funds was found not to be in accordance with prescribed tax levies. However, 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).

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>Payment</u>
Sales tax allocation cty	General	\$ 121,291
TVA payments in lieu of taxes	General	2,766
Homestead exemption	General	22,280
Gasoline tax	General	3,669
General municipal aid	General	610
Liquor privilege tax	General	1,800
Fire protection allocation	General	23,878
MDA grant	General	2,000
Other grants	General	14,481
		<u>\$ 192,775</u>

We selected a sample of purchases made by the municipality during the fiscal year. Each sample item was evaluated for proper approval and 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		25
Total dollar value of sample	\$	26,997

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

We 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 Sections 99-19-73 & 83-39-31, Miss. Code Ann. (1972).

We have read the Municipal Compliance Questionnaire completed by the municipality. The completed survey indicates one instance of noncompliance with state requirements that is also reported above in item 3. The various ad valorem tax collections have not been deposited into the appropriate funds in accordance with Section 21-33-53, Miss. Code Ann. (1972). All amounts have been deposited into the General Fund.

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, we 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, other 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 Brooksville, Mississippi, for the year ended September 30, 2015.

This report is intended solely for the use of the governing body of the Town of Brooksville, 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.

*Rea, Shaw, Giffin & Stuart*

REA, SHAW, GIFFIN & STUART, LLP