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MAYOR

Bobbie Miller

TOWN OF ISOLA

203 Julia Street ▪ P.O. Box 194

Isola, MS 38754

Phone: (662) 962-7725

Fax: (662) 962-6133

CITY CLERK

Laura A. Hinnant

CITY COUNCIL

Jack Toler, Ward 1

Alma Faye Custom, Ward 2

Dora Hooker, Ward 3

Lawrence Anderson, Ward 4

Linda Jones, Ward 5

CITY ATTORNEY

Bryan Clark

CHIEF OF POLICE

J.D. Roseman

June 21, 2017

Office of the State Auditor

P. O. Box 956

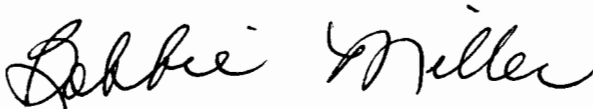
Jackson, Mississippi 39205

Re: Annual Municipal Financial Statement

Gentlemen:

Accompanying this letter is two (2) hard copies of the annual compilation of the Town of Isola, Mississippi, for the fiscal year ended September 30, 2015, respectively. A separate management letter was not written to the Town of Isola, Mississippi, in connection with this report.

Sincerely,



Bobbie Miller, Mayor

Enclosures/attachments

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JUN 26 2017

TOWN of ISOLA, MISSISSIPPI
Compiled Financial Statements
September 30, 2015

Ella B. Johnson,
Public Accountant
119 Greenridge Drive
Madison, MS 39110
662-347-5773 (Office)
601-790-9369 (Fax)

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JUN 26 2017

Town of Isola, Mississippi

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September 30, 2015

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Johnson Accounting Services
119 Greenridge Drive
Madison, MS 39110
Phone: 662-347-5773

**SPECIAL REPORT ON AGREED UPON
PROCEDURES FOR SMALL MUNICIPALITIES (TOWNS)**

(Compliance Letter)

Honorable Mayor and Board of Aldermen
Town of Isola
Isola, Mississippi 38754

We have applied certain agreed-upon procedures, as discussed below, to the accounting records of the Town of Isola, 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). It is understood the report is solely for the use of the governing body of the Town of Isola, 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 bank to balances in the respective general ledger accounts and obtained confirmation of the related balances from the bank:

<u>Bank</u>	<u>Funds</u>	<u>Balance per General Ledger</u>
Bank Plus	General Fund	
General Fund Operating		\$6,163
General Clearing		3,507
Time Deposit Account		<u>1,002</u>
	Total General Fund	<u>\$10,672</u>
Bank Plus	Special Revenue Fund	
Fire Fund		<u>\$9,686</u>
	Total Special Revenue Fund	<u>\$9,686</u>
Bank Plus	Proprietary Fund	
Water & Sewer Fund		<u>\$5,329</u>
	Total Proprietary Fund	<u>\$5,329</u>

No securities were held for investments.

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

- a. Trace 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 with Increase limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

The distribution of taxes to General Fund was found to be in accordance with prescribed tax levies. The distribution of taxes were not made to Fire Fund.

Sale of land for taxes was not published, therefore, uncollected taxes were determined to be improperly handled. Real and personal property taxes for current and prior year 2014 were collected by the Town Clerk. Prior year's real and personal taxes and current year auto and mobile taxes were collected by Humphreys County Tax Collector and remitted to the town on a monthly basis.

Ad valorem tax collections were found to be within the limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

3. The Town did not retire or issue general obligation debt or Revenue Bonds.
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. All payments were not recorded in the general ledger. Payments traced were as follows:

<u>Payment Purpose</u>	<u>Receiving Fund</u>	<u>Ledger Amount</u>
Sales Tax Allocation	General Fund	\$ 35,541
General Municipal Aid	General Fund	355
Gasoline Tax	General Fund	2,183
Homestead Exemption	General Fund	13,612
Grand Gulf	General Fund	4,339
Municipal Fire Protection	Fire Fund	<u>3,880</u>
	Sub-total	\$ 59,910
MS Development Authority	General Fund	<u>63,500</u>
	Total	<u>\$123,410</u>

5. 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, Mississippi Code Ann. (1972), if applicable.

The sample consisted of the following:

Number of Sample Items	23
Total Dollar Value of Sample	\$19,087

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

6. We selected a sample of collections of fines and forfeitures to determine that the Municipal Court Clerk settled receipts daily with the Municipal Clerk as required by Section 21-15-21, Miss. Code Ann. (1972)

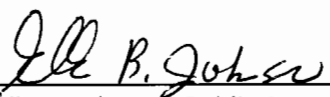
We found that the Municipal Court Clerk did not settle receipts to the Municipal Clerk on a daily basis.

7. We selected a sample of state-imposed court assessments collected to determine that the Municipal Clerk settled assessments collected monthly with the Dept. of Finance and Administration as required by Sections 99-19-73 and 83-39-31 of the Miss. Code Ann. (1972).

We found that the assessments were not collected and settled monthly.

8. We inquired about the Municipal Compliance Questionnaire and were informed by the Mayor and Town Clerk that the questionnaire had not been completed and submitted as required. The present Town Clerk was not employed by the Town during that time period, and was unable to attest to the questionnaire during the period of the engagement.

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 that items specified in Paragraph 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 Isola, Mississippi, for the year ended September 30, 2015.


Ella B. Johnson, Public Accountant
Madison, MS 39110
June 20, 2017

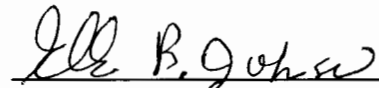
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**Johnson's Accounting Service
Public Accountant**

**119 Greenridge Drive, Madison, MS 39110
Phone: 662-347-5773 Fax: 601-790-9369**

Governing Body
Town of Isola, Mississippi

We have compiled the Town of Isola Statement of Cash Receipts and Disbursements
(Governmental & Business Type Activities) as of and for the Fiscal Year Ended September 30, 2015.


Ella B. Johnson, Public Accountant

June 20, 2017

TOWN OF ISOLA, MISSISSIPPI
STATEMENT OF CASH RECEIPTS and DISBURSEMENTS
GOVERNMENTAL & BUSINESS-TYPE ACTIVITIES
AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Governmental Activities			Business-Type Activities	
	General Fund	Other Nonmajor Funds	Total	Water & Sewer Fund	Total
RECEIPTS					
Taxes					
General Property Taxes	88,574		88,574		
Licenses & Permits	950		950		
Franchise Charges-Utilities	12,182		12,182		
Intergovernmental revenues:					
General Municipal Aid	355		355		
State shared revenues:					
Homestead Exempt. Reimburse.	13,612		13,612		
Sales Tax Allocation	35,541		35,541		
Gasoline Tax	2,183		2,183		
Grand Gulf Nuclear Plant	4,339		4,339		
Liquor Privilege Tax	-		-		
Fire Protection Allocation		3,880	3,880		
CDBG Grant Income		63,500	63,500		
Fines and Forfeits	3,091		3,091		
Land Redemption	2,334		2,334		
Road Taxes	1,660		1,660		
Interest Income	1		1		
Reimbursements	2,588		2,588		
Other Revenue	6,128	200	6,328		
Water/Sewer Tap Fees	1,200		1,200		
Charges for Services:					
Water, Sewer & Garbage				141,562	141,562
Water Deposits				1,800	1,800
TOTAL RECEIPTS	174,738	67,580	242,318	143,362	143,362

DISBURSEMENTS

General Government

General Administration

Salaries & Employee Benefits

Supplies

Legal

Judicial

85,586

3,939

7,800

4,200

85,586

3,939

7,800

4,200

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TOWN OF ISOLA, MISSISSIPPI
STATEMENT OF CASH RECEIPTS and DISBURSEMENTS
GOVERNMENTAL & BUSINESS-TYPE ACTIVITIES
AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Governmental Activities			Business-Type Activities	
	General <u>Fund</u>	Other Nonmajor <u>Funds</u>	<u>Total</u>	Water & Sewer <u>Fund</u>	<u>Total</u>
Other Services and Charges	56,494		56,494		
Debt Service - Interest	1,127		1,127		
Public Safety					
Police					
Supplies	1,091		1,091		
Fire Fund					
Personnel	472	1,648	2,120		
Other Services and Charges		2,688	2,688		
Public Works - Sanitation					
Garbage Disposal	7,004		7,004	18,926	18,926
Federal Expenditures:					
CDBG HOME Project	887	63,500	64,387		
Enterprises - Water & Sewer					
Salaries & Employee Benefits				45,402	45,402
Supplies				1,469	1,469
Other Services & Charges				70,031	70,031
Total Disbursements	168,600	67,836	236,436	135,828	135,828
Excess of Receipts Over (Under)					
Disbursements	6,138	(256)	5,882	7,534	7,534
OTHER CASH SOURCES (USES)					
Transfers In	3,152		3,152	-	-
Transfers Out	-		-	(3,152)	(3,152)
Debt Repaid-Principal	(1,202)		(1,202)		
Total Other Cash Sources (Uses)	1,950		1,950	(3,152)	(3,152)
Excess (Deficiency) of Receipts					
Over Disbursements	8,088	(256)	7,832	4,382	4,382
Cash Basis Fund Balance					
Beginning of Year	2,584	9,942	12,526	947	947
Cash Basis Fund Balance - End of Yr.	10,672	9,686	20,358	5,329	5,329

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TOWN OF ISOLA, MISSISSIPPI
SCHEDULE OF LONG-TERM DEBT
For the Fiscal Year Ended September 30, 2015

DEFINITION AND PURPOSE

Combined Waterworks & Sewer Sys Revenue Bond	Balance		Transactions During Fiscal Year		Balance
	Outstanding	<u>October 1, 2014</u>	<u>Issued</u>	<u>Redeemed</u>	Outstanding <u>September 30, 2015</u>
10393402	8,123			906	7,217
10393403	\$ 26,893		-	296	26,597
TOTAL	\$ 35,016		-	1,202	\$ 33,814

TOWN OF ISOLA, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS
September 30, 2015

<u>NAME</u>	<u>POSITION</u>	<u>COMPANY</u>	<u>AMOUNT</u>
Bobbie B. Miller	Mayor	Travelers	\$ 50,000
Jennette Randle	Clerk	Travelers	\$ 50,000
Janniece James	Deputy Clerk	Travelers	\$ 50,000
Lawrence Anderson	Alderman	Travelers	\$ 25,000
Alma Faye Custom	Alderwoman	Travelers	\$ 25,000
Dora Hooker	Alderwoman	Travelers	\$ 25,000
Gwen Moffett Jones	Alderwoman	Travelers	\$ 25,000
Kenneth Jackson Toler	Alderman	Travelers	\$ 25,000

JOHNSON ACCOUNTING SERVICE
Ella B. Johnson, Public Accountant
119 Greenridge Drive
Madison, MS 39110
Phone: 662-347-5773
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**REPORT ON COMPLIANCE WITH STATE
LAWS AND REGULATIONS**

To the Mayor and the Board of Aldermen
Town of Isola, Mississippi 38754

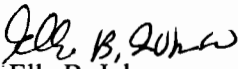
We have compiled the accompanying Statement of Cash Receipts and Disbursements – Governmental and Business-Type Activities, Schedule of Long-Term Debt and Schedule of Surety Bonds for Municipal Officials of the Town of Isola, Mississippi, for the year ended September 30, 2015, in accordance with Statements 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.

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. According, we do not express such an opinion.

With respect to items tested, the results of those procedures and my 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 Municipal Officials of the Town of Isola, Mississippi, for the year ended September 30, 2015 disclosed the following material instances of noncompliance with state laws and regulations. Our findings and recommendations and your responses are as follows:

1. We found that the Municipal Court Clerk did not settle receipts to the Municipal Clerk on a daily basis and assessments were not collected and settled monthly. This is being corrected by new personnel.
2. We inquired about the Municipal Compliance Questionnaire and were informed by the Mayor and Town Clerk that the questionnaire had not been completed and submitted as required. The Town Clerk was not employed by the Town during that time period, and was unable to attest to the questionnaire during the period of the engagement.

This report is intended solely for the information and use of 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.


Ella B. Johnson,
Public Accountant
June 20, 2017

