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**TOWN OF SHUBUTA, MISSISSIPPI
COMPILATION REPORT
AND
REPORT ON AGREED-UPON PROCEDURES
SEPTEMBER 30, 2016**

JUN 12 2013

**WALKER & COMPANY CPAs, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
FLOWOOD, MISSISSIPPI**

TOWN OF SHUBUTA, MISSISSIPPI
SEPTEMBER 30, 2016

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JUN 12 2013

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To the Honorable Mayor and Board of Aldermen
Town of Shubuta, Mississippi

Management is responsible for the accompanying statement of cash receipts and disbursements (all funds) of the Town of Shubuta, Mississippi for the year ended September 30, 2016, in accordance with the cash basis of accounting, and for determining that the cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the statement of cash receipts and disbursements and we were not required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, and do not provide any form of assurance on the statement of cash receipts and disbursements.

The accompanying financial statement is prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The supplementary information contained in the schedule of investments, schedule of long-term debt and the schedule of surety bonds for town officials is presented for purposes of additional analysis and is not a required part of the 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 elected to omit substantially all 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.

Management has omitted the management's discussion and analysis, budgetary comparison information, and the schedules related to net pension liability that are required to be presented for purposes of additional analysis. Such missing information, although not a part of the basic financial statement, 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.

In accordance with the provisions of Section 21-35-31, Miss. Code Ann. (1972), we have issued a report dated May 23, 2018, on the results of our agreed-upon procedures.

Walker & Company CPAs, P.C.
Flowood, Mississippi
May 23, 2018

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TOWN OF SHUBUTA, MISSISSIPPI
Combined Statement of Receipts and Disbursements (All Funds)
For the Year Ended September 30, 2016

	General Fund	Proprietary Funds		Totals (Memo Only)	
		Water Fund	Sanitation Fund	Sept. 30, 2016	Sept. 30, 2015
Revenue Receipts:					
General property taxes	\$ 81,973	\$ -	\$ -	\$ 81,973	80,306
Licenses and permits	280	-	-	280	287
Franchise taxes on utilities	15,566	-	-	15,566	17,701
Intergovernmental Revenues:					
Sales tax	44,674	-	-	44,674	48,271
Gasoline tax	1,351	-	-	1,351	1,351
Motor vehicle tax	16,234	-	-	16,234	17,682
Fire insurance premium tax distribution	2,828	-	-	2,828	2,400
County shared taxes	480	-	-	480	6,930
Municipal aid	220	-	-	220	220
Homestead reimbursement	7,353	-	-	7,353	7,075
Rail car taxes	1,633	-	-	1,633	1,419
Charges for Services:					
Garbage collection fees (transferred from water fund)	-	-	32,992	32,992	32,561
Water and sewer	-	102,191	-	102,191	97,988
Interest income	176	20	-	196	244
Police fines	3,097	-	-	3,097	8,165
Miscellaneous	6,069	2,443	449	8,961	8,376
Total Revenue Receipts	181,934	104,654	33,441	320,029	330,976
Other Receipts:					
Board of Supervisors	-	-	-	-	50,000
Transfers in from other funds	-	53,314	-	53,314	25,471
Law enforcement block grant	3,000	-	-	3,000	-
CDBG revenue	37,000	-	-	37,000	10,349
Multi-purpose building	4,400	-	-	4,400	985
Ball park	554	-	-	554	1,162
Proceeds from notes payables	-	139,625	-	139,625	-
Total Other Receipts	44,954	192,939	-	237,893	87,967
Total Receipts	226,888	297,593	33,441	557,922	418,943
Cash Balance - Beginning of Year (Includes CD's and petty cash)	101,813	4,604	1,268	107,685	113,553
Total Amount to Account For	\$ 328,701	\$ 302,197	\$ 34,709	\$ 665,607	\$ 532,496
Operating Disbursements:					
General Government:					
Salaries, payroll tax and retirement	\$ 95,788	\$ -	\$ -	\$ 95,788	100,034
Administrative	10,669	-	-	10,669	8,928
Utilities	19,734	-	-	19,734	22,870
Tax collector commission	-	-	-	-	950
Telephone	6,754	-	-	6,754	5,756
Office supplies and postage	3,337	-	-	3,337	3,648
Repairs and parts	12,865	-	-	12,865	8,231
Legal, accounting and engineering	7,917	-	-	7,917	7,415
Insurance	17,347	-	-	17,347	17,789
Miscellaneous	5,972	-	-	5,972	10,412
Street	1,301	-	-	1,301	1,690
Ball park	1,878	-	-	1,878	7,431
Multi-purpose building	4,492	-	-	4,492	1,043

See accountant's compilation report.

TOWN OF SHUBUTA, MISSISSIPPI
Combined Statement of Receipts and Disbursements (All Funds)
For the Year Ended September 30, 2016

	General Fund	Proprietary Funds		Totals (Memo Only)	
		Water Fund	Sanitation Fund	Sept. 30, 2016	Sept. 30, 2015
Operating Disbursements - continued:					
Public Safety:					
Police:					
Supplies	661	-	-	661	5,288
Automobile	514	-	-	514	4,581
Court	1,305	-	-	1,305	3,220
Fire:					
Operating	923	-	-	923	48,831
Water and Sewer:					
Salaries, payroll tax and retirement	-	35,730	-	35,730	29,006
Administrative	-	26,190	-	26,190	22,825
Supplies	-	9,474	-	9,474	10,337
Repair and maintenance	-	8,453	-	8,453	7,522
Accounting	-	-	-	-	-
Gas and oil	-	3,437	-	3,437	5,005
Insurance	-	3,100	-	3,100	4,881
Utilities	-	14,864	-	14,864	13,929
Sales tax	-	193	-	193	252
State retirement	-	1,365	-	1,365	9,632
Miscellaneous	-	15,277	-	15,277	3,863
Sanitation:					
Salaries, payroll tax and retirement	-	-	13,687	13,687	10,655
Clarke County landfill fees	-	-	6,239	6,239	5,697
Gasoline and repairs - truck	-	-	2,471	2,471	3,142
Supplies	-	-	1,283	1,283	569
Miscellaneous	-	-	-	-	3,564
Total Operating Disbursements	191,457	118,083	23,680	333,220	388,996
Other Disbursements and Transfers:					
Loans repaid with interest	2,776	4,983	-	7,759	10,344
Capital outlays	-	175,886	-	175,886	-
Transfers to other funds	42,340	-	10,974	53,314	25,471
Total Other Disbursements and Transfers	45,116	180,869	10,974	236,959	35,815
Total Disbursements and Transfers	236,573	298,952	34,654	570,179	424,811
Cash Balance including CD's and petty cash at end of year	92,128	3,245	55	95,428	107,685
Total Amount Accounted For	\$ 328,701	\$ 302,197	\$ 34,709	\$ 665,607	\$ 532,496

See accountant's compilation report.

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TOWN OF SHUBUTA, MISSISSIPPI
Schedule of Investments (All Funds)
For the Year Ended September 30, 2016

<u>Ownership</u>	<u>Type of Investment</u>	<u>Interest Rate</u>	<u>Date of Acquisition</u>	<u>Date of Maturity</u>	<u>Other Information</u>	<u>Investment Cost/Value</u>
General Fund	Certificate of Deposit	0.10%	7/15/2016	7/15/2017	Bank Plus	\$ 38,999
General Fund	Certificate of Deposit	0.10%	3/9/2016	3/9/2017	Bank Plus	\$ 20,010
General Fund	Certificate of Deposit	0.15%	11/1/2015	11/1/2016	First State Bank	\$ 16,549

See accountant's compilation report.

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TOWN OF SHUBUTA, MISSISSIPPI
Schedule of Changes in Long-term Debt
For the Year Ended September 30, 2016

	Balance Outstanding 10/1/2015	Issued in Fiscal Year 2016	Redeemed in Fiscal Year 2016	Balance Outstanding 9/30/2016
Revenue Bonds & Debt				
MS Development Authority	\$ -	\$ 139,625	\$ 4,983	\$ 134,642
Bush Hog note	<u>2,723</u>	<u>-</u>	<u>2,723</u>	<u>-</u>
Total	<u><u>\$ 2,723</u></u>	<u><u>\$ 139,625</u></u>	<u><u>\$ 7,706</u></u>	<u><u>\$ 134,642</u></u>
Assessed valuation	2,137,459			
Population per latest census	675			

See accountant's compilation report.

TOWN OF SHUBUTA, MISSISSIPPI
Schedule of Surety Bonds for Town Officials
For the Year Ended September 30, 2016

Name	Position	Company	Bond
Richard Carter	Mayor	Zurich North American Surety	\$ 50,000
Charles McFarland	Alderman	MS Municipal Bond Program	\$ 50,000
Toria Hoze-Miles	Alderman	MS Municipal Bond Program	\$ 50,000
Jeanie S. McDonald	Alderman	MS Municipal Bond Program	\$ 50,000
Mary McFarland	Alderman	MS Municipal Bond Program	\$ 50,000
Robin Jones	Alderman	MS Municipal Bond Program	\$ 50,000
Diane A. Turner Brown	Town Clerk	Zurich North American Surety	\$ 50,000
Phyllis A. McFarland	Deputy Clerk	Travelers	\$ 10,000
Police Officers (2 @ \$25,000 each)		Travelers	\$ 50,000

See accountant's compilation report.

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TOWN OF SHUBUTA, MISSISSIPPI
Solid Waste Management Services
Full Cost Accounting Summary of Costs Report
For the Fiscal Year Ended September 30, 2016

Revenue:	
Garbage revenue	\$ 32,992
Expenses:	
Clarke County landfill fees	6,239
Wages & payroll taxes	13,687
Supplies	1,283
Gasoline & truck	<u>2,471</u>
Total expense	<u>23,680</u>
Excess of revenue over expenses	<u>\$ 9,312</u>
Number of users	218
Average annual cost per user	\$ 108.62

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Accountant's Report on Applying Agreed-Upon Procedures

Honorable Mayor and Board of Aldermen
Town of Shubuta, Mississippi

We have performed the procedures enumerated below to the accounting records of the Town of Shubuta, Mississippi, as of September 30, 2016, 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). The procedures, which were agreed to by Town officials, were performed to assist the Town officials in evaluating the Town's compliance with specified requirements. 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 the specified users of the 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:

- A. 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 bank:

Bank	Fund	Balance
Bank Plus	General Fund	\$ 5,212
Bank Plus	General Fund	\$ 104
Bank Plus	General Fund	\$ 1,905
Bank Plus	General Fund	\$ 2,888
Bank Plus	General Fund	\$ 1,383
Bank Plus	General Fund	\$ 213
Bank Plus	General Fund	\$ 4,865
Bank Plus	Water Fund	\$ 1,641
Bank Plus	Water Fund	\$ 212
Bank Plus	Water Fund	\$ 104
Bank Plus	Water Fund	\$ 1,072
Bank Plus	Water Fund	\$ 13
Bank Plus	Water Fund	\$ 101
Bank Plus	Water Fund	\$ 102
Bank Plus	Sanitation Fund	\$ 55

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- B. We physically examined securities held for investment. Securities held in trust were confirmed directly with respective trustees. All investment transactions during the year were examined for compliance with investments authorized by Section 21-33-323 of the Miss. Code Ann. (1972).

Security	Fund	Balance
Bank Plus CD	General Fund	\$ 38,999
Bank Plus CD	General Fund	\$ 20,010
First State Bank CD	General Fund	\$ 16,549

- C. We obtained a statement of payments made by the 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:

Purpose for Payment	Receiving Fund	Amount
Sales tax allocation	General Fund	\$ 44,674
Gasoline refund allocation	General Fund	\$ 1,351
Homestead reimbursement	General Fund	\$ 7,353
Fire protection allocation	General Fund	\$ 2,828
Municipal aid	General Fund	\$ 220
Water pollution control	Water Fund	\$ 37,000

- D. We selected a sample of purchases made by the municipality during the fiscal year. Each sample item was evaluated for compliance with the 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
Dollar Value of Sample	\$183,185

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

- E. We performed the following procedures with respect to taxes on real and personal property levied during the fiscal year:
- Traced levies to governing body minutes;
 - Traced distribution of taxes collected to proper funds; and
 - 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.

- F. 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 to determine that the municipal clerk had settled monthly with the Department of Finance and Administration.

We found the municipality's settlement procedures to be in agreement with requirements.

- G. We have read the Municipal Compliance Questionnaire completed by the municipality. The completed survey indicated no instances of noncompliance with state requirements.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on management's compliance with laws and regulations. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use and information of the Town of Shubuta, Mississippi and the Office of the State Auditor, State of Mississippi and is not intended to be, and should not be, used by anyone other than those specified parties.

This report should not be associated with the financial statement of the Town of Shubuta, Mississippi, for the year ended September 30, 2016.

Walker & Company CPAs, P.C.

Flowood, Mississippi
May 23, 2018

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Report on Compliance with State Laws and Regulations

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

We have compiled the accompanying statement of cash receipts and disbursements – governmental and business-type activities, schedule of investments (all funds), schedule of changes in long-term debt, and schedule of surety bonds for town officials for the Town of Shubuta, Mississippi for the year ended September 30, 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.

We have performed procedures to test compliance with certain state laws and regulations as described by the Municipal Compliance Questionnaire that is prescribed by the office of the State Auditor. 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.

With respect to items tested, the results of those procedures and our compilation of the accompanying statement of cash receipts and disbursements – governmental and business-type activities, schedule of investments (all funds), schedule of long-term debt and schedule of surety bonds for town officials for the Town of Shubuta, Mississippi, for the year ended September 30, 2016 disclosed no material instances of noncompliance with state laws and regulations.

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.

Walker & Company CPAs, P.C.
Brandon, Mississippi

May 23, 2018



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