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TOWN OF SHUBUTA, MISSISSIPPI  
COMPILATION REPORT  
AND  
REPORT ON AGREED-UPON PROCEDURES  
September 30, 2017

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

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TOWN OF SHUBUTA, MISSISSIPPI

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

Management is responsible for the accompanying combined statement of cash receipts and disbursements (all funds) of the Town of Shubuta, Mississippi, as of and for the year ended September 30, 2017, 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 accompanying financial statement 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 accompanying financial statement.

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 31, 2018, on the results of our agreed-upon procedures.

*Walker & Company CPAs, P.C.*  
Flowood, Mississippi  
May 31, 2018



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TOWN OF SHUBUTA, MISSISSIPPI  
Combined Statement of Receipts and Disbursements (All Funds)  
For the Year Ended September 30, 2017

	General Fund	Proprietary Funds		Totals (Memo Only)	
		Water Fund	Sanitation Fund	Sept. 30, 2017	Sept. 30, 2016
Revenue Receipts:					
General property taxes	\$ 67,693	\$ -	\$ -	\$ 67,693	81,973
Licenses and permits	469	-	-	469	280
Franchise taxes on utilities	14,878	-	-	14,878	15,566
Intergovernmental Revenues:					
Sales tax	45,649	-	-	45,649	44,674
Gasoline tax	1,351	-	-	1,351	1,351
Motor vehicle tax	26,040	-	-	26,040	16,234
Fire insurance premium tax distribution	2,469	-	-	2,469	2,828
County shared taxes	614	-	-	614	480
Municipal aid	220	-	-	220	220
Homestead reimbursement	7,510	-	-	7,510	7,353
Rail car taxes	1,761	-	-	1,761	1,633
Charges for Services:					
Garbage collection fees (transferred from water fund)	-	-	32,940	32,940	32,992
Water and sewer	-	96,292	-	96,292	102,191
Interest income	255	4	-	259	196
Police fines	4,931	-	-	4,931	3,097
Miscellaneous	7,545	5,342	-	12,887	8,961
Total Revenue Receipts	181,385	101,638	32,940	315,963	320,029
Other Receipts:					
Board of Supervisors	-	-	-	-	-
Transfers in from other funds	-	262,809	-	262,809	53,314
Law enforcement block grant	-	-	-	-	3,000
Other grants	9,187	-	-	9,187	-
CDBG revenue	284,673	-	-	284,673	37,000
Multi-purpose building	4,555	-	-	4,555	4,400
Ball park	1,900	-	-	1,900	554
Proceeds from notes payable	100,405	-	-	100,405	139,625
Total Other Receipts	400,720	262,809	-	663,529	237,893
Total Receipts	582,105	364,447	32,940	979,492	557,922
Cash Balance - Beginning of Year (Includes CD's and petty cash)	92,128	3,245	55	95,428	107,685
Total Amount to Account For	\$ 674,233	\$ 367,692	\$ 32,995	\$ 1,074,920	\$ 665,607
Operating Disbursements:					
General Government:					
Salaries, payroll tax and retirement	\$ 81,313	\$ -	\$ -	\$ 81,313	95,788
Administrative	24,828	-	-	24,828	10,669
Utilities	23,476	-	-	23,476	19,734
Tax collector commission	2,928	-	-	2,928	-
Telephone	7,702	-	-	7,702	6,754
Office supplies and postage	1,937	-	-	1,937	3,337
Repairs and parts	7,633	-	-	7,633	12,865
Legal, accounting and engineering	3,400	-	-	3,400	7,917
Insurance	20,876	-	-	20,876	17,347
Miscellaneous	5,133	-	-	5,133	5,972
Street	1,175	-	-	1,175	1,301
Ball park	5,144	-	-	5,144	1,878
Multi-purpose building	2,878	-	-	2,878	4,492

TOWN OF SHUBUTA, MISSISSIPPI  
Combined Statement of Receipts and Disbursements (All Funds)  
For the Year Ended September 30, 2017

	General Fund	Proprietary Funds		Totals (Memo Only)	
		Water Fund	Sanitation Fund	Sept. 30, 2017	Sept. 30, 2016
Operating Disbursements - continued:					
Public Safety:					
Police:					
Supplies	282	-	-	282	661
Automobile	-	-	-	-	514
Court	3,368	-	-	3,368	1,305
Fire:					
Operating	3,308	-	-	3,308	923
Water and Sewer:					
Salaries, payroll tax and retirement	-	40,737	-	40,737	35,730
Administrative	-	49,751	-	49,751	26,190
Supplies	-	9,739	-	9,739	9,474
Repair and maintenance	-	12,389	-	12,389	8,453
Accounting	-	-	-	-	-
Gas and oil	-	4,396	-	4,396	3,437
Insurance	-	4,026	-	4,026	3,100
Utilities	-	13,473	-	13,473	14,864
Sales tax	-	424	-	424	193
State retirement	-	1,536	-	1,536	1,365
Miscellaneous	-	2,172	-	2,172	15,277
Sanitation:					
Salaries, payroll tax and retirement	-	-	12,492	12,492	13,687
Clarke County landfill fees	-	-	2,918	2,918	6,239
Gasoline and repairs - truck	-	-	2,501	2,501	2,471
Supplies	-	-	336	336	1,283
Total Operating Disbursements	<u>195,381</u>	<u>138,643</u>	<u>18,247</u>	<u>352,271</u>	<u>333,220</u>
Other Disbursements and Transfers:					
Loans repaid with interest	1,918	8,207	-	10,125	7,759
Capital outlays	128,560	218,211	-	346,771	175,886
Transfers to other funds	249,598	-	13,211	262,809	53,314
Total Other Disbursements and Transfers	<u>380,076</u>	<u>226,418</u>	<u>13,211</u>	<u>519,300</u>	<u>236,959</u>
Total Disbursements and Transfers	<u>575,457</u>	<u>365,061</u>	<u>31,458</u>	<u>971,976</u>	<u>570,179</u>
Cash Balance including CD's and petty cash at end of year	<u>98,776</u>	<u>2,631</u>	<u>1,537</u>	<u>102,944</u>	<u>95,428</u>
Total Amount Accounted For	<u>\$ 674,233</u>	<u>\$ 367,692</u>	<u>\$ 32,995</u>	<u>\$ 1,074,920</u>	<u>\$ 665,607</u>

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TOWN OF SHUBUTA, MISSISSIPPI  
Schedule of Investments (All Funds)  
For the Year Ended September 30, 2017

<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	\$ 39,042
General Fund	Certificate of Deposit	0.10%	4/9/2017	4/9/2018	Bank Plus	\$ 20,010
General Fund	Certificate of Deposit	0.15%	11/1/2016	11/1/2017	First State Bank	\$ 16,565

See accountant's compilation report.

TOWN OF SHUBUTA, MISSISSIPPI  
Schedule of Changes in Long-term Debt  
For the Year Ended September 30, 2017

	Balance Outstanding 10/1/2016	Issued in Fiscal Year 2017	Redeemed in Fiscal Year 2017	Balance Outstanding 9/30/2017
<b>Revenue Bonds &amp; Debt</b>				
MS Development Authority	\$ 134,642	\$ -	\$ 8,207	\$ 126,435
Bank Plus	-	100,405	1,918	98,487
<b>Total</b>	<u>\$ -</u>	<u>\$ 100,405</u>	<u>\$ 1,918</u>	<u>\$ 98,487</u>

Assessed valuation                      2,137,459  
Population per latest census              675

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See accountant's compilation report.



TOWN OF SHUBUTA, MISSISSIPPI  
Schedule of Surety Bonds for Town Officials  
For the Year Ended September 30, 2017

Name	Position	Company	Bond
Cleveland W. Peebles	Mayor	Zurich North American Surety	\$ 50,000
Robin Jones	Alderman	MS Municipal Bond Program	\$ 50,000
Roosevelt Williams, Jr.	Alderman	MS Municipal Bond Program	\$ 50,000
Toria Hoze-Miles	Alderman	MS Municipal Bond Program	\$ 50,000
Wayne P. Jenkins	Alderman	MS Municipal Bond Program	\$ 50,000
Willie B. Nelson	Alderman	MS Municipal Bond Program	\$ 50,000
Diane A. Turner Brown	Town Clerk	Zurich North American Surety	\$ 50,000
Arkala Howze	Deputy Clerk	Travelers	\$ 10,000
Police Officers (2 @ \$25,000 each)		Travelers	\$ 50,000

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See accountant's compilation report.

TOWN OF SHUBUTA, MISSISSIPPI  
Solid Waste Management Services  
Full Cost Accounting Summary of Costs Report  
For the Fiscal Year Ended September 30, 2017

Revenue:		
Garbage revenue	\$	32,940
Expenses:		
Clarke County landfill fees	5,737	
Wages & payroll taxes	12,492	
Supplies	336	
Gasoline & truck	<u>2,501</u>	
Total expense		<u>21,066</u>
Excess of revenue over expenses	\$	<u>11,874</u>
Number of users		221
Average annual cost per user	\$	95.32

See accountant's compilation report.

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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, which were agreed to by the Town of Shubuta, Mississippi, on management's compliance with laws and regulations as of September 30, 2017, as required by the Office of the State Auditor, under the provisions of Section 21-35-31, Miss. Code Ann. (1972). The sufficiency of these procedures is solely the responsibility of the Town of Shubuta, Mississippi. 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.

The procedures and associated findings are as follows:

- A. 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:

Bank	Fund	Balance per General Ledger
Bank Plus	General Fund	\$ 1,931
Bank Plus	General Fund	\$ 109
Bank Plus	General Fund	\$ 9,869
Bank Plus	General Fund	\$ 3,589
Bank Plus	General Fund	\$ 209
Bank Plus	General Fund	\$ 1,275
Bank Plus	General Fund	\$ 4,525
Bank Plus	General Fund	\$ 1,652
Bank Plus	Water Fund	\$ 647
Bank Plus	Water Fund	\$ 512
Bank Plus	Water Fund	\$ 103
Bank Plus	Water Fund	\$ 13
Bank Plus	Water Fund	\$ 1,152
Bank Plus	Water Fund	\$ 102
Bank Plus	Water Fund	\$ 102
Bank Plus	Sanitation Fund	\$ 1,537



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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).

<u>Security</u>	<u>Fund</u>	<u>Balance per General Ledger</u>
Bank Plus CD	General Fund	\$ 39,042
Bank Plus CD	General Fund	\$ 20,010
First State Bank CD	General Fund	\$ 16,565

- 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:

<u>Purpose for Payment</u>	<u>Receiving Fund</u>	<u>Amount per General Ledger</u>
Sales tax allocation	General Fund	\$ 45,649
Gasoline refund allocation	General Fund	\$ 1,351
Homestead reimbursement	General Fund	\$ 7,511
Fire protection allocation	General Fund	\$ 2,469
Municipal aid	General Fund	\$ 220
Community Heritage Preservation	General Fund	\$ 48,791
Grantor payments nontaxable	General Fund	\$ 1,141
Grantor payments nontaxable	Water Fund	\$ 10,540
Water pollution control	Water Fund	\$ 224,200

- 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	40
Dollar Value of Sample	\$ 480,076

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.

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- 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, 2017.

*Walton & Company CPAs, P.C.*  
Flowood, Mississippi  
May 31, 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, 2017, 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, 2017 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.*

Flowood, Mississippi  
May 31, 2018



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