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**TOWN OF WEBB, MISSISSIPPI**  
**COMPILATION REPORT AND COMPLIANCE LETTER**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2017**

**BFMW GROUP, PLLC**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**GREENWOOD, MS**

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**BFMW Group, PLLC**  
*Certified Public Accountants*

N. Craig Brewer, III, CPA JD  
 John M. Ford, Jr., CPA  
 James L. Mitchell, CPA  
 C. W. Walker, Jr., CPA  
 Fred W. Montgomery, CPA  
 Jeff Warren, CPA  
 Robert E. Hollis, Jr., CPA

115 West Market Street  
 Post Office Box 937  
 Greenwood, Mississippi  
 38935-0937

Telephone  
 (662) 453-3235  
 (662) 459-9090  
 (662) 455-1111  
 (662) 453-2922  
 ~~~~~  
 Fax  
 (662) 455-6400  
 (662) 459-9030  
 (662) 455-1119

**INDEPENDENT ACCOUNTANT'S REPORT ON**  
**APPLYING AGREED-UPON PROCEDURES**

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

We have performed the procedures enumerated below, which were agreed to by the Office of the State Auditor, to the accounting records of the Town of Webb, Mississippi, solely to assist the Office of the State Auditor evaluate the financial compliance with certain laws and regulations as of September 30, 2017, and for the year then ended. This agreed-upon procedures engagement was performed 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 Office of the State Auditor, State of 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.

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:

| <u>Bank</u>        | <u>Account Number</u> | <u>Account Name</u> | <u>Fund</u>      | <u>Balance</u>   |
|--------------------|-----------------------|---------------------|------------------|------------------|
| Southern Bancorp   | 400317                | General             | General          | \$ 9,593         |
| Southern Bancorp   | 3542735               | Police Fund         | General          | 2,339            |
| Southern Bancorp   | 372625                | Civic Center        | General          | 680              |
| Southern Bancorp   | 580085                | Community Resource  | General          | 8,904            |
| Total General Fund |                       |                     |                  | <u>21,516</u>    |
| Southern Bancorp   | 580220                | Special Projects    | Special Projects | <u>995</u>       |
| Southern Bancorp   | 500074                | Water & Sewer Fund  | Proprietary      | <u>4,892</u>     |
| Southern Bancorp   | 580522                | Payroll Clearing    | Payroll Clearing | <u>1,294</u>     |
| Total All Funds    |                       |                     |                  | <u>\$ 28,697</u> |

2. There were no securities held for investment. The total of all funds, \$28,697, was adequately collateralized by the FDIC insurance carried for the Town by the banks.
3. We performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:
  - a. Verify use of certified county assessment rolls and trace levies to governing body minutes;
  - b. Examined uncollected taxes for proper handling, including tax sales;
  - c. Traced distribution of taxes collected to proper funds; and
  - d. 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 funds was found to be in accordance with prescribed tax levies, and uncollected taxes were determined to be properly handled.

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

The entire 63.65 mill tax assessment as passed was assigned to and deposited in the General Fund, and General Obligation Debt payments are paid from the General Fund.

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 and recorded in the general ledger without exception. Payments traced were as follows:

| <u>Payment Purpose</u>                 | <u>Receiving Fund</u> | <u>Amount</u>     |
|----------------------------------------|-----------------------|-------------------|
| Sales Tax Allocation                   | General Fund          | \$ 86,402         |
| Municipal Aid                          | General Fund          | 282               |
| Gasoline Tax                           | General Fund          | 1,695             |
| Homestead Exemption                    | General Fund          | 7,598             |
| In Lieu Taxes - Grand Gulf             | General Fund          | 4,633             |
| Special Projects                       | General Fund          | 2,104             |
| Department of Health and Public Safety | General Fund          | 3,710             |
| Total                                  |                       | <u>\$ 106,424</u> |

5. We selected a sample of purchases made by the town during the fiscal year. Each sample item was evaluated for 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 Sampled Items | 47        |
| Dollar Value of Samples | \$ 88,184 |

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

6. We have read the Municipal Compliance Questionnaire completed by the municipality. The following responses to the questionnaire indicate noncompliance with state requirements:
  - a. Required trust funds have not been established for utility revenue bonds. The bonds are being paid out of the general fund. (Part IV, Question 3)
  - b. Fines and forfeitures are not all collected and remitted. Some are overdue. (Part V, Question 11)

Except for the comments in the paragraph above, for those items applicable to the municipality, no instances of non-compliance were noted.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's compliance with laws and regulations. Accordingly, we do not express such an opinion. 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 of the Office of the State Auditor, State of Mississippi, 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.

*BFMW Group, PLLC*

BFMW Group, PLLC  
August 10, 2018

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

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

We have compiled the accompanying statement of cash receipts and disbursements—all fund types of the Town of Webb 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.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying statement of cash receipts and disbursements—all fund types and, accordingly, do not express an opinion or any other form of assurance on it.

The town's policy is to prepare its financial statement on the basis of cash receipts and disbursements; consequently, certain revenue is recognized when received rather than when measurable and available, and certain expenditures are recognized when paid rather than when the obligation is incurred. Accordingly, the statement of cash receipts and disbursements—all fund types is not intended to present results of operations, in conformity with generally accepted accounting principles.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements. If the omitted disclosures were included, 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 on page 8 is presented for purposes of additional analysis and has been compiled by us from information that is the representation of management of the Town of Webb, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on such supplementary information.

*BFMW Group, PLLC*

BFMW Group, PLLC  
August 10, 2018

**TOWN OF WEBB, MISSISSIPPI**  
**COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS)**  
**FISCAL YEAR ENDED SPETEMBER 30, 2017**

	General	Special Revenue	Capital Projects	Debt Service	Proprietary Funds	Payroll Clearance	Totals	
							(Memorandum Only)	
							2016	2018
<b>Revenue Receipts</b>								
General Property Taxes	\$ 151,881						\$ 156,640	\$ 151,881
Franchise Taxes	18,283						21,354	18,283
Intergovernmental Revenues								
General Municipal Aid	282						282	282
State Shared Revenues:								
Sales Tax	86,402						86,581	86,402
Gasoline Tax	1,695						1,695	1,695
Nuclear Plant	4,633						4,804	4,633
Homestead Exemption	7,598						7,432	7,598
Public Health and Safety	3,710						5,604	3,710
Revenues - Civic Center & Cell Tower	13,885						19,200	13,885
Other Income	12,178						756	12,178
Charges for Services								
Water & Sewer					166,403		171,582	166,403
Fines and Forfeits	11,924						23,820	11,924
Special Revenue - CDBG		30,469						30,469
<b>Total Revenue Receipts</b>	<u>312,471</u>	<u>30,469</u>	<u>-</u>	<u>-</u>	<u>166,403</u>	<u>-</u>	<u>499,750</u>	<u>509,343</u>
<b>Other Receipts</b>								
Loans and Transfers					5,682	288,850	301,040	294,532
<b>Total Other Receipts</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,682</u>	<u>288,850</u>	<u>301,040</u>	<u>294,532</u>
<b>Total Receipts</b>	<u>312,471</u>	<u>30,469</u>	<u>-</u>	<u>-</u>	<u>172,085</u>	<u>288,850</u>	<u>800,790</u>	<u>803,875</u>
<b>Cash Balance - Beginning of Year</b>	<u>21,392</u>	<u>1,941</u>			<u>7,378</u>	<u>2,835</u>	<u>21,736</u>	<u>33,546</u>
<b>Total Funds to Account For</b>	<u>\$ 333,863</u>	<u>32,410</u>	<u>-</u>	<u>-</u>	<u>179,463</u>	<u>291,685</u>	<u>822,526</u>	<u>837,421</u>

The notes to the financial statement are an integral part of this statement.

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**TOWN OF WEBB, MISSISSIPPI**  
**COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS)**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2017**

	General	Special Revenue	Capital Projects	Debt Service	Proprietary Funds	Payroll Clearance	Totals	
							(Memorandum Only)	
							2016	2017
<b>Operating Disbursements</b>								
General Government								
Payroll Expenses						92,432	92,209	92,432
Contractual Services	82,522						66,879	82,522
Supplies and Other	7,305						3,884	7,305
Debt Service							-	-
Public Safety								
Police								
Payroll Expense						106,875	114,572	106,875
Contractual Services	10,322						15,128	10,322
Supplies and Other	720						3,645	720
Civic Center								-
Supplies	4,876						3,610	4,876
Utilities	911						4,622	911
Enterprises								-
Payroll Expenses						91,084	93,972	91,084
Water and Sewer					72,045		74,224	72,045
Interest and Fees - Long-Term Debt	1,522						3,615	1,522
<b>Total Operating Disbursements</b>	<b>108,178</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>72,045</b>	<b>290,391</b>	<b>476,360</b>	<b>470,614</b>
<b>Other Disbursements</b>								
Special Project		30,469					3,734	30,469
Long-Term Debt Retired	10,360						6,332	10,360
Payment - IRS Debt					6,500		6,000	6,500
Capital Outlay							-	-
Loans and Transfers	193,808	946			96,026		296,554	290,780
<b>Total Other Disbursements</b>	<b>204,168</b>	<b>31,415</b>	<b>-</b>	<b>-</b>	<b>102,526</b>	<b>-</b>	<b>312,620</b>	<b>338,109</b>
<b>Total Disbursements</b>	<b>312,346</b>	<b>31,415</b>	<b>-</b>	<b>-</b>	<b>174,571</b>	<b>290,391</b>	<b>312,620</b>	<b>808,723</b>
<b>Cash Balance - End of Year</b>	<b>21,516</b>	<b>995</b>	<b>-</b>	<b>-</b>	<b>4,892</b>	<b>1,295</b>	<b>-</b>	<b>28,698</b>
<b>TOTAL AMOUNT ACCOUNTED FOR</b>	<b>\$ 333,862</b>	<b>32,410</b>	<b>-</b>	<b>-</b>	<b>179,463</b>	<b>291,686</b>	<b>312,620</b>	<b>837,421</b>

The notes to the financial statement are an integral part of this statement.

**TOWN OF WEBB, MISSISSIPPI**  
**NOTES TO THE FINANCIAL STATEMENT**  
**SEPTEMBER 30, 2017**

**NOTE A: Summary of Significant Accounting Policies**

**General Information**

The Town of Webb, Mississippi, operates under the mayor/board of alderman 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 a cash receipts and disbursements basis as prescribed by the Office of the State Auditor. 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 B: Report Classification**

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

**NOTE C: Other Matters**

The Internal Revenue Service made an assessment against the Town of Webb, Mississippi, for unpaid payroll taxes and withheld federal income taxes in the amount of \$467,592. This assessment is the result of the Town of Webb apparently collecting these taxes through withholding on employee pay checks but failing to remit them to the Department of the Treasury (Internal Revenue Service).

It appears that these failures took place from June, 2005, until September, 2009. None of the town officials who were responsible for remitting these funds are in office at this time. Since September, 2009, the Town of Webb appears to be in compliance with all payroll taxes. The town is remitting \$500 per month toward this debt, which at the date of this report (May 31, 2017) totaled in excess of \$600,000 including penalties and interest. It is highly doubtful that the Town of Webb will be able to liquidate this debt considering its present revenue structure. Consequently, it is reported here as an assessment rather than on page 8, Schedule of Long-Term Debt.

**TOWN OF WEBB, MISSISSIPPI  
SCHEDULE OF LONG-TERM DEBT  
FISCAL YEAR ENDED SEPTEMBER 30, 2017**

<u>Definition and Purpose</u>	<u>Balance Outstanding 10/01/16</u>	<u>Transactions During Fiscal Year</u>		<u>Balance Outstanding 09/30/17</u>
		<u>Issued</u>	<u>Redeemed</u>	
General Obligation Bonds:				
General Obligation Street Improvement Bond Service 2007 Original \$67,700 4% - 4.6% Payment varies \$6,860 - \$7,059 annually - A	\$ 20,000		6,860	13,140
Revenue Bonds:				
Berkadia 5% Bond for Sewer System Improvements Currently paying \$500 per month - B	52,248		3,500	48,748
	<u>\$ 72,248</u>	<u>\$ -</u>	<u>\$ 10,360</u>	<u>\$ 61,888</u>

A. Interest expense on the General Obligation bonds during fiscal year ended September 30, 2017      \$      772  
Paying Agent Fee      \$      750

B. Total of \$3,500 paid during fiscal year ended September 30, 2017, \$0 credited to Interest and \$3,500 credited to Principal. Negotiations are presently underway to refinance the balance.

C. See also Note C, Page 7 of this report.

The notes to the financial statement are an integral part of this statement.

**TOWN OF WEBB, MISSISSIPPI  
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS  
SEPTEMBER 30, 2017**

<u>NAME</u>	<u>POSITION</u>	<u>COMPANY</u>	<u>BOND</u>
Tracy T. Mims	Mayor	Mississippi Municipalities Bond Program	\$ 25,000
Maggie Outlaw	Alderman	Mississippi Municipalities Bond Program	\$ 25,000
Hilary Benson	Alderman	Mississippi Municipalities Bond Program	\$ 25,000
Willie Garner	Alderman	Mississippi Municipalities Bond Program	\$ 25,000
Chiquita Jones	Alderman	Mississippi Municipalities Bond Program	\$ 25,000
Betty J. Powell	Alderman	Mississippi Municipalities Bond Program	\$ 25,000
Quartasha Kindle	City Clerk	Travelers	\$ 50,000

The notes to the financial statement are an integral part of this statement.