

## OFFICE OF THE STATE AUDITOR REPORT NOTE:

*Section 7-7-211, Mississippi Code Annotated (1972)* gives the Office of the State Auditor the authority to audit, with the exception of municipalities, any governmental entity in the state. In the case of municipalities, *Section 21-35-31, Mississippi Code Annotated (1972)* requires municipalities to obtain an annual audit performed by a private CPA firm and submit that audit report to the Office of the State Auditor. The Office of the State Auditor files these audit reports for review in case questions arise related to the municipality.

As a result, the following document was not prepared by the Office of the State Auditor. Instead, it was prepared by a private CPA firm and submitted to the Office of the State Auditor. The document was placed on this web page as it was submitted and no review of the report was performed by the Office of the State Auditor prior to finalization of the report. The Office of the State Auditor assumes no responsibility for its content or for any errors located in the document. Any questions of accuracy or authenticity concerning this document should be submitted to the CPA firm that prepared the document. The name and address of the CPA firm appears in the document.

**TOWN OF SCOOPA, MISSISSIPPI  
COMPILATION REPORT  
AND REPORT ON  
AGREED-UPON PROCEDURES  
SEPTEMBER 30, 2018**

TOWN OF SCOوبا, MISSISSIPPI  
Compilation Report  
September 30, 2018

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**WATKINS, WARD and STAFFORD**  
 Professional Limited Liability Company  
 Certified Public Accountants

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**Independent Accountants' Compilation Report**

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

Management is responsible for the accompanying Statement of Cash Receipts and Disbursements - Governmental and Business-Type Activities of the Town of Scooba, Mississippi for the year ended September 30, 2018, and the related notes to financial statement, which collectively comprise the town's basic financial statement as listed in the table of contents, 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 - Governmental and Business-Type Activities nor were we 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, nor provide any form of assurance on the Statement of Cash Receipts and Disbursements - Governmental and Business-Type Activities.

We draw attention to Note 1 of the financial statement, which describes the basis of accounting. The Statement of Cash Receipts and Disbursements - Governmental and Business-Type Activities 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.

**Other Matters**

*Required Supplementary Information*

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statement. 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.

The supplementary information contained on pages 9 through 11 is presented in compliance with the requirements of the Mississippi Office of the State Auditor and has been compiled from information that is the representation of management. This information was subject to our compilation engagement, however, we have not audited or reviewed the required supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such information.

*Other Information*

The Statement of Cash Receipts and Disbursements – Governmental and Business-Type Activities and related notes to financial statement are intended to comply with the requirements of the Mississippi Office of the State Auditor, and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

In accordance with the provisions of 21-35-31, Miss Code Ann. (1972), we have issued a report dated May 24, 2023 on the results of our agreed-upon procedures.

Louisville, Mississippi  
May 24, 2023

*Watkins Ward and Stafford, P.C.*

**TOWN OF SCOOPA**  
**Statement of Cash Receipts and Disbursements**  
**Governmental and Business-Type Activities**  
**For the Year Ended September 30, 2018**

	<u>General Fund</u>	<u>Total</u>	<u>Water &amp; Sewer Fund</u>	<u>Total</u>
<b>Cash Receipts:</b>				
Taxes				
General Property Tax	11,336	11,336	-	-
Auto advalorem	37,357	37,357	-	-
Road and bridge privilege taxes	1,349	1,349	-	-
Homestead reimbursement	3,695	3,695	-	-
Franchise taxes	21,728	21,728	-	-
Intergovernmental Revenue				
State shared revenue				
General municipal aid	365	365	-	-
Sales tax	92,788	92,788	-	-
Gasoline tax	2,196	2,196	-	-
TVA	6,620	6,620	-	-
Grant	-	-	56,431	56,431
Railcar tax	-	-	-	-
State fire rebate	4,178	4,178	-	-
Charges for services				
Water Utility	-	-	209,591	209,591
Other receipts				
Fines and forfeitures	68,868	68,868	-	-
Interest and penalties	58	58	121	121
Miscellaneous	8,937	8,937	-	-
<b>Total Cash Receipts</b>	<u>259,475</u>	<u>259,475</u>	<u>266,143</u>	<u>266,143</u>

See accompanying notes and independent accountants' compilation report

**TOWN OF SCOOPA**  
**Statement of Cash Receipts and Disbursements**  
**Governmental and Business-Type Activities**  
**For the Year Ended September 30, 2018**

	<u>General Fund</u>	<u>Total</u>	<u>Water &amp; Sewer Fund</u>	<u>Total</u>
<b>Cash Disbursements:</b>				
General Government	167,810	167,810	-	-
Public Safety				
Police	98,997	98,997	-	-
Enterprises				
Water utility	-	-	291,546	291,546
<b>Total Cash Disbursements</b>	<u>266,807</u>	<u>266,807</u>	<u>291,546</u>	<u>291,546</u>

See accompanying notes and independent accountants' compilation report

**TOWN OF SCOOPA**  
**Statement of Cash Receipts and Disbursements**  
**Governmental and Business-Type Activities**  
**For the Year Ended September 30, 2018**

	<u>General Fund</u>	<u>Total</u>	<u>Water &amp; Sewer Fund</u>	<u>Total</u>
<b>Excess (Deficiency) of Cash Receipts over Disbursements</b>	(7,332)	(7,332)	(25,403)	(25,403)
<b>Other Financing Sources (Uses)</b>				
Loans Repaid	-	-	(5,066)	(5,066)
<b>Total Other Financing Sources (Uses)</b>	-	-	(5,066)	(5,066)
<b>Excess (Deficiency ) of cash receipts and other financing sources over disbursements and other financing uses</b>	(7,332)	(7,332)	(30,469)	(30,469)
<b>Cash balance, beginning of year</b>	30,822	30,822	-	-
<b>Prior Period Adjustment</b>	(9,048)	(9,048)	88,396	88,396
<b>Cash balance, beginning of year, as restated</b>	21,774	21,774	88,396	88,396
<b>Cash balance, end of year</b>	<u>14,442</u>	<u>14,442</u>	<u>57,927</u>	<u>57,927</u>

See accompanying notes and independent accountants' compilation report



**TOWN OF SCOOPA, MISSISSIPPI**  
**Notes to Financial Statement**

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

**a. Reporting Entity**

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

The Citizens of Scooba have elected to operate under a Code Charter as permitted by Mississippi Statute 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.

**b. Fund Accounting**

The accounts of the Town are organized on the basis of funds and account groups, 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 or expenses, as appropriate. 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 the financial statement in this report, into three generic fund types and two broad fund categories as follows:

**c. 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.

TOWN OF SCOوبا, MISSISSIPPI  
Notes to Financial Statement

**Note 1: Summary of Significant Accounting Policies (Continued):**

**d. Proprietary Funds:**

**Enterprise Funds** - 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 had 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 Enterprise Fund is the Water and Sewer Fund.

**e. Basis of Accounting**

Basis of accounting refers to when revenues and expenditures or expenses 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 basis of accounting as prescribed by the Mississippi Office of the State Auditor.

In the fund financial statements, governmental, and business-like activities are presented using a cash basis of accounting. This basis recognizes assets, liabilities, net-assets/fund equity, revenues and expenditures/expenses when they result from cash transactions with a provision for depreciation in the proprietary fund statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

If the Town utilized accounting principles generally accepted in the United States of America, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

TOWN OF SCOوبا, MISSISSIPPI  
Notes to Financial Statement

**Note 1: Summary of Significant Accounting Policies (Continued):**

**e. Basis of Accounting (Continued):**

Under the modified accrual basis revenues are recognized when measurable and available. Measurable means, being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

Under the accrual basis revenues are recognized when earned. Expenses (including depreciation and amortization) are recorded when the liability is incurred or the economic asset is used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

**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.

**Town of Scooba, Mississippi**  
**Schedule of Investments**  
**September 30, 2018**

<b>Ownership</b>	<b>Type of Investment</b>	<b>Interest Rate</b>	<b>Acquisition Date</b>	<b>Maturity Date</b>	<b>Bank</b>	<b>Amount</b>
General Fund	Certificate of Deposit	0.55%	08/26/17	05/26/20	Citizens Bank	\$ 7,094
General Fund	Certificate of Deposit	0.35%	07/23/17	10/23/19	Citizens Bank	4,190
Water Fund	Certificate of Deposit	0.45%	08/11/17	05/11/19	Citizens Bank	8,906
Water Fund	Certificate of Deposit	0.55%	06/07/17	06/07/19	Citizens Bank	10,097
<b>Total Investments</b>						<u><u>\$ 30,287</u></u>

See accompanying notes and independent accountants' compilation report.

**Town of Scooba, Mississippi  
Schedule of Long term Debt  
September 30, 2018**

<b>Payee</b>	<b>Balance Outstanding 10/01/2017</b>	<b>Issued</b>	<b>Redeemed</b>	<b>Balance Outstanding 09/30/2018</b>
CAP Loan - Mississippi Development Authority, 2.0% interest, construction of Water System Improvement	<u>\$ 75,504</u>	<u>\$ -</u>	<u>\$ (487)</u>	<u>\$ 75,017</u>

See accompanying notes and independent accountants' compilation report.

**TOWN OF SCOOPA, MISSISSIPPI  
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS  
SEPTEMBER 30, 2018**

<u>Position</u>	<u>Insurance Company</u>	<u>Coverage</u>
Mayor	MS Municipal Bond Program	\$ 50,000
Alderspersons (5 at \$10,000 each)	MS Municipal Bond Program	\$ 50,000
Police Chief	Traveler's Casualty & Surety	\$ 50,000
Police Officers (6 at \$10,000 each)	Traveler's Casualty & Surety	\$ 150,000
Town Clerk	Traveler's Casualty & Surety	\$ 50,000
Deputy Town Clerk	Traveler's Casualty & Surety	\$ 50,000
Court Clerk	Traveler's Casualty & Surety	\$ 50,000
Office Clerk	Traveler's Casualty & Surety	\$ 50,000

See accompanying notes and independent accountants' compilation report



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**Report on Compliance with  
 State Laws and Regulations**

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

We have compiled the accompanying Statement of Cash Receipts and Disbursements – Governmental and Business-Type Activities, Schedule of Investments , Schedule of Long-Term Debt and Schedule of Surety Bonds for Town Officials of the Town of Scooba, Mississippi, for the year ended September 30, 2018, 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 generally accepted accounting principles in the United States of America.

We have performed procedures to test compliance with certain state laws and regulations as described in 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 the 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 , Schedule of Long-Term Debt and Schedule of Surety Bonds for Town Officials of the Town of Scooba, Mississippi, for the year ended September 30, 2018, disclosed the following instance of noncompliance with state laws and regulations:

**Finding**

**The Municipality should follow the required budgeting procedures**

Sections 21-35-5, 27-29-203 and 27-39-205 of the MS Code requires the municipality to hold a public hearing and publish its adopted budget. Per examination of minutes of the board meeting we could not locate any evidence that a public hearing was held or a budget was officially adopted by the board or published accordingly.

**Recommendation**

We recommend the municipality comply with Sections 21-35-5, 27-29-203 and 27-39-205 of the MS Code requires the municipality to hold a public hearing and publish its adopted budget. This public hearing and adopted budget should be recorded in the minutes of the applicable board meeting.

**Town of Scooba's Response**

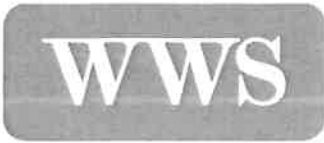
We will comply with Sections 21-35-5, 27-29-203 and 27-39-205 of the MS Code requires the municipality to hold a public hearing and publish its adopted budget. This public hearing and adopted budget should be recorded in the minutes of the applicable board meeting.

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

Scooba, Mississippi  
May 24, 2023

*Watkins Ward and Stafford, PUC*





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**Independent Accountants' Report on  
Applying Agreed-Upon Procedures**

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

We have performed the procedures enumerated below, which were agreed to by the Office of the State Auditor, to the account records of the Town of Scooba, Mississippi, solely to assist the Office of the State Auditor in evaluating the Town of Scooba, Mississippi's compliance with certain laws and regulations as of September 30, 2018, 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 of 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 confirmations of the related balances from the banks:

<u>Bank</u>	<u>Fund</u>	<u>Balance Per General Ledger</u>
The Citizens Bank	General	\$ 1,195
The Citizens Bank	General	\$ 564
The Citizens Bank	General	\$ 5
The Citizens Bank	General	\$ 283
The Citizens Bank	General	\$ (5,189)
The Citizens Bank	General	\$ 6,300
The Citizens Bank	Enterprise	\$ 49
The Citizens Bank	Enterprise	\$ 9,321
The Citizens Bank	Enterprise	\$ 29,530
The Citizen's Bank	Enterprise	\$ 24

2. We confirmed certificates of deposit and savings accounts with the bank and traced them to balances in the respective general ledger accounts. All investment transactions during the year were examined for compliance with investments authorized by Section 21-33-323, Miss. Code Ann. (1972).

<u>Bank</u>	<u>Fund</u>	<u>General Ledger Cost</u>
-------------	-------------	--------------------------------

The Citizens Bank	General	\$ 7,094
The Citizens Bank	General	\$ 4,190
The Citizens Bank	Enterprise	\$ 8,905
The Citizens Bank	Enterprise	\$ 10,097

3. We performed the following procedures with respect to taxes on real 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 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 to be in accordance with prescribed tax levies.

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

Ad valorem tax collections for the retirement of general obligation debt was found to be sufficient for payment of current principal and interest in accordance with limitations imposed by Sections 21-33-87 and 21-33-303, Miss. Code Ann. (1972).

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>General Ledger Amount</u>
Gasoline Tax	General Fund	\$ 2,196
Homestead Exemption	General Fund	\$ 3,695
Fire Protection Allocation	General Fund	\$ 4,178
Sales Tax Allocation	General Fund	\$ 92,788
General Municipal Aid	General Fund	\$ 365
TVA in Lieu of Taxes	General Fund	\$ 6,620

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, Miss. Code Ann. (1972), as applicable.

The sample consisted of the following:

Number of Sample Items	25
Total Dollar Value of Sample	\$ 14,688

We were unable to verify that the municipality's purchasing procedures were in agreement with the requirements of the above-mentioned sections due to missing documentation such as purchase orders, invoices, and Board approval.

6. The municipality was missing all documentation regarding the collection of fines and forfeitures, therefore we were unable to verify that the municipal court clerk had settled daily with the municipal clerk. The municipality was missing all documentation regarding the collection of state imposed court assessments, therefore we were unable to verify that the municipal clerk had settled monthly with the Department of Finance and Administration.
7. We have read the Municipal Compliance Questionnaire completed by the Town of Scooba. The completed survey indicated no instances of noncompliance with state requirements.

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.

Louisville, Mississippi  
May 24, 2023

*Watkins Ward and Stafford, PLLC*