

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 SHUBUTA, MISSISSIPPI
AGREED-UPON PROCEDURES**

SEPTEMBER 30, 2021

TOWN OF SHUBUTA, MISSISSIPPI

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Mayor and the Board of Aldermen
Town of Shubuta, 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 Shubuta, Mississippi, solely to assist the Office of the State Auditor to evaluate the Town of Shubuta, Mississippi's compliance with certain laws and regulations as of September 30, 2021, and for the year then ended. 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 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 were able to reconcile cash on deposit with the following banks to balances in the respective general ledger accounts and obtain confirmation of the related balances from the banks.

<u>Bank</u>	<u>Fund/Account Name</u>	<u>Balance per General Ledger</u>
Bank Plus	General Fund Checking	\$ 215
Bank Plus	Ballpark Checking	1,030
Bank Plus	First Money Fund	16,610
Bank Plus	Multi-Purpose Bldg.	2,820
Bank Plus	Insurance Account	5,508
Bank Plus	Police Department	1,976
Bank Plus	Fire Protection Fund	2,030
Bank Plus	Mayor Health Council	<u>1,677</u>
	Total General Fund	\$ <u>31,866</u>

(Continued)

<u>Bank</u>	<u>Fund/Account Name</u>	<u>Balance per General Ledger</u>
Bank Plus	W&S Checking	\$ 1,858
Bank Plus	Meter Deposit Account	3,385
Bank Plus	CDBG Grant	172,040
Bank Plus	CDBG Grant	25
Bank Plus	Bond & Interest Account	(700)
Bank Plus	Reserve Fund	70,147
Bank Plus	Water Cap Fund	(340)
	Total W/S Fund	\$ <u>246,415</u>
Bank Plus	Sanitation Checking	\$ <u>3,060</u>
	Total Sanitation Fund	\$ <u>3,060</u>

2. We physically examined securities held for investment. Securities held in trust were confirmed directly with respective trustees.

<u>Bank</u>	<u>Fund/Account Name</u>	<u>Balance per General Ledger</u>
Bank Plus CD	General Fund	\$ 20,008
Bank Plus CD	General Fund	40,109
Bank Plus CD	General Fund	10,269
Bank Plus CD	General Fund	10,092
Bank Plus CD	General Fund	20,184
Bank Plus CD	General Fund	10,330
Bank Plus CD	General Fund	10,013
First State Bank CD	General Fund	16,581
	Total General Fund	\$ <u>137,586</u>

3. We obtained a list of payments made by the Department of Finance and Administration (DFA) 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>
Grantor Payments Nontaxable	General Fund	\$ 408,561
Gasoline Tax	General Fund	1,351
General Municipal Aid	General Fund	220
Homestead Exemption Reimbursement	General Fund	9,030
Other Assistance	General Fund	5,828
Sales Tax Allocation	General Fund	40,839
Other Aid	General Fund	79,862
Total		\$ <u>545,691</u>

4. We selected a sample of purchases made by the municipality 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 Sample Items	21
Total Dollar Value of Sample	\$ 431,861.23

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

5. 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 Town not to be in compliance with the requirements of the abovementioned sections.

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

7. We performed the following procedures with respect to taxes on real and personal property (including motor vehicles) 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 comparison with increase limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

We were not engaged to, and did not conduct 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 Town of Shubuta and 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 not intended to be and should not be used by anyone other than those specified parties.



Windham and Lacey, PLLC
August 31, 2022

**TOWN OF SHUBUTA, MISSISSIPPI
FINANCIAL STATEMENTS**

SEPTEMBER 30, 2021

Windham and Lacey, PLLC

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ACCOUNTANTS' COMPILATION REPORT

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

Management is responsible for the accompanying Statement of Cash Receipts and Disbursements – Governmental and Business-type Activities, of the Town of Shubuta, Mississippi, for the year ended September 30, 2021, 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 the 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 financial statement 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 this financial statement.

The 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.

Management has elected to omit substantially all the disclosures ordinarily included in the financial statements 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 information that is required to be presented for purposes of additional analysis. Such missing information is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

The supplementary information contained in the Schedule of Surety Bonds for Town Officials has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and accordingly, we do not express an opinion or provide any assurance on such supplementary information.



Windham and Lacey, PLLC
August 31, 2022

TOWN OF SHUBUTA
Statement of Cash Receipts and Disbursements
Governmental and Business-type Activities
For the Year Ended September 30, 2021

	Governmental Fund	Proprietary Funds Water & Sewer Fund	Sanitation Fund	Total
	General Fund			
RECEIPTS				
Taxes:				
General property taxes	\$ 128,147			128,147
Licenses and permits	412			412
Intergovernmental receipts:				
Federal grants	5,828	408,561		414,389
State shared receipts:				
General municipal aid	220			220
Homestead exemption	9,030			9,030
Sales tax	40,839			40,839
Gasoline tax	1,351			1,351
Fines and forfeits	916			916
Franchise tax	17,080			17,080
Water and sewer utility		4,225	34,821	39,046
Interest income	1,893	46		1,939
Miscellaneous	117,078	5,175		122,253
Total Receipts	<u>322,794</u>	<u>418,007</u>	<u>34,821</u>	<u>775,622</u>
DISBURSEMENTS				
General government	332,183			332,183
Public safety	5,098			5,098
Public works	372			372
Culture and recreation	1,871			1,871
Water & sewer utility:				
Personal services		83,473	7,024	90,497
Materials and supplies		50,546	6,398	56,944
Other expenses		158,891	17,989	176,880
Total Disbursements	<u>339,524</u>	<u>292,910</u>	<u>31,411</u>	<u>663,845</u>
OTHER CASH SOURCES (USES)				
Capital outlay equipment		(47,683)		(47,683)
Principal on long-term debt	(5,380)	(12,139)		(17,519)
Transfer in out	13,774	(12,765)	(1,009)	
Total Other Cash Sources (Uses)	<u>8,394</u>	<u>(72,587)</u>	<u>(1,009)</u>	<u>(65,202)</u>
Excess of Receipts Over (Under) Disbursements	(8,336)	52,510	2,401	46,575
Cash - Beginning	<u>177,803</u>	<u>21,864</u>	<u>659</u>	<u>200,326</u>
Cash - Ending	\$ <u>169,467</u>	<u>74,374</u>	<u>3,060</u>	<u>246,901</u>

See accompanying Accountants' Compilation Report.

TOWN OF SHUBUTA
Schedule of Long-term Debt
For the Fiscal Year Ended September 30, 2021 - UNAUDITED

<u>Definition and Purpose</u>	<u>Balance Outstanding Sept. 30, 2020</u>	<u>Adjustment</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance Outstanding Sept. 30, 2021</u>
MS Development Authority	\$ 96,785			(3,908)	92,877
Bank Plus - 2021 Ford F350			47,683	(5,065)	42,618
John Deere Financial - lawn mower		10,480		(3,166)	7,314
Total	\$ 96,785	10,480	47,683	(12,139)	142,809

See accompanying Accountants' Compilation Report.

TOWN OF SHUBUTA
Schedule of Surety Bonds for Town Officials
September 30, 2021 - UNAUDITED

<u>Name</u>	<u>Position</u>	<u>Surety Company</u>	<u>Coverage</u>
Cleveland W. Peebles	Mayor	MS Municipal Bond Program	\$ 50,000
Toria Hozie-Miles	Alderwoman	MS Municipal Bond Program	\$ 25,000
Dora McFarland	Alderwoman	MS Municipal Bond Program	\$ 25,000
Charles Williams	Alderman	MS Municipal Bond Program	\$ 25,000
Latricia M. McCarty	Alderwoman	MS Municipal Bond Program	\$ 25,000
Everett L. Heildelberg	Alderman	MS Municipal Bond Program	\$ 25,000
Diana A. Turner Brown	Town Clerk	Zurich North American Surety	\$ 50,000
Kutrinah Nelson	Deputy Clerk	Travelers	\$ 50,000

See accompanying Accountants' Compilation Report.

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REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

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

We have compiled the accompanying Statement of Cash Receipts and Disbursements - Governmental and Business-type Activities, and Schedule of Surety Bonds for Town Officials of the Town of Shubuta, Mississippi, for the year ended September 30, 2021, 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, and Schedule of Surety Bonds for Town Officials of the Town of Shubuta, Mississippi, for the year ended September 30, 2021, disclosed no material instances of noncompliance with state laws and regulations.

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.



Windham and Lacey, PLLC
August 31, 2022