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TOWN OF SHUBUTA, MISSISSIPPI

REPORT ON COMPILATION
OF
FINANCIAL STATEMENTS

For the Year Ended September 30, 2007

RECEIVED
APR 24 2008
STATE AUDITOR'S OFFICE

BARLOW, WALKER & COMPANY, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
BRANDON, MISSISSIPPI

TOWN OF SHUBUTA

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Accountants' Compilation Report

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

Ladies and Gentlemen:

We have compiled the accompanying statement of receipts and disbursements - all fund types, schedule of changes in long-term debt, schedule of insurance coverage, and schedule of surety bonds for town officials of the Town of Shubuta, Mississippi, for the year ended September 30, 2007, 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 the town officials. We have not audited or reviewed the accompanying statement of 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 not presented government-wide financial statements to display the cash basis financial position and changes in cash basis financial position of its governmental activities and business-type activities. Accounting principles generally accepted in the United States of America, as applied to the Town's cash basis of accounting, require the presentation of government-wide financial statements. The amounts that would be reported in government-wide financial statements resulting from the cash basis transactions for the Town's governmental activities and business type activities are not reasonably determinable.



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Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the cash receipts and disbursements basis of accounting. 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 pages 8 through 11 is presented for purposes of additional analysis and has been compiled by us from information that is the representation of the officials of the Town of Shubuta, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on such supplementary information.

Management also has not presented management's discussion and analysis and other required supplemental information the Governmental Accounting Standards Board has determined is required to supplement, although not required to be a part of, the basic financial statements.

Barlow Walker & Company PA

Brandon, Mississippi

January 23, 2008

TOWN OF SHUBUTA

Combined Statement of Receipts and Disbursements (All Funds)
For the Fiscal Year Ended September 30, 2007

	General Fund	Proprietary Funds		Totals (Memo Only)	
		Water Fund	Sanitation Fund	Sept. 30, 2007	Sept. 30, 2006
Revenue Receipts					
General property taxes	\$68,381			\$68,381	\$58,352
Penalties and interest on delinquent taxes	821			821	534
Licenses and permits	611			611	458
Franchise taxes on utilities	12,132			12,132	13,947
Intergovernmental Revenues:					
Sales tax	39,995			39,995	44,645
Gasoline tax	854			854	1,831
Motor vehicle tax	24,692			24,692	27,205
Fire ins. premium tax distr.	3,556			3,556	700
County shared taxes	4,876			4,876	11,649
Municipal aid	1,660			1,660	339
Homestead reimbursement	4,492			4,492	4,238
Rail car taxes	867			867	815
Charges for Services					
Garbage collection fees			27,789	27,789	32,183
Water and sewer utilities		94,618		94,618	115,633
Interest income	1,209	464		1,673	1,073
Police fines	6,620			6,620	12,323
Contributions-					
Shubuta Improvement Assoc.	1,050			1,050	4,853
Other contributions	3,300			3,300	0
Miscellaneous	823	4,648		5,471	2,015
Total Revenue Receipts	\$175,939	\$99,730	\$27,789	\$303,458	\$332,793

TOWN OF SHUBUTA

Combined Statement of Receipts and Disbursements (All Funds)
For the Fiscal Year Ended September 30, 2007

	General Fund	Proprietary Funds		Totals (Memo Only)	
		Water Fund	Sanitation Fund	Sept. 30, 2007	Sept. 30, 2006
Other Receipts					
Board of Supervisors	15,000			15,000	0
Transfers & loans from other funds	7,200			7,200	0
Reimbursements	869			869	0
Insurance proceeds	6,900			6,900	14,114
Insurance proceeds - police car wrecked	0			0	6,875
CDBG Revenue	0			0	39,400
Multi-purpose Building Revenue	3,200			3,200	2,830
Ball park Revenue	500			500	0
Homeland Security Grant	0			0	6,098
FEMA Grant	10,391			10,391	36,801
Total Other Receipts	<u>44,060</u>	<u>0</u>	<u>0</u>	<u>44,060</u>	<u>106,118</u>
Total Receipts	219,999	99,730	27,789	347,518	438,911
Cash Balance - Beginning of Year (Includes CD's and petty cash)	75,885	36,774	8,466	121,125	95,037
Total Amount to Account For	<u>\$295,884</u>	<u>\$136,504</u>	<u>\$36,255</u>	<u>\$468,643</u>	<u>\$533,948</u>

TOWN OF SHUBUTA

Combined Statement of Receipts and Disbursements (All Funds)
For the Fiscal Year Ended September 30, 2007

	General Fund	Proprietary Funds		Totals (Memo Only)	
		Water Fund	Sanitation Fund	Sept. 30, 2007	Sept. 30, 2006
Operating Disbursements					
General Government					
Salaries - general and administrative	\$64,706			\$64,706	\$72,564
Payroll taxes & retirement	10,720			10,720	\$10,874
Administrative expenses	9,762			9,762	9,818
Utilities	14,923			14,923	12,232
Tax collector commission	370			370	1,495
Telephone	11,364			11,364	8,994
Office supplies & postage	2,254			2,254	4,054
Repairs & parts	6,084			6,084	12,151
Legal, accounting, & engineering	1,738			1,738	3,333
Insurance	19,763			19,763	3,108
Miscellaneous	1,749			1,749	1,087
Library expense	0			0	0
Street	4,802			4,802	5,590
Ball park expenditures	1,834			1,834	298
Multi-purpose Bldg Expenses	2,707			2,707	6,739
Homeland Security Grant expense	0			0	6,098
Returned Checks	30			30	0
CDBG - Admin	0			0	3,356
CDBG - Eng. & Contr.	0			0	36,400
Public Safety					
Police expenses					
Salaries	11,478			11,478	11,280
Supplies	163			163	1,793
Auto expense	8,881			8,881	15,757
Court expenses	843			843	5,642

TOWN OF SHUBUTA

Combined Statement of Receipts and Disbursements (All Funds)
For the Fiscal Year Ended September 30, 2007

	General Fund	Proprietary Funds		Totals (Memo Only)	
		Water Fund	Sanitation Fund	Sept. 30, 2007	Sept. 30, 2006
Operating Disbursements continued					
Fire					
Operating expenses	1,230			\$1,230	3,057
Water Utility					
Salaries & payroll taxes		22,286		22,286	28,244
Administrative expense		16,268		16,268	16,991
Maintenance & supplies		7,009		7,009	9,137
Repair & Maintenance		13,712		13,712	11,532
Accounting		1,681		1,681	0
Gas & oil		4,218		4,218	2,565
Insurance		11,637		11,637	9,711
Utilities		8,259		8,259	7,313
Sales tax		320		320	327
State retirement		2,585		2,585	3,690
Miscellaneous		1,471		1,471	624
Sanitation					
Clarke County Landfill fees			5,004	5,004	7,929
Salaries & payroll taxes			13,486	13,486	5,923
Retirement			2,391	2,391	7,111
Gasoline & repairs - truck			3,920	3,920	3,551
Supplies			1,373	1,373	4,848
Total Operating Disbursements	175,401	89,446	26,174	291,021	355,216

TOWN OF SHUBUTA

Combined Statement of Receipts and Disbursements (All Funds)
For the Fiscal Year Ended September 30, 2007

	General Fund	Proprietary Funds		Totals (Memo Only)	
		Water Fund	Sanitation Fund	Sept. 30, 2007	Sept. 30, 2006
Other Disbursements and Transfers					
Capital outlay	4,020			4,020	28,564
Bonds retired with interest				0	0
Loans repaid with interest	29,626	6,443		36,069	29,042
Transfer to other funds	0	3,600	3,600	7,200	0
Total other disbursements & transfers	<u>33,646</u>	<u>10,043</u>	<u>3,600</u>	<u>47,289</u>	<u>57,606</u>
Total disbursements & transfers	209,047	99,489	29,774	338,310	412,822
Cash Balance including CD's and petty cash at end of year	<u>86,837</u>	<u>37,015</u>	<u>6,481</u>	<u>130,333</u>	<u>121,125</u>
Total Amount Accounted For	<u>\$295,884</u>	<u>\$136,504</u>	<u>\$36,255</u>	<u>\$468,643</u>	<u>\$533,947</u>

TOWN OF SHUBUTA

Schedule of Changes in Long-Term Debt
For the Fiscal Year Ended September 30, 2007

Unaudited

	Balance Outstanding 10/1/06	Transactions During Fiscal Year		Balance Outstanding 9/30/07
		Issued	Redeemed	
<u>Revenue bonds and debt</u>				
1973 FmHA Combined Water- work & Sewerage System (GMAC Commercial Mortgage)	3,170		3,170	0
<u>Other Long-term Debt</u>				
St. of MS Capital Improvement Revolving Loan Program (fire truck)	26,672		26,672	0
St. of MS Capital Improvements Revolving Loan Program (water well)	3,091		3,091	0
St. of MS Capital Improvement Revolving Loan Program (multi-purpose bldg)	28,006		2,519	25,487
First Continental Leasing Police Car	14,668		3,204	11,464
First Continental Leasing John Deer Mower	6,509		3,165	3,344
	<u>\$ 82,116</u>	<u>\$ 0</u>	<u>\$ 41,821</u>	<u>\$ 40,295</u>
Assessed Valuation	\$ 2,137,459			
Population per latest census	675			

See accountants' compilation report.

TOWN OF SHUBUTA
Schedule of Surety Bonds for Town Officials
September 30, 2007

Unaudited

<u>Name</u>	<u>Position</u>	<u>Company</u>	<u>Bond</u>
Clyde Brown	Mayor	Zurich North American Surety	\$ 10,000
Diane Brown	City Clerk	Zurich North American Surety	50,000
Elizabeth C. Owen	Deputy Clerk	Zurich North American Surety	10,000
Phyllis A. McFarland	Deputy Clerk	Travelors	10,000
Charles McFarland	Alderman	MS Municipal Bond Program	10,000
Jeanie McDonald	Alderman	MS Municipal Bond Program	10,000
Oscar Blakley, Jr.	Alderman	MS Municipal Bond Program	10,000
Richard Carter	Alderman	MS Municipal Bond Program	10,000
Robin Jones	Alderman	MS Municipal Bond Program	10,000

See accountants' compilation report.

TOWN OF SHUBUTA

Schedule of Insurance Coverage
September 30, 2007

Unaudited

<u>Type of Coverage</u>	<u>Amount of Coverage</u>	<u>Policy Expiration Date</u>
Liability	1,000,000 all other 500,000 Tort Claim	12-31-07
Workers Comp.	Statutory Limits	09-30-08
Listed water& sewer system components	162,000	02-12-08
Auto Physical Damage	20,000 Police Car 13,000 Truck 21,900 Police Car 15,000 Truck	02-12-08
Fire House	128,000	02-12-08
Fire Trucks	132,555	02-12-08
Tractor	11,000	02-12-08
Bush Hog Cutter	5,000	02-12-08
Backhoe	14,000	02-12-08
Trash Trailer	5,000	02-12-08
Police Department Building	44,000	02-12-08
Maintenance Shed	70,000	02-12-08
Elevated Water Tank	235,000	02-12-08
Multi-purpose Building Content	122,000 5,000	02-12-08
2006 John Deere 727A Rider Mower	6888	2-12-08

See accountants' compilation report.

TOWN OF SHUBUTA

Summary of Garbage Collection Costs

Solid Waste Management Services
Full Cost Accounting Summary of Costs Report
September 30, 2007

Unaudited

Revenue:

Garbage revenue collected \$ 27,789

Expenses:

Clarke County landfill fees	\$ 5,004
Wages and payroll taxes	13,486
Insurance	3,600
Supplies	1,373
Depreciation	0
Gasoline & truck expense	<u>3,920</u>

Total expenses 27,383

Excess of revenues over expenses \$ 406

Number of users 350

Average annual cost per user \$ 78.24

See accountants' compilation report.

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Honorable Mayor & Board of Aldermen
Town of Shubuta, Mississippi

We have applied certain agreed-upon procedures, as discussed below, to the accounting records of the Town of Shubuta, Mississippi as of September 30, 2007, 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). This agreed-upon procedures engagement was performed in accordance with 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 these 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 balance in the respective general ledger accounts and obtained confirmation of the related balances from the banks.

<u>Bank</u>	<u>Fund</u>	<u>General Ledger</u>
Bank Plus	General Fund	\$ <u>86,837</u>
Bank Plus	Water and Sewer Fund	\$ <u>37,015</u>
Bank Plus	Sanitation Fund	\$ <u>6,481</u>

- B. All investment transactions during the year were examined for compliance with investments authorized by Section 21-33-323 of the Mississippi Code Ann. (1972). The Town had no investments at September 30, 2007.
- C. We performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:
1. Proved the mathematical accuracy of the tax rolls and traced levies to governing body minutes;
 2. Reconciled the amount of taxes levied per the tax rolls to amounts actually



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3. Examined uncollected taxes for proper handling, including tax sales;
4. Traced distribution of taxes collected to proper funds; and
5. 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).

Tax assessments were found to be mathematically correct and in agreement with collection as follows:

	Taxable Assessed <u>Values</u>	<u>Millage</u>	<u>Tax</u>
Real Property	\$1,135,966		
Public Utilities	348,223		
Personal Property	152,530		
Automobile	<u>500,740</u>		
Totals	<u>\$2,137,459</u>	50.96	<u>\$108,925</u>
Tax Collection Commission			<1,276>
Homestead Exemption Allowed			< 11,303>
Actual Homestead Reimbursement			4,492
Prior Year Tax Collections			<u>2,276</u>
TOTAL TO BE ACCOUNTED FOR			<u>\$103,114</u>

	Taxes, Penalties & Interest	Homestead <u>Reimbursement</u>	
Credits:			
General Fund	\$ 93,841	\$ 4,492	\$ 98,333
Balance Represented By:			
Unpaid Taxes			5,915
Unallocated Difference			<u><1,134></u>
TOTAL ACCOUNTED FOR			<u>\$ 103,114</u>

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 Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972), except as noted below:

Actual Collections (Excluding Debt Service)		Actual Collections (Excluding Debt Service)	
Base Year 2006	\$ 90,329	2006-07	\$ 93,841
10% Increase	9,033	Homestead Exemption Reimbursement	4,492
Exempt Collections 2006	<u>6,104</u>	Under (Over) Limitation	<u>7,133</u>
Total	<u>\$ 105,466</u>		<u>\$ 105,466</u>

D. 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>General Receiving Fund</u>	<u>Ledger Amount</u>
Sales Tax Allocation	General Fund	\$ 39,995
Gasoline Refund Allocation	General Fund	1,831
Municipal Aid	General Fund	339
Homestead Exemption Reimb.	General Fund	4,492
Fire Protection Allocation	General Fund	3,081
Aid to Municipalities	General Fund	14,411
Veterans Home Purchase	General Fund	186

- E. 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 Sections 31-7-1, 31-7-13, 31-7-49 and 31-7-57, Miss. Code Ann. (1972), as applicable.

The sample consisted of the following:

Number of Sample Items	29
Dollar Value of Sample	\$ 41,851

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

- F. We have read the Municipal Compliance Questionnaire completed by the municipality. We noted two instances of non-compliance. Budgets are not compared to actual expenditures monthly and fixed assets are not always properly tagged.

We were not engaged to, and did not perform an audit, the objective of which would be the expression of an opinion on the specific accounts or classes of transactions referred to above. 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 governing body of the Town of Shubuta, Mississippi, and the Office of the State Auditor 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.

This report should not be associated with the financial statements of the Town of Shubuta, Mississippi for the year ended September 30, 2007.

Barlow, Walker & Company P.A.

January 23, 2008