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TOWN OF CHUNKY, MISSISSIPPI
FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

RECEIVED
JUL 12 2007
STATE AUDITOR'S OFFICE

WILSON ACCOUNTING
P. O. BOX 494
NEWTON, MS 39345

Honorable Mayor, Members of the
Board of Aldermen and Town Clerk
Town of Chunky
Chunky, Mississippi

I have compiled the accompanying Combined Statement of Receipts and Disbursements (All Funds) of the Town of Chunky, Mississippi for the year ended September 30, 2006.

A compilation is limited to presenting in the form of Financial Statements, information that is the representation of management. I have not audited or reviewed the accompanying Financial Statements, and accordingly, do not express an opinion or any other form of assurance on them.

These Financial Statements are for management's internal use only and, therefore, all of the disclosures required by Generally Accepted Accounting Principles have not been included. If these items were included in the Financial Statements, they might influence the user's conclusions about the Town's financial position, results of operations, and changes in financial position. Accordingly, these Financial Statements are not intended for use by those who are not informed about such matters.


Wilson Accounting
June 19, 2007

WILSON ACCOUNTING
P.O. BOX 494
NEWTON, MS 39345

SPECIAL REPORT ON AGREED-UPON
PROCEDURES FOR SMALL TOWNS

Honorable Mayor, Members of the
Board of Aldermen and Town Clerk
Town of Chunky
Chunky, Mississippi

We have applied certain agreed-upon procedures, as discussed below, to the accounting records of the Town of Chunky, Mississippi, as of September 30, 2006, 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). It is understood the report is solely for the use of the governing body of the Town of Chunky, Mississippi, and the Office of the State Auditor and should not be used for any other purposes. 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>Fund</u> | <u>Balance per General Ledger</u> |
|--------------------|-----------------|---------------------------------------|
| Newton County Bank | General | \$138,618 |
| Newton County Bank | Water & Sewer | 34,293 |
| Newton County Bank | Special Revenue | 81,821 |

2. 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 Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

We obtained a statement of payments made by the Department of Finance and Administration to the town. 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>Ledger Amount</u> |
|----------------------------|-----------------------|----------------------|
| Sales Tax Allocation | General | \$6,478 |
| Gasoline Tax | General | 967 |
| Homestead Exemption Reimb | General | 1,633 |
| Fire Protection Allocation | Special Revenue | 1,749 |
| General Municipal Aid | General | 179 |

- 3. 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 Sample Items | 45 |
| Total Dollar Value of Items Tested | \$64,170 |

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

- 4. We have read the Municipal Compliance Questionnaire completed by the town. The completed survey indicated no instances of noncompliance with State requirements.

Because the above procedures do not constitute an audit in accordance with generally accepted auditing standards, we do not express an opinion on any of the specific accounts or classes of transactions referred to above. In connection with the procedures referred to above, no matters came to our attention that caused us to believe the items specified in paragraphs 1, 2 and 3 should be adjusted. Had we performed additional procedures or had we conducted an audit of the financial statements in accordance with generally accepted auditing standards, matters might have come to our attention that would have

been reported to you. This report should not be associated with the financial statements of the Town of Chunky, Mississippi, for the year ended September 30, 2005.

Wilson Accounting

Wilson Accounting
Newton, Mississippi

June 19, 2007

TOWN OF CHUNKY, MISSISSIPPI

COMBINED STATEMENT OF RECEIPTS AND DISBURSMENTS (ALL FUNDS)

For the Year Ended September 30, 2006

| | <u>Governmental</u> <u>Fund Types</u> | | <u>Proprietary</u> <u>Fund Types</u> | <u>Total</u> | |
|------------------------------|--|----------------------------------|---|-------------------|-------------------|
| | <u>General</u> | <u>Special</u> <u>Revenue</u> | <u>Enterprise</u> <u>Funds</u> | <u>2006</u> | <u>2005</u> |
| REVENUE RECEIPTS | | | | | |
| General Property Taxes | 7,548.00 | - | - | 7,548.00 | 8,890.00 |
| Franchise Taxes on Utilities | 7,776.00 | - | - | 7,776.00 | 6,677.00 |
| Intergovernment Revenues: | | | | | |
| Homestead Reimbursement | 1,633.00 | - | - | 1,633.00 | 1,445.00 |
| General Municipal Aide | 179.00 | - | - | 179.00 | 179.00 |
| Emergency management | | 7,335.00 | - | 7,335.00 | 28,992.00 |
| Federal Grants | | - | 5,698.00 | 5,698.00 | 1,960.00 |
| State Shared Revenues: | | | | | |
| Rail Car Tax | 584.00 | - | - | 584.00 | 583.00 |
| Sales Tax | 6,478.00 | - | - | 6,478.00 | 7,217.00 |
| Gasoline Tax | 967.00 | - | - | 967.00 | 967.00 |
| Motor Vehicle Tax | 6,545.00 | - | - | 6,545.00 | 5,885.00 |
| Road and Bridge Tax | 3,938.00 | - | - | 3,938.00 | 5,511.00 |
| Fire Protection | - | 16,569.00 | - | 16,569.00 | 6,068.00 |
| Charges For Services | | | | | |
| Water Utility | - | - | 39,682.00 | 39,682.00 | 37,115.00 |
| Interest Income | <u>2,353.00</u> | <u>453.00</u> | <u>166.00</u> | <u>2,972.00</u> | <u>1,926.00</u> |
| TOTAL REVENUE RECEIPTS | <u>38,001.00</u> | <u>24,357.00</u> | <u>45,546.00</u> | <u>107,904.00</u> | <u>113,415.00</u> |
| CASH BALANCE-BEG. OF YEAR | <u>146,265.00</u> | <u>67,496.00</u> | <u>43,387.00</u> | <u>257,148.00</u> | <u>270,009.00</u> |
| TOTAL AMOUNT ACCOUNTED FOR | <u>184,266.00</u> | <u>91,853.00</u> | <u>88,933.00</u> | <u>365,052.00</u> | <u>383,424.00</u> |

See accompanying notes to financial statement.

TOWN OF CHUNKY, MISSISSIPPI

COMBINED STATEMENT OF RECEIPTS AND DISBURSEMENTS (ALL FUNDS)

For the Year Ended September 30, 2006

| | <u>General</u> | <u>Special Revenue</u> | <u>Enterprise Funds</u> | <u>Total 2006</u> | <u>Total 2005</u> |
|-------------------------------------|-------------------|----------------------------|-----------------------------|-----------------------|-----------------------|
| OPERATING DISBURSMENTS | | | | | |
| General Government | 25,463.00 | - | - | 25,463.00 | 21,894.00 |
| Public Safety | 293.00 | 10,032.00 | - | 10,325.00 | 15,766.00 |
| Public Works | 19,592.00 | - | - | 19,592.00 | 21,571.00 |
| Culture & Recreation | 300.00 | - | - | 300.00 | 300.00 |
| Enterprises: | | | | - | |
| Water Utility | - | - | 42,531.00 | 42,531.00 | 33,951.00 |
| Interest on Bonds | - | - | 8,139.00 | 8,139.00 | 8,341.00 |
| TOTAL OPERATING DISBURSMENTS | <u>45,648.00</u> | <u>10,032.00</u> | <u>50,670.00</u> | <u>106,350.00</u> | <u>101,823.00</u> |
| OTHER DISBURSMENTS | | | | | |
| Capital Outlay | - | - | - | - | 20,686.00 |
| Bonds Retired | - | - | 3,969.00 | 3,969.00 | 3,767.00 |
| TOTAL OTHER DISBURSMENTS | <u>-</u> | <u>-</u> | <u>3,969.00</u> | <u>3,969.00</u> | <u>24,453.00</u> |
| TOTAL DISBURSMENTS | <u>45,648.00</u> | <u>10,032.00</u> | <u>54,639.00</u> | <u>110,319.00</u> | <u>126,276.00</u> |
| CASH BALANCE - END OF YEAR | <u>138,618.00</u> | <u>81,821.00</u> | <u>34,294.00</u> | <u>257,148.00</u> | <u>257,148.00</u> |
| TOTAL AMOUNT ACCOUNTED FOR | <u>184,266.00</u> | <u>91,853.00</u> | <u>88,933.00</u> | <u>365,052.00</u> | <u>383,424.00</u> |

See accompanying notes to financial statement.

TOWN OF CHUNKY, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENT
SEPTEMBER 30, 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Information

The Town operates under the Mayor/Board of Aldermen 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 Mississippi State Department of Audit. 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.

2. REPORT CLASSIFICATIONS

Receipts and disbursements were classified according to requirements for small towns in the State of Mississippi as prescribed by the State Department of Audit.

TOWN OF CHUNKY, MISSISSIPPI

SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS

September 30, 2006

| <u>Name</u> | <u>Position</u> | <u>Company</u> | <u>Bond Amount</u> |
|-------------------|-----------------|----------------|--------------------|
| Brenda Nicholson | Town Clerk | USF&G | \$50,000.00 |
| J.D. Davis | Mayor | USF&G | \$50,000.00 |
| Bill Duncan | Alderman | USF&G | \$10,000.00 |
| Sidney Steverson | Alderman | USF&G | \$10,000.00 |
| John Clark | Alderman | USF&G | \$10,000.00 |
| Jacky Johnson | Alderman | USF&G | \$10,000.00 |
| Robert Williamson | Alderman | USF&G | \$10,000.00 |

TOWN OF CHUNKY, MISSISSIPPI
 SCHEDULE OF LONG - TERM DEBT
 For the Year ended September 30, 2006

| | Balance Outstanding 10/1/2005 | Transactions During Fiscal Year | | Balance Outstanding 9/30/2006 |
|-----------------|-------------------------------------|------------------------------------|-----------------|-------------------------------------|
| | | Issued | Redeemed | |
| Revenue Bonds | | | | - |
| Water and Sewer | <u>155,644.00</u> | <u>-</u> | <u>3,969.00</u> | <u>151,675.00</u> |
| Totals | <u>155,644.00</u> | <u>-</u> | <u>3,969.00</u> | <u>151,675.00</u> |