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TOWN OF DECATUR, MISSISSIPPI
COMPILED FINANCIAL STATEMENTS
September 30, 2006

TOWN OF DECATUR, MISSISSIPPI
COMPILED FINANCIAL STATEMENTS
Year Ended September 30, 2005

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

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

I have compiled the accompanying statement of cash receipts and disbursements—all fund types of the Town of Decatur, Mississippi, for the year ended September 30, 2006, 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. I 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 statements 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 pages 4 through 6 is presented for purposes of additional analysis and has been compiled by me from information that is the representation of management of the Town of Decatur, without audit or review. Accordingly, I do not express an opinion or any other form of assurance on such supplementary information.

A. T. Williams

December 13, 2006

TOWN OF DECATUR, MISSISSIPPI
COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS--ALL FUND TYPES
 Year Ended September 30, 2006

UNAUDITED

	Governmental Funds				Totals	
	General	Special Revenue	Proprietary Funds	Fiduciary Funds	2006	2005
Revenue Receipts:						
General Property Taxes	\$ 166,648.37	-	-	-	\$ 166,648.37	\$ 113,487.83
Licenses and Permits	2,317.29	-	-	-	2,317.29	2,655.53
Franchise Taxes on Utilities	72,021.66	-	-	-	72,021.66	59,241.79
Road & Bridge	20,190.72	-	-	-	20,190.72	23,824.96
State Shared Revenues:						
General Municipal Aid	743.28	-	-	-	743.28	743.28
Sales tax	155,732.56	-	-	-	155,732.56	106,125.84
Gasoline tax	4,010.37	-	-	-	4,010.37	4,010.37
Police Grant	7,405.01	-	-	-	7,405.01	2,138.00
Fire protection	-	7,251.80	-	-	7,251.80	6,717.54
Homestead	15,634.39	-	-	-	15,634.39	13,837.25
Other State aid	14,526.02	4,787.38	1,017.66	-	20,331.06	6,735.02
Mississippi Regional Housing	2,271.71	-	-	-	2,271.71	-
Mississippi Development Authority	-	-	131,113.05	-	131,113.05	211,274.45
Water Utility	-	-	386,427.14	-	386,427.14	349,531.80
Newton County	599.69	18,673.81	-	-	19,273.50	10,237.44
Federal Shared Revenue:						
Water Grant	-	-	-	-	-	54,775.67
Fines and Forfeits:						
Court fines	107,111.83	-	-	-	107,111.83	40,606.18
Miscellaneous income	7,473.20	-	2,471.22	-	9,944.42	18,311.60
Interest income	1,708.15	1,406.70	1,476.62	13.29	4,604.76	4,979.79
Donations	-	5,770.00	-	-	5,770.00	656.90
Total Revenue Receipts	578,394.25	37,889.69	522,505.69	13.29	1,138,802.92	1,029,891.24
Other Receipts:						
Transfers in	320.29	-	-	-	320.29	36,675.06
Total Other Receipts	320.29	-	-	-	320.29	36,675.06
Total Receipts	578,714.54	37,889.69	522,505.69	13.29	1,139,123.21	1,066,566.30
Cash Balance -- Beginning of Year	84,378.59	72,190.12	170,535.58	2,650.24	329,754.53	610,354.84
Total Account to Account For	\$ 663,093.13	\$ 110,079.81	\$ 693,041.27	\$ 2,663.53	\$ 1,468,877.74	\$ 1,676,921.14

TOWN OF DECATUR, MISSISSIPPI
COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS--ALL FUND TYPES
 Year Ended September 30, 2006

UNAUDITED

	Governmental Funds			Totals	
	General	Special Revenue	Proprietary Funds	Fiduciary Funds	Memorandum Only
	2006	2006	2005	2006	2005
Operating Disbursements:					
General Government	\$ 265,473.63	\$ -	\$ -	\$ -	\$ 307,128.55
Public Safety:					
Police	163,878.26	-	-	-	146,017.33
Fire	-	1,998.07	-	-	3,039.59
Enterprise:					
Water Utility	-	-	308,506.71	-	280,634.41
Interest expense	-	311.22	31,488.63	-	34,494.66
Cemetery	-	6,000.00	-	-	6,175.00
Streets	3,116.73	-	-	-	9,245.71
Total Operating Disbursements	432,468.62	8,309.29	339,995.34	-	786,735.25
Other Disbursements:					
Bonds retired	-	-	41,037.51	-	39,316.47
Notes repaid	-	8,988.78	17,416.98	-	25,431.99
Capital outlay	50,032.35	3,292.84	159,702.56	-	459,007.84
Transfers out	-	-	320.29	-	36,675.06
Total Other Disbursements	50,032.35	12,281.62	218,477.34	-	560,431.36
Total Disbursements	482,500.97	20,590.91	558,472.68	-	1,347,166.61
Cash Balance - End of Year	180,592.16	89,488.90	134,568.59	2,663.53	329,754.53
Total Amount Accounted For	\$ 663,093.13	\$ 110,079.81	\$ 693,041.27	\$ 2,663.53	\$ 1,676,921.14

TOWN OF DECATUR, MISSISSIPPI
SCHEDULE OF INVESTMENTS
September 30, 2006

<u>Governmental Fund Types</u>	<u>Amount</u>
Special Revenue Funds: Cemetery Fund (C.D.)	<u>\$ 32,043.57</u>
Total Investments	<u>\$ 32,043.57</u>

See accountant's compilation report.

TOWN OF DECATUR, MISSISSIPPI
SCHEDULE OF LONG-TERM DEBT
Year Ended September 30, 2006

UNAUDITED

<u>Definition and Purpose</u>	<u>Balance Outstanding 09/30/2005</u>	<u>Transactions During Fiscal Year</u>		<u>Balance Outstanding 09/30/2006</u>
		<u>Issued</u>	<u>Redeemed</u>	
Revenue Bonds:				
2002 Combined Water & Sewer	\$ 539,570.22	\$ -	\$ 7,731.27	\$ 531,838.95
1975 Combined Water & Sewer	38,574.78	-	25,329.62	13,245.16
1976 Combined Water & Sewer	13,711.10	-	7,976.62	5,734.48
Total Revenue Bonds	<u>591,856.10</u>	<u>-</u>	<u>41,037.51</u>	<u>550,818.59</u>
Other Long-Term Debt:				
DECD Cap Loan-Fire Truck	14,274.69	-	8,988.78	5,285.91
DECD Cap Loan-Lagoon	23,959.05	-	14,374.85	9,584.20
Rural Development	57,685.12	-	3,042.13	54,642.99
Total Other Long-Term Debt	<u>95,918.86</u>	<u>-</u>	<u>26,405.76</u>	<u>69,513.10</u>
Total	<u>\$ 687,774.96</u>	<u>\$ -</u>	<u>\$ 67,443.27</u>	<u>\$ 620,331.69</u>

See accountant's compilation report.

TOWN OF DECATUR, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS
 September 30, 2006

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Amount</u>
Bruce Cater	Mayor	Clyde C. Scott Insurance Agency	\$ 50,000
Jinya Lea Clarke	City Clerk/Tax Collector	Clyde C. Scott Insurance Agency	\$ 50,000
	Water Clerk (FHA)	Clyde C. Scott Insurance Agency	\$ 60,000
	Water Clerk (GECC)	Clyde C. Scott Insurance Agency	\$ 60,000
E. Gillis	Deputy Clerk	Clyde C. Scott Insurance Agency	\$ 10,000
Joedy Pennington	Police Chief	Clyde C. Scott Insurance Agency	\$ 50,000
J. Barney	Policeman	Clyde C. Scott Insurance Agency	\$ 25,000
Jeffrey Clayton	Policeman	Clyde C. Scott Insurance Agency	\$ 25,000
Don Evans II	Policeman	Clyde C. Scott Insurance Agency	\$ 25,000
Clay Garvin	Policeman	Clyde C. Scott Insurance Agency	\$ 25,000
Bobby Dan Hurst	Policeman	Clyde C. Scott Insurance Agency	\$ 25,000
P. Pierman	Policeman	Clyde C. Scott Insurance Agency	\$ 25,000
Randy Rushing	Policeman	Clyde C. Scott Insurance Agency	\$ 25,000
Mark Spence	Policeman	Clyde C. Scott Insurance Agency	\$ 25,000
Josh Walker	Policeman	Clyde C. Scott Insurance Agency	\$ 25,000
	Aldermen	Clyde C. Scott Insurance Agency	\$ 15,000

See accountant's compilation report.

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ACCOUNTANT'S REPORT ON AGREED UPON PROCEDURES

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

I have applied certain agreed upon procedures, as discussed below, to the accounting records of the Town of Decatur, 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, Mississippi Code, 1972, Annotated. This report is solely for the use of the governing body of the Town of Decatur, Mississippi, and the Office of the State Auditor. However, this report is a matter of public record, and its distribution is not limited. My procedures and findings are as follows:

- A. I reconciled cash on deposit with the following bank to balances in the respective general ledger accounts and obtained confirmation of the related balances from the bank:

<u>Bank</u>	<u>Fund</u>	<u>Balance Per</u> <u>General Ledger</u>
The Citizens Bank	General Fund	\$ 180,476.92
The Citizens Bank	Tax Collectors Fund	115.24
	Total General Fund	<u>180,592.16</u>
The Citizens Bank	Cemetery Fund	45,424.06
The Citizens Bank	Fire Protection	44,064.84
	Total Special Revenue Funds	<u>89,488.90</u>
The Citizens Bank	Contingency Fund	3,299.90
The Citizens Bank	Cushion Fund	6,881.27
The Citizens Bank	Water & Sewer Operation Fund	25,141.20
The Citizens Bank	Water Bond Fund	7,859.06
The Citizens Bank	Sewer Bond Fund	11,218.16
The Citizens Bank	Water Tank Fund	23,844.10
The Citizens Bank	Lagoon Project Fund	52,850.75
The Citizens Bank	Water & Sewer Depreciation Fund	3,299.66
The Citizens Bank	FEMA Fund	75.09
Great Southern National Bank	Water & Sewer Improvement Fund	99.40
	Total Water Utility	<u>134,568.59</u>
The Citizens Bank	Unemployment Compensation Fund	2,663.53
		<u>\$ 407,313.18</u>

- B. There were no securities held for investment.
- C. I performed the following procedures with respect to ad valorem taxes on real and personal property 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 collected.
 3. Examined uncollected taxes for proper handling, including tax sales.
 4. Traced distribution of taxes collected to proper funds.
 5. Analyzed increase in taxes for the most recent period for compliance with increase limitations of Sections 27-39-320 to 27-39-323, Mississippi Code, 1972, Annotated.

Tax assessments were mathematically correct and agreed with collections as follows:

	<i>Taxable Assessed Value</i>	<i>Millage</i>	<i>Tax</i>
Real Property	\$ 3,419,533	35	\$ 119,683.66
Personal Property	350,369	35	12,262.92
Public Utilities	298,035	35	10,431.23
Automobile	<u>1,390,847</u>	35	<u>48,679.64</u>
	<u>5,458,784</u>		191,057.45
Prior Year Taxes Collected			950.42
Homestead Exemption Allowed			(21,799.35)
Actual Homestead Reimbursement			15,634.39
Interest			<u>630.02</u>
Total Taxes to Account For			<u>\$ 186,472.93</u>
	<i>Taxes, Penalties & Interest</i>	<i>Homestead Reimbursement</i>	
Collections and Settlements:			
General Fund	\$ 166,648.37	\$ 15,634.39	<u>\$ 182,282.76</u>
Balance Represented by:			
Uncollected taxes			5,021.64
Unaccounted for (over settled)			<u>(831.47)</u>
			<u>4,190.17</u>
Total Taxes Accounted For			<u>\$ 186,472.93</u>

The distribution of taxes to funds was in accordance with prescribed tax levies, and uncollected taxes were properly handled.

Ad valorem tax collections were under the limitations of Sections 27-39-320 to 27-39-323, Mississippi Code, 1972, Annotated, as follows:

Actual Collections (Excluding Debt Service)		Actual Collections (Excluding Debt Service)	
Base Year 2005	\$ 127,325.08	FYE 9/30/2006	\$ 182,282.76
Increase allowed	12,732.51	Under Limitation	<u>6,624.14</u>
New property	<u>48,849.31</u>		
Total	<u>\$ 188,906.90</u>	Total	<u>\$ 188,906.90</u>

Ad valorem tax collections for the retirement of general long-term debt were sufficient for payment of current principal and interest in accordance with limitations imposed by Sections 21-33-87 and 21-33-303, Mississippi Code, 1972, Annotated.

D. I obtained a statement of payments made by the Mississippi Department of Finance and Administration to the Town. The payments were traced to deposits in banks and recorded in the general ledger without exception. Cash receipts were as follows:

E.

<u>Payment Purpose</u>	<u>Receiving Fund</u>	<u>General Ledger Amount</u>
Sales Tax Allocation	General Fund	\$ 155,732.56
Homestead Exemption	General Fund	15,634.39
Emergency Management	General Fund	13,123.70
Gasoline Tax	General Fund	4,010.37
Veteran Home Purchase	General Fund	1,402.32
Municipal Aid	General Fund	743.28
Mississippi Housing Grant	Water & Sewer Fund	131,113.05
Health Department	Water & Sewer Fund	1,017.66
Fire Protection Allocation	Fire Protection Fund	7,251.80
Other Aid	Fire Protection Fund	4,787.38
Law Enforcement	Police Grant Fund	<u>7,405.01</u>
		<u>\$ 342,221.52</u>

F. I selected a sample of purchases made by the Town during the 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, Mississippi Code, 1972, Annotated, as applicable.

The sample consisted of the following:

Number of Sample Items	33
Dollar Value of Sample	\$304,191.26

I found the Town's purchasing procedures to be in compliance with the above-mentioned sections for the items tested.

- G. I have read the Municipal Compliance Questionnaire completed by the Town. The completed survey indicated no instances of noncompliance.

Because the above procedures do not constitute an audit conducted in accordance with generally accepted auditing standards, I do not express an opinion on any of the accounts or items referred to above. In connection with the procedures referred to above, no matters came to my attention that caused me to believe that the specified accounts or items should be adjusted. Had I performed additional procedures or had I conducted an audit of the financial statements in accordance with generally accepted auditing standards, matters might have come to my attention that would have been reported to you. This report relates only to the accounts and items specified above and does not extend to any financial statements of the Town of Decatur, taken as a whole.

A. T. Williams

December 13, 2006