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TOWN OF DUCK HILL, MISSISSIPPI

FINANCIAL STATEMENT AND  
SUPPLEMENTAL INFORMATION

YEAR ENDED SEPTEMBER 30, 2006

With

ACCOUNTANT'S COMPILATION REPORT

TOWN OF DUCK HILL, MISSISSIPPI  
FINANCIAL STATEMENT AND SUPPLEMENTAL INFORMATION  
YEAR ENDED SEPTEMBER 30, 2006

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# THE HALFORD FIRM, PLLC

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## ACCOUNTANT'S COMPILATION REPORT

Honorable Mayor and Board of Aldermen  
Town of Duck Hill, Mississippi

We have compiled the accompanying combined statement of cash receipts and disbursements for each fund of the Town of Duck Hill for the year ended September 30, 2006, and the accompanying supplementary information contained in Schedules 1 and 2, which are presented only for supplementary analysis purposes, in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. The financial statements have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

A compilation is limited to presenting in the form of financial statements and supplementary schedules information that is the representation of management. We have not audited or reviewed the accompanying statement of cash receipts and disbursements and supplementary information and, accordingly, do not express an opinion or any other form of assurance on them.

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 Mayor and Alderpersons have also elected to omit substantially all of the disclosures ordinarily included in a financial statement prepared on 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, this financial statement is not designed for those who are not informed about such matters.

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

Honorable Mayor and Board of Aldermen  
Town of Duck Hill, Mississippi  
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In accordance with the provisions of Section 21-35-31, Mississippi Code Annotated (1972), we have issued a report dated October 1, 2007, on the results of our agreed-upon procedures.

*The Hatfield Firm, PLLC*

Vicksburg, Mississippi  
October 1, 2007

TOWN OF DUCK HILL, MISSISSIPPI  
 COMBINED STATEMENT OF CASH RECEIPTS  
 AND DISBURSEMENTS (ALL FUNDS)  
 YEAR ENDED SEPTEMBER 30, 2006

	Governmental Funds				Totals 2006 (memo only)
	General	Debt Service	Special Revenue	Proprietary Funds	
<b>Revenue receipts:</b>					
General property taxes	\$ 135,074	\$ -	\$ -	\$ -	\$ 135,074
Permits	115	-	-	-	115
Licenses	522	-	-	-	522
State shared revenues:					
MDA grant	-	-	-	48,952	48,952
Municipal aid	389	-	-	-	389
Sales tax	30,484	-	-	-	30,484
Gasoline tax	2,098	-	-	-	2,098
Fire protection	-	-	13,949	-	13,949
Federal grants	-	-	-	-	-
Other:					
Franchise tax	11,401	-	-	-	11,401
State fire rebate from County	-	-	-	-	-
Fire calls	-	-	-	-	-
Rents and royalties	3,550	-	-	-	3,550
Nuclear plant	-	-	-	4,435	4,435
Fines and bonds	12,380	-	-	-	12,380
Interest income	-	-	-	248	248
Charges for services:					
Gas	-	-	-	631,263	631,263
Water	-	-	-	164,197	164,197
Sanitation	-	-	-	83,963	83,963
<b>Total revenue receipts</b>	<b>196,013</b>	<b>-</b>	<b>13,949</b>	<b>933,058</b>	<b>1,143,020</b>
<b>Other receipts:</b>					
Loans and transfers	37,445	-	-	7,294	44,739
Customer deposits	-	-	-	2,513	2,513
Miscellaneous	8,222	-	-	334	8,556
<b>Total other receipts</b>	<b>45,667</b>	<b>-</b>	<b>-</b>	<b>10,141</b>	<b>55,808</b>
<b>Total receipts</b>	<b>241,680</b>	<b>-</b>	<b>13,949</b>	<b>943,199</b>	<b>1,198,828</b>
Cash balance - beginning of year	13,047	-	11,594	158,729	183,370
<b>TOTAL AMOUNT TO ACCOUNT FOR</b>	<b>\$ 254,727</b>	<b>-</b>	<b>25,543</b>	<b>\$ 1,101,928</b>	<b>\$ 1,382,198</b>

(continued)

TOWN OF DUCK HILL, MISSISSIPPI  
 COMBINED STATEMENT OF CASH RECEIPTS  
 AND DISBURSEMENTS (ALL FUNDS)  
 YEAR ENDED SEPTEMBER 30, 2006

	Governmental Funds				Totals 2006 (memo only)
	General	Debt Service	Special Revenue	Proprietary Funds	
<b>Operating disbursements:</b>					
General government (executive and financial)	\$ 89,271	\$ -	\$ -	\$ -	\$ 89,271
Public safety:					
Police	61,864	-	-	-	61,864
Fire	-	-	10,373	-	10,373
Highways and streets:					
Repairs and maintenance	643	-	-	-	643
Libraries	16,423	-	-	-	16,423
Enterprise:					
Water	-	-	-	126,285	126,285
Gas	-	-	-	671,322	671,322
Sanitation	-	-	-	65,722	65,722
Interest on loans and bonds	2,130	-	-	16,356	18,486
<b>Total operating disbursements</b>	<u>170,331</u>	<u>-</u>	<u>10,373</u>	<u>879,685</u>	<u>1,060,389</u>
<b>Other disbursements:</b>					
Loans repaid	16,328	-	-	25,603	41,931
Capital outlay	-	-	-	28,360	28,360
Customer deposits	-	-	-	-	-
Loans and transfers	-	-	-	34,934	34,934
<b>Total other disbursements</b>	<u>16,328</u>	<u>-</u>	<u>-</u>	<u>88,897</u>	<u>105,225</u>
<b>Total disbursements</b>	<u>186,659</u>	<u>-</u>	<u>10,373</u>	<u>968,582</u>	<u>1,165,614</u>
Cash balance - end of year	<u>68,068</u>	<u>-</u>	<u>15,170</u>	<u>133,346</u>	<u>216,584</u>
<b>TOTAL AMOUNT ACCOUNTED FOR</b>	<u>\$ 254,727</u>	<u>\$ -</u>	<u>\$ 25,543</u>	<u>\$ 1,101,928</u>	<u>\$ 1,382,198</u>

See Accountant's Compilation Report.

SUPPLEMENTAL INFORMATION

TOWN OF DUCK HILL, MISSISSIPPI  
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS  
YEAR ENDED SEPTEMBER 30, 2006

<u>Official</u>	<u>Name of Insurance Company</u>	<u>Amount</u>
LaSonja Sizemore - Town Clerk	Western Surety Company	\$ 50,000
Charles Rose - Police Chief	Western Surety Company	\$ 50,000
Joey Cooley - Gas Commissioner	Western Surety Company	\$ 10,000
Joey Cooley - Mayor	Western Surety Company	\$ 75,000
Public Employees - Blanket Bond	Western Surety Company	\$ 50,000

See Accountant's Compilation Report

TOWN OF DUCK HILL  
SCHEDULE OF LONG-TERM DEBT  
YEAR ENDED SEPTEMBER 30, 2006

**DEFINITION AND PURPOSE**

	<u>September 30, 2005</u>	<u>Issued</u>	<u>Redeemed</u>	<u>September 30, 2006</u>
General obligation bonds:				
None	\$ -	\$ -	\$ -	\$ -
Revenue bonds:				
None	-	-	-	-
Other long-term debt:				
2001 note payable - State of Mississippi	13,566	-	13,566	-
1984 note payable - Farmers Home Administration	154,201	-	8,533	145,668
1996 note payable - Farmers Home Administration	177,550	-	3,504	174,046
2005 note payable - Regions Bank	38,519	-	16,328	22,191
Total	<u>\$ 383,836</u>	<u>\$ -</u>	<u>\$ 41,931</u>	<u>\$ 341,905</u>

See Accountant's Compilation Report

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TOWN OF DUCK HILL, MISSISSIPPI  
AGREED-UPON PROCEDURES  
YEAR ENDED SEPTEMBER 30, 2006

# THE HALFORD FIRM, PLLC

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## SPECIAL REPORT ON AGREED-UPON PROCEDURES FOR SMALL MUNICIPALITIES (TOWNS)

Mayor and Aldermen  
Town of Duck Hill and  
Office of the State Auditor  
Duck Hill, 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 Duck Hill, Mississippi, solely to assist the Office of the State Auditor in evaluating the Town of Duck Hill, Mississippi's compliance with certain laws and regulations as of September 30, 2006, and for the year then ended. Management is responsible for the Town of Duck Hill, Mississippi's compliance with those requirements. 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 for 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 confirmation of the related balances from the banks:

<u>Bank</u>	<u>Fund</u>	<u>Balance per General Ledger</u>
Regions Bank	General Fund	\$ 66,053
Regions Bank	Cash – Fines & Assessments	1,265
Regions Bank	Cash – Recreation	<u>750</u>
	Total General Fund	<u>\$ 68,068</u>

<u>Bank</u>	<u>Fund</u>	<u>Balance per General Ledger</u>
Regions Bank	State Rebate Fire Fund	\$ 14,844
Regions Bank	Fire Protection	<u>326</u>
	Total Fire Fund	<u>\$ 15,170</u>
Regions Bank	Gas – General Account	\$ 38,702
Regions Bank	Gas – Customer Deposit	17,237
Regions Bank	Water – General Account	4,494
Regions Bank	Water – Customer Deposit	12,103
Regions Bank	Water – CDBG	36,174
Regions Bank	Sewer – General Account	10,211
Regions Bank	Sewer – Customer Deposit	9,811
Regions Bank	Sewer - Bond Contingency	<u>4,614</u>
	Total Proprietary Fund	<u>\$ 133,346</u>

2. There were no investments owned at September 30, 2006.
3. We performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:
  - a. Verified use of certified county assessment rolls and traced 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, Mississippi Code Annotated (1972).

The distribution of taxes to funds was found to be in accordance with the 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).

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

- We obtained a statement of payments made by the Department of Finance and Administration to the municipality. Payments indicated below were traced to the deposit in the respective bank accounts and recorded in the general ledger with one exception. Payments were as follows:

<u>Payment Purpose</u>	<u>Receiving Fund</u>	<u>General Ledger Amount</u>
General Municipal Aid	General	\$ 389
Gasoline Tax	General	\$ 2,098
Homestead Exemption		
Reimbursement	General	\$ 11,354
Sales Tax Allocation	General	\$ 16,917
Nuclear Plant	General	\$ 4,435
Emergency Mgmt. Funds	General	\$ 2,071
Fire Protection	Special Revenue	\$ 3,794
Other Aid	Proprietary	\$ 48,952

Of the \$48,952 allocated for other aid, \$12,778 was not recorded in the general ledger.

- 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, Mississippi Code Annotated (1972), as applicable.

The sample consisted of the following:

Number of sample items	20
Total dollar value of sample	\$585,118

We found the municipality's purchasing procedures to be in agreement with the requirements of the above mentioned sections except at follows:

Mayor and Aldermen  
Town of Duck Hill and  
Office of the State Auditor  
Duck Hill, Mississippi  
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We noted a tractor totaling \$9,806 was purchased without obtaining any competitive written bids. We also noted that neither the vendor nor the model tractor was under a state contract at the time of purchase.

6. There was no evidence of the Municipal Compliance Questionnaire being completed and recorded.

Because the above procedures do not constitute an audit in accordance with auditing standards generally accepted in the United States of America, we do not express an opinion on any of the specific accounts or classes of transactions referred to above. Had we performed additional procedures or had we conducted an audit of the financial statements in accordance with auditing standards generally accepted in the United States of America, 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 Duck Hill, Mississippi, for the year ended September 30, 2006.

This report is intended solely for the information and use of Town of Duck Hill and Office of the State Auditor, State of Mississippi and is not intended to be and should not be used by anyone other than those specified parties.

*The Hurlford Firm, PLLC*

Vicksburg, Mississippi  
October 1, 2007