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**CITY OF DURANT, MISSISSIPPI**

FINANCIAL STATEMENTS

SEPTEMBER 30, 2006

**RECEIVED**  
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**MULLEN & COMPANY**  
CERTIFIED PUBLIC ACCOUNTANTS  
105 WALL STREET  
LEXINGTON, MS 39095

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CITY OF DURANT, MISSISSIPPI  
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September 30, 2006

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**Certified Public Accountants**

105 Wall Street  
Lexington, MS 39095  
(662) 834-2556

Accountants' Compilation Report

Honorable Mayor and Board of Aldermen  
City of Durant  
P. O. Box 272  
Durant, Mississippi 39063

We have compiled the accompanying Statement of Cash Receipts and Disbursements—All Fund Types of the City of Durant 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 statement information that is the representation of management. We have not audited or reviewed the accompanying financial statement and, accordingly, do not express an opinion or any other form of assurance on it.

The accompanying financial statement has been prepared on a cash receipts and disbursements basis of accounting, which differs from generally accepted accounting principles. Management has 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 City's cash receipts and disbursements. Accordingly, this financial statement is not designed for those who are not informed about such matters.

The supplemental information on pages 8 through 10 is presented for purposes of additional analysis and has been compiled by us from information that is the representation of management of the City of Durant, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on such supplementary information.

The Special Report of Agreed-Upon Procedures for Small Municipalities on pages 11 through 14 is required by the Mississippi Department of Audit. The Department of Audit prescribes the procedures to be performed. The procedures do not constitute a review or audit, and accordingly we do not express an opinion on any of the special accounts or classes of transactions. This report should not be associated with the financial statements of the City of Durant for the year ended September 30, 2006.

Mullen & Company  
Lexington, MS 39095  
April 20, 2007

**CITY OF DURANT, MISSISSIPPI**

**SEPTEMBER 30, 2006**

**FINANCIAL SECTION**

CITY OF DURANT, MISSISSIPPI  
 STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - ALL FUND TYPES  
 Year Ended September 30, 2006

	General	Special Revenue	Debt Service	Proprietary Fund	Fiduciary Fund	Totals (Memorandum Only)
Revenue Receipts	\$ 307,426	\$ 2,990	\$ -	\$ -	\$ -	\$ 310,416
General Property Taxes	38,647					38,647
License and Permits	14,106					14,106
Drug Confiscated Money						-
Intergovernmental Revenues:						-
State Shared Revenues:						-
Sales Tax	301,945					301,945
Gasoline Tax	8,062					8,062
Liquor Privilege Tax	1,800					1,800
Fire Protection Allocation		28,722				28,722
County Fire Rebate		4,000				4,000
Grand Gulf Tax District	1,428					1,428
Municipal Aid	1,528					1,528
Department of Public Safety	9,000					9,000
CDBG		28,600				28,600
FEMA	14,115			77,300		91,415
Charges for Services:						-
Garbage				7,013		7,013
Water				215,844		215,844
Electric				2,833,110		2,833,110
Sewer				248,822		248,822
Miscellaneous	41,971			20,939		62,910
Rental Income	62,846					62,846
Fines and Forfeits	44,897					44,897
Interest Income						-
Total Revenue Receipts	847,771	64,312	-	3,403,028	-	4,315,111
Total Other Receipts	267,652	50,931		45,097		363,680
Loans and Transfers						
Total Receipts	1,115,423	115,243	-	3,448,125		4,678,791
Cash Balance -- Beginning of Year	17,934	21,093	4,581	87,599	4,976	136,183
TOTAL TO ACCOUNT FOR	\$ 1,133,357	\$ 136,336	\$ 4,581	\$ 3,535,724	\$ 4,976	\$ 4,814,974

CITY OF DURANT, MISSISSIPPI  
 STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - ALL FUND TYPES  
 Year Ended September 30, 2006

	General	Special Revenue	Debt Service	Proprietary Fund	Fiduciary Fund	Totals (Memorandum Only)
Operating Disbursements						
General Government	\$ 183,500	-	-	-	-	183,500
Public Safety-Police	378,728					378,728
Public Safety-Fire	173,970					173,970
Public Works	230,107					230,107
Community Development		28,600				28,600
Culture and Recreation	45,095	51,012		2,909,892		96,107
Utility Services						2,909,892
Bonds and Indebtedness Fees						-
Total Operating Disbursements	1,011,400	79,612	-	2,909,892	-	4,000,904
Other Disbursements						
Bonds Retired						-
Notes Repaid-Including Interest	35,240			237,504		272,744
Loans and Transfers	50,931	3,400		267,652		321,983
Capital Outlay	63,234			42,954		106,188
Total Other Disbursements	149,405	3,400	-	548,110	-	700,915
Total Disbursements	1,160,805	83,012	-	3,458,002	-	4,701,819
Cash Balance -End of Year	(27,448)	53,324	4,581	77,722	4,976	113,155
TOTAL ACCOUNTED FOR	\$ 1,133,357	\$ 136,336	\$ 4,581	\$ 3,535,724	\$ 4,976	\$ 4,814,974

CITY OF DURANT, MISSISSIPPI  
NOTES TO THE FINANCIAL STATEMENT  
September 30, 2006

Note A: Summary of Significant Accounting Policies

General Information

The city operates under the mayor/board of alderman form of government and provides services as authorized by law.

Reporting Entity

The financial statement of the city consists of all the funds of the city.

Fund Accounting

The accounts of the city 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 Office of the State Auditor. 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.

Note B: Report Classifications

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

SEE ACCOUNTANTS' COMPILATION REPORT

**CITY OF DURANT, MISSISSIPPI**

**SEPTEMBER 30, 2006**

**SUPPLEMENTAL INFORMATION**

SUPPLEMENTAL INFORMATION  
CITY OF DURANT, MISSISSIPPI  
STATEMENT OF LONG TERM DEBT  
September 30, 2006

	Balance Outstanding Sept. 30, 2005	Transactions During Fiscal Year		Balance Outstanding Sept. 30, 2006
		Issued	Redeemed	
<b>REVENUE BONDS</b>				
Total Farmers Home Administration 2001 Issue	\$ 92,748.00		\$15,425	\$ 77,323.00
<b>NOTES PAYABLE</b>				
State Revolving Loan Fund	1,521,046		124,527	1,396,519
Capital Improvements Loan	58,599		9,968	48,631
Capital Improvements Loan	45,179		10,482	34,697
Police Car	17,131		9,269	7,862
Elgin Street Sweeper	12,863		6,269	6,594
Water Lines		41,697	1,013	40,684
Municipal Energy Agency of MS	112,075		18,400	93,675
Total Notes Payable	<u>1,766,893</u>	<u>41,697</u>	<u>179,928</u>	<u>1,628,662</u>
Total Long Term Debt	<u>\$ 1,859,641</u>	<u>\$ 41,697</u>	<u>\$ 195,353</u>	<u>\$ 1,705,985</u>
		Assessed Valuation		\$ 9,854,560
		Population-2000 Census		2,932

SEE ACCOUNTANTS' COMPILATION REPORT

SUPPLEMENTAL INFORMATION  
 CITY OF DURANT, MISSISSIPPI  
 SCHEDULE OF BONDS ON CITY OFFICIALS  
 September 30, 2006

Person	Position	Bond Amount
Johnny Pritchard	Mayor	\$ 50,000
James Ferguson	Vice Mayor/Alderman	50,000
Linda McDonald	City Clerk	50,000
Jerry Bankhead	Chief of Police	50,000
Johnny Johnson	Fire Chief	25,000
Elaine Dickerson	Deputy Clerk	25,000
Machell Parkerson	Clerk	10,000
Larry Boyd, Jr.	Alderman	50,000
Terry Floyd	Alderman	50,000
Dora Parkinson	Alderman	50,000
Johnny Bankhead	Alderman	50,000
John Haynes	Police Officer	25,000
Odessa Young, Jr.	Dispatcher	25,000
Sidney Randle	Police Officer	25,000
Lee Harmon	Police Officer	25,000
Alvin Jobe	Police Officer	25,000
Jimmy McDonald	Police Officer	25,000
Kortina Yound	Police Officer	25,000
Noah Coffee	Police Officer	25,000
FHA Bond		\$ 100,000

SEE ACCOUNTANTS' COMPILATION REPORT

**CITY OF DURANT, MISSISSIPPI**

**SPECIAL REPORT ON AGREED-UPON PROCEDURES  
FOR SMALL MUNICIPALITIES**

**SEPTEMBER 30, 2006**



**Certified Public Accountants**

105 Wall Street  
 Lexington, MS 39095  
 (662) 834-2556

**SPECIAL REPORT ON AGREED-UPON PROCEDURES  
 FOR SMALL MUNICIPALITIES**

Honorable Mayor and Board of Aldermen  
 City of Durant  
 P. O. Box 272  
 Durant, Mississippi 39063

We have applied certain agreed-upon procedures, as discussed below, to the accounting records of the City of Durant, 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 that the report is solely for the use of the governing body of the City of Durant, 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 BankPlus and Merchants & Farmers Bank to balances in the respective general ledger accounts and obtained confirmation of the related balances from the bank:

Account Title	Fund	General Ledger Balance
General Fund	General Fund	\$ (64,029)
Fire Rebate	Special Revenue	49,522
CDBG Project	Special Revenue	58
Police Fines	General Fund	20,119
Parks and Recreation	Special Revenue	2,801
Electric, Light & Water	Utility Fund	77,721
Drug Confiscated Money	General Fund	14,106
Special Equipment	General Fund	1,000

2. We confirmed directly with Merchants & Farmers Bank all investments, including certificates of deposits, owned by the City of Durant. All investment transactions during the year were examined for compliance with investments authorized by Section 21-33-323, Miss. Code Ann. (1972).

Investment	Fund	Amount
CD# 10321	Special Revenue	\$ 944
CD# 10321	Fiduciary Fund	4,976
CD# 10321	Debt Fund	4,581
CD# 10321	General Fund	1,356

Special Report on Agreed-Upon Procedures for Small Municipalities -Continued

3. We performed the following procedures with respect to ad valorem taxes on real and personal property 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.
- d. Analyzed increase in taxes for most recent period for compliance with increase limitations of Sections 27-39-320 through 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.

**FINDINGS:** We determined that the Ad valorem taxes were found to exceed the limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972). We recommend that the City review the current millage rate with regard to the state limitations and adjust the rate accordingly.

4. We obtained a statement of payments made by the Mississippi Department of Finance and Administration to the city. Payments indicated were traced to deposits in banks and recordings in the general ledger without exception. Payments traced were as follows:

Purpose	Receiving Fund	Amount
Sales Tax Allocation	General Fund	301,945
Homestead Exemption Reimb.	General Fund	26,827
Gasoline Tax	General Fund	8,062
MS Department of Public Safety	General Fund	9,000
Liquor Privilege License	General Fund	1,800
General Municipal Aid	General Fund	1,528
MEMA	General Fund	14,115
Fire Protection Allocation	Special Revenue	28,722
Nuclear Plant-In Lieu	General Fund	1,428

5. We selected a sample of purchases made by the city during the year. Each sample item was evaluated for compliance with public purchasing requirements set forth in Title 31, Chapter 7, Miss. Code Ann. (1972), as applicable.

The sample consisted of the following:

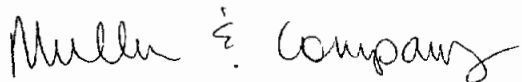
Number of Sample Items	50
Dollar Value of Sample	\$ 453,050

We determined that the City's purchasing procedures were in agreement with the requirements of the above-mentioned sections.

Special Report on Agreed-Upon Procedures for Small Municipalities – Continued

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

The above procedures do not constitute an audit in accordance with generally accepted auditing standards; therefore, we do not express an opinion on any of the specific accounts or classes of transactions. 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, 4, 5, and 6 should be adjusted. However, the procedures performed as described in Paragraph 3 indicate the City should review the current millage rate and adjust as required by Mississippi statute. 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 City of Durant, Mississippi, for the year ended September 30, 2006.



Mullen & Company  
Certified Public Accountants  
Lexington, MS  
April 20, 2007