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Town of Mathiston
Financial Statements
Year Ended September 30, 2006

*Dungan CPA Company
120 South Natchez Street
Kosciusko, Mississippi 39090*

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Town of Mathiston
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Town of Mathiston

**Financial Section
September 30, 2006**

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SPECIAL REPORT ON AGREED-UPON PROCEDURES FOR SMALL TOWNS

October 31, 2006

Honorable Mayor and Board of Aldermen
Mathiston, Mississippi

I have applied certain agreed-upon procedures, as discussed below, to the accounting records of Mathiston, 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 Mathiston, Mississippi and the Office of the State Auditor and should not be used for any other purposes. My procedures and findings are as follows:

1. I 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:

Bank	Fund	Balance Per General Ledger
AmSouth Bank	General	\$44,384
AmSouth Bank	General	20,559
AmSouth Bank	General	43,214
AmSouth Bank	General	15,225
AmSouth Bank	General	1,014
AmSouth Bank	General	2,843
Bank of Kilmichael	General	138,394
AmSouth Bank	General	13,429
AmSouth Bank	Utility	25,341
AmSouth Bank	Utility	33,434
AmSouth Bank	Utility	12,428
AmSouth Bank	Utility	1,167

2. I 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. Coed Ann. (1972).

Ad valorem tax collections for the retirement of general obligation debt was found to be sufficient for payment of current principle and interest in accordance with limitations imposed by Sections 21-33-87 and 21-33-303, Miss. Code Ann, (1972).

3. I obtained a statement of payments made by the Department of Finance and Administration to the municipality. Payments indicated were trace 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>
Gasoline Tax	General Fund	\$ 2,025
General Municipal Aid	General Fund	375
Homestead Exemption	General Fund	5,848
Other Aid	General Fund	6,716
Sales Tax Allocation	General Fund	165,292
TVA Payments	General Fund	5,649
Fire Protection	General Fund	3,662
Emergency Mgmt	General Fund	4,501

4. I 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, Miss. Code Ann. (1972), as applicable.

The sample consisted of the following:

Number of Sample Items	118
Total Dollar Value of Sample	\$ 56,603.01

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

5. I have read the Municipal Compliance Questionnaire completed by the municipality. 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, I 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 my attention that caused me to believe the items specified in Paragraphs 1, 2 and 3 should be adjusted. Had I performed additional procedures or had I conducted an audit of the financial statement in accordance with generally accepted auditing standards, matters might have come to my attention that would have been reported to you. This report should not be associated with the financial statements of the Town of Mathiston, Mississippi, for the year ended September 30, 2006.

Dungan CPA Company
October 31, 2006



Dungan CPA Co.

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Honorable Mayor and Board of Alderman
Town of Mathiston, Mississippi

I have compiled the accompanying statement of cash receipts and disbursements - all fund types as of September 30, 2006, and for the year then ended, in accordance with *Statements on Standards for Accounting and Review Services* established 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 financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

A handwritten signature in black ink, appearing to be 'Kenny Dungan', followed by the text 'CPA Co' written in a similar cursive style.

Dungan CPA Co
October 31, 2006

Town of Mathiston, Mississippi
COMBINED STM OF CASH RECEIPTS AND DISBURSEMENTS
 For the Fiscal Year Ended September 30, 2006

Governmental Funds

	General	Special Revenue	Capital Projects	Proprietary Funds	Fiduciary Funds	Totals (Memorandum Only) 2006	Totals (Memorandum Only) 2005
Revenue Receipts:							
General Property Taxes	\$ 65,760					65,760	\$ 63,408
Franchise Tax	12,056					12,056	9,432
Intergovernmental Revenues:							
State Fire Funds	13,775					13,775	3,392
Grant	0					0	24,515
Homeland Security	6,716					6,716	0
FEMA	4,501					4,501	0
County Fire Protection	1,350					1,350	0
State Shared Revenue:							
Sales Tax	165,292					165,292	149,912
TVA Franchise	5,649					5,649	5,851
Homestead Exemption	5,848					5,848	5,176
General Aid to Municipalities	375			0		375	7,052
Charges for Services:							
Water & Sewer Utility	0			192,237		192,237	181,661
Other Receipts:							
Fines & Forfeits	40,023					40,023	15,863
Loan Proceeds				441,819		441,819	121,897
Permits	1,035					1,035	1,035
Other General Fund Revenue	21,684					21,684	4,290
Interest	6,257			710		6,967	5,183
Transfers	27,710					27,710	37,156
Total Receipts	<u>378,033</u>	<u>0</u>	<u>0</u>	<u>634,766</u>	<u>0</u>	<u>1,012,799</u>	<u>635,823</u>
Cash Balance-Beginning of Year	<u>174,039</u>			<u>118,867</u>	<u>0</u>	<u>292,907</u>	<u>298,776</u>
Total Amount to Account For	<u>\$ 552,072</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 753,634</u>	<u>\$ 0</u>	<u>\$ 1,305,706</u>	<u>\$ 934,599</u>

Town of Mathiston, Mississippi
COMBINED STM OF CASH RECEIPTS AND DISBURSEMENTS
 For the Fiscal Year Ended September 30, 2006

Governmental Funds

	General	Special Revenue	Capital Projects	Proprietary Funds	Fiduciary Funds	Totals (Memorandum Only) 2006	Totals (Memorandum Only) 2005
Operating Disbursements							
General Government (Exec and Financial)	\$ 72,253					72,253	\$ 67,821
Public Safety							
Police	127,611					127,611	117,034
Fire	22,231					22,231	36,712
Highways & Streets	22,077					22,077	23,136
Health & Sanitation	20,152					20,152	22,088
Library	15,381					15,381	14,557
Parks	8,826					8,826	7,023
Sanitation	27,710					27,710	27,963
Enterprises							
Water & Sewer Utility				131,661		131,661	122,817
Loan Repayments	4,972			16,140		21,112	20,542
Transfer to Other Funds	0			27,710		27,710	37,156
Capitalization	11,250			446,339		457,589	144,843
Total Disbursements	<u>332,464</u>	<u>0</u>	<u>0</u>	<u>621,851</u>	<u>0</u>	<u>954,314</u>	<u>641,692</u>
Cash Balance-End of Year	219,609			131,783		351,392	292,907
Total Amount Accounted For	<u>\$ 552,072</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 753,634</u>	<u>\$ 0</u>	<u>\$ 1,305,706</u>	<u>\$ 934,599</u>

TOWN OF MATHISTON
Notes to Financial Statements
September 30, 2006

Note 1 - Summary of significant accounting policies

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

Reporting Entity:

The financial statement for 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 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 2 – 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.

Town of Mathiston
Supplemental Section
September 30, 2006

Town of Mathiston, Mississippi
Schedule of Investments-All Funds
For the Fiscal Year ended September 30, 2006

<i>Ownership</i>	<i>Type of Investment</i>	<i>Interest Rate</i>	<i>Acquisition Date</i>	<i>Maturity Date</i>	<i>Investment Value</i>
General Fund	Certificate of Deposit	3.25%	Oct 24, 2003	Oct 24, 2006	\$138,294

Town of Mathiston, Mississippi
Schedule of Long-Term Debt
For the Fiscal Year ended September 30, 2006

<u><i>Definition & Purpose</i></u>	<u><i>Balance Outstanding October 1, 2005</i></u>	<u><i>Issued</i></u>	<u><i>Redeemed</i></u>	<u><i>Balance Outstanding September 30, 2006</i></u>
USDA Rural Development	67,762		6,921	60,841
USDA Rural Development	77,725		1,830	75,895
Miss. Development Authority	34,998		4,823	30,175
USDA Rural Development	114,500		2,684	111,816

Town of Mathiston, Mississippi
Schedule of Surety Bonds for Town Officials
September 30, 2006

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Bond Amount</u>
Rachel Robinson	Town Clerk	Insurance Company	\$50,000
Bonnie Peacock	Deputy Clerk	Insurance Company	50,000
Roger Miller	Police Chief	Insurance Company	50,000
C. B. Anderson	Police	Insurance Company	25,000
William R. Bland II	Police	Insurance Company	25,000
Jeffery D. McMinn	Police	Insurance Company	25,000
Jimmy Carden	Mayor	Insurance Company	50,000
Donald Yates	Police	Insurance Company	25,000
Robert J Haney	Alderman	Insurance Company	5,000
James E Frost	Alderman	Insurance Company	5,000
Brian M Carden	Alderman	Insurance Company	5,000
James L McAlpin	Alderman	Insurance Company	5,000
Harvey Pinnix	Alderman	Insurance Company	5,000