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TOWN OF MEADVILLE, MISSISSIPPI
FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2006

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**BERNELL McGEHEE, CPA
P. O. BOX 410
LIBERTY, MISSISSIPPI 39645**

Honorable Mayor and Board of Aldermen
Town of Meadville, Mississippi

The accompanying financial statements of the Town of Meadville, Mississippi, for the year ended September 30, 2006, as listed in the Table of Contents was compiled by me in accordance with standards 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.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements and the Statement of Cash Flows for proprietary funds. If the omitted disclosures were included, they might influence the user's conclusions about the town's financial condition and operation. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The supplementary information contained on pages 6 through 7 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 Meadville, without audit or review. Accordingly, I do not express an opinion or any other form of assurance on such supplementary information.

Bernell McGehee
CERTIFIED PUBLIC ACCOUNTANT

December 29, 2006

TOWN OF MEADVILLE, MISSISSIPPI
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
(UNAUDITED)
YEAR ENDED SEPTEMBER 30

<u>Assets</u>	<u>Governmental Fund Types</u>	<u>Proprietary Fund Types</u>	<u>Total Memorandum Only</u>	
			<u>2006</u>	<u>2005</u>
Cash	\$ 224,527	\$ 38,933	\$ 263,460	\$ 405,687
Receivables	-	10,458	10,458	15,561
Fixed assets (net of accumulated depreciation)	-	185,157	185,157	203,384
Total Assets	<u>\$ 224,527</u>	<u>\$ 234,548</u>	<u>\$ 459,075</u>	<u>\$ 624,632</u>
 <u>Liabilities and Fund Equity</u>				
Accounts Payable	\$ 14,035	\$ 5,165	\$ 19,200	\$ 16,404
Notes Payable	-	169,289	169,289	175,905
Customer deposits	-	6,138	6,138	6,400
Total Liabilities	<u>14,035</u>	<u>180,592</u>	<u>194,627</u>	<u>198,709</u>
Retained Earnings:				
Unreserved	-	53,956	53,956	67,761
Fund balance:				
Unreserved	206,339	-	206,339	354,152
Reserved - unemployment benefits	4,153	-	4,153	4,010
Total Fund Equity	<u>210,492</u>	<u>53,956</u>	<u>264,448</u>	<u>425,923</u>
Total Liabilities and Fund Equity	<u>\$ 224,527</u>	<u>\$ 234,548</u>	<u>\$ 459,075</u>	<u>\$ 624,632</u>

The accompanying compilation report is an integral part of this balance sheet.

**TOWN OF MEADVILLE, MISSISSIPPI
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
 (UNAUDITED)
 YEAR ENDED SEPTEMBER 30**

	<u>2006</u>	<u>2005</u>
Revenue:		
Ad valorem	\$ 108,506	\$ 94,227
Licenses and Permits	40,959	34,841
Intergovernmental	239,071	123,268
Fines and Forfeits	3,559	750
Interest	10,776	12,948
Other	<u>6,965</u>	<u>8,094</u>
Total Revenue	<u>\$ 409,836</u>	<u>\$ 274,128</u>
Expenditures:		
General government	367,886	105,286
Public safety	81,023	42,510
Streets	<u>108,597</u>	<u>117,781</u>
Total Expenditures	<u>557,506</u>	<u>265,577</u>
Excess (deficiency) of revenues over expenditures	<u>(147,670)</u>	<u>8,551</u>
Fund balance at beginning of year	<u>358,162</u>	<u>349,611</u>
Fund balance at end of year	<u>\$ 210,492</u>	<u>\$ 358,162</u>

The accompanying compilation report is an integral part of this financial statement

**TOWN OF MEADVILLE, MISSISSIPPI
 COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
 RETAINED EARNINGS -- ALL PROPRIETARY FUND TYPES
 (UNAUDITED)
 YEAR ENDED SEPTEMBER 30**

	<u>WATER</u>	<u>SEWER</u>	<u>TOTAL</u>	
			<u>2006</u>	<u>2005</u>
Operating revenues:				
Charges for services	\$ 88,675	\$ 32,622	\$ 121,297	\$ 84,199
Operating expenses:				
Personal services	22,372	21,688	44,060	39,981
Supplies	10,937	5,986	16,923	18,267
Other services and charges	45,351	4,448	49,799	45,935
Depreciation	<u>18,226</u>	<u>-</u>	<u>18,226</u>	<u>18,226</u>
Total operating expenses	96,886	32,122	129,008	206,608
Operating income	(8,211)	500	(7,711)	(38,210)
Non-operating revenues (expenses):				
Interest - net	(6,093)		(6,093)	(6,145)
Transfers in (out)	<u>500</u>	<u>(500)</u>	<u>-</u>	<u>-</u>
Total non-operating revenue (expense)	(5,593)	(500)	(6,093)	(6,145)
Net income (loss)	(13,804)	-	(13,804)	(44,355)
Retained earnings, beginning of year	<u>67,760</u>	<u>-</u>	<u>67,760</u>	<u>112,115</u>
Retained earnings, end of year	<u>\$ 53,956</u>	<u>\$ -</u>	<u>\$ 53,956</u>	<u>\$ 67,760</u>

The accompanying compilation report is an integral part of this financial statement

TOWN OF MEADVILLE, MISSISSIPPI
 STATEMENT OF LONG-TERM DEBT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006

<u>DEFINITION AND PURPOSE OF DEBT</u>	<u>BALANCE OUTSTANDING 10/01/05</u>	<u>TRANSACTIONS DURING FISCAL YEAR ISSUED REDEEMED</u>	<u>BALANCE OUTSTANDING 09/30/06</u>
General Obligation Notes:			
State of Mississippi - Capital Improvement Loans:			
Water Tank Refurbishing	\$ 47,615	\$ -	\$ 46,636
Water Well & Transmission System	128,290	5,637	122,653
	<u>\$ 175,905</u>	<u>\$ 6,616</u>	<u>\$ 169,289</u>
Total General Obligation Notes			
	<u>\$ 175,905</u>	<u>\$ 6,616</u>	<u>\$ 169,289</u>
TOTAL LONG-TERM DEBT			
	<u>\$ 175,905</u>	<u>\$ 6,616</u>	<u>\$ 169,289</u>

Assessed Valuation \$ 4,554,766

Population - 2000 Census 519

BERNELL McGEHEE, CPA
P. O. BOX 410
LIBERTY, MISSISSIPPI 39645

Mayor and Board of Aldermen
Meadville, Mississippi

I have applied certain agreed upon procedures, as discussed below, to the accounting records of the Town of Meadville, Mississippi as of September 30, 2006 and for the year then ended, as required by the office of the State Auditor. This is solely for the use of the governing body of the Town of Meadville, 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 banks to balances in the respective fund accounts and obtained confirmation of the related balances from the banks.

<u>BANK</u>	<u>ACCOUNT NAME</u>	<u>BALANCE PER</u> <u>GENERAL LEDGER</u>	
Bank of Franklin	General	\$ 41,423	
Bank of Franklin	General Building, & Maint.	508	
Bank of Franklin	Fire Dept. Improvement Fund	459	
Bank of Franklin	Fire Fund Special	54,951	
Bank of Franklin	Fire Fund #3	9,241	
Bank of Franklin	Street Fund	2,922	
Bank of Franklin	Employment Ins. Rev. Acct.	4,153	
Peoples's Bank	Certificates of Deposit	<u>110,870</u>	\$ 224,527
Bank of Franklin	Water and Sewer Rev. Fund	<u>38,933</u>	<u>38,933</u>
	Total		<u>\$ 263,460</u>

- B. As of September 30, 2006 the town held no investment securities.
- C. I performed the following procedures with respect to 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 the proper handling, including tax sales.
 4. Traced distribution of taxes collected to proper funds.
 5. Analyzed increases in taxes for most recent period for compliance with increase limitations of Section 27-39-320 to 27-39-323 of the Mississippi Code, 1972 Annotated.

The assessments were mathematically correct and agreed with collections, as follows:

	<u>ASSESSED VALUE</u>	<u>TAX</u>	
		<u>MILLAGE</u>	<u>LEVY</u>
Real Property	\$ 2,047,840		
Personal Property/Public Utility	1,481,475		
Personal - Auto	<u>1,025,451</u>		
	<u>\$ 4,554,766</u>	24.00	\$ 109,314
Less: County Assessor Commission			(1,230)
Prior Year Taxes			<u>422</u>
Total Taxes Accounted For			<u>\$ 108,506</u>
Taxes collected and deposited to general fund			<u>\$ 108,506</u>
Total Taxes Accounted For			<u>\$ 108,506</u>

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

Ad Valorem tax assessments were found to be within the limitations of Sections 27-39-320 to 27-39-323, Mississippi Code, 1972 Annotated, as follows:

\$ 94,227 Base - 2005	\$ 108,506 Taxes Collected - 2006
9,423 10% increase	
<u>1,870 Exempt Collections</u>	<u>(2,986) (Over) Under Limit</u>
<u>\$ 105,520</u>	<u>\$ 105,520</u>

D. I obtained a statement of payments made by the Mississippi Department of Finance and Administration to the town. The payments were traced to deposit in banks and recording in the general fund. Cash receipts were as follows:

<u>PAYMENT PURPOSE</u>	<u>FUND</u>	<u>AMOUNT</u>
Water/Sewer Services	General	\$ 267
Sales Tax	General	112,634
Fire Protection Allocation	General	2,639
Gasoline Tax	General	1,460
General Municipal Aid	General	271
Grand Gulf Nuclear Plant	General	8,178
Homestead Exemption Reimbursement	General	6,459
Mississippi Development Authority	General	118,659
Emergency Management	General	7,010

E. I selected a sample of purchases made by the municipality during the year. Each sample item was evaluated for compliance with public purchasing requirements set forth in Section 31-7-1, 31-7-13, 31-7-49, 31-7-57, Mississippi Code, 1972 Annotated, as applicable.

The sample consisted of the following:

Number of sample items	12
Dollar value of sample	\$ 323,716

I found the town's purchasing procedures to be in compliance with the above sections.

F. I 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, 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 on 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 Meadville, taken as a whole.

Bernell M^c Gehee
CERTIFIED PUBLIC ACCOUNTANT

December 29, 2006