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TOWN OF ARCOLA, MISSISSIPPI
FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2007

RECEIVED
JUL 30 2009
STATE AUDITOR'S OFFICE

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Kayla Paul-Lindsey CPA Firm
A Professional Corporation

CERTIFIED PUBLIC ACCOUNTANT

Member of American Institute of Certified Public Accountants
Member of Mississippi Society of Certified Public Accountants

Honorable Mayor and Board of Aldermen
Town of Arcola, Mississippi

I have compiled the accompanying statement of cash receipts and disbursements - all fund types of the Town of Arcola, Mississippi, for the year ended September 30, 2007, 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 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 statement 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 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 5 through 11 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 Arcola, without audit or review. Accordingly, I do not express an opinion or any other form of assurance on such supplementary information.

CERTIFIED PUBLIC ACCOUNTANT

April 21, 2009

TOWN OF ARCOLA, MISSISSIPPI
 STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - ALL FUND TYPES
 (UNAUDITED)
YEAR ENDED SEPTEMBER 30, 2007

	GOVERNMENTAL FUNDS	PROPRIETARY FUNDS			TOTAL (MEMORANDUM ONLY)	
	<u>General</u>	<u>Solid Waste</u>	<u>Water And Sewer</u>	<u>Fire Protection</u>	<u>2007</u>	<u>2006</u>
REVENUE RECEIPTS						
General Property Taxes	\$ 50,098	\$ -	\$ -	\$ -	\$ 50,098	\$ 51,049
Licenses and Permits	600	-	-	-	600	400
Franchise Taxes	18,088	-	-	-	18,088	17,683
Intergovernmental Revenues:						
State/County	32,925	-	-	-	32,925	84,088
Charges for Services	-	18,390	122,959	15,850	157,199	165,132
Fines and Forfeits	21,378	-	-	-	21,378	6,382
Interest	910	-	-	-	910	1,352
Other	66,568	-	-	-	66,568	35,930
TOTAL REVENUE RECEIPTS	<u>\$ 190,567</u>	<u>\$ 18,390</u>	<u>\$ 122,959</u>	<u>\$ 15,850</u>	<u>\$ 347,766</u>	<u>\$ 362,016</u>
CASH BALANCE - BEGINNING OF YEAR	<u>132,496</u>	<u>-</u>	<u>22,347</u>	<u>635</u>	<u>155,478</u>	<u>125,480</u>
TOTAL AMOUNT TO ACCOUNT FOR	<u>\$ 323,063</u>	<u>\$ 18,390</u>	<u>\$ 145,306</u>	<u>\$ 16,485</u>	<u>\$ 503,244</u>	<u>\$ 487,496</u>

See Accompanying Accountant's Compilation Report

TOWN OF ARCOLA, MISSISSIPPI
 STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - ALL FUND TYPES
 (UNAUDITED)
 YEAR ENDED SEPTEMBER 30, 2007

	GOVERNMENTAL FUNDS	PROPRIETARY FUNDS			TOTAL (MEMORANDUM ONLY)	
	General	Solid Waste	Water And Sewer	Fire Protection	2007	2006
OPERATING DISBURSEMENTS						
General Government						
Personal Services	\$ 59,480	\$ -	\$ -	\$ -	\$ 59,480	\$ 61,000
Supplies	1,015	-	-	-	1,015	925
Other Services and Charges	22,480	-	-	-	22,480	35,594
	<u>82,975</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>82,975</u>	<u>97,519</u>
Public Safety						
Personal Services	41,500	-	-	-	41,500	44,600
Supplies	680	-	-	-	680	575
Other Services and Charges	2,842	-	-	-	2,842	3,840
	<u>45,022</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,022</u>	<u>49,015</u>
Streets						
Personal Services	13,200	-	-	-	13,200	14,700
Supplies	420	-	-	-	420	530
Other Services and Charges	2,650	-	-	-	2,650	3,840
	<u>16,270</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,270</u>	<u>19,070</u>
Enterprise						
Fire	-	-	-	20,150	20,150	23,200
Water and Sewer	-	-	104,850	-	104,850	106,150
Garbage	-	24,140	-	-	24,140	37,064
	<u>-</u>	<u>24,140</u>	<u>104,850</u>	<u>20,150</u>	<u>149,140</u>	<u>166,414</u>
TOTAL OPERATING DISBURSEMENTS	<u>144,267</u>	<u>24,140</u>	<u>104,850</u>	<u>20,150</u>	<u>293,407</u>	<u>332,018</u>
CASH BALANCE - END OF YEAR	<u>188,383</u>	<u>-</u>	<u>15,450</u>	<u>6,004</u>	<u>209,837</u>	<u>155,478</u>
TOTAL AMOUNT TO ACCOUNT FOR	\$ <u>332,650</u>	\$ <u>24,140</u>	\$ <u>120,300</u>	\$ <u>26,154</u>	\$ <u>503,244</u>	\$ <u>487,496</u>

See Accompanying Accountant's Compilation Report

TOWN OF ARCOLA, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS
YEAR ENDED SEPTEMBER 30, 2007

<u>NAME</u>	<u>POSITION</u>	<u>COMPANY</u>	<u>BOND</u>
Clifton Harris	Mayor	Scott Municipal	\$25,000
Shelly Newell	Alderman	Scott Municipal	\$ 5,000
Louise Simpson	Alderman	Scott Municipal	\$ 5,000
Lucille Bonney	Alderman	Scott Municipal	\$ 5,000
Frederick Love	Alderman	Scott Municipal	\$ 5,000
Johnnie Hansell	Alderman	Scott Municipal	\$ 5,000
Amanda A. Scott	Town Clerk	St. Paul/Travelers	\$50,000

TOWN OF ARCOLA, MISSISSIPPI
SCHEDULE OF INSURANCE COVERAGE – WATER & SEWER
YEAR ENDED SEPTEMBER 30, 2007

<u>INSURANCE COMPANY</u>	<u>COVERAGE DATES</u>	<u>COVERAGE</u>	<u>AMOUNT OF COVERAGE</u>
Lexington Insurance	08/23/06 – 08/23/07	Complete System	\$47,500

TOWN OF ARCOLA, MISSISSIPPI
SCHEDULE OF INSURANCE COVERAGE – WATER & SEWER
YEAR ENDED SEPTEMBER 30, 2007

<i>Gallons</i>	<u>RATE</u>	
	<i>Water</i>	<i>Sewer</i>
0 – 1000	\$15.50	\$9.50
1000 – 2000	\$16.00	\$10.00
2000 – 3000	\$16.50	\$10.50
3000 – 4000	\$17.00	\$11.00
4000 – 5000	\$17.50	\$11.50
5000 – 6000	\$18.00	\$12.00
6000 – 7000	\$18.50	\$12.50
7000 – 8000	\$19.00	\$13.00
8000 – 9000	\$19.50	\$13.50
9000 – 10000	\$20.00	\$14.00
10000 – 11000	\$20.50	\$14.50
11000 – 12000	\$21.00	\$15.00
12000 – 13000	\$21.50	\$15.50
13000 – 14000	\$22.00	\$16.00
14000 – 15000	\$22.50	\$16.50
15000 – 16000	\$23.00	\$17.00
16000 – 17000	\$23.50	\$17.50
17000 – 18000	\$24.00	\$18.00
18000 – 19000	\$24.50	\$18.50
19000 – 20000	\$25.00	\$19.00
20000 – 21000	\$25.50	\$19.50
21000 – 22000	\$26.00	\$20.00
22000 – 23000	\$26.50	\$20.50
23000 – 24000	\$27.00	\$21.00
24000 – 25000	\$27.50	\$21.50
25000 – 26000	\$28.00	\$22.00
26000 – 27000	\$28.50	\$22.50
27000 – 28000	\$29.00	\$23.00
28000 – 29000	\$29.50	\$23.50
29000 – 30000	\$30.00	\$24.00
30000 – 31000	\$30.50	\$24.50
31000 – 32000	\$31.00	\$25.00
32000 – 33000	\$31.50	\$25.50
33000 – 34000	\$32.00	\$26.00
34000 – 35000	\$32.50	\$26.50
35000 – 36000	\$33.00	\$27.00
36000 – 37000	\$33.50	\$27.50
37000 – 38000	\$34.00	\$28.00
38000 – 39000	\$34.50	\$28.50
39000 – 40000	\$35.00	\$29.50

TOWN OF ARCOLA, MISSISSIPPI
SCHEDULE OF MUNICIPAL OFFICIALS
YEAR ENDED SEPTEMBER 30, 2007

Clifton Harris
Shelly Newell
Louise Simpson
Lucille Bonney
Frederick Love
Johnnie B. Hanse
Allan Woodard
Amanda A. Scottt

Mayor
Alderman
Alderman
Alderman
Alderman
Alderman
Attorney
Town Clerk



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Honorable Mayor and Board of Aldermen
Town of Arcola, Mississippi

I have applied certain agreed-upon procedures, as discussed below, to the accounting records of the Town of Arcola, Mississippi as of September 30, 2007 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 is solely for the use of the governing body of the Town of Arcola, 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 from the banks:

<u>BANK</u>	<u>FUND</u>	<u>BALANCE PER FINANCIAL STATEMENTS</u>
Regions Bank	Water Meter	\$ 6,462
Regions Bank	Water Fund	7,527
Regions Bank	Water Department	<u>1,461</u>
		\$ 15,450
Regions Bank	Fire Protection	<u>6,004</u>
Regions Bank	FHA	12,864
Regions Bank	Crime Prevention	70,756
Regions Bank	General Funds	2,080
Regions Bank	Cemetery - Savings	33,512
Regions Bank	Unemployment	14,532
Guaranty Bank	Broadband Account	<u>54,639</u>
		<u>188,383</u>
	BALANCE	<u>\$209,837</u>

- (b) As of September 30, 2007, 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 tax for proper handling, including tax sales.
 4. Traced distribution of taxes collected to proper funds.
 5. Analyzed increase in taxes for 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:

	<u>ASSESSED VALUE</u>	<u>MILLAGE</u>	<u>TAX LEVY</u>
Real Property	\$ 751,500		
Personal Property	63,939		
Utilities	253,442		
Automobile	<u>180,586</u>		
	<u>\$1,249,467</u>	45.00	56,226
Less: Homestead Exemption			(2,852)
Uncollected			<u>(3,276)</u>
Total Taxes to Account For			<u>\$50,098</u>
Taxes collected and deposited to general and fire protection funds			<u>\$50,098</u>
Total Taxes Accounted For			<u>\$50,098</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:

<u>2007</u>		<u>2006</u>
\$50,098	Taxes Collected	\$51,049
<u>-</u>	(Over) Under Limit	<u>-</u>
<u>\$50,098</u>		<u>\$51,049</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 recorded in the general ledger without exception. Cash receipts were as follows:

<u>PAYMENT PURPOSES</u>	<u>FUND</u>	<u>AMOUNT</u>
Sales Tax	General	\$18,967
General Municipal Aid	General	1,736
Grand Gulf Nuclear Plant	General	3,576
Homestead Exemption	General	2,852

- (e) I selected a sample of purchases made by the municipality during the year as follows:

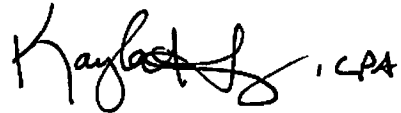
21 - \$24,020

I found the town's purchasing procedures to be in compliance with applicable laws.

- (f) I have read the Municipal Compliance questionnaire completed by the town. The following responses indicate noncompliance.

- (i) All ordinances have not been entered into the ordinance book and included in the minutes.
- (ii) The financial records have not been maintained in accordance with the chart of accounts prescribed by the State Auditor.
- (iii) The municipality has not conducted an annual land sale for delinquent ad valorem taxes.

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 Arcola, taken as a whole.

A handwritten signature in black ink, appearing to read "Kayla J. CPA". The signature is fluid and cursive, with the initials "CPA" written in a slightly more formal, blocky style at the end.

CERTIFIED PUBLIC ACCOUNTANT

April 21, 2009