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TOWN OF GATTMAN
COMPILED FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2007

RECEIVED
APR 08 2008
STATE AUDITOR'S OFFICE

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R. Dale Pierce

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Mayor and Board of Alderpersons
Town of Gattman
Gattman, Mississippi

I have compiled the accompanying statement of cash receipts and disbursements governmental and business-type activities of the Town of Gattman, for the year ended September 30, 2007, and the accompanying supplementary information contained in Schedules 1 through 3, 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. I have not audited or reviewed the accompanying statement of cash receipts and disbursements governmental and business-type activities and supplementary schedules 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 amounts that would be reported in government-wide financial statements resulting from the cash basis transactions for the Town's governmental activities and business-type activities are not reasonably determinable.

The Mayor and Alderperson have also elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the cash basis of accounting. If the omitted disclosures were included in the financial statements, 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.

In accordance with the provisions of §21-35-31, Miss. Code Ann.(1972), I have issued a report dated March 4, 2008, on the results of our agreed-upon procedures.

A handwritten signature in black ink, appearing to read "R. Dale Pierce". The signature is fluid and cursive, with a prominent initial "R" and a long, sweeping underline.

R. Dale Pierce
Certified Public Accountant

March 4, 2008

TOWN OF GATTMAN, MISSISSIPPI
 STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
 FOR THE YEAR ENDED September 30, 2007

Governmental Activities Business-Type Activities

RECEIPTS:

	<u>General Fund</u>	<u>Total</u>	<u>Water Fund</u>	<u>Total</u>
Taxes:				\$
General Property Taxes	\$ 1,920	\$ 1,920	\$	
Payments in lieu of tax	1,429	1,429		
Licenses and Permits				
Utility Franchise charges	1,472	1,472		
Other	80	80		
State Grants:				
General Municipal Aid	59	59		
Homestead Exemption				
Reimbursement	50	50		
State Shared Receipts:				
Sales Tax	1,699	1,699		
Gasoline Tax	306	306		
County Grants				
Fire Allocation	539	539		
Charges for Services				
Water			84,358	84,358
Other Receipts				
Interest			228	228
Rent	770	770		
Miscellaneous				
 TOTAL RECEIPTS	 \$ 8,324	 \$ 8,324	 \$ 84,586	 \$ 84,586

TOWN OF GATTMAN, MISSISSIPPI
 STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
 CONTINUED-FOR THE YEAR ENDED September 30, 2007

Governmental Activities Business-Type Activities

	<u>General Fund Total</u>	<u>Water Fund</u>	<u>Total</u>
DISBURSEMENTS			
General Government	\$ 4,380	\$	\$
Public Safety			
Public Works	3,773		
Enterprise			
Water		79,494	79,494
Debt Service Interest		1,403	1,403
Other Disbursements			
Redemption of Principal			
Total Disbursements	<u>\$ 8,153</u>	<u>\$ 80,897</u>	<u>\$ 80,897</u>
Excess (Deficiency) of Receipts Over Disbursements	\$ 171	\$ 3,689	\$ 3,689
Cash Basis Fund Balance-Beginning	47	10,586	10,586
Cash Basis Fund Balance-Ending	<u>\$ 218</u>	<u>\$ 14,275</u>	<u>\$ 14,275</u>

See Accountant's Compilation Report.
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SUPPLEMENTAL INFORMATION

TOWN OF GATTMAN, MISSISSIPPI
SCHEDULE OF INVESTMENTS
September 30, 2007
Schedule 1

No Investments

See Accountant's Compilation Report

TOWN OF GATTMAN, MISSISSIPPI
 SCHEDULE OF LONG-TERM DEBT
 SEPTEMBER 30, 2007
 SCHEDULE 2

DEFINITION AND PURPOSE	Balance Outstanding October 1, 2006	Transactions During Fiscal Year Issued	Redeemed	Balance Outstanding September 30, 2007
General Obligation Bonds:				
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Revenue Bonds:				
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Other Long Term Debt:				
Notes Payable - USDA	\$20,173		\$ 7,096	\$13,077
Notes Payable - Equipment	-0-	\$25,000	1,818	23,182
	\$20,173	\$25,000	\$ 8,914	\$36,259

TOWN OF GATTMAN, MISSISSIPPI
SCHEDULE OF SURETY BONDS OF MUNICIPAL OFFICIALS
September 30, 2007
Schedule 3

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Amount</u>
Danny Scott	Mayor	Travelers	\$25,000
Anthony W Downey	Alderman	Travelers	5,000
Karen Green	Alderman	Travelers	5,000
Elizabeth McKay	Alderman	Travelers	5,000
Tommie J Bailey	Alderman	Travelers	5,000
Edna West	Alderman	Travelers	5,000
Tina Tucker	Municipal Clerk	St. Paul	50,000

See Accountant's Compilation Report

TOWN OF GATTMAN, MISSISSIPPI
INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING
AGREED-UPON PROCEDURES
SEPTEMBER 30, 2007

R. Dale Pierce

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Mayor and Board of Alderpersons
Town of Gattman
Gattman, Mississippi

I have performed the procedures enumerated below, which were agreed to by the Office of the State Auditor, to the accounting records of Town of Gattman, Mississippi, solely to assist the Office of the State Auditor to evaluate the Town of Gattman, Mississippi's compliance with certain laws and regulations as of September 30, 2007, and for the year then ended. 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, I 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.

My procedures and findings are as follows:

1. I reconciled cash on deposit with the following bank balances in the respective general ledger accounts and obtained confirmation of the related balances from the bank.

<u>Bank</u>	<u>Fund</u>	Balance per General <u>Ledger</u>
Renasant Bank	General	\$ 218
Renasant Bank	Water	6,674
Renasant Bank	Water	<u>7,601</u>
	TOTAL	<u>\$14,493</u>

2. There were no investment securities owned by the town as of September 30, 2007; nor were there any investment security transactions during the year ended September 30, 2006.

3. I performed the following procedures with respect to taxes on real and personal property 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;

MEMBER 9

- c. Traced distribution of taxes collected to proper funds; and
- d. Analyzed increase in taxes for most recent period for compliance 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. Code Ann. (1972).

There were no ad valorem tax collections for the retirement of General Obligation Debt.

4. I obtained a statement of payments made by the Department of Finance and Administration to the municipality. Payments indicated were traced to deposits 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>Amount</u>
Sales Tax	General Fund	\$1,699
Fire Protection	General Fund	539
Gasoline Tax	General Fund	306
Homestead Exemption Reimbursement	General Fund	50
Municipal Aid	General Fund	59

5. I examined all purchases made during the year. Each item was evaluated for compliance with purchasing requirements set forth in Title 31, Chapter 7, Mississippi Code, Ann., (1972), as applicable.

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

6. I have read the Municipal Compliance Questionnaire completed by the municipality. The completed survey indicated no instances of noncompliance with state requirements.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's compliance with laws and regulations. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of the Town of Gattman and the Office of the State Auditor, State of Mississippi and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is not intended to be and should not be used by anyone other than those specified parties.

A handwritten signature in black ink, appearing to read "R. Dale Pierce". The signature is stylized with a large initial "R" and a long, sweeping underline.

R. Dale Pierce
Certified Public Accountant

March 4, 2008