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Town of Mathiston
Financial Statements
Year Ended September 30, 2007

RECEIVED

MAR 17 2008

STATE AUDITOR'S OFFICE

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

Town of Mathiston
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Town of Mathiston

**Financial Section
September 30, 2007**

Dungan CPA Co.

Kenny Dungan, CPA
120 S Natchez Street
Kosciusko, MS 39090

Telephone 662-289-9007
Fax 662-289-6644

SPECIAL REPORT ON AGREED-UPON PROCEDURES FOR SMALL TOWNS

October 31, 2007

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, 2007, 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	\$97,611
AmSouth Bank	General	22,957
AmSouth Bank	General	52,954
AmSouth Bank	General	17,600
AmSouth Bank	General	1,024
AmSouth Bank	General	2,843
Regions	General	145,474
AmSouth Bank	General	13,569
AmSouth Bank	Utility	31,940
AmSouth Bank	Utility	34,749
AmSouth Bank	Utility	12,558
AmSouth Bank	Utility	1,127

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	6,199
Other Aid	General Fund	0
Sales Tax Allocation	General Fund	182,881
TVA Payments	General Fund	6,068
Fire Protection	General Fund	3,407
Emergency Mgmt	General Fund	0

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	152
Total Dollar Value of Sample	\$ 57,342.79

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, 2007.

Dungan CPA Company
October 31, 2007

Quye CPA

Dungan CPA Co.

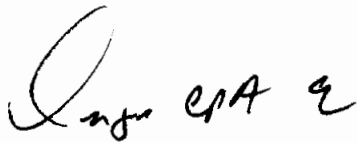
Kenny Dungan, CPA
120 S Natchez Street
Kosciusko, MS 39090

Telephone 662-289-9007
Fax 662-289-6644

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, 2007, 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.



Dungan CPA Co
October 31, 2007

Town of Mathiston, Mississippi
COMBINED STM OF CASH RECEIPTS AND DISBURSEMENTS
 For the Fiscal Year Ended September 30, 2007

Governmental Funds

	General	Special Revenue	Capital Projects	Proprietary Funds	Fiduciary Funds	Totals (Memorandum Only) 2007	Totals (Memorandum Only) 2006
Revenue Receipts:							
General Property Taxes	\$ 65,816					65,816	\$ 65,760
Franchise Tax	10,754					10,754	12,056
Intergovernmental Revenues:							
State Fire Funds	3,407					3,407	13,775
Homeland Security	0					0	6,716
FEMA	0					0	4,501
County Fire Protection	0					0	1,350
State Shared Revenue:							
Sales Tax	182,881					182,881	165,292
TVA Franchise	6,068					6,068	5,649
Homestead Exemption	6,199					6,199	5,848
General Aid to Municipalities	375			0		375	375
Charges for Services:							
Water & Sewer Utility	0			203,826		203,826	192,237
Other Receipts:							
Fines & Forfeits	86,949					86,949	40,023
Loan Proceeds						0	441,819
Permits	1,200					1,200	1,035
Other General Fund Revenue	38,477					38,477	21,684
Interest	7,220			794		8,014	6,968
Transfers	31,708					31,708	27,710
Total Receipts	<u>441,056</u>	<u>0</u>	<u>0</u>	<u>204,619</u>	<u>0</u>	<u>645,675</u>	<u>1,012,799</u>
Cash Balance-Beginning of Year	219,609			131,783		351,392	292,907
Total Amount to Account For	<u>\$ 660,664</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 336,402</u>	<u>\$ 0</u>	<u>\$ 997,067</u>	<u>\$ 1,305,706</u>

Town of Mathiston, Mississippi
COMBINED STM OF CASH RECEIPTS AND DISBURSEMENTS
 For the Fiscal Year Ended September 30, 2007

Governmental Funds

	General	Special Revenue	Capital Projects	Proprietary Funds	Fiduciary Funds	Totals (Memorandum Only) 2007	Totals (Memorandum Only) 2006
Operating Disbursements							
General Government (Exec and Financial)	\$ 73,252					73,252	\$ 72,253
Public Safety							
Police	152,859					152,859	127,611
Fire	14,301					14,301	22,231
Highways & Streets	32,614					32,614	22,077
Health & Sanitation	19,433					19,433	20,152
Library	14,614					14,614	15,381
Parks	7,755					7,755	8,826
Sanitation Enterprises	32,026					32,026	27,710
Water & Sewer Utility				122,883		122,883	131,661
Loan Repayments	5,070			26,880		31,950	21,112
Transfer to Other Funds	0			31,708		31,708	27,710
Capitalization	26,286			2,979		29,265	457,589
Total Disbursements	<u>378,210</u>	<u>0</u>	<u>0</u>	<u>184,451</u>	<u>0</u>	<u>562,661</u>	<u>954,314</u>
Cash Balance-End of Year	<u>282,454</u>	<u>0</u>	<u>0</u>	<u>151,952</u>	<u>0</u>	<u>434,406</u>	<u>351,392</u>
Total Amount Accounted For	<u>\$ 660,664</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 336,402</u>	<u>\$ 0</u>	<u>\$ 997,067</u>	<u>\$ 1,305,706</u>

TOWN OF MATHISTON
Notes to Financial Statements
September 30, 2007

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, 2007

Town of Mathiston, Mississippi
Schedule of Investments-All Funds
For the Fiscal Year ended September 30, 2007

<u>Ownership</u>	<u>Type of Investment</u>	<u>Interest Rate</u>	<u>Acquisition Date</u>	<u>Maturity Date</u>	<u>Investment Value</u>
General Fund	Certificate of Deposit	2.62%	Oct 24, 2006	Oct 24, 2007	\$145,474

Town of Mathiston, Mississippi
Schedule of Long-Term Debt
For the Fiscal Year ended September 30, 2007

<u><i>Definition & Purpose</i></u>	<u><i>Balance Outstanding October 1, 2006</i></u>	<u><i>Issued</i></u>	<u><i>Redeemed</i></u>	<u><i>Balance Outstanding September 30, 2007</i></u>
USDA Rural Development	60,841		7,183	53,658
USDA Rural Development	75,895		1,813	74,082
Miss. Development Authority	30,175		4,975	25,200
USDA Rural Development	111,816		6,218	105,598

Town of Mathiston, Mississippi
Schedule of Surety Bonds for Town Officials
September 30, 2007

<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