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**City of Mendenhall, Mississippi**  
**Compiled Financial Statements**  
**Year Ended September 30, 2007**

**Charles Robert Prince**  
**Certified Public Accountant**

**City of Mendenhall, Mississippi**

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## **FINANCIAL STATEMENTS**

**Charles Robert Prince**  
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**ACCOUNTANT'S COMPILATION REPORT**

Honorable Mayor and Board of Alderpersons  
City of Mendenhall  
Mendenhall, Mississippi

I have compiled the accompanying statement of cash receipts and disbursements- governmental and business-type activities and other funds of the City of Mendenhall, Mississippi for the year ended September 30, 2007, and the accompanying supplementary information contained in Schedules 1 through 4, 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 other funds 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 City'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 City's governmental activities and business-type activities are not reasonably determinable.

**Honorable Mayor and Board of Alderpersons  
City of Mendenhall**

The Mayor and Alderpersons 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 City'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 28, 2008, on the results of our agreed-upon procedures.

A handwritten signature in black ink, appearing to read "Charles F. [unclear]". The signature is written in a cursive style.

March 28, 2008

**City of Mendenhall, Mississippi**  
**Statement of Cash Receipts and Disbursements—**  
**Governmental and Business-type Activities and Other Funds**  
**For the Year Ended September 30, 2007**

	Governmental Activities			Business - Type Activities		Other
	General Fund	Special Revenue Fund	Debt Service Fund	TOTAL	Water Fund	
<b>RECEIPTS:</b>						
<b>Taxes</b>						
General Property Taxes	\$ 355,663	\$ 43,388	\$ 2,250	\$ 401,301	\$	\$
Rail Car Taxes	6,878			6,878		
Penalties and Interest License and Permits	5,448			5,448		
Utility Franchise Charges	77,104			77,104		
Other	13,306			13,306		
<b>Intergovernmental Receipts</b>						
Federal Receipts						
Homeland Security Grant	9,900			9,900		
State Grants						
General Municipal Aid	1,332			1,332		
Homestead Exemption	35,305	4,306		39,611		
Mosquito Grant	14,821			14,821		
Wireless Grant	9,260			9,260		
Police Reimbursement	900			900		
State Shared Receipts						
Sales Taxes	625,755			625,755		
Fire Protection		12,091		12,091		
Gasoline Taxes	7,185			7,185		
Grand Gulf	26,846			26,846		
County Grants						
Fire Allocation		26,083		26,083		
1/2 Road and Bridge Taxes	13,658			13,658		
Municipal Fire Funds-D'Lo		2,371		2,371		

SEE ACCOUNTANT'S COMPILATION REPORT

**City of Mendenhall, Mississippi**  
**Statement of Cash Receipts and Disbursements—**  
**Governmental and Business-type Activities and Other Funds**  
**For the Year Ended September 30, 2007**

	Governmental Activities			Business - Type Activities			
	General Fund	Special Revenue Fund	Debt Service Fund	TOTAL	Water Fund	Fiduciary Fund	Other
RECEIPTS: Continued							
Charges for Services							
Water and Sewer				\$	\$	\$	\$
Garbage		182,418		182,418			
Meter Deposits					11,902		
Other Receipts							
Fines and Forfeits	133,654			133,654			
Interest	17,673	8,712	22	26,407	3,952		
Rent	5,275			5,275			
Other	4,650	4,822		9,472			
CAP Loan Proceeds	128,876			128,876	77,165		
<b>TOTAL RECEIPTS</b>	<b>\$ 1,493,489</b>	<b>\$ 284,191</b>	<b>\$ 2,272</b>	<b>\$ 1,779,952</b>	<b>\$ 514,282</b>	<b>\$ -</b>	<b>\$ -</b>

**SEE ACCOUNTANT'S COMPILATION REPORT**

**City of Mendenhall, Mississippi**  
**Statement of Cash Receipts and Disbursements—**  
**Governmental and Business-type Activities and Other Funds**  
**For the Year Ended September 30, 2007**

	Governmental Activities			Business - Type Activities		Other
	General Fund	Special Revenue Fund	Debt Service Fund	Water Fund	Fiduciary Fund	
<b>DISBURSEMENTS:</b>						
General Government	\$ 485,761	\$	\$	\$ 485,761	\$	\$
Public Safety	466,708			466,708		
Police	9,097	13,528		22,625		
Fire						
Highways and Streets	139,338			139,338		
Repairs and Maintenance						
Sanitation		218,312		218,312		
Culture and Recreation	40,622			40,622		
Economic Development and Assistance	17,800			17,800		
Enterprises						
Water and Sewer					367,732	
				<b>TOTAL</b>		

**SEE ACCOUNTANT'S COMPILATION REPORT**

**City of Mendenhall, Mississippi**  
**Statement of Cash Receipts and Disbursements—**  
**Governmental and Business-type Activities and Other Funds**  
**For the Year Ended September 30, 2007**

	Governmental Activities				TOTAL	Business - Type Activities		
	General Fund	Special Revenue Fund	Debt Service Fund			Water Fund	Fiduciary Fund	Other
DISBURSEMENTS: Continued								
Interest on Debt	\$ 8,919	\$	\$	\$ 8,919	\$ 8,722	\$		
Payment of Loan - Police Recorders	6,637			6,637				
Payment of Loan- Priority One Bank	3,065			3,065	50,000			
Payment of Loans- Trustmark National Bank	33,333			33,333				
Payment of CAP Loan - MS Dev. Auth.	7,814			7,814	16,743			
Fees and Commissions			64	64				
Capital Outlay	206,643	19,600		226,243	83,135			
<b>TOTAL DISBURSEMENTS</b>	<b>\$ 1,425,737</b>	<b>\$ 251,440</b>	<b>\$ 64</b>	<b>\$ 1,677,241</b>	<b>\$ 526,332</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	\$ 67,752	\$ 32,751	\$ 2,208	\$ 102,711	\$ (12,050)	\$	\$	\$
OTHER FINANCING SOURCES (USES)								
Interfund Transfers	\$ 27,369	\$ (27,346)	\$ (19,637)	\$ (19,614)	\$ 19,614	\$	\$	\$
Interfund Loans	(25,073)	10,000		(15,073)	13,707			1,366
Total Other Financing Sources (Uses)	\$ 2,296	\$ (17,346)	\$ (19,637)	\$ (34,687)	\$ 33,321	\$	\$	\$ 1,366
Excess (Deficiency) of receipts and other financing sources over disbursements and other financing uses	\$ 70,048	\$ 15,405	\$ (17,429)	\$ 68,024	\$ 21,271	\$	\$	\$ 1,366
CASH BASIS FUND BALANCE- BEGINNING	296,655	171,762	18,364	486,781	94,916			4,879
CASH BASIS FUND BALANCE- ENDING	\$ 366,703	\$ 187,167	\$ 935	\$ 554,805	\$ 116,187	\$	\$	\$ 6,245

SEE ACCOUNTANT'S COMPILATION REPORT

## **SUPPLEMENTAL INFORMATION**

**City of Mendenhall, Mississippi**  
**Schedule of Investments**  
**September 30, 2007**  
**Schedule 1**

**Special Revenue Fund**

Municipal Fire Fund:

5.18% Certificate of Deposit, Dated June 13, 2007 Due June 13, 2008	\$ 115,029
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Unemployment Fund:

5.13% Certificate of Deposit, Dated July 29, 2007 Due January 29, 2008	4,128
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**Total Investments**

<u>\$ 119,157</u>
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**SEE ACCOUNTANT'S COMPILATION REPORT**

**City of Mendenhall, Mississippi**  
**Schedule of Long-Term Debt**  
**September 30, 2007**  
**Schedule 2**

<b>Definition &amp; Purpose</b>	<b>Balance Outstanding 10/1/2006</b>	<b>Transactions During Fiscal Year</b>		<b>Balance Outstanding 9/30/2007</b>
		<b>Issued</b>	<b>Redeemed</b>	
<b>GENERAL DEBT</b>				
MS Dev. Authority, Capital Improvement Revolving Loan @ 3.00% for Civic Center	58,441		3,065	55,376
MS Dev. Authority, Capital Improvement Revolving Loan @ 2.00% for Fire Rescue Unit		128,876	7,814	121,062
Priority One Bank Loan @ 3.894% for Water & Sewer System Improvements	50,000		50,000	-
MS Dev. Authority, Capital Improvement Revolving Loan @ 2.00% for Water and Sewer System Improvements	373,687		16,743	356,944
MS Dev. Authority, Capital Improvement Revolving Loan @ 2.00% for Water and Sewer System Improvements	49,909	77,165		127,074
Trustmark National Bank Loan @ 4.66% for Street Improvements	100,000		33,333	66,667
Priority One Bank Lease @ 5.30 % for Police Dept. Voice Recorder System	13,629		6,637	6,992
<b>TOTAL</b>	<b>\$ 645,666</b>	<b>\$ 206,041</b>	<b>\$ 117,592</b>	<b>\$ 734,115</b>

**SEE ACCOUNTANT'S COMPILATION REPORT**

**City of Mendenhall, Mississippi**  
**Schedule of Surety Bonds for Town Officials**  
**September 30, 2007**  
**Schedule 3**

<b>Name</b>	<b>Position</b>	<b>Company</b>	<b>Bond</b>
Randall Neely	Mayor	RLI Insurance Co.	\$ 10,000
Bill Broadhead	Aldersperson	Travelers Casualty & Surety Co. of Amer.	25,000
Jeff May	Aldersperson	Travelers Casualty & Surety Co. of Amer.	25,000
Greg Paes	Aldersperson	Travelers Casualty & Surety Co. of Amer.	25,000
Ardell Washington	Aldersperson	Travelers Casualty & Surety Co. of Amer.	25,000
Frankie M. Jones	Aldersperson	Travelers Casualty & Surety Co. of Amer.	25,000
Judi May	City Clerk	Western Surety	50,000
Tiffany Wallace	Deputy Clerk	Western Surety	10,000
Barbara M. Berry	Deputy Clerk	RLI Insurance Co.	10,000
Jimbo Sullivan	Chief of Police	Travelers Casualty & Surety Co. of Amer.	50,000
Matt Abbott	Dispatcher/Deputy Court Clerk	RLI Insurance Co.	25,000
Dicky Brovelli	Dispatcher/Deputy Court Clerk	RLI Insurance Co.	25,000
Nancy Shows	Dispatcher/Deputy Court Clerk	RLI Insurance Co.	25,000
Lorie King	Court Clerk	RLI Insurance Co.	10,000

**SEE ACCOUNTANT'S COMPILATION REPORT**

**City of Mendenhall, Mississippi**  
**Solid Waste Management Services Schedule**  
**Full Cost Accounting**  
**Summary of Costs Report**  
**Fiscal Year Ending September 30, 2007**  
**Schedule 4**

**Operating Costs (Direct Costs):**

Personnel	\$ 39,051
Supplies & Fuel	7,485
Contractual Services	171,776
Capital Outlay	19,600
Depreciation	-
	<hr/>
<b>Total Of All Costs</b>	<b>\$ 237,912</b>
	<hr/> <hr/>

**Supplemental Information:**

Cost of Collection	\$ 118,956
Cost of Disposal	118,956
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<b>Total Cost</b>	<b>\$ 237,912</b>
	<hr/> <hr/>
<b>Total Cost Per User</b>	<b>\$ 93.12</b>
	<hr/> <hr/>

**SEE ACCOUNTANT'S COMPILATION REPORT**

**City of Mendenhall, Mississippi**  
**Independent Accountant's Report on Applying**  
**Agreed-Upon Procedures**  
**September 30, 2007**

**Charles Robert Prince**  
**Certified Public Accountant**

**Charles Robert Prince**  
**Certified Public Accountant**  
**Post Office Box 353**  
**Magee, Mississippi**

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING**  
**AGREED-UPON PROCEDURES**

The Mayor and Board of Alderpersons  
City of Mendenhall  
Mendenhall, Mississippi

I have performed the procedures enumerated below, which were agreed to by the Office of the State Auditor, to the accounting records of the City of Mendenhall, Mississippi, solely to assist the Office of the State Auditor evaluate the City of Mendenhall, 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 to balances in the respective general ledger accounts and obtained confirmation of the related balances from the bank:

<u>Bank</u>	<u>Fund</u>	<u>Balance Per</u> <u>General Ledger</u>
Peoples Bank	General Fund	\$ 366,703
	Total General Fund	<u>\$ 366,703</u>
Peoples Bank	Special Revenue Fund	\$ 20,899
Peoples Bank	Special Revenue Fund	162,140
Peoples Bank	Special Revenue Fund	<u>4,128</u>
	Total Special Revenue Fund	<u>\$ 187,167</u>
Peoples Bank	Debt Service Fund	\$ 935
	Total Debt Service Fund	<u>\$ 935</u>

Bank	Fund	Balance Per General Ledger
Peoples Bank	Water Fund	\$ 116,187
	Total Water Fund	<u>\$ 116,187</u>
Peoples Bank	Other Fund - Fiduciary	\$ 1,598
Peoples Bank	Other Fund - Fiduciary	<u>4,647</u>
	Total Other Fund - Fiduciary	<u>\$ 6,245</u>

2. I physically examined securities held for investment. Securities held in trust were confirmed directly with respective trustees. All investment transactions during the year were examined for compliance with investments authorized by Section 21-33-323, Miss. Code Ann. (1972).
  - a. Investments consisted of certificates of deposit totaling \$119,157 on behalf of the Municipal Fire Fund and Unemployment Fund, both special revenue funds.
  
3. 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 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).

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

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>
Gasoline Tax	General Fund	\$ 7,185
Homestead Exemption Reimb.	General Fund	35,305
Sales Tax Allocation	General Fund	625,755
General Municipal Aid	General Fund	1,332
Grand Gulf	General Fund	26,846
Homeland Security	General Fund	9,900
Public Safety-Wireless Comm.	General Fund	9,260
Police Reimbursement	General Fund	900
Other Aid to Municipalities	General Fund	128,876
Other Grants - Health	General Fund	14,821
Fire Protection	Special Revenue Fund	12,091
Homestead Exemption Reimb.	Special Revenue Fund	4,306
Other Aid to Municipalities	Water Fund	77,165

5. 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:

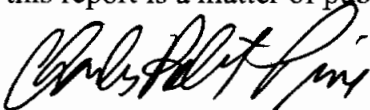
Number of Sample Items	25
Dollar Value of Sample	\$ 335,285

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 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 a matter of public record and its distribution is not limited.



March 28, 2008