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**TOWN OF SUMMIT, MISSISSIPPI  
ANNUAL REPORT  
YEAR ENDED SEPTEMBER 30, 2007**

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**TOWN OF SUMMIT, MISSISSIPPI  
ANNUAL REPORT  
FISCAL YEAR ENDED SEPTEMBER 30, 2007**

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**ALFORD, HOLLOWAY & SMITH, PLLC**

CERTIFIED PUBLIC ACCOUNTANTS

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**ACCOUNTANT'S REPORT**

Mayor and Board of Councilpersons  
Town of Summit, Mississippi

We have compiled the accompanying statement of cash receipts and disbursements of the Town of Summit for the year ended September 30, 2007, in accordance with Statements on Standards for Accounting and Review Services issued 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 the Town officials. We have not audited or reviewed the accompanying statement of cash receipts and disbursements and, accordingly, do not express an opinion or any other form of assurance on it.

The supplementary information is presented for the purpose of additional analysis and has been compiled by us from information that is the representation of the town officials, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on such supplementary information.



Alford, Holloway & Smith, PLLC

November 21, 2007

TOWN OF SUMMIT, MISSISSIPPI  
**COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

	GENERAL	CAPITAL PROJECTS	DEBT SERVICE	PROPRIETARY	TOTAL (MEMORANDUM ONLY) 2007
Revenue receipts:	\$ 270,671	\$ -	\$ 32,932	\$ -	\$ 303,603
Taxes - Advalorem	74,833	-	-	-	74,833
Licenses and permits	395,724	-	-	-	395,724
Intergovernmental - State	49,029	-	-	-	49,029
Fines and forfeits	-	-	-	-	-
Charges for services:	120,530	-	-	-	120,530
Sanitation	-	-	-	350,596	350,596
Water and sewer	-	-	-	-	-
Other	27,221	-	5,121	-	32,342
Total revenue receipts	938,008	-	38,053	350,596	1,326,657
Other receipts:	72,493	139,349	6,061	403,963	621,866
Loans and transfers	13,619	-	-	13,429	27,048
Interest received	-	-	-	6,340	6,340
Water meter deposits	-	-	-	-	-
Total other receipts	86,112	139,349	6,061	423,732	655,254
Total receipts	1,024,120	139,349	44,114	774,328	1,981,911
Cash balance - beginning of year	360,567	-	16,673	312,084	689,324
Total amount to account for	\$ 1,384,687	\$ 139,349	\$ 60,787	\$ 1,086,412	\$ 2,671,235
Operating disbursements:	\$ 214,670	\$ -	\$ -	\$ -	\$ 214,670
General government	348,004	-	-	-	348,004
Public safety	118,293	-	-	-	118,293
Sanitation	118,013	-	-	-	118,013
Streets	-	-	-	-	-
Enterprise:	-	-	-	208,316	208,316
Water and sewer	-	-	-	7,376	9,658
Interest paid	-	-	2,282	-	2,282
Total operating disbursements	798,980	-	2,282	215,692	1,016,954
Other disbursements:	-	-	39,614	49,259	88,873
Debt retired	21,265	1,575	-	64,212	87,052
Capital outlay	7,636	-	-	195,442	203,078
Loans and transfers	28,901	1,575	39,614	308,913	379,003
Total other disbursements	827,881	1,575	41,896	524,605	1,395,957
Total disbursements	556,806	137,774	18,891	561,807	1,275,278
Cash balance - end of year	\$ 1,384,687	\$ 139,349	\$ 60,787	\$ 1,086,412	\$ 2,671,235
Total amount accounted for					

**TOWN OF SUMMIT, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2007**

**NOTE 1: History and Summary of Significant Accounting Policies**

History:

The Town of Summit was incorporated January 21, 1858. The Town operates under a Mayor-Council form of government and provides all the rights and privileges provided by statute for municipalities. The Town of Summit provides the following services as authorized by its charter: public safety (police and fire) streets, sanitation, planning and zoning, cemetery and general administrative services.

Fund Accounting:

Financial reporting of the Town is organized into various funds, each considered a separate entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the financial statements in this report into three generic fund types and two broad fund categories as follows:

**GOVERNMENTAL FUNDS**

General Fund - The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources provided by grant monies to be used for the acquisition or construction of major capital facilities, (other than those financed by the Proprietary Fund).

Debt Service Fund - The Debt Service Fund is used to accumulate monies for payment of general bond and debt issues of the Town.

**PROPRIETARY FUNDS**

Enterprise Fund - The Enterprise Fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The Town of Summit operates a Water and Sewer Fund.

Total columns on the Combined Statements - Overview are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operation, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Basis of Accounting:

Basis of accounting relates to the timing of the recognition of revenues and expenditures reported in the financial statements of each fund. The different type of funds use a different basis of accounting.

The accompanying financial statement has been prepared on the cash basis of accounting. Under that basis, the only asset recognized is cash, and no liabilities are recognized. All transactions are recognized as either cash receipts or disbursements, and noncash transactions are not recorded. The cash basis differs from generally accepted accounting principles primarily because accounts receivable from customers, inventory, fixed assets, accounts payable to vendors, and long-term debt are not included in the financial statements.

**TOWN OF SUMMIT, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2007**

**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.

**NOTE 2: Property, Plant and Equipment**

A summary of changes in general fixed assets is as follows:

	10/1/2006	ADDITIONS	DELETIONS	9/30/2007
Land	\$ 13,150	\$ -	\$ -	\$ 13,150
Buildings	245,829	-	-	245,829
Improvements other than buildings	2,213,085	1,575	-	2,214,660
Industrial plant	123,410	-	-	123,410
Equipment	886,990	17,958	-	904,948
Total	<u>\$ 3,482,464</u>	<u>\$ 19,533</u>	<u>\$ -</u>	<u>\$ 3,501,997</u>

A summary of enterprise fixed assets together with accumulated depreciation as of 9/30/07 is as follows:

	COST	ACCUMULATED DEPRECIATION	BOOK VALUE
Land	\$ 2,200	-	\$ 2,200
Buildings	6,000	-	6,000
Plant and equipment	2,537,199	13,869	2,551,068
Construction in progress	41,500	50,343	91,843
Total Fixed Assets	<u>\$ 2,586,899</u>	<u>64,212</u>	<u>2,651,111</u>
Less accumulated depreciation			<u>(1,742,073)</u>
Net Fixed Assets			<u>\$ 909,038</u>

**NOTE 3: Pension Plan**

**Plan Description:** The Town of Summit, Mississippi contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing, multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to Public Employee Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling (601) 359-3589 or 1-800-444-PERS.

**Funding Policy:** PERS members are required to contribute 7.25% of their annual covered salary and the Town of Summit, Mississippi is required to contribute at an actuarially determined rate. The current rate is 11.85% of annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The Town of Summit, Mississippi's contributions to PERS for the years ending September 30, 2007 and 2006 were \$36,801 and \$31,525, respectively, equal to the required contributions for each year.

**TOWN OF SUMMIT, MISSISSIPPI  
SCHEDULE OF LONG-TERM DEBT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007**

DEFINITION AND PURPOSE	BALANCE	TRANSACTIONS DURING		BALANCE
	OUTSTANDING	FISCAL YEAR		OUTSTANDING
	<u>10/1/2006</u>	<u>ISSUED</u>	<u>REDEEMED</u>	<u>9/30/2007</u>
<b>GENERAL FUND:</b>				
July 1, 1997 General Obligation Bonds for Street Repair & Improvement Original Issue: \$300,000; Annual interest rate 5.1% Currently paid to Deposit Guaranty National Bank Semi-annual payments of \$35,000 with interest due July 1st of each year Maturity date July 1, 2007	\$ 35,000	\$ -	\$ 35,000	\$ -
August 7, 2006 Freight Rail Service Project Revolving Loan Program Mississippi Development Authority - Loan #04-352-RR-01 GMS 443 Original Amount: \$91,798.32; Annual interest rate 1.00% Terms: 180 months beginning 9/1/2006 Due in monthly installments of \$549.38 Maturity date August 1, 2021	90,852	-	4,613	86,239
Compensated Absences Payable-General Fund	23,103	-	2,831	20,272
<b>UTILITY FUND:</b>				
June 18, 1992 - State Revolving Loan #SRF-C280-753-01-0 MS Department of Environmental Quality Original Issue: \$519,138; Annual interest rate: 3% Due in monthly installments of \$2,933.07 (withheld from state sales tax revenue) Maturity date: December 18, 2011	171,342	-	31,064	140,278
June 28, 1996 - Capital Improvements Loan #5-352-CP-01 MS Department of Economic & Community Development Original Issue: \$256,754; Annual interest rate: 3.7% Due in monthly installments of \$746.51 Maturity date: December 1, 2011	42,815	-	6,389	36,426
First Continental Leasing a Division of BancorpSouth Bank, Hattiesburg, MS October 7, 2004 Capital Lease Agreement Original cost of Equipment: \$59,600; Annual interest rate 3.39% Due in monthly installments of \$1,081.29 Maturity date: November 15, 2009	39,877	-	11,806	28,071
Sewer Extension Project Mississippi Development Authority Date of loan: 3/27/07 Original amount: \$251,000. Maturity date: 3/15/2041 Annual interest rate: 4.25%	-	251,000	-	251,000
Compensated Absences Payable-Utility Fund	9,106	1,348	-	10,454
<b>Totals</b>	<u>\$ 412,095</u>	<u>\$ 252,348</u>	<u>\$ 91,703</u>	<u>\$ 572,740</u>

See accompanying accountant's report

**TOWN OF SUMMIT, MISSISSIPPI  
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS  
SEPTEMBER 30, 2007**

	<u>Company</u>	<u>Bond</u>
Percy B. Robinson, Mayor	The St. Paul Surety	\$ 50,000
Patricia Whittington, Town Clerk	The St. Paul Surety	\$ 50,000
Tonya Andrews, Deputy Clerk	The St. Paul Surety	\$ 25,000
Lester Jones, Town Marshall	The St. Paul Surety	\$ 50,000
Lester Swanigan, Town Councilperson	The St. Paul Surety	\$ 50,000
Kathleen Harbour, Town Councilperson	The St. Paul Surety	\$ 50,000
Joe Lewis, Town Councilperson	The St. Paul Surety	\$ 50,000
Maeford "Missy" Hancock, Town Councilperson	The St. Paul Surety	\$ 50,000
Tonya Andrews, Court Clerk	The St. Paul Surety	\$ 25,000

See accompanying accountant's report

**TOWN OF SUMMIT, MISSISSIPPI  
SPECIAL REPORT ON  
AGREED UPON PROCEDURES  
YEAR ENDED SEPTEMBER 30, 2007**

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**Special Report on Agreed-Upon  
Procedures for the Town of Summit, Mississippi**

Honorable Mayor and Board of Councilpersons  
Town of Summit, Mississippi

We have applied certain agreed-upon procedures, as discussed below, to the accounting records of the Town of Summit, 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). This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of specified users of the report. It is understood the report is solely for the use of the governing body of the Town of Summit, Mississippi, and the Office of the State Auditor and should not be used for any other purposes. Consequently, we make no representation regarding the sufficiency of the procedures described below either for which this report has been requested or for any other purpose. Our procedures and findings are as follows:

1. We reconciled cash on deposit with the following banks to balances in the respective general ledger accounts as of September 30, 2007 and obtained confirmation of the related balances from the banks:

<u>Bank</u>	<u>Fund and Account Name</u>	<u>General Ledger</u>
	<b>General Fund:</b>	
First Bank	General Fund Operating	\$ 196,246
First Bank	Fire Prevention Savings	45,521
First Bank	Police Fines Operating	83,527
First Bank	Police Seizure Savings	7,003
First Bank	General Fund Savings	2,667
First Bank	Employment Security Savings	3,913
State Bank	Fire Prevention C.D. #25232	73,363
First Bank	Woodlawn Cemetery Operating	4,068
First Bank	Crime Prevention Operating	5,094
First Bank	Construction Operating	1,685
First Bank	LLEBG Operating	5,331
First Bank	General Fund C.D. #85954	100,000
State Bank	Woodlawn Cemetery	23,476
First Bank	Payroll Account	<u>4,812</u>
	Total General Fund	<u>556,706</u>
	<b>Capital Projects Fund:</b>	
First Bank	CDBG Projects	<u>137,774</u>
	Total Capital Project Fund	<u>137,774</u>
	<b>Debt Service Fund:</b>	
First Bank	Debt Service Savings	<u>18,891</u>
	Total Debt Service Fund	<u>18,891</u>

<b>Proprietary Fund:</b>		
First Bank	Water & Sewer Operating	112,140
First Bank	State Revolving Fund	11,145
First Bank	Water & Sewer C.D. #85312	14,000
First Bank	Water & Sewer Contingency C.D.	4,000
First Bank	Water & Sewer Depreciation C.D.	4,000
First Bank	Water & Sewer Cushion C.D.	26,000
First Bank	Water & Sewer Savings	133,616
First Bank	Sewer Extension Project	209,713
Regions Bank	Water & Sewer C.D. #959000430	32,203
Regions Bank	Water & Sewer C.D. #1000002609	14,788
	Total Proprietary Fund:	<u>561,605</u>
	Total all funds:	<u>\$ 1,274,976</u>

2. As of September 30, 2007, the Town held no investment securities.
3. We performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:
  - a. Proved the mathematical accuracy of the tax rolls and traced levies to governing body minutes;
  - b. Reconciled the amount of taxes levied per the tax rolls to amounts actually collected;
  - c. Examined uncollected taxes for proper handling, including tax sales;
  - d. Traced distribution of taxes collected to funds; and
  - e. Analyzed increase in taxes for most recent period for conformity with increase limitations of Sections 27-39-320 to 27-39-323 of the 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 was 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. We obtained a statement of payments made by the Department of Finance and Administration to the municipality. Payments indicated were traced 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>GENERAL LEDGER</u>
General Municipal Aid	General Fund	\$ 744
Gasoline Tax	General Fund	3,916
Homestead Exemption Reimbursement	General Fund	20,229
Sales Tax Allocation	General Fund	327,432
Grand Gulf	General Fund	19,540
Liquor Privilege Tax	General Fund	1,800
Fire Protection Allocation	General Fund	6,758
Public Safety Funds	General Fund	3,308
Other Aid to Municipalities-Loan	Proprietary Fund	142,974
Public Safety-Water & Sewage	Proprietary Fund	315

5. We 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	18
Total dollar value of sample	\$ 83,745

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

6. We have read the Municipal Compliance Questionnaire completed by the municipality. The completed questionnaire indicated compliance with State requirements.

Because the above procedures do not constitute an audit in accordance with generally accepted auditing standards, we 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 our attention that caused us to believe that the items specified in the above paragraphs should be adjusted. Had we performed additional procedures or had we conducted an audit of the financial statements in accordance with generally accepted auditing standards, matters might have come to our attention that would have been reported to you. This report should not be associated with the financial statements of the Town of Summit, Mississippi, for the year ended September 30, 2007.

*Alford, Holloway & Smith, PLLC*

Alford, Holloway and Smith, PLLC  
November 21, 2007