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**CITY OF TCHULA, MISSISSIPPI**

**COMPILED FINANCIAL STATEMENT**

**AND**

**REPORT ON APPLYING AGREED-UPON PROCEDURES**

**SEPTEMBER 30, 2007**

RECEIVED  
APR 21 2008  
STATE AUDITOR'S OFFICE

**MULLEN & COMPANY**  
CERTIFIED PUBLIC ACCOUNTANTS  
105 WALL STREET  
LEXINGTON, MS 39095

**CITY OF TCHULA, MISSISSIPPI  
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September 30, 2007**

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SEE ACCOUNTANTS' COMPILATION REPORT



**Certified Public Accountants**

105 Wall Street, Lexington, MS 39095  
(662) 834-2556 • (601) 605-4596

**INDEPENDENT ACCOUNTANTS' REPORT**

Honorable Mayor and Board of Aldermen  
City of Tchula  
Tchula, Mississippi

We have compiled the accompanying Statement of Cash Receipts and Disbursements—All Funds of the City of Tchula 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 management. We have not audited or reviewed the accompanying financial statement and, accordingly, do not express an opinion or any other form of assurance on it.

The accompanying financial statement has been prepared on the cash basis of accounting which differs from generally accepted accounting principles. Management has elected to omit substantially all of the disclosures ordinarily included in a financial statement prepared on the cash basis of accounting. If the omitted disclosures were included in the financial statement, 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.

The supplementary information on pages 7 through 9 is presented for purposes of additional analysis and has been compiled by us from information that is the representation of management of the City of Tchula, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on such supplementary information.

Mullen & Company  
Lexington, MS  
April 8, 2008

CITY OF TCHULA, MISSISSIPPI

SEPTEMBER 30, 2007

FINANCIAL SECTION

**CITY OF TCHULA, MISSISSIPPI**  
**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - ALL FUNDS**  
**YEAR ENDED SEPTEMBER 30, 2007**

Cash Receipts	General	Special Revenue	Capital Projects	Water Sewer	Totals (Memorandum Only)
General property taxes	\$ 211,601				\$ 211,601
License and permits	3,693				3,693
Franchise taxes on utilities	31,381				31,381
Intergovernmental					
Federal grants					
Rural Development					-
MDA				12,224	12,224
EPA				18,300	18,300
FEMA	22,901				22,901
Economic Development Initiative					-
State shared revenues					
General municipal aid	1,216				1,216
Sales tax	63,414				63,414
Alcoholic beverage licenses	1,800				1,800
Fire protection	-				-
Gasoline tax	6,412				6,412
Grand Gulf tax district	11,634				11,634
Homestead exemption	11,500				11,500
Other income - State of MS	-				-
Holmes County fire protection	4,000				4,000
Fines	58,458				58,458
Garbage fees	86,886				86,886
Parks and recreation	250				250
Water				146,437	146,437
Sewer				134,905	134,905
Loan proceeds					-
Other	193	1,081	3,489	1,556	6,319
<b>Total revenue receipts</b>	<b>515,339</b>	<b>1,081</b>	<b>3,489</b>	<b>313,422</b>	<b>833,331</b>
Cash & investments – beginning	33,880	4,237	1,001,873	57,573	1,097,563
<b>Total to account for</b>	<b>\$ 549,219</b>	<b>\$ 5,318</b>	<b>\$ 1,005,362</b>	<b>\$ 370,995</b>	<b>\$ 1,930,894</b>

SEE ACCOUNTANTS' COMPILATION REPORT

**CITY OF TCHULA, MISSISSIPPI**  
**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - ALL FUNDS**  
**YEAR ENDED SEPTEMBER 30, 2007**

Cash Disbursements	General	Special Revenue	Capital Projects	Water Sewer	Totals (Memorandum Only)
General government	\$ 179,470				\$ 179,470
Police	169,835				169,835
Fire	42,195				42,195
Sanitation	95,159				95,159
Economic development & assistance			24,012		24,012
Library	17,358				17,358
Parks & recreation		5,295			5,295
Water & sewer				294,995	294,995
Other	4,494		819	9,454	14,767
Debt Reduction			979,002	17,464	996,466
<b>Total cash disbursements</b>	<b>508,511</b>	<b>5,295</b>	<b>1,003,833</b>	<b>321,913</b>	<b>1,839,552</b>
Cash and investments -- ending	40,708	23	1,529	49,082	91,342
<b>Total accounted for</b>	<b>\$ 549,219</b>	<b>\$ 5,318</b>	<b>\$ 1,005,362</b>	<b>\$ 370,995</b>	<b>\$ 1,930,894</b>

SEE ACCOUNTANTS' COMPILATION REPORT

**CITY OF TCHULA, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENT  
SEPTEMBER 30, 2007**

**NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

General Information

The City operates under the mayor/board of alderman form of government and provides services as authorized by law.

Reporting Entity

The financial statement of the City consists of all the funds of the City.

Fund Accounting

The accounts of the City 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 Mississippi State Department of Audit. This is a comprehensive basis of accounting other than generally accepted accounting principles. 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 B: 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.

CITY OF TCHULA, MISSISSIPPI

SEPTEMBER 30, 2007

SUPPLEMENTAL INFORMATION

**CITY OF TCHULA, MISSISSIPPI**  
**Schedule of Long-Term Debt**  
**Year Ended September 30, 2007**

	Transactions During Year			Balance 9/30/2007
	Balance 9/30/2006	Issued	Redeemed	
Revenue Bond				
1983 FMHA	103,365		6,213	97,152
Total Revenue Bond	103,365		6,213	97,152
Long-Term Debt				
Lease Purchase-Tractor	23,198		7,985	15,213
BankPlus Construction	1,000,000		979,002	20,998
Lease Purchase-Backhoe	-	59,961		59,961
Revolving CAP Loan	79,364		3,266	76,098
Total Long-Term Debt	1,102,562	59,961	990,253	172,270
Totals	\$ 1,205,927	\$ 59,961	\$ 996,466	\$ 269,422

SEE ACCOUNTANTS' COMPILATION REPORT

**CITY OF TCHULA, MISSISSIPPI**  
**SCHEDULE OF SURETY BOND ON MUNICIPAL OFFICIALS**  
**Year Ended September 30, 2007**

<u>Employee</u>	<u>Position</u>	<u>Bond</u>
Yvonne Brown	Mayor	\$ 100,000
Anthony Carter	Alderman	5,000
Paul Dotson	Alderman	5,000
Johnny B. Dale	Alderman	5,000
Leo Wilson	Alderman	5,000
Zula Patterson	Alderman	5,000
Anne Horton	City Clerk	100,000
Anne Horton	Notary	5,000
Recell Redmond	Police Officer	25,000
Silentos McMorris	Police Officer	25,000
Miron Smith	Police Officer	25,000
Spring Cargill	Police Officer	25,000
John Newton	Police Officer	25,000
Yolanda Common	Police Officer	25,000

**CPA****MULLEN &  
COMPANY****Certified Public Accountants**105 Wall Street, Lexington, MS 39095  
(662) 834-2556 • (601) 605-4596**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING  
AGREED-UPON PROCEDURES**Honorable Mayor and Board of Aldermen  
City of Tchula  
Tchula, Mississippi

We have applied certain agreed-upon procedures as discussed below, to the accounting records of the City of Tchula, 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 that the report is solely for the use of the governing body of the City of Tchula, Mississippi and the Office of the State Auditor and should not be used for any other purposes. Our procedures and findings are as follows:

1. We reconciled cash on deposit with BankPlus to balances in the respective general ledger accounts and obtained confirmation of the related balances from the banks:

<u>Account Title</u>	<u>Fund</u>	<u>General Ledger Balance</u>
General Checking	General Fund	29,847
General Checking #2	General Fund	862
Fire Protection	General Fund	9,362
Urban Renewal	General Fund	132
Recreation & Parks	General Fund	505
Construction	Capital Projects	78
Municipal Complex	Capital Projects	1,451
Home Grant	Special Revenue	13
NCRS	Special Revenue	10
1963 Bond & Coupon	Water Fund	42
Water/Sewer Checking	Water Fund	29,575
Water/Sewer #2	Water Fund	92
Water/Sewer Emergency	Water Fund	1,093
CAP Account	Water Fund	24
CDBG	Water Fund	56

2. We confirmed directly with BankPlus all investments, including certificates of deposit, owned by the City of Tchula. All investment transactions during the year were examined for compliance authorized by Section 21-33-323, Miss. Code Ann. (1972).

Bank	Investment	Fund	Amount
BankPlus	CD 1983 Bond	Water Fund	18,200

3. We performed the following procedures with respect to ad valorem taxes on real and personal property levied during the fiscal year:
- Verified use of certified county assessment rolls and traced levies to governing body minutes.
  - Reconciled the amount of taxes levied according to the tax rolls to amounts actually collected.
  - Examined uncollected taxes for proper handling, including tax sales.
  - Traced distribution of taxes collected to proper funds.
  - Analyzed increase in taxes for most recent period for compliance with increase limitations of Sections 27-39-320 through 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 taxes were found to exceed the limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

4. We obtained a statement of payments made by the Mississippi Department of Finance and Administration to the City. The payments were traced to deposits in banks and recordings in the general ledger without exception. Cash receipts were as follows:

Purpose	Receiving Fund	Amount
General Municipal Aid	General	1,216
Gasoline Tax	General	6,412
Alcoholic Beverage Licenses	General	1,800
Nuclear Plant-In Lieu	General	11,634
Sales Tax Allocation	General	63,414
Homestead Reimbursement	General	11,500

Purpose	Receiving Fund	Amount
FEMA	General	22,901
MS Development Auth.	Water	12,224

- We selected a sample of purchases made by the City during the year. Each sample item was evaluated for compliance with public purchasing requirements set forth in Title 31, Chapter 7, Miss. Code Ann. (1972), as applicable.

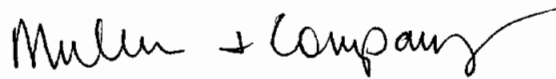
The sample consisted of the following:

Number of Sample Items	20
Dollar Value of Sample	\$ 117,764

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

- We read the Municipal Compliance Questionnaire completed by the City. There were no responses indicating noncompliance.

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 the items specified in Paragraphs 1, 2 and 3 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 statement of the City of Tchula, Mississippi for the year ended September 30, 2007.



Mullen & Company  
 Lexington, Mississippi  
 April 8, 2008