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TOWN OF DECATUR, MISSISSIPPI
COMPILED FINANCIAL STATEMENTS
September 30, 2008

RECEIVED
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STATE AUDITOR'S OFFICE

**TOWN OF DECATUR, MISSISSIPPI
COMPILED FINANCIAL STATEMENTS
Year Ended September 30, 2008**

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Honorable Mayor and Board of Aldermen
Town of Decatur
Decatur, Mississippi

I have compiled the accompanying statement of cash receipts and disbursements—all fund types of the Town of Decatur, Mississippi, for the year ended September 30, 2008, 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. I have not audited or reviewed the accompanying statement of cash receipts and disbursements—all fund types and, accordingly, do not express an opinion or any other form of assurance on it.

The Town's policy is to prepare its financial statements on the basis of cash receipts and disbursements; consequently, certain revenue is recognized when received rather than when measurable and available, and certain expenditures are recognized when paid rather than when the obligation is incurred. Accordingly, the statement of cash receipts and disbursements—all fund types is not intended to present results of operations, in conformity with generally accepted accounting principles.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements. If the omitted disclosures were included, they might influence the user's conclusions about the Town's cash receipts and disbursements. Accordingly, the financial statement is not designed for those who are not informed about such matters.

The supplementary information contained on pages 4 through 6 is presented for purposes of additional analysis and has been compiled by me from information that is the representation of management of the Town of Decatur, without audit or review. Accordingly, I do not express an opinion or any other form of assurance on such supplementary information.

A. T. Williams

June 16, 2009

TOWN OF DECATUR, MISSISSIPPI
COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS—ALL FUND TYPES
Year Ended September 30, 2008

UNAUDITED

	<u>Governmental Funds</u>				<u>Totals</u>	
	<u>General</u>	<u>Special Revenue</u>	<u>Proprietary Funds</u>	<u>Fiduciary Funds</u>	<u>Memorandum Only</u>	
					<u>2008</u>	<u>2007</u>
Revenue Receipts:						
General Property Taxes	\$ 185,443.64	\$ -	\$ -	\$ -	\$ 185,443.64	\$ 188,022.16
Licenses and Permits	2,111.68	-	-	-	2,111.68	2,271.07
Franchise Taxes on Utilities	104,175.96	-	-	-	104,175.96	102,696.93
Road & Bridge	21,905.28	-	-	-	21,905.28	22,035.37
State Shared Revenues:						
General Municipal Aid	743.28	-	-	-	743.28	743.28
Sales tax	139,934.70	-	-	-	139,934.70	143,293.56
Gasoline tax	4,009.49	-	-	-	4,009.49	4,009.93
Public Safety	17,284.00	-	-	-	17,284.00	214.99
Fire protection	-	-	-	-	-	6,748.16
Homestead	17,566.80	-	-	-	17,566.80	16,572.45
Other State aid	6,771.00	2,000.00	1,273.04	-	10,044.04	1,277.88
Mississippi Regional Housing	-	-	-	-	-	5,386.74
Water Utility	-	-	393,559.47	-	393,559.47	419,907.89
Newton County	-	12,290.31	-	-	12,290.31	11,500.78
Federal Shared Revenue:						
Homeland Security	-	-	-	-	-	1,363.65
Fines and Forfeits:						
Court fines	110,267.46	-	-	-	110,267.46	117,887.90
Miscellaneous income	5,439.42	-	3,992.70	-	9,432.12	6,733.00
Interest income	3,097.16	1,224.90	1,416.33	13.44	5,751.83	6,976.15
Donations	14,250.00	2,459.70	-	-	16,709.70	29,218.25
Total Revenue Receipts	<u>632,999.87</u>	<u>17,974.91</u>	<u>400,241.54</u>	<u>13.44</u>	<u>1,051,229.76</u>	<u>1,086,860.14</u>
Other Receipts:						
Home Grant	-	20,375.00	-	-	20,375.00	-
Transfers in	-	-	-	-	-	589.65
Sale of equipment	-	-	10,000.00	-	10,000.00	1,665.00
Total Other Receipts	<u>-</u>	<u>20,375.00</u>	<u>10,000.00</u>	<u>-</u>	<u>30,375.00</u>	<u>2,254.65</u>
Total Receipts	632,999.87	38,349.91	410,241.54	13.44	1,081,604.76	1,089,114.79
Cash Balance – Beginning of Year	<u>235,521.60</u>	<u>75,249.73</u>	<u>124,728.68</u>	<u>2,676.88</u>	<u>438,176.89</u>	<u>407,313.18</u>
Total Account to Account For	<u>\$ 868,521.47</u>	<u>\$ 113,599.64</u>	<u>\$ 534,970.22</u>	<u>\$ 2,690.32</u>	<u>\$ 1,519,781.65</u>	<u>\$ 1,496,427.97</u>

See accountant's compilation report.

TOWN OF DECATUR, MISSISSIPPI
COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS--ALL FUND TYPES
Year Ended September 30, 2008

UNAUDITED

	<u>Governmental Funds</u>				<u>Totals</u> <u>Memorandum Only</u>	
	<u>General</u>	<u>Special Revenue</u>	<u>Proprietary Funds</u>	<u>Fiduciary Funds</u>	<u>2008</u>	<u>2007</u>
Operating Disbursements:						
General Government	\$ 265,433.60	\$ -	\$ -	\$ -	\$ 265,433.60	\$ 260,511.01
Public Safety:						
Police & court	254,839.51	-	-	-	254,839.51	246,620.12
Fire	-	3,702.10	-	-	3,702.10	23,779.58
Enterprise:						
Water Utility	-	-	329,562.31	-	329,562.31	332,236.85
Interest expense	-	-	27,682.87	-	27,682.87	30,163.39
Cemetery	-	6,600.00	-	-	6,600.00	7,050.00
Streets	40,707.93	-	-	-	40,707.93	31,068.36
Total Operating Disbursements	<u>560,981.04</u>	<u>10,302.10</u>	<u>357,245.18</u>	<u>-</u>	<u>928,528.32</u>	<u>931,429.31</u>
Other Disbursements:						
Home Grant	-	20,375.00	-	-	20,375.00	-
Bonds retired	-	-	8,500.16	-	8,500.16	27,086.26
Notes repaid	-	-	3,428.97	-	3,428.97	18,099.86
Capital outlay	22,070.35	21,175.11	-	-	43,245.46	81,046.00
Transfers out	-	-	-	-	-	589.65
Total Other Disbursements	<u>22,070.35</u>	<u>41,550.11</u>	<u>11,929.13</u>	<u>-</u>	<u>75,549.59</u>	<u>126,821.77</u>
Total Disbursements	583,051.39	51,852.21	369,174.31	-	1,004,077.91	1,058,251.08
Cash Balance – End of Year	<u>285,470.08</u>	<u>61,747.43</u>	<u>165,795.91</u>	<u>2,690.32</u>	<u>515,703.74</u>	<u>438,176.89</u>
Total Amount Accounted For	<u>\$ 868,521.47</u>	<u>\$ 113,599.64</u>	<u>\$ 534,970.22</u>	<u>\$ 2,690.32</u>	<u>\$ 1,519,781.65</u>	<u>\$ 1,496,427.97</u>

See accountant's compilation report.

TOWN OF DECATUR, MISSISSIPPI
SCHEDULE OF INVESTMENTS
September 30, 2008

<u>Governmental Fund Types</u>	<u>Amount</u>
Special Revenue Funds: Cemetery Fund (C.D.)	<u>\$ 34,436.30</u>
Total Investments	<u>\$ 34,436.30</u>

See accountant's compilation report.

TOWN OF DECATUR, MISSISSIPPI
SCHEDULE OF LONG-TERM DEBT
Year Ended September 30, 2008

UNAUDITED

<u>Definition and Purpose</u>	<u>Balance</u>	<u>Transactions During Fiscal Year</u>		<u>Balance</u>
	<u>Outstanding</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Outstanding</u>
	<u>09/30/2007</u>			<u>09/30/2008</u>
Revenue Bonds:				
2002 Combined Water & Sewer	\$ 523,732.33	\$ -	\$ 8,500.16	\$ 515,232.17
Total Revenue Bonds	<u>523,732.33</u>	<u>-</u>	<u>8,500.16</u>	<u>515,232.17</u>
Other Long-Term Debt:				
Rural Development	51,413.24	-	3,428.97	47,984.27
Total Other Long-Term Debt	<u>51,413.24</u>	<u>-</u>	<u>3,428.97</u>	<u>47,984.27</u>
Total	\$ 575,145.57	\$ -	\$ 11,929.13	\$ 563,216.44

See accountant's compilation report.

TOWN OF DECATUR, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS
 September 30, 2008

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Amount</u>
Bruce Cater	Mayor	Clyde C. Scott Insurance Agency	\$ 50,000
Jinya Lea Clarke	City Clerk/Tax Collector	Clyde C. Scott Insurance Agency	\$ 50,000
	Water Clerk (FHA)	Clyde C. Scott Insurance Agency	\$ 60,000
Pam Joyner	Deputy Clerk	Clyde C. Scott Insurance Agency	\$ 10,000
Joedy Pennington	Police Chief	Clyde C. Scott Insurance Agency	\$ 50,000
J. Barney	Policeman	Clyde C. Scott Insurance Agency	\$ 25,000
Jeffrey Clayton	Policeman	Clyde C. Scott Insurance Agency	\$ 25,000
Don Evans II	Policeman	Clyde C. Scott Insurance Agency	\$ 25,000
Bobby Dan Hurst	Policeman	Clyde C. Scott Insurance Agency	\$ 25,000
P. Pierman	Policeman	Clyde C. Scott Insurance Agency	\$ 25,000
Randy Rushing	Policeman	Clyde C. Scott Insurance Agency	\$ 25,000
Josh Walker	Policeman	Clyde C. Scott Insurance Agency	\$ 25,000
Justin Gressett	Policeman	Clyde C. Scott Insurance Agency	\$ 25,000
Jeremy Pinson	Policeman	Clyde C. Scott Insurance Agency	\$ 25,000
	Aldermen	Clyde C. Scott Insurance Agency	\$ 15,000

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ACCOUNTANT'S REPORT ON AGREED UPON PROCEDURES

Honorable Mayor and Board of Aldermen
 Town of Decatur
 Decatur, Mississippi

I have applied certain agreed upon procedures, as discussed below, to the accounting records of the Town of Decatur, Mississippi as of September 30, 2008, and for the year then ended, as required by the Office of the State Auditor, under the provisions of Section 21-35-31, Mississippi Code, 1972, Annotated. This report is solely for the use of the governing body of the Town of Decatur, Mississippi, and the Office of the State Auditor. However, this report is a matter of public record, and its distribution is not limited. My procedures and findings are as follows:

- A. 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>
The Citizens Bank	General Fund	\$ 285,134.16
The Citizens Bank	Tax Collectors Fund	335.92
	Total General Fund	<u>285,470.08</u>
The Citizens Bank	Cemetery Fund	37,364.41
The Citizens Bank	Fire Protection	24,283.02
The Citizens Bank	Home Grant Fund	100.00
	Total Special Revenue Funds	<u>61,747.43</u>
The Citizens Bank	Contingency Fund	5,026.83
The Citizens Bank	Cushion Fund	10,339.97
The Citizens Bank	Water & Sewer Operation Fund	29,395.83
The Citizens Bank	Water Bond Fund	-
The Citizens Bank	Sewer Bond Fund	11,385.40
The Citizens Bank	Lagoon Project Fund	104,621.30
The Citizens Bank	Water & Sewer Depreciation Fund	5,026.58
	Total Water Utility	<u>165,795.91</u>
The Citizens Bank	Unemployment Compensation Fund	<u>2,690.32</u>
		<u>\$ 515,703.74</u>

B. There were no securities held for investment.

C. I performed the following procedures with respect to ad valorem taxes on real and personal property levied during the fiscal year:

1. Proved the mathematical accuracy of the tax rolls and traced levies to governing body minutes.
2. Reconciled the amount of taxes levied per the tax rolls to amounts actually collected.
3. Examined uncollected taxes for proper handling, including tax sales.
4. Traced distribution of taxes collected to proper funds.
5. Analyzed increase in taxes for the most recent period for compliance with increase limitations of Sections 27-39-320 to 27-39-323, Mississippi Code, 1972, Annotated.

Tax assessments were mathematically correct and agreed with collections as follows:

	<i>Taxable Assessed Value</i>	<i>Millage</i>	<i>Tax</i>
Real Property	\$ 3,866,168	35	\$ 135,315.88
Personal Property	433,922	35	15,187.27
Public Utilities	267,064	35	9,347.24
Automobile	<u>1,434,801</u>	35	<u>50,218.04</u>
	<u>6,001,955</u>		210,068.43
Prior Year Taxes Collected			178.62
Homestead Exemption Allowed			(26,241.70)
Actual Homestead Reimbursement			17,566.80
Interest			<u>964.17</u>
Total Taxes to Account For			<u>\$ 202,536.32</u>
	<i>Taxes, Penalties & Interest</i>	<i>Homestead Reimbursement</i>	
Collections and Settlements:			
General Fund	\$ 185,443.64	\$ 17,566.80	<u>\$ 203,010.44</u>
Balance Represented by:			
Uncollected taxes			1,711.88
Unaccounted for (over settled)			<u>(2,186.00)</u>
			<u>(474.12)</u>
Total Taxes Accounted For			<u>\$ 202,536.32</u>

The distribution of taxes to funds was in accordance with prescribed tax levies, and uncollected taxes were properly handled.

Ad valorem tax collections were under the limitations of Sections 27-39-320 to 27-39-323, Mississippi Code, 1972, Annotated, as follows:

Actual Collections (Excluding Debt Service) Base Year 2007	\$ 204,594.61	Actual Collections (Excluding Debt Service) FYE 9/30/2008	\$ 203,010.44
Increase allowed New property	20,459.46 <u>1,198.61</u>	Under Limitation	<u>23,242.24</u>
Total	<u>\$ 226,252.68</u>	Total	<u>\$ 226,252.68</u>

Ad valorem tax collections for the retirement of general long-term debt were sufficient for payment of current principal and interest in accordance with limitations imposed by Sections 21-33-87 and 21-33-303, Mississippi Code, 1972, Annotated.

- D. I obtained a statement of payments made by the Mississippi Department of Finance and Administration to the Town. The payments were traced to deposits in banks and recorded in the general ledger without exception. Cash receipts were as follows:

<u>Payment Purpose</u>	<u>Receiving Fund</u>	<u>General Ledger Amount</u>
Sales Tax Allocation	General Fund	\$ 139,934.70
Homestead Exemption	General Fund	17,566.80
Public Safety	General Fund	17,284.00
Health Department	General Fund	5,535.00
Gasoline Tax	General Fund	4,009.49
Veteran Home Purchase	General Fund	1,244.57
Emergency Management	General Fund	1,236.00
Municipal Aid	General Fund	743.28
Health Department	Water & Sewer Fund	1,273.04
Forestry Commission	Fire Protection Fund	<u>2,000.00</u>
		<u>\$ 190,826.88</u>

- E. I selected a sample of purchases made by the Town during the year. Each sample item was evaluated for compliance with purchasing requirements set forth in Sections 31-7-1, 31-7-13, 31-7-49 and 31-7-57, Mississippi Code, 1972, Annotated, as applicable.

The sample consisted of the following:

Number of Sample Items	34
Dollar Value of Sample	\$214,045.00

I found the Town's purchasing procedures to be in compliance with the above-mentioned sections for the items tested.

- G. I have read the Municipal Compliance Questionnaire completed by the Town. The completed survey indicated no instances of noncompliance.

Because the above procedures do not constitute an audit conducted in accordance with generally accepted auditing standards, I do not express an opinion on any of the accounts or items referred to above. In connection with the procedures referred to above, no matters came to my attention that caused me to believe that the specified accounts or items should be adjusted. Had I performed additional procedures or had I conducted an audit of the financial statements in accordance with generally accepted auditing standards, matters might have come to my attention that would have been reported to you. This report relates only to the accounts and items specified above and does not extend to any financial statements of the Town of Decatur, taken as a whole.

A. T. Williams

June 16, 2009