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TOWN OF PELAHATCHIE
FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

TOWN OF PELAHATCHIE

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TOWN OF PELAHATCHIE

FINANCIAL SECTION

Windham and Lacey, PLLC

Certified Public Accountants

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American Institute of CPAs
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INDEPENDENT AUDITOR'S REPORT ON BASIC FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

Board of Aldermen
Town of Pelahatchie

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Pelahatchie, as of and for the year ended September 30, 2008, which collectively comprise the basic financial statements as listed in the table of contents. These financial statements are the responsibility of the town's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Town of Pelahatchie, prepares its financial statements on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

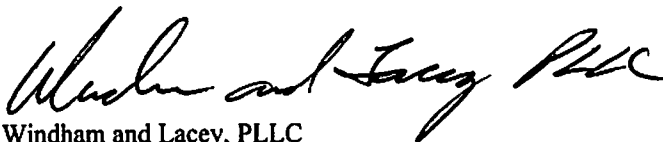
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities and the business-type activities, each major fund and the aggregate remaining fund information of the Town of Pelahatchie as of September 30, 2008, and the respective changes in cash basis financial position thereof for the year then ended in conformity with the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2009, on our consideration of the Town of Pelahatchie's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Budgetary Comparison Schedules are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The Town of Pelahatchie has not presented Management's Discussion and Analysis that is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Pelahatchie's basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Windham and Lacey, PLLC
June 5, 2009

TOWN OF PELAHATCHIE

FINANCIAL STATEMENTS

Town of Pelahatchie
Statement of Activities and Net Assets - Cash Basis
As of and For the Year Ended September 30, 2008

Functions/Programs	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Assets		
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General government	\$ 271,498	39,213			(232,285)		(232,285)
Public safety	663,076	237,528	251,406		(174,142)		(174,142)
Public works	276,136	72,711	1,447	30,978	(171,000)		(171,000)
Interest on long-term debt	11,197				(11,197)		(11,197)
Total Governmental Activities	<u>1,221,907</u>	<u>349,452</u>	<u>252,853</u>	<u>30,978</u>	<u>(588,624)</u>	<u>0</u>	<u>(588,624)</u>
Business-type activities:							
Water/Sewer	602,447	449,966		233,619		81,138	81,138
Total Business-type Activities	<u>602,447</u>	<u>449,966</u>	<u>0</u>	<u>233,619</u>	<u>0</u>	<u>81,138</u>	<u>81,138</u>
Total Government	<u>\$ 1,824,354</u>	<u>799,418</u>	<u>252,853</u>	<u>264,597</u>	<u>(588,624)</u>	<u>81,138</u>	<u>(507,486)</u>
General Receipts							
Taxes:							
Property taxes					\$ 287,009		287,009
Road & bridge privilege taxes					45,009		45,009
Sales tax					320,001		320,001
Franchise taxes					51,441		51,441
Grants and contributions not restricted to specific programs					3,925		3,925
Unrestricted investment income					4,051	3,444	7,495
Miscellaneous					102,484		102,484
Total General Receipts					<u>813,920</u>	<u>3,444</u>	<u>817,364</u>
Change in net assets					225,296	84,582	309,878
Net Assets - Beginning					92,796	85,030	177,826
Net Assets - Ending					<u>\$ 318,092</u>	<u>169,612</u>	<u>487,704</u>

Town of Pelahatchie
Statement of Activities and Net Assets - Cash Basis
As of and For the Year Ended September 30, 2008

(Continued)

ASSETS

Cash and cash equivalents	\$ 140,609
Restricted cash	<u>347,097</u>
Total Assets	<u>\$ 487,706</u>

NET ASSETS

Restricted:	
Restricted for unemployment compensation	\$ 4,873
Restricted for fire protection	7,642
Restricted for law enforcement	310,830
Restricted for meter deposits	23,752
Unrestricted	<u>140,609</u>
Total Net Assets	<u>\$ 487,706</u>

The notes to the financial statements are an integral part of this statement.

Town of Pelahatchie
Statement of Cash Basis Assets and Fund Balances and
Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental and Business-type Funds
As of and For the Year Ended September 30, 2008

	Governmental Activities				Business-type
	Major Fund	Police Seizure Fund	Special Fire Fund	Total	Water/Sewer Funds
RECEIPTS					
Ad valorem taxes	\$ 284,553			284,553	
Road and bridge tax	45,009			45,009	
License and permits	39,213			39,213	
Franchise taxes on utilities	51,441			51,441	
Grand Gulf payments in lieu of tax	50,092			50,092	
Intergovernmental revenues:					
Federal revenues:					
Public safety grants	30,158			30,158	
Grants					72,436
State shared revenues:					
Sales taxes	320,001			320,001	
Grants	3,247			3,247	2,500
General municipal aid	3,925			3,925	
Fire insurance rebate			7,567	7,567	
Local shared revenues:					
Forfeiture revenues		352,878		352,878	
County grants			23,411	23,411	158,683
Charges for services:					
Garbage	72,711			72,711	
Water and sewer utility					431,644
Fines and forfeits	104,098			104,098	
Interest income	199	3,786	66	4,051	3,444
Miscellaneous revenue	51,048			51,048	18,322
Total Receipts	<u>1,055,695</u>	<u>356,664</u>	<u>31,044</u>	<u>1,443,403</u>	<u>687,029</u>

Town of Pelahatchie
Statement of Cash Basis Assets and Fund Balances and
Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental and Business-type Funds
For the Year Ended September 30, 2008

(Continued)

	Governmental Activities				Business-type
	Major Fund				Activities
	General Fund	Police Seizure Fund	Special Fire Fund	Total	Water/Sewer Fund
DISBURSEMENTS					
General government	266,289			266,289	
Public safety	567,414		18,511	585,925	
Public works	276,136			276,136	
Water and sewer utility					
Personal services					312,446
Supplies					40,235
Utilities					59,673
Other services and charges					27,055
Total Disbursements	<u>1,109,839</u>	<u>0</u>	<u>18,511</u>	<u>1,128,350</u>	<u>439,409</u>
Excess of Receipts over (under) Disbursements	<u>(54,144)</u>	<u>356,664</u>	<u>12,533</u>	<u>315,053</u>	<u>247,620</u>
OTHER CASH SOURCES (USES)					
Purchase of capital assets	(17,936)			(17,936)	
Capital outlay - improvements					(84,646)
Principal paid on loan and lease purchase	(1,409)		(59,215)	(60,624)	(33,255)
Interest paid on loan and lease purchase	(6,943)		(4,254)	(11,197)	(6,508)
Principal paid on bonds and notes					(20,500)
Interest paid on bonds and notes					(18,129)
Transfers in (out) to other funds	42,966	(86,292)	43,326		
Total Other Cash Sources and (Uses)	<u>16,678</u>	<u>(86,292)</u>	<u>(20,143)</u>	<u>(89,757)</u>	<u>(163,038)</u>
Excess (Deficiency) of Receipts and Other Cash Sources Over Disbursements and Other Cash Uses	<u>(37,466)</u>	<u>270,372</u>	<u>(7,610)</u>	<u>225,296</u>	<u>84,582</u>
CASH BASIS FUND BALANCE - Beginning of Year	<u>37,087</u>	<u>40,458</u>	<u>15,251</u>	<u>92,796</u>	<u>85,030</u>
CASH BASIS FUND BALANCE - End of Year	<u>\$ (379)</u>	<u>310,830</u>	<u>7,641</u>	<u>318,092</u>	<u>169,612</u>
CASH BASIS ASSETS - End of Year					
Cash and cash equivalents	\$ (5,252)			(5,252)	145,860
Restricted cash	4,873	310,830	7,641	323,344	23,752
Total Cash Basis Assets	<u>\$ (379)</u>	<u>310,830</u>	<u>7,641</u>	<u>318,092</u>	<u>169,612</u>
CASH BASIS FUND BALANCES - End of Year					
Reserved	\$	310,830	7,641	318,471	
Reserved for unemployment compensation	4,873			4,873	
Unreserved	(5,252)			(5,252)	169,612
Total Cash Basis Fund Balances	<u>\$ (379)</u>	<u>310,830</u>	<u>7,641</u>	<u>318,092</u>	<u>169,612</u>

TOWN OF PELAHATCHIE

Notes to Financial Statements
September 30, 2008

(1) Summary of Significant Accounting Policies.

A. Financial Reporting Entity.

The Town of Pelahatchie, Mississippi, (the Town) was incorporated in June, 1904. The Town operates under an alderman/mayor form of government and provides all of the rights and privileges provided by statute for municipalities.

The financial statements of the Town have been prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

B. Government-wide and Fund Financial Statements.

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Changes in Net Assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Town combines the Statement of Activities and Statement of Net Assets.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct disbursements* are those that are clearly identifiable with a specific function or segment. *Program receipts* include (1) receipts from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program receipts are reported instead as *general receipts*.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation.

The government-wide financial statements are reported using the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when collected and expenditures are recorded when cash is spent.

Governmental fund financial statements are reported using the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recognized as soon as they are collected. Expenditures generally are recorded when cash is spent.

TOWN OF PELAHATCHIE

Notes to Financial Statements
September 30, 2008

The government reports the following major Governmental Fund:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Amounts reported as *program receipts* include (1) receipts from customers or applicants for goods, services or privileges provided, (2) operating grants and contributions and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general receipts* rather than as program receipts.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets and Net Assets or Equity.

1. *Cash and Investments.*

The government's cash and cash equivalents is considered to be cash on hand or invested in certificates of deposit.

2. *Fund Equity.*

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

(2) Defined Benefit Pension Plan.

Plan Description: The Town of Pelahatchie 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 Employees' Retirement System, PERS Building, at 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 Association is required to contribute at an actuarially determined rate. The current rate is 11.3% of annual covered payroll. The contribution requirements of PERS' members are established and may be amended only by the State of Mississippi Legislature. The Association's contributions to PERS for the years ended September 30, 2008, 2007 and 2006 were \$62,779, \$58,862 and \$54,422, respectively, which is equal to the required contributions for each year.

TOWN OF PELAHATCHIE

REQUIRED SUPPLEMENTARY INFORMATION

Town of Pelahatchie
 Budgetary Comparison Schedule -
 Budget and Actual
 General Fund
 For the Year Ended September 30, 2008

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
RECEIPTS				
Ad valorem taxes	\$ 264,500	284,553	284,553	
Road and bridge tax	37,000	45,009	45,009	
Charges for services	75,000	72,711	72,711	
License and permits	100,000	90,654	90,654	
Intergovernmental receipts	344,000	357,331	357,331	
In lieu of taxes	50,000	50,092	50,092	
Fines and forfeits	135,000	104,098	104,098	
Miscellaneous	9,000	51,247	51,247	
Total Receipts	<u>1,014,500</u>	<u>1,055,695</u>	<u>1,055,695</u>	<u>0</u>
EXPENDITURES				
General government	226,994	266,289	266,289	
Public safety	488,009	567,414	567,414	
Public works	295,631	276,136	276,136	
Debt service:				
Principal		1,409	1,409	
Interest		6,943	6,943	
Total Expenditures	<u>1,010,634</u>	<u>1,118,191</u>	<u>1,118,191</u>	<u>0</u>
Excess of Receipts over (under) Expenditures	<u>3,866</u>	<u>(62,496)</u>	<u>(62,496)</u>	<u>0</u>
OTHER CASH SOURCES (USES)				
Capital expenditure		(17,936)	(17,936)	
Proceeds from debt		42,966	42,966	
Transfers in		25,030	25,030	
Total Other Cash Sources and Uses	<u>0</u>	<u>25,030</u>	<u>25,030</u>	<u>0</u>
Net Change in Cash Basis Fund Balance	3,866	(37,466)	(37,466)	0
Cash Basis Fund Balances - Beginning	<u>37,087</u>	<u>37,087</u>	<u>37,087</u>	<u>0</u>
Cash Basis Fund Balances - Ending	<u>\$ 40,953</u>	<u>(379)</u>	<u>(379)</u>	<u>0</u>

The accompanying notes to the Required Supplementary Information are an integral part of this statement.

Town of Pelahatchie
 Budgetary Comparison Schedule -
 Budget and Actual
 Police Seizure Fund
 For the Year Ended September 30, 2008

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
RECEIPTS				
Intergovernmental receipts	\$	352,878	352,878	
Miscellaneous		3,786	3,786	
Total Receipts	0	356,664	356,664	0
EXPENDITURES				
Public safety				
Total Expenditures	0	0	0	0
Excess of Receipts over (under) Expenditures	0	356,664	356,664	0
OTHER CASH SOURCES (USES)				
Transfers out		(86,292)	(86,292)	
Total Other Cash Sources and Uses	0	(86,292)	(86,292)	0
Net Change in Cash Basis Fund Balance	0	270,372	270,372	0
Cash Basis Fund Balances - Beginning	0	40,458	40,458	0
Cash Basis Fund Balances - Ending	\$ 0	310,830	310,830	0

The accompanying notes to the Required Supplementary Information are an integral part of this statement.

Town of Pelahatchie
 Budgetary Comparison Schedule -
 Budget and Actual
 Special Fire Fund
 For the Year Ended September 30, 2008

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
RECEIPTS				
Intergovernmental receipts	\$ 21,000	30,978	30,978	
Miscellaneous		66	66	
Total Receipts	<u>21,000</u>	<u>31,044</u>	<u>31,044</u>	<u>0</u>
EXPENDITURES				
Public works	8,856	18,511	18,511	
Debt service:				
Principal	12,144	59,215	59,215	
Interest		4,254	4,254	
Total Expenditures	<u>21,000</u>	<u>81,980</u>	<u>81,980</u>	<u>0</u>
Excess of Receipts over (under) Expenditures	<u>0</u>	<u>(50,936)</u>	<u>(50,936)</u>	<u>0</u>
OTHER CASH SOURCES (USES)				
Transfers in (out) to other funds		43,326	43,326	
Total Other Cash Sources and Uses	<u>0</u>	<u>43,326</u>	<u>43,326</u>	<u>0</u>
Net Change in Cash Basis Fund Balance	0	(7,610)	(7,610)	0
Cash Basis Fund Balance - Beginning	<u>15,251</u>	<u>15,251</u>	<u>15,251</u>	<u>0</u>
Cash Basis Fund Balance - Ending	<u>\$ 15,251</u>	<u>7,641</u>	<u>7,641</u>	<u>0</u>

The accompanying notes to the Required Supplementary Information are an integral part of this statement.

TOWN OF PELAHATCHIE

**Notes to the Required Supplementary Information
For the Year Ended September 30, 2008**

A. Budgetary Information.

Generally, in the month of August, prior to the ensuing fiscal year beginning each October 1, the Board of Aldermen of the Town, using historical and anticipated fiscal data, prepares an original budget for the General Fund for said fiscal year. The completed budget for the fiscal year includes every source of revenue, each general item of expenditure, and the unencumbered cash and investment balances. When during the fiscal year it appears to the Board of Aldermen that budgetary estimates will not be met, it may make revisions to the budget.

The Town's budget is prepared on the cash basis of accounting. All appropriations lapse at year-end, and there are no encumbrances to budget because state law does not require that funds be available when goods or services are ordered, only when payment is made.

B. Basis of Presentation.

The Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis) presents the original adopted budget, the final adopted budget, actual amounts on a budgetary (Non-GAAP) basis and variances between the final budget and the actual amounts. The schedule is presented for the General Fund.

C. Budget Reconciliation.

As discussed in Note 1, the financial statements are prepared on the basis of cash receipts and disbursements which is the same as the basis used for budget preparation.

TOWN OF PELAHATCHIE

OTHER REQUIRED SUPPLEMENTARY INFORMATION

Town of Pelahatchie
Schedule of Changes in Long-term Debt
For the year Ended September 30, 2008

Description	Outstanding Balance Sept. 30, 2007	Issued	Redeemed	Outstanding Balance Sept. 30, 2008
Bonds issued:				
1997 general obligation bond issue	\$ 249,000		20,500	228,500
1996 general obligation bond issue	<u>110,000</u>			<u>110,000</u>
Total general obligation bonds	359,000	0	20,500	338,500
Other long-term debt:				
State of Mississippi water pollution abatement loan	17,707		12,500	5,207
Note payable - Evergreen settlement	34,596		9,475	25,121
State of Mississippi - CAP loan	228,394		10,376	218,018
State of Mississippi - CAP loan - fire truck	104,663		10,118	94,545
Note payable - Trustmark - fire truck	50,000		50,000	
Note payable - Trustmark	<u>68,909</u>		<u>1,409</u>	<u>67,500</u>
	<u>\$ 863,269</u>	<u>0</u>	<u>114,378</u>	<u>748,891</u>

Town of Pelahatchie, Mississippi
Schedule of Investments - All Funds
September 30, 2008

	<u>Balance</u>
Enterprise Fund	
4.40% Certificate of Deposit dated November 15, 2007, due 365 days after date	\$ 24,056
2.81% Certificate of Deposit dated December 27, 2008, due 365 days after date	150,000
3.00% Certificate of Deposit dated March 31, 2008, due 365 days after date	<u>5,192</u>
Total Enterprise Fund Investments	<u>179,248</u>
Employment Security Fund	
4.374% Certificate of Deposit dated August 28, 2008, due 365 days after date	<u>4,873</u>
Total Employment Security Fund Investments	<u>4,873</u>
Total All Funds	<u>\$ 184,121</u>

Town of Pelahatchie
Schedule of Surety Bonds for Municipal Officials and Employees
September 30, 2008

<u>Position</u>	<u>Company</u>		<u>Coverage</u>
Alderman	MS Municipal Bond	\$	30,000
Mayor	Brierfield Insurance Company		25,000
Town Clerk	Brierfield Insurance Company		50,000
Deputy Town Clerk	Brierfield Insurance Company		10,000
Human Resources Director	Brierfield Insurance Company		25,000
Police Chief	Brierfield Insurance Company		50,000
Police Officers	Brierfield Insurance Company		25,000
Court Clerk	Brierfield Insurance Company		10,000
Police Dispatcher	Brierfield Insurance Company		10,000

TOWN OF PELAHATCHIE

SPECIAL REPORT

Windham and Lacey, PLLC

Certified Public Accountants

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(601)939-8676

Members:
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Mississippi Society of CPAs

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF THE
FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Aldermen
Town of Pelahatchie

We have audited the financial statements of the Town of Pelahatchie as of and for the year ended September 30, 2008, and have issued our report thereon dated June 5, 2009. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Town of Pelahatchie's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and other Matters

As part of obtaining reasonable assurance about whether Town of Pelahatchie's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the Mayor, Board of Aldermen and management. However, this report is a matter of public record, and its distribution is not limited.



June 5, 2009
Windham and Lacey, PLLC

TOWN OF PELAHATCHIE

SCHEDULE OF FINDINGS

TOWN OF PELAHATCHIE
Schedule of Findings
For the Year Ended September 30, 2008

Section 1: Summary of Auditor's Results

Financial Statements:

- | | | |
|----|---|-------------|
| 1. | Type of auditor's report issued on the financial statements: | Unqualified |
| 2. | Material noncompliance relating to the financial statements? | No |
| 3. | Internal control over financial reporting: | |
| a. | Material weaknesses identified? | No |
| b. | Reportable conditions identified that are not considered to be material weaknesses? | No |

Section 2: Financial Statement Findings

The results of our tests did not disclose any findings related to the financial statements that are required to be reported by *Government Auditing Standards*.