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**TOWN OF SUMRALL, MISSISSIPPI
FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

**TONY CHANCE & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
514-A AIRPORT ROAD
FOREST, MS 39074**

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**TOWN OF SUMRALL
ANNUAL FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2008
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PUBLIC ACCOUNTANTS

Honorable Mayor and
Members of the Board of Aldermen
Town of Sumrall, Mississippi

We have compiled the accompanying statements of cash receipts and disbursements of the Town of Sumrall, Mississippi, for the year ended September 30, 2008 and the Schedule of Investments and the Schedule of Long Term Debt and the Schedule of Surety Bonds for Town Officials, which are presented 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.

Our compilation was limited to presenting in the form prescribed by the Mississippi State Department of Audit information that is the representation of the elected officials. We have not audited or reviewed the accompanying statements of cash receipts and disbursements and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements (including related disclosures) are presented in accordance with the requirements of the Mississippi State Department of Audit, which differs from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

Forest, Mississippi
June 17, 2009



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

	Governmental Funds		Proprietary Funds	Totals (Memorandum Only)	
	General	Special Revenue		2008	2007
Revenue Receipts					
General Property Taxes	\$ 146,918	\$ -	\$ -	\$ 146,918	\$ 112,535
Licenses and Permits	19,887	-	-	19,887	30,883
Franchise Tax on Utilities	76,028	-	-	76,028	48,737
State Shared Revenues:					
General Municipal Aid	524	-	-	524	524
Sales Tax	375,609	-	-	375,609	339,635
Gasoline Tax	2,826	-	-	2,826	2,826
Fire Protection	5,205	-	-	5,205	4,756
Homestead	6,252	-	-	6,252	5,899
Public Safety Grant	7,910	-	-	7,910	35,329
Homeland Security Grant	10,877	-	-	10,877	-
Forestry Grant	10,382	-	-	10,382	9,619
Rural Development Police	-	-	-	-	75,000
Preston St. Drainage Grant	-	-	-	-	173,144
Standards Training Grant	-	-	-	-	6,000
Fire Truck Grant	100,000	-	-	100,000	-
Other Grants	1,498	-	-	1,498	6,891
Lamar County Economics Grant	12,000	-	-	12,000	-
Charges for Services:					
Water and Sewer	-	-	248,891	248,891	212,471
Garbage	-	-	98,426	98,426	73,239
Court Fines	48,452	-	-	48,452	27,428
Interest Income	18,422	-	12,499	30,921	33,378
Donations	-	-	500	500	1,000
Lease Revenue	-	-	-	-	2,750
Miscellaneous Income	-	-	-	-	1,388
Total Revenue Receipts	842,790	-	360,416	1,203,206	1,203,432
Other Receipts					
Sale of Equipment	8,231	-	-	8,231	19,063
Insurance Proceeds	-	-	3,362	3,362	3,364
Loan Proceeds	196,398	-	-	196,398	-
Transfers In	-	24,960	-	24,960	-
Total Other Receipts	204,629	24,960	3,362	232,951	22,427
Total Receipts	1,047,419	24,960	363,778	1,436,157	1,225,859
Cash Balance - Beginning of Year	353,135	99	303,154	656,388	604,820
Total Amount to Account For	\$ 1,400,554	\$ 25,059	\$ 666,932	\$ 2,092,545	\$ 1,830,679

See accompanying notes and accountant's report.

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

	Governmental Funds		Proprietary Funds	Totals (Memorandum Only)	
	General	Special Revenue		2008	2007
Operating Disbursements					
General Government					
Public Safety					
Police	\$ 176,137	\$ -	\$ -	\$ 176,137	\$ 405,657
Fire	268,307	-	-	268,307	340,360
Streets	5,774	-	-	5,774	47,242
Parks & Recreation	98,123	-	-	98,123	67,487
Enterprises:	22,624	-	-	22,624	6,457
Water and Sewer	-	24,960	210,944	235,904	173,156
Garbage	-	-	84,386	84,386	62,641
Interest Expense	5,094	-	1,835	6,929	4,114
Total Operating Disbursements	576,059	24,960	297,165	898,184	1,107,114
Other Disbursements					
Notes Repaid	20,999	-	11,623	32,622	21,968
Capital Outlay	367,612	-	31,257	398,869	45,209
Transfers Out	24,960	-	-	24,960	-
Total Other Disbursements	413,571	-	42,880	456,451	67,177
Total Disbursements	989,630	24,960	340,045	1,354,635	1,174,291
Cash Balance - End of Year	410,924	99	326,887	737,910	656,388
Total Amount to Account For	\$ 1,400,554	\$ 25,059	\$ 666,932	\$ 2,092,545	\$ 1,830,679

See accompanying notes and accountant's report.

TOWN OF SUMRALL
NOTES TO FINANCIAL STATEMENTS
September 30, 2008

Note A) Summary of Significant Accounting Policies

General Information

The Town of Sumrall operates under a Mayor-Aldermen form of government and provides services as authorized by law.

Reporting Entity

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

Fund Accounting

The accounts of the town 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 Office of State Auditor. 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.

**TOWN OF SUMRALL, MISSISSIPPI
SCHEDULE OF INVESTMENTS
Year Ended September 30, 2008**

Governmental Fund Types	<u>Amount</u>
Proprietary Fund	
Water and Sewer Certificate of Deposit	<u>\$ 252,315</u>

TOWN OF SUMRALL, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS
Year Ended September 30, 2008

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Amount</u>
Gerolene Rayborn	Mayor	Fidelity and Deposit Company of Maryland	\$ 25,000
Jo Ann Robbins	Clerk	Fidelity and Deposit Company of Maryland	50,000
Virginia Hayes	Deputy Clerk	Fidelity and Deposit Company of Maryland	10,000
Kaya Farve	Deputy Clerk	Fidelity and Deposit Company of Maryland	10,000
Darrell Hall	Alderman	Fidelity and Deposit Company of Maryland	10,000
Brad Sullivan	Alderman	Fidelity and Deposit Company of Maryland	10,000
Heath Sumrall	Alderman	Fidelity and Deposit Company of Maryland	10,000
Ervin Wolfe	Alderman	Fidelity and Deposit Company of Maryland	10,000
Helga Herrington	Alderman	Fidelity and Deposit Company of Maryland	10,000
Willie J. Preston	Police Chief	Fidelity and Deposit Company of Maryland	50,000
James Ross	Policeman	Fidelity and Deposit Company of Maryland	25,000
Joseph Bullock	Policeman	Fidelity and Deposit Company of Maryland	25,000
Joel Lofton	Policeman	Fidelity and Deposit Company of Maryland	25,000
Terry Holbrook	Policeman	Fidelity and Deposit Company of Maryland	25,000
John A. Kepper	Policeman	Fidelity and Deposit Company of Maryland	25,000
Russell Beasley	Policeman	Fidelity and Deposit Company of Maryland	25,000
Dimple McNeese	Policeman	Fidelity and Deposit Company of Maryland	25,000

See accompanying notes and accountant's report.

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

	Balance Outstanding 9/30/2007	Transactions During Fiscal Year		Balance Outstanding 9/30/2008
		Issued	Redeemed	
Mississippi Development Authority - Industrial Park	\$ 50,382	\$ -	\$ 6,041	\$ 44,341
Mississippi Development Authority - Water Tank	47,546	-	11,623	35,923
Mississippi Development Authority - Fire Truck	-	196,398	14,958	181,440
Total	\$ 97,928	\$ 196,398	\$ 32,622	\$ 261,704

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Honorable Mayor and Board of Aldermen
Town of Sumrall, Mississippi

We have applied certain agreed upon procedures, as discussed below, to the accounting records of the Town of Sumrall, 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 Ann. (1972). It is understood that the report is solely for the use of the governing body of the Town of Sumrall, 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 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 General Ledger</u>
Citizens Bank	General	\$ 360,857
Citizens Bank	General	14,135
Citizens Bank	General	37,856
Citizens Bank	General	1,869
Citizens Bank	General	124
Citizens Bank	General	494
Citizens Bank	Water/Sewer Operations	70,161
Citizens Bank	CDBG	99

2. We 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).

<u>General Security</u>	<u>Fund</u>	<u>Balance Per General Ledger</u>
Citizens Bank	Water/Sewer Operations	\$ 252,315

3. We performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:

- a. Verified use of certified county assessment rolls and traced levies to governing body minutes;
- b. Examined uncollected taxes for proper handling.
- c. Traced distribution of taxes collected to proper funds; and
- d. Analyzed increase in taxes for most recent period for completion 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, Mississippi 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, Mississippi 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 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</u>	<u>Balance Per General Ledger</u>
Sales Tax Allocation	General Fund	\$ 375,609
General Municipal Aid	General Fund	524
Gasoline Tax	General Fund	2,826
Fire Protection	General Fund	5,205
Homestead Reimbursement	General Fund	6,252
Public Safety Grant	General Fund	7,910
Forestry Grant	General Fund	10,382
Homeland Security Grant	General Fund	10,877
Fire Truck Grant	General Fund	100,000
Various Other Grants	General Fund	1,498

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, Mississippi Code Ann. (1972), as applicable.

The sample consisted of the following:

Number of Sample Items	27
Dollar Value of Sample	\$424,953

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 survey indicated no instances of noncompliance 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 paragraphs 1, 2 or 3 should be adjusted. Had we performed additional procedures or had we made an examination 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 Sumrall, Mississippi, for the year ended September 30, 2008.

