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**TOWN OF WEBB**  
**FINANCIAL STATEMENTS**  
**AND**  
**REPORTS OF INDEPENDENT AUDITOR**  
**(With Supplemental Information Schedules)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**

**Prepared by:**

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**TOWN OF WEBB  
FOR THE YEAR ENDED SEPTEMBER 30, 2009  
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**INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and Board of Alderman of the  
Town of Webb, Mississippi

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the town of Webb (the Town) as of and for the year ended September 30, 2009, which collectively comprise the Town's 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 an opinion on the financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 opinions.

As discussed in Note 1B to the financial statements, management has not recorded certain capital assets or depreciation expense in the governmental and business-type activities as mandated by the Government Accounting Standards Board Statement (GASB) No. 34. Accounting principles generally accepted in the United States of America require assets to be capitalized and depreciated over the asset's estimated useful life and reported as a direct expense of each associated functional activity, which would increase capital assets, net assets, and expenses, and changes in net assets reported in the governmental and business-type activities. Nor did management prepare bank reconciliations or amortize loan issuance costs during the year. The amount by which these departures would affect the related financial statements is not determinable.

In our opinion, because of the effect of the matters discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Town, as of September 30, 2009, or the respective changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Town will continue as a going concern. As discussed in the notes to the financial statements, the Town's significant operating losses raise substantial doubt about its ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 25, 2009 on our consideration of the Town's internal control structure over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal controls 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 conjunction with this report in considering the results of our audit.

The Town has not presented the management's discussion and analysis as required by GASB 34, Basic Financial Statements - Management's Discussion and Analysis - for State and Local Governments, that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual non-major funds financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

**Charles Buchanan, CPA**  
Saint Louis, Missouri  
November 25, 2009

## **FINANCIAL STATEMENTS**

**Town of Webb**  
**Government-wide Statement of Net Assets**  
**For the year ended September 30, 2009**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets</b>			
<i>Current assets:</i>			
Pooled cash and cash equivalents	\$ 12,888	\$ 8,955	\$ 21,843
Utilities receivable, net of allowances		25,658	25,658
Taxes receivable, net of allowances	15,150	-	15,150
<b>Total current assets</b>	<b>28,038</b>	<b>34,613</b>	<b>62,651</b>
<b>Fixed assets:</b>			
Capital assets (note 3)			
Buildings and building improvements	-	488,134	488,134
Vehicles	448,116	-	448,116
Infrastructure	1,207,400	300,000	1,507,400
<b>Total capital assets</b>	<b>1,655,516</b>	<b>788,134</b>	<b>2,443,650</b>
Less accumulated depreciation	(1,272,529)	(365,588)	(1,638,117)
Capital assets, net	382,987	422,546	805,533
<b>Total assets</b>	<b>411,025</b>	<b>457,159</b>	<b>868,184</b>
<b>Liabilities</b>			
<i>Current liabilities:</i>			
Accounts payable and accrued expenses	-	24,721	24,721
Payroll liabilities (note 11)	495,391	-	495,391
Due to other funds		-	-
Long-term debt, current portion (note 4)	-	24,000	24,000
<b>Total current liabilities</b>	<b>495,391</b>	<b>48,721</b>	<b>544,112</b>
<b>Noncurrent liabilities</b>			
Leases (note 4)	16,774		16,774
GO Bonds payable (note 4)	58,500		58,500
Notes payable (note 4)	-	38,811	38,811
<b>Total noncurrent liabilities</b>	<b>75,274</b>	<b>38,811</b>	<b>114,085</b>
<b>Total liabilities</b>	<b>570,665</b>	<b>87,532</b>	<b>658,197</b>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	307,713	359,735	667,448
Restricted	-	-	-
Unrestricted	(467,353)	9,892	(457,461)
<b>Total net assets</b>	<b>(159,640)</b>	<b>369,627</b>	<b>209,987</b>
<b>Total liabilities and net assets</b>	<b>\$ 411,025</b>	<b>\$ 457,159</b>	<b>\$ 868,184</b>

See independent auditor's report and notes to the financial statements.



**Town of Webb**  
**Governmental Funds Combined Balance Sheet**  
**For the year ended September 30, 2009**

	<b>General</b>	<b>Special Revenue Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets</b>			
Pooled cash and cash equivalents	\$ 12,122	\$ 766	\$ 12,888
Receivables net of allowance for uncollectible accounts	15,150	-	15,150
<b>Total assets</b>	27,272	766	28,038
<b>Liabilities</b>			
Payroll liabilities (note 11)	495,391	-	495,391
<b>Total liabilities</b>	495,391	-	495,391
<b>Fund balance</b>			
Unreserved, undesignated	(468,119)	766	(467,353)
<b>Total fund balance</b>	(468,119)	766	(467,353)
<b>Total liabilities and fund balance</b>	\$ 27,272	\$ 766	\$ 28,038

See independent auditor's report and notes to the financial statements.

**Town of Webb**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the year ended September 30, 2009**

<b>Revenues</b>	<b>General</b>	<b>Special Revenue- Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Taxes:</b>			
Property/advalorem taxes	\$ 70,153	\$ -	\$ 70,153
Sales taxes	117,870	-	117,870
Franchise taxes	75,240	-	75,240
Fines, fees, licenses, and permits	38,881	-	38,881
Intergovernmental	-	330,400	330,400
Investment Income	408	-	408
Miscellaneous	12,327	-	12,327
<b>Total revenue</b>	<u>314,879</u>	<u>330,400</u>	<u>645,279</u>
<b>Expenditures</b>			
Administrative offices	241,918	-	241,918
Streets, roads, highways, & airports	149,660	-	149,660
Public safety and judicial	149,638	-	149,638
Fire department	1,622	-	1,622
Parks and recreation	2,173	-	2,173
Capital outlay	5,714	393,457	399,171
<b>Total expenditures</b>	<u>550,725</u>	<u>393,457</u>	<u>944,182</u>
<b>Excess of revenues over (under) expenditures</b>	<u>(235,846)</u>	<u>(63,057)</u>	<u>(298,903)</u>
<b>Other financing sources (uses):</b>			
Operating transfers in	152,507	766	153,273
Operating transfers out	(200)	-	(200)
<b>Total other financing sources (uses)</b>	<u>152,307</u>	<u>766</u>	<u>153,073</u>
<b>Excess of revenues and other sources over (under) expenditures and other uses</b>	<u>(83,539)</u>	<u>(62,291)</u>	<u>(145,830)</u>
<b>Fund balances, beginning of year</b>	<b>75,930</b>	<b>63,541</b>	<b>139,471</b>
Prior period adjustment (note 10)	(460,510)	(484)	(460,994)
<b>Fund balances, end of year</b>	<u>\$ (468,119)</u>	<u>\$ 766</u>	<u>\$ (467,353)</u>

See independent auditor's report and notes to the financial statements.

**Town of Webb**  
**Reconciliation of Total Governmental Fund Balance to**  
**Total Net Assets of Governmental Activities**  
**For the year ended September 30, 2009**

**Governmental Funds Combined Balance Sheet--Total fund balance and other credits** **\$ (467,353)**

Amounts reported for governmental activities of the statement of net assets are different because:

Capital assets used in fund level statements are expensed upon use of financial resources to construct or acquire them. Capital assets for entity-wide statements are recognized as assets that are extinguished via depreciation charged over the life of the asset.

Capital assets, net of \$1,272,529 accumulated depreciation 382,987

Long-term debt uses current financial resources to pay off the principle portion and related interest expense. For entity-wide statements, the unpaid principle portion is recognized as a future obligation to be repaid over time.

Internal balances		-
Long-term debt	(75,274)	
Compensated absences payable	-	
Total long-term debt	(75,274)	(75,274)

**Statement of Net Assets--Total net assets of governmental activities** **\$ (159,640)**

**Town of Webb**  
**Reconciliation of Changes in Net Assets**  
**For the year ended September 30, 2009**

<b>Statement of Revenues, Expenditures, and Changes in Fund Balances--Excess of revenues and other sources over (under) expenditures and other uses</b>	<b>\$ (145,830)</b>
<p>Additions to capital assets and construction in progress are uses of current financial resources for fund level statements but are capitalized and depreciated for entity-wide statements. Therefore capitalized expenditures are not recognized as expenses but as capital assets that are depreciated. This expense, although not a use of current financial resources, is expensed on the entity-wide statements.</p>	
<b>Depreciation expense</b>	(102,736)
<b>Capitalized expenditures</b>	393,400
<p>Reductions of long-term debt are recognized as debt service and an expenditure in the fund level statements. However in the entity-wide statements, the principle portion is not an expense but a reduction in a liability. Therefore, the reduction of the liability is not expensed. This includes the reduction, or increase in compensated absences.</p>	
<b>Principle payments</b>	169,390
<b>Interest expense</b>	(4,173)
<b>Additions to compensated absences</b>	
<b>Eliminate internal balances</b>	(153,073)
<b>Statement of Net Assets--Change in net assets of governmental activities</b>	<b>\$ 156,978</b>

**Town of Webb**  
**Reconciliation Matrix**  
**For the year ended September 30, 2009**  
**(modified accrual to full accrual balances)**

	<u>Assets</u>	<u>Liabilities</u>	<u>Equity</u>	<u>Annual (Revenue) Expense</u>
<b>Combined Fund Balance Sheet and Statement of Fiduciary Assets</b>	<b>\$ 28,038</b>	<b>\$ (495,391)</b>	<b>\$ 321,523</b>	<b>\$ 145,830</b>
Capital assets, beginning of year	1,262,116		(1,262,116)	-
Accumulated depreciation at beginning of year	(1,169,793)	-	1,169,793	-
Depreciation expense for the year 2009	(102,736)	-		102,736
Additions to capital assets	393,400	-	-	(393,400)
Elimination of interfund payables and receivables	-	-		
Long-term debt at beginning of year		(87,418)	87,418	-
Interest expense		(4,173)	-	4,173
Principle payments on long-term debt	-	16,317	-	(16,317)
Compensated absences payable, beginning of year				
Additions to compensated absences	-	-	-	-
<b>Subtotals</b>	<u>411,025</u>	<u>(570,665)</u>	<u>316,618</u>	<u>(156,978)</u>
Close income/expense to equity			(156,978)	156,978
<b>Governmentwide Statement of Net Assets-Governmental Activities</b>	<b><u>\$ 411,025</u></b>	<b><u>\$ (570,665)</u></b>	<b><u>\$ 159,640</u></b>	<b><u>\$ -</u></b>

**Town of Webb**  
**Statement of Net Assets-Proprietary Funds**  
**For the year ended September 30, 2009**

<b>Assets and Other Debits</b>	<b>Water and Sewer</b>
<i>Current assets</i>	
Pooled cash and investments	\$ 8,955
Utilities receivables, net of allowance for uncollectible accounts	<u>25,658</u>
<b>Total current assets</b>	<u>34,613</u>
 <i>Noncurrent assets</i>	
<i>Capital assets (note 3)</i>	
Land and land improvements	-
Buildings and building improvements	488,134
Infrastructure	300,000
Mobile equipment	-
Furniture and equipment	-
<b>Total capital assets</b>	<u>788,134</u>
Accumulated depreciation	<u>(365,588)</u>
<b>Total capital assets, net</b>	<u>422,546</u>
 <b>Total assets</b>	 <u><u>457,159</u></u>
 <b>Liabilities</b>	
<i>Current liabilities</i>	
Accounts payable and accrued expenses	24,721
Long-term debt, current portion (note 4)	<u>24,000</u>
<b>Total current liabilities</b>	<u>48,721</u>
 <i>Noncurrent liabilities (note 4)</i>	
Accrued compensated absences, current portion	-
Long-term debt, net of current portion	<u>38,811</u>
<b>Total noncurrent liabilities</b>	<u>38,811</u>
 <b>Total liabilities</b>	 <u>87,532</u>
 <b>Net assets (note 10)</b>	
Invested in capital assets, net of related debt	359,735
Restricted for debt service	-
Unrestricted	<u>9,892</u>
<b>Total net assets</b>	<u>369,627</u>
 <b>Total liabilities and net assets</b>	 <u><u>\$ 457,159</u></u>

See independent auditor's report and notes to the financial statements.

**Town of Webb**  
**Statement of Revenues, Expenses, and Changes in Net Assets**  
**Proprietary Fund**  
**For the year ended September 30, 2009**

	<b>Water and Sewer</b>
<b>Operating revenues</b>	
Sales to customers	\$ 142,769
Miscellaneous revenue	1,410
Total operating revenues	144,179
 <b>Operating expenses</b>	
Personnel services	254
Supplies	39,954
Depreciation expense	51,307
Capital outlay	
Other services and charges	111,634
Total operating expenses	203,149
 <b>Operating income (loss)</b>	<b>(58,970)</b>
 <b>Nonoperating revenues (expenses)</b>	
Interest revenue	-
Interest expense on long-term debt	-
Bad debt expense	(2,080)
Total non-operating expenses	(2,080)
 <b>Operating income before contribution and transfers</b>	<b>(61,050)</b>
 <b>Other financing sources (uses)</b>	
Operating transfers in	-
Operating transfers out	-
Total other financing sources (uses)	-
 <b>Change in net assets</b>	<b>(61,050)</b>
 <b>Net assets, beginning of year</b>	<b>6,379</b>
 Prior period adjustments	424,298
 <b>Net assets, end of year</b>	<b>\$ 369,627</b>

See independent auditor report and notes to the financial statements.

**Town of Webb**  
**Statement of Cash Flow--Proprietary Fund**  
**For the year ended September 30, 2009**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from customers	\$ 119,191
Receipts from other revenue	1,410
Payments to suppliers	(102,867)
Payments to employees for services	(254)

**NET CASH FLOWS FROM OPERATING ACTIVITIES** 17,480

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Operating transfer in	-
Operating transfers out	-

**NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES** -

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Principal paid on capital debt	(14,904)
Infrastructure construction	-
Interest paid on capital debt	-

**NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** (14,904)

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest income	-
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**NET CASH FLOWS FROM INVESTING ACTIVITIES** -

**NET INCREASE IN CASH AND CASH EQUIVALENTS** 2,576

**BALANCES, BEGINNING OF YEAR** 6,379

**BALANCES, END OF YEAR** 8,955

**STATEMENT OF NET ASSETS-PROPRIETARY FUND-CASH RECONCILIATION:**

Pooled cash	8,955
Restricted assets-cash	-
Restricted assets-customer deposits	-
Restricted assets-investments	-
<b>TOTAL CASH AND EQUIVALENTS</b>	<u>8,955</u>

**CASH FLOWS FROM OPERATING ACTIVITIES**

Operating income (loss)	<u>(58,970)</u>
Adjustments to reconcile operating income (loss) to net cash (used) provided by operating activities	

Depreciation expense	51,307
Bad debt	2,080
(Increase) decrease in accounts receivable, net of allowance for doubtful accounts	(25,658)
Increase (decrease) in current liabilities	48,721

**NET CASH FLOWS FROM OPERATING ACTIVITIES** \$ 17,480

Noncash investing, capital, and financing activities	\$ -
Fair value of donated assets	-
Lease purchase agreements	-

See independent auditor's report and notes to the financial statements.

**REQUIRED SUPPLEMENTAL INFORMATION**

**Town of Webb  
Budgetary Comparison Schedule  
General Fund  
For the year ended September 30, 2009**

	<b>General Fund</b>			
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Actual</b>
	<b>Original</b>	<b>Final</b>		<b>Over (Under)</b>
				<b>Final</b>
<b>Revenues:</b>				
<i>Taxes:</i>				
Property taxes	\$ -	\$ -	\$ 70,153	\$ 70,153
Sales taxes	-	-	117,870	117,870
Franchise taxes	-	-	75,240	75,240
Fines, fees, licenses, and permits	-	-	38,881	38,881
Investment Income	-	-	408	408
Miscellaneous	-	-	12,327	12,327
<b>Total revenue</b>	<u>-</u>	<u>-</u>	<u>314,879</u>	<u>314,879</u>
<b>Expenditures:</b>				
Administrative offices	-	-	241,918	(241,918)
Streets, roads, highways, & airports	-	-	149,660	(149,660)
Public safety and judicial	-	-	149,638	(149,638)
Parks and recreation	-	-	2,173	(2,173)
Fire department	-	-	1,622	(1,622)
Capital outlay	-	-	5,714	(5,714)
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>550,725</u>	<u>(550,725)</u>
<b>Excess of revenues over (under) expenditures</b>	<u>-</u>	<u>-</u>	<u>(235,846)</u>	<u>(235,846)</u>
<b>Other financing sources (uses):</b>				
Operating transfers in	-	-	152,507	152,507
Operating transfers out	-	-	(200)	(200)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>152,307</u>	<u>152,307</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>(83,539)</u>	<u>(83,539)</u>
Fund balances, beginning of year	75,930	75,930	75,930	-
Prior year adjustments (note 10)			(460,510)	(460,510)
<b>Fund balances, end of year</b>	<u>\$ 75,930</u>	<u>\$ 75,930</u>	<u>\$ (468,119)</u>	<u>\$ (544,049)</u>
Adjustments necessary to convert the results of operation at end of year on the budget basis to the modified accrual basis (GAAP) are as follows:				
<b>Excess of revenues and other sources over (under) expenditures and other uses per the Budgetary Comparison Schedule</b>	-	-	(83,539)	
Increases (decreases) from revenues			15,150	
(Increases) decreases from expenditures			-	
Accrued as liabilities at September 30, 2009 (GAAP) but not in budget			(399,730)	
<b>Net change in fund balance per the Statement of Revenues, Expenditures, and Changes in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (468,119)</u>	

See independent auditor's report and notes to the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**

**Town of Webb**  
**Notes to the Financial Statements**  
**For the year ended September 30, 2009**

**NOTE 1        SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Town of Webb was incorporated February 24, 1890, under the laws of the State of Mississippi. The Town operates under a Mayor-Board of Aldermen form of government, and provides the following services as authorized by its charter: public safety (police and fire), streets and highways, sanitation, culture and recreation, public improvements, planning and zoning, water and sewer services, and general administrative services.

As defined by accounting principles generally accepted in the United States of America (GAAP), the Town is considered a "primary government".

**A. Fund Accounting**

The accounts are organized on the basis of funds and account groups, each of which is considered a separate accounting 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 into four generic fund types and three broad fund categories as follow:

**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.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trust or major capital projects) that are legally restricted to expenditures for specified purposes.

**Proprietary Funds**

Enterprise Funds - Enterprise Funds are used to account for operations (1) 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 (2) 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.

**Town of Webb**  
**Notes to the Financial Statements**  
**For the year ended September 30, 2009**

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**B. Capital Assets and Long-Term Liabilities**

The accounting and reporting treatment applied to the capital assets and long-term liabilities associated with a fund are determined by its measurement focus. All Governmental Funds and Proprietary Funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources."

Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Town officials have elected not to capitalize items with a cost of less than \$500.00 for financial statement purposes. These items are expensed in the year of acquisition.

Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated.

GASB No. 34 requires the Town to report and depreciate new infrastructure assets effective June 15, 2003. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class. Being a phase 3 government with annual revenue less than \$10 million, the Town is not required to retroactively report its infrastructure.

Depreciation of all exhaustible capital assets used by proprietary funds is charged as expense against their operations. Accumulated depreciation is reported on the proprietary fund balance sheets. Depreciation is provided over the estimated useful lives of the capital assets using the straight-line method. The Town reported depreciation expense of \$154,043 for the fiscal year ended September 30, 2009.

Expenditures for governmental fund types are required to exclude amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the Government-wide Statement of Net Assets.

Proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that assets and liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into invested in capital assets, net of related debt, restricted, temporarily restricted, and unrestricted components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

**Town of Webb**  
**Notes to the Financial Statements**  
**For the year ended September 30, 2009**

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)**

**C. Basis of Accounting**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The Governmental Funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of intermediary collection governments and are recognized as revenue at that time.

Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include accumulated unpaid vacation, sick pay, and other employee amounts, which are not accrued at the fund level.

The Proprietary Fund is accounted for using the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when incurred. Revenues of the Water and Sewer fund are recognized and recorded based on monthly cycle billings.

**D. Budgets**

Although mandated by law, the Town did not follow these procedures in establishing the budgetary data reflected in the financial statements:

1. The Town Clerk submits to the Mayor and Board a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayers comments on proposed revenue sharing expenditures.
3. The budget is legally enacted at the September Board meeting.
4. Budgets for the General Funds are adopted on a cash basis.

Mississippi laws require that municipality's budget on a cash basis. Claims that have been incurred prior to the end of year and that are paid within 30 days are recorded under the modified-accrual basis. Prior year claims that are paid after 30 days revert to the cash basis. Revenue is accounted for under the cash basis. Capital project funds are budgeted by project and do not lapse at year end. The required budgetary basis is therefore not considered a generally accepted accounting principal. Governmental accounting requires that the "budget to actual" statements be prepared according to budgetary laws and the statements of revenues, expenditures, and fund balance be prepared according to the modified-accrual basis (GAAP). The major reconciling items between the budgetary and GAAP presentations are presented on the "budget to actual" statements.

**Town of Webb**  
**Notes to the Financial Statements**  
**For the year ended September 30, 2009**

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**E. Cash and Investments**

All deposits with financial institutions must be with institutions insured by the Federal Deposit Insurance Corporation. Institutions must pledge collateral equal to at least 105% of the amount of the deposits in excess of the insured amount.

Effective October 1, 2001, the Treasurer of the State of Mississippi is charged with the responsibility to assure adequate collateralization of deposits at all entities defined in Section 27-105-5 of the Miss. Code, which category includes the Town of Webb.

Deposits—at year-end, the carrying amount of deposits were \$22,609 and the bank balance was \$25,749. Of the bank balance, \$25,749 was covered by federal depository insurance, and \$25,005 was covered by Section 27-105-5 of the Miss. Code.

The Town may invest its surplus funds in certificates of deposits, any bonds or direct obligations of the United States of America or the State of Mississippi, or in the bonds of any county, municipality or school district of Mississippi provided such bonds have been approved by a reputable bond attorney or have been validated by a decree of the Chancery Court.

A summary of deposits, pooled investments, and the financial statement classification follows:

<b>Categories</b>	<b>Amount</b>	<b>Fund Type</b>	<b>Amount</b>
Total deposits and petty cash	\$ 22,609	Governmental	\$ 12,888
Total investments	-	Proprietary	8,955
Total book balance	\$ 22,609	Fiduciary	766
		Total book balance	\$ 22,609
<b><u>Financial statement classifications</u></b>			
Pooled cash and investments	22,609		
Restricted investments and cash	-		
Total book balance	\$ 22,609		

**F. Encumbrances**

State law does not require that funds be available when goods are ordered, only when paid. Due to this circumstance, the Town does not employ an encumbrance system.

**G. Compensated Absences**

Employees are granted vacation and sick leave in varying amounts under terms of the Town's personnel policies based upon length of service. Amounts of vested or accumulated vacation and sick leave not expected to be liquidated with expendable available (i.e., current) financial resources are reported as the long-term portion of compensated absences. All leave was used at year end.

**Town of Webb**  
**Notes to the Financial Statements**  
**For the year ended September 30, 2009**

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

**H. Interfund Transactions**

Quasi-external transactions are accounted for as revenues and expenditures. Transactions that constitute reimbursement to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reduction as expenditures in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**I. Reserves of Fund Balances**

Reserves of fund balances are reported in various funds to indicate that a portion of the fund balance is restricted or segregated for a specific purpose.

**J. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**NOTE 2      TAX REVENUES**

Tax revenues consist of:

	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Property taxes	\$ 70,153	\$ -	\$ 70,153
Sales taxes	117,870	-	117,870
Franchise taxes	75,240	-	75,240
Total tax revenues	<u>\$ 263,263</u>	<u>\$ -</u>	<u>\$ 263,263</u>

Property taxes are an enforceable lien on property January 1. The millage rate was 55.79 mills for the general fund and municipal fire department for the year ended September 30, 2009.

**Town of Webb**  
**Notes to the Financial Statements**  
**For the year ended September 30, 2009**

**NOTE 3 CAPITAL ASSETS**

Summaries of governmental and business-type activities at September 30 follow:

<b>Governmental Funds</b>					
<u>Capital Asset Class</u>	<u>Beginning of Year</u>	<u>Additions</u>	<u>Transfers &amp; Disposals</u>	<u>Prior Year Adjustments</u>	<u>End of Year</u>
Vehicles	\$ -	\$ -	\$ -	\$ 448,116	\$ 448,116
Infrastructure	-	393,400	-	814,000	1,207,400
Total capital assets	-	393,400	-	1,262,116	1,655,516
Less: accumulated depreciation	-	(102,736)	-	(1,169,793)	(1,272,529)
<b>Total capital assets, net</b>	<b>\$ -</b>	<b>\$ 290,664</b>	<b>\$ -</b>	<b>\$ 92,323</b>	<b>\$ 382,987</b>

  

<b>Enterprise Fund</b>					
<u>Capital Asset Class</u>	<u>Beginning of Year</u>	<u>Additions</u>	<u>Transfers &amp; Disposals</u>	<u>Prior Year Adjustments</u>	<u>End of Year</u>
Building and building improvements	\$ -	\$ -	\$ -	\$ 488,134	\$ 488,134
Infrastructure	-	-	-	300,000	300,000
Total capital assets	-	-	-	788,134	788,134
Less: accumulated depreciation	-	(51,307)	-	(314,281)	(365,588)
<b>Total capital assets, net</b>	<b>\$ -</b>	<b>\$ (51,307)</b>	<b>\$ -</b>	<b>\$ 473,853</b>	<b>\$ 422,546</b>

**Town of Webb**  
**Notes to the Financial Statements**  
**For the year ended September 30, 2009**

**NOTE 4      CHANGES IN LONG-TERM DEBT**

A summary of changes in long-term debt follows:

	Balance, Beginning of Year	Additions	Retirements	Prior Year Adjustment	Balance, End of Year	Due within One Year
<i>Governmental Activities</i>						
Obligation under capital leases	\$ -	\$ -	\$ (43,424)	\$ 60,198	\$ 16,774	\$ 5,752
General obligation bonds	-		(4,700)	63,200	58,500	4,900
Notes payable	-	-	-	-	-	-
<b>Total governmental debt</b>	<b>-</b>	<b>-</b>	<b>(48,124)</b>	<b>123,398</b>	<b>75,274</b>	<b>10,652</b>
<i>Business-type Activities</i>						
Notes payable	-		(496)	63,307	62,811	24,000
<b>Total business-type debt</b>	<b>-</b>	<b>-</b>	<b>(496)</b>	<b>63,307</b>	<b>62,811</b>	<b>24,000</b>
<b>Total long-term debt</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (48,620)</b>	<b>\$ 186,705</b>	<b>\$ 138,085</b>	<b>\$ 34,652</b>

Long-term debt at September 30, 2009 are comprised of the following individual issues:

**Revenue Bonds:**

In May 2007, the Town issued \$67,700 General Obligation Street Improvement Bonds Series 2007 with principal due annually on April 1<sup>st</sup>, at 4.0-4.6% interest payable semi-annually on April 1<sup>st</sup> and October 1<sup>st</sup>. Annual total payments varies from \$6,988-\$7,497. The balance at September 30, 2009 was \$58,500.

There are a number of limitations and restrictions contained in the revenue bond indenture. The requirement that a reserve account be set up and maintained has not been met.

On November 28, 2007, the Town entered into a lease to Ford Motor Credit Corp. in the amount of \$24,999 at 6.55% to purchase a 2008 Ford Crown Victoria police vehicle. Terms of payments of \$487.55 a month for 60 months. The balance at September 30, 2009 was \$16,278.

The Town owed one payment of \$496.00 to Ford Motor Acceptance Corp. at September 30, 2009.

The Town issued a notes payable on August 28, 1984 to General Motors Acceptance Corp. (GMAC), now CAPMARK, for \$186,000 at 5% interest to mature on August 28, 2019. The original payment was \$1,937.50 a month including principal and interest. The balance at September 30, 2009 was \$62,811. At September 30, 2009 and until January 2010, the Town had not made a payment on this note since April 2008 and was in default. Since the balance sheet date, the Town has began payments and agreed with CAPMARK to continue payments on the note. The note is secured by the Town's only water tower. The Town's new monthly payment is \$2,996.78 a month.

**Town of Webb**  
**Notes to the Financial Statements**  
**For the year ended September 30, 2009**

**NOTE 4 CHANGES IN LONG- TERM DEBT (CONTINUED)**

At September 30, 2009, restricted assets related to debt service were:

Restricted assets	Water and Sewer
Bond Cushion	\$ 461
Depreciation	-
Contingency	-
Total restricted	<u>\$ 461</u>

The requirements to amortize long-term obligations (excluding compensated absences) outstanding at year-end, including interest are as follows:

<b>Governmental Activities</b>							
Year ending	Capital Lease		Capital Improvement Loans		Notes payable		
September 30	Principal	Interest	Principal	Interest	Principal	Interest	Total
2010	\$ 5,420	\$ 922	\$ 4,900	\$ 2,604	\$ -	\$ -	\$ 13,846
2011	5,256	588	5,100	2,398			13,342
2012	5,612	232	5,300	2,180			13,324
2013	486	3	5,500	1,952			7,941
2014	-	-	5,700	1,710			7,410
Thereafter	-	-	32,000	4,518			36,518
<b>Total payments</b>	<b>\$ 16,774</b>	<b>\$ 1,745</b>	<b>\$ 58,500</b>	<b>\$ 15,362</b>	<b>\$ -</b>	<b>\$ -</b>	<b>92,381</b>
						Less interest	(17,107)
						Total principal	<u><b>\$ 75,274</b></u>

<b>Business-type Activities</b>							
Year ending	Capital Lease		Capital Improvement Loans		Notes payable		
September 30	Principal	Interest	Principal	Interest	Principal	Interest	Total
2010					\$ 6,900	\$ 17,100	\$ 24,000
2011					7,200	17,300	24,500
2012					7,300	17,500	24,800
2013					7,400	17,600	25,000
2014					7,500	17,700	25,200
Thereafter					26,511	89,500	116,011
<b>Total payments</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 62,811</b>	<b>\$ 176,700</b>	<b>\$ 239,511</b>
						Less interest	(176,700)
						Total principal	<u><b>\$ 62,811</b></u>

Reconciliation to Government-wide Statement of Net Assets

Long-term debt, current portion	24,000
Long-term debt, noncurrent portion	114,085
<b>Total long-term debt, excluding compensated absences</b>	<u><b>\$ 138,085</b></u>

**Town of Webb**  
**Notes to the Financial Statements**  
**For the year ended September 30, 2009**

**NOTE 4 CHANGES IN LONG- TERM DEBT (CONTINUED)**

- Limitation of indebtedness:

No municipality shall hereafter issue bonds for the purposes authorized by law in an amount which, when added to the then outstanding bonded indebtedness of such municipality, shall exceed 15 percent of the assessed value of the taxable property within such municipality, according to the then last completed assessment for taxation. In computing such indebtedness, there may be deducted all bonds or other evidences of indebtedness, heretofore or hereafter issued, for school, water, sewer systems, gas, and light and power purposes and for the construction of special improvements primarily chargeable to the property benefited, or for the purpose of paying the municipality's proportion of any betterment program, a portion of which is primarily chargeable to the property benefited. However, in no case shall any municipality contract any indebtedness which, when added to all of the outstanding indebtedness, both bonded and floating, shall exceed 20 percent of the assessed value of all taxable property within such municipality. Nothing herein contained shall be construed to apply to bonds heretofore issued by any municipality for school purposes, or to bonds heretofore or hereafter issued by any municipality which are payable exclusively from the revenues of any municipally-owned utility, or to bonds issued by any municipality under the provisions of Sections 57- 1 -1 to 57 -1-51, or to any special assessment improvement bonds issued by any municipality under the provisions of Sections 21-4-1 through 21-41-53.

	<b>15 Percent</b>	<b>20 Percent</b>
Authorized Debt Limit		
Assessed valuation (\$1,234,451)	\$ 185,168	\$ 246,890
Present debt subject to 15 percent limitation	(62,811)	
Present debt subject to 20 percent limitation including debt subject to only 15 percent limitation		(62,811)
<b>Margin for further debt</b>	<b>\$ 122,357</b>	<b>\$ 184,079</b>

**NOTE 5 INTERFUND TRANSACTIONS**

Interfund operating transfers are as follows:

	<b>Transfers In</b>	<b>Transfers Out</b>
General fund	\$ 152,307	\$ (200)
Special revenue funds	766	
Enterprise fund		(152,873)
<b>Total transfers</b>	<b>\$ 153,073</b>	<b>\$ (153,073)</b>

**NOTE 6 FUND BALANCES**

Deficit fund balances were incurred in the following funds:

<b>Fund</b>	<b>Amount</b>
General	\$ (468,119)
Business-type activities	-
Total	\$ (468,119)

**Town of Webb**  
**Notes to the Financial Statements**  
**For the year ended September 30, 2009**

**NOTE 7      GASB STATEMENTS 33 and 34**

This report does not fully incorporate GASB Statements 33 and 34, Basic Financial Statements and Management Discussion and Analysis for State and Local Governments. The Town has not adopted GASB Statement No. 34 at September 30, 2009. The Town was required to prospectively record and depreciated general infrastructure and capital assets since June 15, 2003. Infrastructure assets include roads, bridges, sewer systems, sidewalks, etc.

**NOTE 8      RISK MANAGEMENT**

The Town is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Town contracts with insurance companies for coverage of property, general liability, crime and automobile, workers' compensation, and other personnel related-issues.

**NOTE 9      LITIGATION LOSSES**

The Town recognizes estimated losses related to litigation in the period in which the occasion giving rise to the loss occurred, the loss is probable, and the loss is reasonably estimable.

**NOTE 10     NET ASSETS**

Adjustments to net assets were recorded as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Net assets, beginning of year	\$ 139,471	\$ 6,379	\$ 145,850
<i>Adjustments:</i>			
Fixed asset & debt additions	<u>(456,089)</u>	<u>424,298</u>	<u>(31,791)</u>
Subtotal adjustments	<u>(456,089)</u>	<u>424,298</u>	<u>(31,791)</u>
<b>Net assets, beginning of year, as restated</b>	<b><u>(316,618)</u></b>	<b><u>430,677</u></b>	<b><u>114,059</u></b>
Change in net assets	<u>156,978</u>	<u>(61,050)</u>	<u>95,928</u>
<b>Net assets, end of year</b>	<b><u>\$ (159,640)</u></b>	<b><u>\$ 369,627</u></b>	<b><u>\$ 209,987</u></b>

**NOTE 11     PAYROLL LIABILITIES**

The Town failed to pay and or file certain Payroll taxes during the years 2002-2009. As a result, the IRS levied fines, penalties and interest on the Town. The Town has since complied with all IRS filing requirements and will discontinue in-house preparation of payroll services and hire an outside payroll service to ensure all quarterly and annual payroll forms and liabilities are paid timely.

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**Report on Internal Control Over Financial Reporting and on Compliance**  
**and Other Matters Based on an Audit of Financial Statements Performed in Accordance**  
**with Government Auditing Standards**

Honorable Mayor and Board of Alderman of  
Town of Webb

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Webb (the Town), as of and for the year ended September 30, 2009 which collectively comprise the Town's basic financial statements and have issued our report thereon dated November 25, 2009. The report on the governmental activities, business type activities, each major fund, and the aggregate remaining funds was qualified because the Town did not prepare bank reconciliations, did not record certain fixed assets, accumulated depreciation, or amortize loan issue costs for the year under audit. As a result, we were unable to form an opinion as to the completeness regarding revenues and expenditures in the accompanying statement of activities. Except as discussed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in the 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 the Town's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operations that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Town's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in a separate letter addressed to the Board as items 2009-1 through 2009-14.

A material weakness is a reportable 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider items 2009-1 through 2009-4 & 2009-7 through 2009-12 in a separate letter addressed to the Board to be material weaknesses.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and that are identified below:

- 2009-1 The Town Clerk undermined the Board's authority by determining which bills to pay by excluding certain bills from the claims dockets. As a result, the Town did not pay certain payroll liabilities & did not timely file certain payroll forms (941's, W-2's). Many IRS bills/notices were unopened or discarded and not brought to the attention of the Board. The IRS levied heavy fines on the Town and the Town has since come into compliance with all IRS reporting requirements.
- 2009-10 The Town clerk failed to withhold child support payments under a valid court-ordered support order for a year but did make one payment to the Court without withholding money from the employee, in effect, paying for child support with taxpayer's funds.
- 2009-11 The Town Clerk failed to report the Board/Mayor's salaries as W-2 wages and withhold Social Security/Medicare and withholding taxes. The Town will discontinue preparing payroll in house after FY 2009 & will use an outside payroll service for 2010.

We noted certain other matters that we reported to management of the Town in a separate letter dated November 25, 2009.

This report is intended solely for the information and use of the audit committee, governing authorities, management, federal awarding agencies and pass-through entities, and is not intended and should not be used by anyone other than these specified parties.

**Charles Buchanan, CPA**  
Saint Louis, Missouri  
November 25, 2009

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE**  
**WITH STATE LAWS AND REGULATIONS**

Honorable Mayor and Board of Alderman of the  
Town of Webb, Mississippi

We have audited the financial statements of the Town of Webb (the Town) as of and for the year ended September 30, 2009, and have issued our report dated November 25, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*.

As required by the state legal compliance audit program prescribed by the Office of the State Auditor, we have also performed procedures to test compliance with certain state laws and regulations. However, providing an opinion on compliance with state laws and regulations was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of those procedures and our audit of the financial statements disclosed material instances of noncompliance with state laws and regulations.

**2009-15**      The Town Clerk did not maintain the Town's minutes in a central repository; as a result, the clerk could not locate all monthly meetings and we could not determine whether; a) the minutes properly reflected the actions of the board; b) that they were all signed by the Mayor or majority of the Board (Section 21-15-17, 21-15-19, & 21-15-33), c) the Town published a notice of the annual audit (21-35-31); d) the Town published its adopted budget (21-35-5, 27-39-203, & 27-39-205); e) the Town complied with legal publication re: budgetary changes of 10% to the Town's budget (21-35-25); f) whether the Town revised its budget by the July meeting when a deficit is anticipated (21-35-25).

**2009-16**      The Town Clerk failed to submit a monthly report of expenditures against each budget item to the board (21-35-13) which allowed the board to approve claims and the clerk to issue warrants in excess of budget amounts (21-35-17).

The Office of the State Auditor or a public accounting firm will review, on the subsequent year's audit engagement, the findings in this report to ensure that corrective action has been taken.

This report is intended for the information of the Town's management and the Office of the State Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

**Charles Buchanan, CPA**  
Saint Louis, Missouri  
November 25, 2009

## **SUPPLEMENTAL INFORMATION**

**Town of Webb**  
**Special Revenue Governmental Funds**  
**Combining Balance Sheet**  
**For the year ended September 30, 2009**

	<b>Bondholders for Bonds</b>	<b>Town of Webb Street Grant</b>	<b>Town of Webb CDBG Sewer</b>	<b>Total</b>
<b>Assets</b>				
Pooled cash and cash equivalents	\$ 461	\$ 305	\$ -	\$ 766
Due from other funds	-	-	-	-
<b>Total assets</b>	461	305	-	766
<b>Liabilities</b>				
Accounts payable and accrued expenses	-	-	-	-
Due to other funds	-	-	-	-
Due to others	-	-	-	-
<b>Total liabilities</b>	-	-	-	-
<b>Fund balances</b>				
Fund balances:				
Unreserved, undesignated	461	305	-	766
<b>Total fund balances</b>	461	305	-	766
<b>Total liabilities and fund balances</b>	\$ 461	\$ 305	\$ -	\$ 766

**Town of Webb**  
**Special Revenue Governmental Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the year ended September 30, 2009**

<b>Revenues:</b>		<b>Town of Webb Street Grant</b>	<b>Town of Webb CDBG Sewer</b>	<b>Total</b>
<i>Taxes:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	330,400	-	330,400
Total revenue	<u>-</u>	<u>330,400</u>	<u>-</u>	<u>330,400</u>
 <b>Expenditures:</b>				
Capital outlay	-	393,457	-	393,457
Total expenditures	<u>-</u>	<u>393,457</u>	<u>-</u>	<u>393,457</u>
 <b>Excess of revenues over (under) expenditures</b>	<u>-</u>	<u>(63,057)</u>	<u>-</u>	<u>(63,057)</u>
 <b>Other financing sources (uses):</b>				
Operating transfers in	461	305	-	766
Operating transfers out	-	-	-	-
Total other financing sources (uses)	<u>461</u>	<u>305</u>	<u>-</u>	<u>766</u>
 <b>Excess of revenues and other sources over (under) expenditures and other uses</b>	<u>461</u>	<u>(62,752)</u>	<u>-</u>	<u>(62,291)</u>
 <b>Fund balances, beginning of year</b>	-	63,057	-	63,057
 <b>Fund balances, end of year</b>	<u>\$ 461</u>	<u>\$ 305</u>	<u>\$ -</u>	<u>\$ 766</u>

See independent auditor's report and notes to the financial statements.

**Town of Webb  
Schedule of Surety Bonds  
For the year ended September 30, 2009**

<b>Name</b>	<b>Position</b>	<b>Surety Company</b>	<b>Expiration Date</b>	<b>Amount</b>	<b>Bond NO</b>
Mary Tucker-Croft	Mayor	RLI Insurance Company	07/12/10	\$ 50,000	PRS1046649
Shakitha L. Gray	City Clerk/Court Clerk	RLI Insurance Company	01/12/10	50,000	PRS1046650
Quartasha Kindle	Deputy Clerk	RLI Insurance Company	01/30/10	25,000	LSM0048645
Tommie Gordon	Alderman	RLI Insurance Company	7/12/10	50,000	PRS1046680
Maggie Outlaw	Alderman	RLI Insurance Company	7/12/10	50,000	PRS1046681
Chiquita Jones	Alderman	RLI Insurance Company	7/12/10	50,000	PRS1046682
Betty Powell	Alderman	RLI Insurance Company	7/12/10	50,000	PRS1046683
James Croft	Alderman	RLI Insurance Company	7/12/10	50,000	PRS1046684
Jimmie Gibbs	Chief of Police	RLI Insurance Company	07/12/10	50,000	PRS1046685
Michael Taylor	Police Officer	RLI Insurance Company	07/12/10	10,000	PRS1046688
Derrick Jackson	Police Officer	RLI Insurance Company	07/12/10	10,000	PRS1046687
Patricia Marshall	Police Officer	RLI Insurance Company	01/30/09	25,000	LSM0048644
Terry L. Tyler	Police Officer	RLI Insurance Company	08/28/10	10,000	LSM0077837
Edward Williams	Police Officer	RLI Insurance Company	08/28/09	10,000	LSM0077838
Elain D. Thompson	Police Officer	RLI Insurance Company	08/28/10	10,000	LSM0077839
Edwaed Lucas	Police Officer	RLI Insurance Company	08/28/10	10,000	LSM0077840
Michael D. Bernard	Police Officer	RLI Insurance Company	08/28/10	10,000	LSM0077841
Myette Dawson	Police Officer	RLI Insurance Company	08/28/10	10,000	LSM0077842
Vincent T. Noland	Police Officer	RLI Insurance Company	08/28/10	10,000	LSM0077843

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