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Town of Silver Creek, Mississippi
Compiled Financial Statements
Year Ended September 30, 2010

Charles Robert Prince
Certified Public Accountant

Town of Silver Creek, Mississippi

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FINANCIAL STATEMENTS

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ACCOUNTANT'S COMPILATION REPORT

Honorable Mayor and Board of Alderpersons
Town of Silver Creek
Silver Creek, Mississippi

I have compiled the accompanying statement of cash receipts and disbursements-governmental and business-type activities of the Town of Silver Creek, Mississippi for the year ended September 30, 2010, and the accompanying supplementary information contained in Schedules 1 through 3, which are presented only 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.

A compilation is limited to presenting in the form of financial statements and supplementary schedules information that is the representation of management. I have not audited or reviewed the accompanying statement of cash receipts and disbursements-governmental and business-type activities and supplementary schedules and, accordingly, do not express an opinion or any other form of assurance on them.

Management has not presented government-wide financial statements to display the cash basis financial position and changes in cash basis financial position of its governmental activities and business-type activities. Accounting principles generally accepted in the United States of America, as applied to the Town's cash basis of accounting, require the presentation of government-wide financial statements. The amounts that would be reported in government-wide financial statements resulting from the cash basis transactions for the Town's governmental activities and business-type activities are not reasonably determinable.

**Honorable Mayor and Board of Alderpersons
Town of Silver Creek**

The Mayor and Alderpersons have also elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's cash receipts and disbursements. Accordingly, this financial statement is not designed for those who are not informed about such matters.

Management also has not presented management's discussion and analysis and other required supplemental information that the Governmental Accounting Standards Board has determined is required to supplement, although not required to be a part of, the basic financial statements.

In accordance with the provisions of §21-35-31, Miss. Code Ann. (1972), I have issued a report dated December 29, 2010, on the results of my agreed-upon procedures.

A handwritten signature in cursive script, appearing to read "Charles Robert Duff".

December 29, 2010

Town of Silver Creek, Mississippi
Statement of Cash Receipts and Disbursements–
Governmental and Business-type Activities
For the Year Ended September 30, 2010

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>General Fund</u>	<u>TOTAL</u>	<u>Water Fund</u>	<u>TOTAL</u>
RECEIPTS:				
Taxes				
General Property Taxes	\$ 56,385	\$ 56,385		
Road & Bridge Privilege Tax	17,904	17,904		
License and Permits				
Utility Franchise Charges	4,657	4,657		
Other				
Intergovernmental Receipts				
Federal Grants				
CDBG			30,489	30,489
State Grants				
General Municipal Aid	108	108		
State Shared Receipts				
Sales Taxes	37,199	37,199		
Health Dept. Grant	1,250	1,250		
Homestead Reimbursement	517	517		
Fire Protection	1,138	1,138		
Gasoline Taxes	588	588		
Grand Gulf	1,819	1,819		
County Grants				
Fire Allocation	3,000	3,000		

SEE ACCOUNTANT'S COMPILATION REPORT

Town of Silver Creek, Mississippi
Statement of Cash Receipts and Disbursements–
Governmental and Business-type Activities
For the Year Ended September 30, 2010

	Governmental Activities		Business-type Activities	
	General Fund	TOTAL	Water Fund	TOTAL
RECEIPTS: Continued				
Charges for Services				
Water and Sewer	\$	\$	\$ 51,672	\$ 51,672
Other Receipts				
Interest	4,605	4,605	2,662	2,662
Other			100	100
Refunds	1,130	1,130		
Rent	4,283	4,283		
 TOTAL RECEIPTS	 \$ 134,583	 \$ 134,583	 \$ 84,923	 \$ 84,923

SEE ACCOUNTANT'S COMPILATION REPORT

Town of Silver Creek, Mississippi
Statement of Cash Receipts and Disbursements–
Governmental and Business-type Activities
For the Year Ended September 30, 2010

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>General Fund</u>	<u>TOTAL</u>	<u>Water Fund</u>	<u>TOTAL</u>
DISBURSEMENTS:				
General Government	\$ 85,581	\$ 85,581	\$	\$
Public Safety				
Police	27,376	27,376		
Fire	11,329	11,329		
Enterprises				
Water and Sewer			57,617	57,617
Other Disbursements				
Interest	2,142	2,142		
CAPS Loan Payment	3,972	3,972		
Bank Loans	2,088	2,088		
Capital Outlay-CDBG			30,117	30,117
Capital Outlay-Health Dept. Grant	1,250	1,250		
TOTAL DISBURSEMENTS	\$ 133,738	\$ 133,738	\$ 87,734	\$ 87,734
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	\$ 845	\$ 845	\$ (2,811)	\$ (2,811)
CASH BASIS FUND BALANCE- BEGINNING	214,328	214,328	152,368	152,368
CASH BASIS FUND BALANCE- ENDING	\$ 215,173	\$ 215,173	\$ 149,557	\$ 149,557

SEE ACCOUNTANT'S COMPILATION REPORT

SUPPLEMENTAL INFORMATION

**Town of Silver Creek, Mississippi
Schedule of Investments
September 30, 2010
Schedule 1**

General Funds:

General Fund - Certificate of Deposit .50% Due 10-04-10	\$ 13,224
Fire Fund - Certificate of Deposit .50% Due 10-28-10	6,049
Total General Funds	<u>\$ 19,273</u>

Water Funds:

Water Fund - Certificate of Deposit 1.15% Due 7-09-11	\$ 12,171
Water Fund - Certificate of Deposit .50% Due 10-28-10	12,098
Water Fund - Certificate of Deposit 1.55% Due 12-21-10	35,184
Total Water Funds	<u>\$ 59,453</u>

Total Investments	<u><u>\$ 78,726</u></u>
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SEE ACCOUNTANT'S COMPILATION REPORT

Town of Silver Creek, Mississippi
Schedule of Long-Term Debt
September 30, 2010
Schedule 2

<u>Date of Issue</u>	<u>Definition & Purpose</u>	<u>Balance Outstanding 10/01/09</u>	<u>Transactions During Fiscal Year</u>		<u>Balance Outstanding 09/30/10</u>
			<u>Issued</u>	<u>Redeemed</u>	
May-07	Police Car	\$ 2,088	\$	\$ 2,088	\$ -
Mar-08	Caps Loan	93,686		3,972	\$ 89,714
		\$ 95,774	\$ -	\$ 6,060	\$ 89,714

SEE ACCOUNTANT'S COMPILATION REPORT

Town of Silver Creek, Mississippi
Schedule of Surety Bonds for Town Officials
September 30, 2010
Schedule 3

<u>Name</u>	<u>Position</u>	<u>Company</u>	<u>Bond</u>
Elizabeth Turnage	Mayor	MS Municipal	25,000
Frances Hartzog	Aldersperson	MS Municipal	10,000
William Hartzog	Aldersperson	MS Municipal	10,000
Lester Jenkins	Aldersperson	MS Municipal	10,000
Camille Myers	Aldersperson	MS Municipal	10,000
Billy Reynolds	Aldersperson	MS Municipal	10,000
Martha Holloway	Town Clerk	St. Paul Travelers	50,000
Megan Martin	Deputy Town Clerk	St. Paul Travelers	50,000

SEE ACCOUNTANT'S COMPILATION REPORT

STATE AUDITOR COMPLIANCE

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**REPORT ON COMPLIANCE WITH STATE
LAWS AND REGULATIONS**

To the Mayor and the Board of Alderpersons
Town of Silver Creek, Mississippi

I have compiled the accompanying Statement of Cash Receipts and Disbursements - Governmental and Business-type Activities, Schedule of Investments, Schedule of Long-term Debt, and Schedule of Surety Bonds for Town Officials of the Town of Silver Creek, Mississippi, for the year ended September 30, 2010, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statement has been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

I have performed procedures to test compliance with certain state laws and regulations as described in the Municipal Compliance Questionnaire that is prescribed by the office of the State Auditor. My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the town's compliance with these requirements. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of those procedures and my compilation of the accompanying Statement of Cash Receipts and Disbursements -Governmental and Business-type Activities, Schedule of Investments, Schedule of Long-term Debt, and Schedule of Surety Bonds for Town Officials of the Town of Silver Creek, Mississippi, for the year ended September 30, 2010 disclosed one instance of noncompliance with state laws and regulations which is noted in Item 7 in the Independent Accountant's Report on Applying Agreed-Upon Procedures.

This report is intended solely for the information and use of management 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.



December 29, 2010

Town of Silver Creek, Mississippi
Independent Accountant's Report on Applying
Agreed-Upon Procedures
Year Ended September 30, 2010

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INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING
AGREED-UPON PROCEDURES

The Mayor and Board of Alderpersons
 Town of Silver Creek
 Silver Creek, Mississippi

I have performed the procedures enumerated below, which were agreed to by the Office of the State Auditor, to the accounting records of Town of Silver Creek, Mississippi, solely to assist the Office of the State Auditor evaluate the Town of Silver Creek, Mississippi’s compliance with certain laws and regulations as of September 30, 2010, and for the year then ended. This agreed-upon-procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Office of the State Auditor, State of Mississippi. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

My procedures and findings are as follows:

1. I reconciled cash on deposit with the following bank to balances in the respective general ledger accounts and obtained confirmation of the related balances from the bank:

Bank	Fund	Balance Per General Ledger
First Bank	General Fund	\$ 287
First Bank	General Fund	38,143
First Bank	General Fund	220
First Bank	General Fund	14
First Bank	General Fund	35
First Bank	General Fund	155,176
First Bank	General Fund	2,025
First Bank	General Fund	6,049
First Bank	General Fund	13,224
	Total General Fund	\$ 215,173

Bank	Fund	Balance Per General Ledger
First Bank	Water Fund	\$ 501
First Bank	Water Fund	3,273
First Bank	Water Fund	85,839
First Bank	Water Fund	491
First Bank	Water Fund	12,171
First Bank	Water Fund	35,184
First Bank	Water Fund	12,098
	Total Water Fund	<u>\$ 149,557</u>

2. I 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).
3. I performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:
 - a. Examined uncollected taxes for proper handling, including tax sales;
 - b. Traced distribution of taxes collected to proper funds; and
 - c. Analyzed increase in taxes for most recent period for compliance 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, Miss. Code Ann. (1972).

There were no ad valorem tax collections for the retirement of General Obligation Debt.

4. I 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:

Payment Purpose	Receiving Fund	Amount
Fire Protection Allocation	General Fund	\$ 1,138
Grand Gulf Payment	General Fund	1,819
Gasoline Tax	General Fund	588
Homestead Exemption Reimb.	General Fund	517
Sales Tax Allocation	General Fund	37,199
General Municipal Aid	General Fund	108
Other Grants	General Fund	1,250
Other Aid to Municipalities	Proprietary Fund	30,489

5. I 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, Miss. Code Ann. (1972), as applicable.

The sample consisted of the following:

Number of Sample Items	25
Dollar Value of Sample	\$ 15,018

I found the municipality's purchasing procedures to be in agreement with the requirements of the above mentioned sections.

6. The Town of Silver Creek, Mississippi does not currently have a court system in place, therefore the collection of fines and timely settlement to the State of Mississippi does not apply to the Town of Silver Creek, Mississippi.
7. I have read the Municipal Compliance Questionnaire completed by the Municipality. The completed survey indicated one instance of noncompliance with state requirements.
- a. The Town has not completed an annual inventory of its assets in accordance with guidelines established by the Office of the State Auditor. The Town is in the process of getting an updated inventory of its assets.

I was not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on management's compliance with laws and regulations. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of Town of Silver Creek and the Office of the State Auditor, State of Mississippi and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is not intended to be and should not be used by anyone other than those specified parties.

A handwritten signature in cursive script, appearing to read "Charles Albert Davis".

December 29, 2010