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**TOWN OF COFFEEVILLE, MISSISSIPPI**  
**COMPILATION & AGREED UPON PROCEDURES REPORT**  
For the fiscal year ended September 30, 2006

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**RONNIE S. WINDHAM, CPA, LLC**  
**P.O. Box 159**  
**Oxford, MS 38655**

**INDEPENDENT ACCOUNTANT'S REPORT ON**  
**APPLYING AGREED-UPON PROCEDURES**

Honorable Mayor and Members  
Of Board of Aldermen  
Town of Coffeeville  
Coffeeville, Mississippi

I have applied certain agreed upon procedures, as discussed below, to the accounting records of the Town of Coffeeville, Mississippi, as of September 30, 2006, and for the year then ended, as required by the Office of the State Auditor, under the provisions of Section 21-35-31, Miss. Code Ann. (1972). It is understood that the report is solely for the use of the governing body of the Town of Coffeeville, Mississippi, and the Office of the State Auditor and should not be used for any other purpose. My procedures and findings are as follows:

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

<u>BANK</u>	<u>FUND</u>	<u>BALANCE PER GENERAL LEDGER</u>
Renasant Bank	General Fund	\$ 17,266
Renasant Bank	General Fund	8,900
Renasant Bank	General Fund	17,692
Renasant Bank	General Fund	5,003
Renasant Bank	General Fund	9,400
Renasant Bank	General Fund	4,569
Renasant Bank	General Fund	336
	Total General Fund	<u>\$ 63,166</u>
Renasant Bank	Special Revenue	\$ 1,901
Renasant Bank	Special Revenue	2,842
Renasant Bank	Total Special Revenue	<u>\$ 4,743</u>
Renasant Bank	Water and Sewer Fund	\$ 15,941
Renasant Bank	Water and Sewer Fund	1
	Total Water and Sewer Fund	<u>\$ 15,942</u>

- B. I confirmed directly with respective banks all investments, including certificates of deposits, owned by the Town of Coffeeville. All investment transactions during the year were examined for compliance with investments authorized by Section 21-33-323, Mississippi Code, Ann. (1972).

<u>Investment</u>	<u>Fund</u>	<u>Amount</u>
Certificate of Deposit	General Fund	<u>\$ 166,928</u>

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

1. Verify use of certified county assessment rolls and trace levies to governing body limits.
2. Examined uncollected taxes for proper handling, including tax sales.
3. Traced distribution of taxes collected to proper funds.
4. Analyzed increase in taxes for most recent period for compliance with increase limitations of Section 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).

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, Miss. Code Ann. (1972).

D. I obtained a statement of payments made by the Department of Finance and Administration to the municipality. Payments indicated were traced to deposit in the respective bank accounts and recorded in the general ledger without exception. Payments traced were as follows:

<u>Payment Purpose</u>	<u>Receiving Fund</u>	<u>General Ledger Amount</u>
Liquor Privilege	General Fund	\$ 1,800
Fire Protection	General Fund	4,729
General Municipal Aid	General Fund	485
Gasoline Tax	General Fund	2,628
Homestead	General Fund	16,617
TVA Payments	General Fund	7,559
Sales Tax	General Fund	113,220
City utilities	General Fund	3,441
Public Safety Grant	General Fund	10,000
CDBG Grant	General Fund	274,966
HOME Grant	General Fund	42,995
Emergency Drainage	General Fund	706

E. 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	63
Dollar Value of Sample	\$22,936.31

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

- F. I have read the Municipal Compliance Questionnaire completed by the municipality. The following response to the questionnaire indicates non-compliance with state requirements:

The Town did not maintain a fixed asset inventory as required by the State Department of Audit Municipal Audit and Accounting Guide.

Because the above procedures do not constitute an audit conducted in accordance with auditing standards generally accepted in the United States of America, I 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 the items specified in paragraphs A, B, and C should be adjusted. Had I performed additional procedures or had I conducted an audit of the financial statements in accordance with auditing standards generally accepted in the United States of America, Matters might have come to my attention that would have been reported to you. This report should not be associated with the financial statements of the Town of Coffeerville, Mississippi, for the year ended September 30, 2006.

Ronnie S. Windham  
Certified Public Accountant

December 10, 2007

**RONNIE S. WINDHAM, CPA, LLC**  
**P.O. Box 159**  
**Oxford, MS 38655**

**ACCOUNTANT'S COMPILATION REPORT**

Honorable Mayor and  
Board of Aldermen  
Town of Coffeeville  
Coffeeville, MS

I have compiled the accompanying statement of cash receipts and disbursements (all funds)-cash basis of the Town of Coffeeville for the year ended September 30, 2006, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting information that is the representation of management in the form of financial statements. I have not audited or reviewed the accompanying statement of cash receipts and disbursements (all funds)-cash basis and, accordingly do not express an opinion or any other form of assurance on it.

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

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

The supplementary information contained on pages 8, 9, and 10 is presented for purposes of additional analysis and has been compiled by us from information that is the representation of management of the Town of Coffeeville, Mississippi, without audit or review. Accordingly, I do not express an opinion or any other form of assurance on such supplementary information.

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Ronnie S. Windham CPA

December 10, 2007

**TOWN OF COFFEEVILLE, MISSISSIPPI**  
**STATEMENT OF CASH RECEIPTS & DISBURSEMENTS – ALL FUND TYPES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	<u>Governmental Fund Types</u>			Proprietary Fund Type Enterprise	Totals (Memorandum Only)
	General	Debt Service	Special Revenue		
<b>Cash Receipts</b>					
Taxes					
General Property Taxes	\$ 118,357	\$ -	\$ -	\$ -	\$ 118,357
Licenses & Permits	2,125	-	-	-	2,125
Road Taxes	4,627	-	-	-	4,627
Intergovernmental Receipts					
Federal Receipts	-	-	-	-	-
CDBG Sewer Grant	-	-	274,976	-	274,976
Home Grant	-	-	42,995	-	42,995
Eemergency Drainage	-	-	706	-	706
Fire Station Const	-	-	64,166	-	64,166
Police	10,000	-	323	-	10,323
Waterworks operator grant	6,910	-	-	8,122	15,032
State Grant	-	-	-	-	-
State Shared Receipts					
General Municipal Aid	485	-	-	-	485
TVA Payments in Lieu	11,876	-	-	-	11,876
Sales Tax	114,395	-	-	-	114,395
Fire Protection Allocation	5,000	-	-	-	5,000
Gasoline Tax	2,628	-	-	-	2,628
City Utilities Tax	2,267	-	-	-	2,267
Alcohol Beverage License	1,800	-	-	-	1,800
Charges for Services					
Water Utility	-	-	-	207,633	207,633
Fines and Forfeits	25,804	-	-	-	25,804
Franchise Charges	23,424	-	-	-	23,424
Cemetery Income	10,450	-	-	-	10,450
Sanitation	-	-	-	54,504	54,504
Rents, Royalties & Interest	1,269	-	16,106	15	17,390
Interfund Transfers	9,977	63,860	1,400	-	75,237
Principal Rec'd on Note Pay.	-	-	47,754	-	47,754
Miscellaneous	25,907	-	-	9,055	34,962
<b>TOTAL CASH RECEIPTS</b>	<b>\$ 377,301</b>	<b>\$ 63,860</b>	<b>\$ 448,425</b>	<b>\$ 279,329</b>	<b>\$ 1,168,915</b>

See Accompanying Notes and Accountant's Compilation Report

**TOWN OF COFFEEVILLE, MISSISSIPPI**  
**COMBINED STATEMENT OF CASH RECEIPTS & DISBURSEMENTS – ALL FUND TYPES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2006**

	<u>Governmental Fund Types</u>			Proprietary Fund Type Enterprise	Totals (Memorandum Only)
	General	Debt Service	Special Revenue		
<b>Cash Disbursements</b>					
General Government	\$ 125,533				\$ 125,533
Public Safety	151,374				151,374
Sanitation				56,085	56,085
Water and Sewer Utility				139,501	139,501
Interest Payment on Debt	1,741	16,107		44,581	62,429
Principal Payments on Debt		47,753		33,131	80,884
Highways and Streets	99,975			-	99,975
Culture and Recreation	8,820				8,820
Capital Outlay	-		376,380		376,380
Other Services and Charges	-		-	412	412
Interfund Transfers	11,047		74,960	11,100	97,107
<b>Total Cash Disbursements</b>	<u>398,490</u>	<u>63,860</u>	<u>451,340</u>	<u>284,810</u>	<u>1,198,500</u>
<b>Excess (Def.) of Cash</b>					
Receipts Over Cash					
Disbursements	(21,189)	-	(2,915)	(5,481)	(29,585)
<b>Cash and investment balances,</b>					
<b>beginning of year</b>	<u>251,434</u>	<u>-</u>	<u>7,658</u>	<u>21,423</u>	<u>280,515</u>
<b>Cash and investment balances, end</b>					
<b>of year</b>	<u>\$ 230,245</u>	<u>\$ -</u>	<u>\$ 4,743</u>	<u>\$ 15,942</u>	<u>\$ 250,930</u>

See Accompanying Notes and Accountant's Compilation Report

**TOWN OF COFFEEVILLE**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2006**

**Note A: Summary of Significant Accounting Policies**

General Information

The City operates under the board of alderman form of government and provides services as authorized by law.

Reporting Entity

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

Fund Accounting

The accounts of the City 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, which is a comprehensive basis of accounting other than generally accepted accounting principles. The basis is prescribed by the Office of the 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 and does not conform to the form and format as implemented in GASB Statement No. 34, "Basic Financial Statements-and-Management's Discussion and Analysis-for State and Local Governments.

**TOWN OF COFFEEVILLE, MISSISSIPPI  
SCHEDULE OF LONG-TERM DEBT  
SEPTEMBER 30, 2006**

	Balance October 1, 2005	Additions	Reductions	Balance September 30, 2006
Note payable – Avery	\$ 272,440	\$ -	\$ 47,753	\$ 224,687
Note payable – Truck	1,922	-	1,922	-
Note payable – Cap Loan	148,744	-	21,211	127,533
Note payable- Fire Station	24,000	-	11,047	12,953
Lease Payable – BBI	1,295	-	1,295	-
Note payable – Farmers Home	733,135	-	11,065	722,070
TOTAL	<u>\$ 1,181,536</u>	<u>\$ -</u>	<u>\$ 94,293</u>	<u>\$ 1,087,243</u>

**TOWN OF COFFEEVILLE, MISSISSIPPI  
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS  
SEPTEMBER 30, 2006**

NAME	POSITION	DATES OF COVERAGE		COMPANY	BOND
		From	To		
Mack Burns	Mayor	07-01-05	07-01-09	Scott Municipal Ins.	\$25,000
Patricia Moody	Deputy Clerk	12-19-05	12-19-06	Scott Municipal Ins.	\$10,000
Jerry Ferguson	Police Chief	12-19-05	12-19-06	Scott Municipal Ins.	\$50,000
Cheryl Arrington	Town Clerk	12-19-05	12-19-06	Scott Municipal Ins.	\$50,000
Joe Bourn	Vice Mayor	07-01-05	07-01-09	Scott Municipal Ins.	\$ 5,000
Mack Dudley	Alderman	07-01-05	07-01-09	Scott Municipal Ins.	\$ 5,000
Johnny Roland	Alderman	07-01-05	07-01-09	Scott Municipal Ins.	\$ 5,000
Michael Ayers	Alderman	07-01-05	07-01-09	Scott Municipal Ins.	\$ 5,000
William Shelton, Jr.	Alderman	07-01-05	07-01-09	Scott Municipal Ins.	\$ 5,000
Milton Hervey	Police Officer	07-01-06	07-01-07	Scott Municipal Ins.	\$25,000
Larry Tritt	Police Officer	07-01-06	07-01-07	Scott Municipal Ins.	\$25,000
Mark Martin	Police Officer	07-20-06	07-20-07	Scott Municipal Ins.	\$25,000
Jimmy Bailey	Police Officer	08-01-06	08-01-07	Scott Municipal Ins.	\$25,000
Marvin Herton	Police Officer	08-01-06	08-01-07	Scott Municipal Ins.	\$25,000

**TOWN OF COFFEEVILLE, MISSISSIPPI**  
**SCHEDULE OF INVESTMENTS – ALL FUNDS**  
**SEPTEMBER 30, 2006**

<u>OWNERSHIP</u>	<u>TYPE OF INVESTMENT</u>	<u>INTEREST RATE</u>	<u>ACQUISITION DATE</u>	<u>MATURITY DATE</u>	<u>OTHER INFORMATION</u>	<u>INVESTMENT COST/VALUE</u>
General Fund	Certificate of Deposit	3.10%	12/29/2005	365 Days	Renasant Bank	\$80,000
General Fund	Certificate of Deposit	2.97%	12/12/2006	180 Days	Renasant Bank	22,560
General Fund	Certificate of Deposit	3.10%	1/10/2006	365 Days	Renasant Bank	30,296
General Fund	Certificate of Deposit	3.10%	12/29/2006	365 Days	Renasant Bank	34,072
<b>TOTAL INVESTMENTS</b>						<b>\$166,928</b>