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**CITY OF DURANT, MISSISSIPPI**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2007**

**RECEIVED**

**AUG 28 2008**

**STATE AUDITOR'S OFFICE**

**MULLEN & COMPANY**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
**105 WALL STREET**  
**LEXINGTON, MS 39095**

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**CITY OF DURANT, MISSISSIPPI**  
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September 30, 2007

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**CPA**

**MULLEN &  
COMPANY**

**Certified Public Accountants**

105 Wall Street, Lexington, MS 39095  
(662) 834-2556 • (601) 605-4596

**Accountants' Compilation Report**

Honorable Mayor and Board of Aldermen  
City of Durant  
P. O. Box 272  
Durant, Mississippi 39063

We have compiled the accompanying Statement of Cash Receipts and Disbursements—All Fund Types of the City of Durant for the year ended September 30, 2007 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 in the form of financial statement information that is the representation of management. We have not audited or reviewed the accompanying financial statement and, accordingly, do not express an opinion or any other form of assurance on it.

The accompanying financial statement has been prepared on a cash receipts and disbursements basis of accounting, which differs from generally accepted accounting principles. Management has elected to omit substantially all of the disclosures ordinarily included in a financial statement prepared on the cash basis of accounting. If the omitted disclosures were included in the financial statement, they might influence the user's conclusions about the City's cash receipts and disbursements. Accordingly, this financial statement is not designed for those who are not informed about such matters.

The supplemental information on pages 8 through 10 is presented for purposes of additional analysis and has been compiled by us from information that is the representation of management of the City of Durant, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on such supplementary information.

The Special Report of Agreed-Upon Procedures for Small Municipalities on pages 11 through 14 is required by the Mississippi Department of Audit. The Department of Audit prescribes the procedures to be performed. The procedures do not constitute a review or audit, and accordingly we do not express an opinion on any of the special accounts or classes of transactions. This report should not be associated with the financial statements of the City of Durant for the year ended September 30, 2007.

*Mullen + Company*

Mullen & Company  
Lexington, MS 39095  
August 18, 2008

**CITY OF DURANT, MISSISSIPPI**

**SEPTEMBER 30, 2007**

**FINANCIAL SECTION**

CITY OF DURANT, MISSISSIPPI  
 STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - ALL FUND TYPES  
 Year Ended September 30, 2007

	General	Special Revenue	Debt Service	Proprietary Fund	Fiduciary Fund	Totals (Memorandum Only)
Revenue Receipts						
General Property Taxes	\$ 369,528	\$ 6,444	\$ -	\$ -	\$ -	\$ 375,972
License and Permits	38,487					38,487
Intergovernmental Revenues:						
State Shared Revenues:						
Sales Tax	308,575					308,575
Gasoline Tax	8,062					8,062
Liquor Privilege Tax	1,800					1,800
Fire Protection Allocation		13,875				13,875
County Fire Rebate		4,000				4,000
Grand Gulf Tax District	1,417					1,417
Municipal Aid	1,528					1,528
MDOT		18,940				18,940
CDBG		358,845				358,845
MDA Rural Impact		44,222				44,222
Charges for Services:						
Garbage				6,977		6,977
Water				225,922		225,922
Electric				2,593,682		2,593,682
Sewer				211,687		211,687
Miscellaneous	4,601			51,102		55,703
Rental Income	68,485					68,485
Fines and Forfeits	75,054					75,054
Interest Income				1,024		1,024
<b>Total Revenue Receipts</b>	<b>877,537</b>	<b>446,326</b>	<b>-</b>	<b>3,089,370</b>	<b>1,024</b>	<b>4,414,257</b>
Total Other Receipts						
Loans and Transfers	317,457	28,785		25,541		371,783
Total Receipts	1,194,994	475,111	-	3,114,911	1,024	4,786,040
Cash Balance - Beginning of Year	(27,448)	53,324	4,581	77,722	4,976	113,155
<b>TOTAL TO ACCOUNT FOR</b>	<b>\$ 1,167,546</b>	<b>\$ 528,435</b>	<b>\$ 4,581</b>	<b>\$ 3,192,633</b>	<b>\$ 6,000</b>	<b>\$ 4,899,195</b>

CITY OF DURANT, MISSISSIPPI  
**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - ALL FUND TYPES**  
 Year Ended September 30, 2007

	General	Special Revenue	Debt Service	Proprietary Fund	Fiduciary Fund	Totals (Memorandum Only)
Operating Disbursements						
General Government	\$ 232,686	-	-	-	-	232,686
Public Safety-Police	396,261					396,261
Public Safety-Fire	158,354					158,354
Public Works	251,854					251,854
Community Development		373,155				373,155
Culture and Recreation	50,090	47,869		2,570,773		97,959
Utility Services						2,570,773
Bonds and Indebtedness Fees						-
Total Operating Disbursements	1,089,245	421,024	-	2,570,773	-	4,081,042
Other Disbursements						-
Bonds Retired						-
Notes Repaid-Including Interest	29,989			236,842		266,831
Loans and Transfers	41,326			317,457		358,783
Capital Outlay				13,000		13,000
Total Other Disbursements	71,315	-	-	567,299	-	638,614
Total Disbursements	1,160,560	421,024	-	3,138,072	-	4,719,656
Cash Balance -End of Year	6,986	107,411	4,581	54,561	6,000	179,539
<b>TOTAL ACCOUNTED FOR</b>	<b>\$ 1,167,546</b>	<b>\$ 528,435</b>	<b>\$ 4,581</b>	<b>\$ 3,192,633</b>	<b>\$ 6,000</b>	<b>\$ 4,899,195</b>

CITY OF DURANT, MISSISSIPPI  
NOTES TO THE FINANCIAL STATEMENT  
September 30, 2007

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

**General Information**

The city operates under the mayor/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, as 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.

SEE ACCOUNTANTS' COMPILATION REPORT

**CITY OF DURANT, MISSISSIPPI**

**SEPTEMBER 30, 2007**

**SUPPLEMENTAL INFORMATION**

SUPPLEMENTAL INFORMATION  
CITY OF DURANT, MISSISSIPPI  
STATEMENT OF LONG TERM DEBT  
September 30, 2007

	Balance Outstanding Sept. 30, 2006	Transactions During Fiscal Year		Balance Outstanding Sept. 30, 2007
		Issued	Redeemed	
<b>REVENUE BONDS</b>				
Total Farmers Home Administration 2001 Issue	\$ 77,323.00		\$14,597	\$ 62,726.00
<b>NOTES PAYABLE</b>				
State Revolving Loan Fund	1,396,519		129,922	1,266,597
Capital Improvements Loan	48,631		10,362	38,269
Capital Improvements Loan	34,697		10,891	23,806
Electric Department Truck	-	13,000	975	12,025
Police Car	7,862		7,862	-
Elgin Street Sweeper	6,594		6,594	-
Water Lines	40,684		13,201	27,483
Municipal Energy Agency of MS	93,675		660	93,015
Total Notes Payable	<u>1,628,662</u>	<u>13,000</u>	<u>180,467</u>	<u>1,461,195</u>
Total Long Term Debt	<u>\$ 1,705,985</u>	<u>\$ 13,000</u>	<u>\$ 195,064</u>	<u>\$ 1,523,921</u>
			Assessed Valuation	\$ 9,842,967
			Population-2000 Census	2,932

SEE ACCOUNTANTS' COMPILATION REPORT

SUPPLEMENTAL INFORMATION  
 CITY OF DURANT, MISSISSIPPI  
 SCHEDULE OF BONDS ON CITY OFFICIALS  
 September 30, 2007

Person	Position	Bond Amount
Johnny Pritchard	Mayor	\$ 50,000
James Ferguson	Vice Mayor/Alderman	50,000
Linda McDonald	City Clerk	50,000
Jerry Bankhead	Chief of Police	50,000
Johnny Johnson	Fire Chief	25,000
Elaine Dickerson	Deputy Clerk	25,000
Machell Parkerson	Clerk	10,000
Larry Boyd, Jr.	Alderman	50,000
Terry Floyd	Alderman	50,000
Dora Parkinson	Alderman	50,000
Johnny Bankhead	Alderman	50,000
John Haynes	Police Officer	25,000
Odessa Young, Jr.	Dispatcher	25,000
Anthony Breazeale	Dispatcher	25,000
Mark Wellman	Dispatcher	25,000
Sidney Randle	Police Officer	25,000
Lee Harmon	Police Officer	25,000
Alvin Jobe	Police Officer	25,000
Jimmy McDonald	Police Officer	25,000
Kortina Young	Police Officer	25,000
Noah Coffee	Police Officer	25,000
FHA Bond		\$ 100,000

SEE ACCOUNTANTS' COMPILATION REPORT

**CITY OF DURANT, MISSISSIPPI**

**SPECIAL REPORT ON AGREED-UPON PROCEDURES  
FOR SMALL MUNICIPALITIES**

**SEPTEMBER 30, 2007**

**CPA****MULLEN &  
COMPANY****Certified Public Accountants**105 Wall Street, Lexington, MS 39095  
(662) 834-2556 • (601) 605-4596**SPECIAL REPORT ON AGREED-UPON PROCEDURES  
FOR SMALL MUNICIPALITIES**Honorable Mayor and Board of Aldermen  
City of Durant  
P. O. Box 272  
Durant, Mississippi 39063

We have applied certain agreed-upon procedures, as discussed below, to the accounting records of the City of Durant, Mississippi, as of September 30, 2007, 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 City of Durant, 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 BankPlus and Merchants & Farmers Bank to balances in the respective general ledger accounts and obtained confirmation of the related balances from the bank:

Account Title	Fund	General Ledger Balance
General Fund	General Fund	\$ (40,910)
Fire Rebate	Special Revenue	67,527
CDBG Project	Special Revenue	33,639
Police Fines	General Fund	11,439
Parks and Recreation	Special Revenue	6,245
Electric, Light & Water	Utility Fund	54,462
Drug Confiscated Money	General Fund	13,089
Special Equipment	General Fund	19,814

2. We confirmed directly with Merchants & Farmers Bank all investments, including certificates of deposits, owned by the City of Durant. All investment transactions during the year were examined for compliance with investments authorized by Section 21-33-323, Miss. Code Ann. (1972).

Investment	Fund	Amount
CD# 10321	General Fund	\$ 3,454
CD# 10321	Fiduciary Fund	6,000
CD# 10321	Debt Service Fund	4,580

Special Report on Agreed-Upon Procedures for Small Municipalities -Continued

3. We performed the following procedures with respect to ad valorem taxes on real and personal property 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, including tax sales.
- c. Traced distribution of taxes collected to proper funds.
- d. Analyzed increase in taxes for most recent period for compliance with increase limitations of Sections 27-39-320 through 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 taxes were found to exceed the limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972). We recommend that the City review the current millage rate with regard to the state limitations and adjust the rate accordingly.

4. We obtained a statement of payments made by the Mississippi Department of Finance and Administration to the city. Payments indicated were traced to deposits in banks and recordings in the general ledger without exception. Payments traced were as follows:

Purpose	Receiving Fund	Amount
Sales Tax Allocation	General Fund	308,575
Homestead Exemption Reimb.	General Fund	28,436
Gasoline Tax	General Fund	8,062
CDBG Grants	Special Revenue	358,845
Liquor Privilege License	General Fund	1,800
General Municipal Aid	General Fund	1,528
MDOT	Special Revenue	18,940
Fire Protection Allocation	Special Revenue	13,875
Nuclear Plant-In Lieu	General Fund	1,417
MDA Rural Impact	Special Revenue	44,222

5. We selected a sample of purchases made by the city during the year. Each sample item was evaluated for compliance with public 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	38
Dollar Value of Sample	\$ 604,865

We determined that the City's purchasing procedures were in agreement with the requirements of the above-mentioned sections.

Special Report on Agreed-Upon Procedures for Small Municipalities – Continued

6. We read the Municipal Compliance Questionnaire completed by the City. The completed survey indicated no instances of noncompliance with state requirements.

The above procedures do not constitute an audit in accordance with generally accepted auditing standards; therefore, we do not express an opinion on any of the specific accounts or classes of transactions. In connection with the procedures referred to above, no matters came to our attention that caused us to believe the items specified in Paragraphs 1, 2, 4, 5, and 6 should be adjusted. However, the procedures performed as described in Paragraph 3 indicate the City should review the current millage rate and adjust as required by Mississippi statute. Had we performed additional procedures or had we conducted an audit of the financial statements 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 City of Durant, Mississippi, for the year ended September 30, 2007.

*Mullen & Company*

Mullen & Company  
Certified Public Accountants  
Lexington, MS  
August 18, 2008