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CITY OF DURANT, MISSISSIPPI

FINANCIAL STATEMENTS

SEPTEMBER 30, 2008

**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, 2008

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CPA

MULLEN & COMPANY

Certified Public Accountants

105 Wall Street
Lexington, MS 39095
(662) 834-2556

Accountants' Compilation Report

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

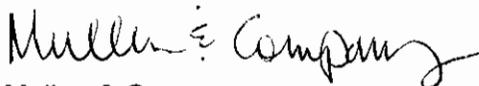
We have compiled the accompanying Statement of Cash Receipts and Disbursements—All Fund Types of the City of Durant for the year ended September 30, 2008 in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

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, 2008.



Mullen & Company
Lexington, MS 39095
August 11, 2009

CITY OF DURANT, MISSISSIPPI

SEPTEMBER 30, 2008

FINANCIAL SECTION

CITY OF DURANT, MISSISSIPPI
 STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - ALL FUND TYPES
 Year Ended September 30, 2008

	General	Special Revenue	Debt Service	Proprietary Fund	Fiduciary Fund	Totals (Memorandum Only)
Revenue Receipts						
General Property Taxes	\$ 420,995	\$ 17,349	\$ -	\$ -	\$ -	\$ 438,344
License and Permits	38,333					38,333
Intergovernmental Revenues:						
State Shared Revenues:						
Sales Tax	319,300					319,300
Gasoline Tax	8,060					8,060
Liquor Privilege Tax	1,800					1,800
Fire Protection Allocation		15,185				15,185
Grand Gulf Tax District	1,408					1,408
Municipal Aid	1,528					1,528
CDBG		321,217				321,217
MDA Rural Impact		14,222				14,222
County Fire Rebate				25,215		25,215
FEMA						
Charges for Services:						
Garbage				13,388		13,388
Water				403,570		403,570
Electric				2,842,590		2,842,590
Sewer				316,427		316,427
Miscellaneous	176			6,337		6,513
Rental Income	62,999					62,999
Fines and Forfeits	76,762					76,762
Interest Income	539					539
Total Revenue Receipts	931,900	367,973	-	3,607,527	-	4,907,400
Total Other Receipts						
Loans and Transfers	370,711	44,797		40,210		455,718
Total Receipts	1,302,611	412,770	-	3,647,737	-	5,363,118
Cash Balance - Beginning of Year	6,986	107,411	4,581	54,561	6,000	179,539
TOTAL TO ACCOUNT FOR	\$ 1,309,597	\$ 520,181	\$ 4,581	\$ 3,702,298	\$ 6,000	\$ 5,542,657

SEE ACCOUNTANTS' COMPILATION REPORT

CITY OF DURANT, MISSISSIPPI
 STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - ALL FUND TYPES
 Year Ended September 30, 2008

	General	Special Revenue	Debt Service	Proprietary Fund	Fiduciary Fund	Totals (Memorandum Only)
Operating Disbursements						
General Government	\$ 254,990	\$ -	\$ -	\$ -	\$ -	254,990
Public Safety-Police	396,208					396,208
Public Safety-Fire	162,971					162,971
Public Works	258,718					258,718
Community Development		365,439				365,439
Culture and Recreation	66,636	50,378				117,014
Utility Services				2,797,787		2,797,787
Bonds and Indebtedness Fees						-
Total Operating Disbursements	1,139,523	415,817	-	2,797,787	-	4,353,127
Other Disbursements						
Bonds Retired						-
Notes Repaid-Including Interest	12,651			260,879		273,530
Loans and Transfers	63,937			370,711		434,648
Capital Outlay	27,200			22,332		49,532
Total Other Disbursements	103,788	-	-	653,922	-	757,710
Total Disbursements	1,243,311	415,817	-	3,451,709	-	5,110,837
Cash Balance -End of Year	66,286	104,364	4,581	250,589	6,000	431,820
TOTAL ACCOUNTED FOR	\$ 1,309,597	\$ 520,181	\$ 4,581	\$ 3,702,298	\$ 6,000	\$ 5,542,657

CITY OF DURANT, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENT
September 30, 2008

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.

CITY OF DURANT, MISSISSIPPI

SEPTEMBER 30, 2008

SUPPLEMENTAL INFORMATION

SUPPLEMENTAL INFORMATION
CITY OF DURANT, MISSISSIPPI
STATEMENT OF LONG TERM DEBT
September 30, 2008

	Balance Outstanding Sept. 30, 2007	Transactions During Fiscal Year		Balance Outstanding Sept. 30, 2008
		Issued	Redeemed	
REVENUE BONDS				
Total Farmers Home Administration 2001 Issue	\$ 62,726		\$15,519	\$ 47,207
NOTES PAYABLE				
State Revolving Loan Fund	1,266,597		136,556	1,130,041
Capital Improvements Loan	38,269		9,849	28,420
Capital Improvements Loan	23,806		10,347	13,459
Electric Department Truck	12,025		6,405	5,620
Bucket Truck	-	21,070	8,415	12,655
Water Lines	27,483		13,986	13,497
Municipal Energy Agency of MS	93,015		13,200	79,815
Total Notes Payable	<u>1,461,195</u>	<u>21,070</u>	<u>198,758</u>	<u>1,283,507</u>
Total Long Term Debt	<u>\$ 1,523,921</u>	<u>\$ 21,070</u>	<u>\$ 214,277</u>	<u>\$ 1,330,714</u>

Assessed Valuation \$ 10,138,796
Population-2000 Census 2,932

SEE ACCOUNTANTS' COMPILATION REPORT

SUPPLEMENTAL INFORMATION
CITY OF DURANT, MISSISSIPPI
SCHEDULE OF BONDS ON CITY OFFICIALS
September 30, 2008

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
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, 2008

CPA MULLEN & COMPANY

Certified Public Accountants

105 Wall Street
Lexington, MS 39095
(662) 834-2556

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, 2008, 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	\$ (9,880)
Fire Rebate	Special Revenue	67,527
CDBG Project	Special Revenue	22,077
Police Fines	General Fund	39,016
Parks and Recreation	Special Revenue	14,760
Electric, Light & Water	Utility Fund	250,490
Drug Confiscated Money	General Fund	13,265
Special Equipment	General Fund	19,792

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	\$ 3,993
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	319,300
Homestead Exemption Reimb.	General Fund	30,142
Gasoline Tax	General Fund	8,060
CDBG Grants	Special Revenue	321,217
Liquor Privilege License	General Fund	1,800
General Municipal Aid	General Fund	1,528
FEMA	Proprietary Fund	25,215
Fire Protection Allocation	Special Revenue	15,185
Nuclear Plant-In Lieu	General Fund	1,408
MDA Rural Impact	Special Revenue	14,222

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:

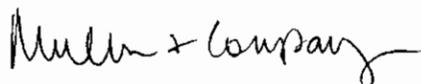
Number of Sample Items	31
Dollar Value of Sample	\$ 325,301

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, 2008



Mullen & Company
Certified Public Accountants
Lexington, MS
August 11, 2009