



The following document was not prepared by the Office of the State Auditor, but was prepared by and submitted to the Office of the State Auditor by a private CPA firm. The document was placed on this web page as it was submitted. The Office of the State Auditor assumes no responsibility for its content or for any errors located in the document. Any questions of accuracy or authenticity concerning this document should be submitted to the CPA firm that prepared the document. The name and address of the CPA firm appears in the document.

FINANCIAL STATEMENTS

Town of Hatley, Mississippi

For the year ended
September 30, 2008

RECEIVED

MAY 11 2009

STATE AUDITOR'S OFFICE

**TOWN OF HATLEY, MISSISSIPPI
TABLE OF CONTENTS
September 30, 2008**

Accountants' Report on Agreed-Upon Procedures.....	1
Accountants' Compilation Report	4
Statement of Cash Receipts and Disbursements - All Fund Types.....	5
Selected Information.....	6
Schedule of Investments	7
Schedule of Surety Bonds for Town Officials.....	8
Schedule of Long-Term Debt.....	9



**FRANKS,
FRANKS &
JARRELL, P.A.**

CERTIFIED PUBLIC ACCOUNTANTS

POST OFFICE BOX 731

1202 N. GLOSTER STREET

TUPELO, MS 38802-0731

E-MAIL: toffice@fjcpa.com

PHONE 662.844.6226

FAX 662.844.5243

SHAREHOLDERS:

RUDOLPH F. FRANKS

GARY M. FRANKS

P. GREG JARRELL

BRYON WILEMON

JONATHAN HAGOOD

MICHAEL LITTLE

OFFICES LOCATED IN

TUPELO, FULTON & AMORY

MEMBERS OF THE

AICPA & MSCPA

ACCOUNTANTS' REPORT ON AGREED-UPON PROCEDURES

Honorable Mayor and Board of Aldermen
Town of Hatley, Mississippi

We have applied certain agreed-upon procedures, as discussed below, to the accounting records of the Town of Hatley, 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 the report is solely for the use of the governing body of the Town of Hatley, 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 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</u> <u>General Ledger</u>
Renasant Bank	General Fund	\$ 64,912
Renasant Bank	General Fund	48,954
Renasant Bank	General Fund	<u>1,076</u>
Total General Fund		<u>\$ 114,942</u>
Community Bank	Special Revenue	\$ 8,811
Renasant Bank	Special Revenue	<u>11,215</u>
Total Special Revenue Fund		<u>\$ 20,026</u>
Renasant Bank	Proprietary Fund	\$ 108,502
Renasant Bank	Proprietary Fund	19,380
Renasant Bank	Proprietary Fund	147,547
Renasant Bank	Proprietary Fund	<u>167,696</u>
Total Proprietary Fund		<u>\$ 443,125</u>

2. We performed the following procedures with respect to taxes on real and personal property levied during the fiscal year:
 - a. Verify use of certified county assessment rolls and trace levies to governing body minutes;
 - b. Examined uncollected taxes for proper handling, including tax sales;
 - c. Traced distribution of taxes collected to proper funds; and

d. Analyzed increase in taxes for most recent period for completion 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).

3. We obtained a statement of payments made by the Mississippi 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 with no exceptions. Payments traced were as follows:

<u>Purpose</u>	<u>Receiving Fund</u>	<u>Amount</u>
Sales Tax Allocation	General Fund	\$ 8,892
Gasoline Tax	General Fund	1,279
TVA In Lieu	General Fund	4,513
Municipal Aid	General Fund	248
Fire Protection Allocation	General Fund	2,465
Homestead Exemption Reim	General Fund	2,066

4. We selected a sample of purchases made by the municipality during the fiscal year. Each sample item was evaluated for compliance with public purchasing requirements set forth in Title 31, Chapter 7, Miss. Code, 1972, Annotated, as applicable.

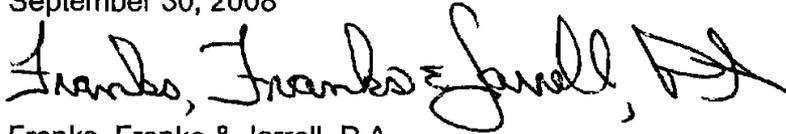
The sample consisted of the following:

Number of Sample Items	2
Dollar Value of Sample	\$ 69,779

We have found the Town of Hatley's purchasing procedures to be in agreement with the requirements of the above mentioned sections.

5. We have read the Municipal Compliance Questionnaire completed by the Town. The following responses to the questionnaire indicate the following noncompliance with state requirements:
1. The Town did perform an annual inventory of fixed assets and most assets that are required to be tagged are tagged. However, the Town does not have a complete Fixed Asset Inventory Ledger. Items missing from the ledger are dates assets were purchased and cost of the assets. (Section 7-7-211 - Municipal Audit and Accounting Guide)

Because the above procedures do not constitute an audit conducted in accordance with generally accepted auditing standards, we 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 that the items specified in the proceeding paragraphs should be adjusted. 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 Town of Hatley, Mississippi, for the year ended September 30, 2008



Franks, Franks & Jarrell, P.A.
May 4, 2009



**FRANKS,
FRANKS &
JARRELL, P.A.**

CERTIFIED PUBLIC ACCOUNTANTS

POST OFFICE BOX 731

1202 N. GLOSTER STREET

TUPELO, MS 38802-0731

E-MAIL: loffice@ffjcpa.com

PHONE 662.844.5226

FAX 662.844.5243

SHAREHOLDERS:

RUDOLPH F. FRANKS

GARY M. FRANKS

P. GREG JARRELL

BRYON WILEMON

JONATHAN HAGOOD

MICHAEL LITTLE

ACCOUNTANTS' COMPILATION REPORT

Honorable Mayor and Board of Aldermen
Town of Hatley
Hatley, Mississippi

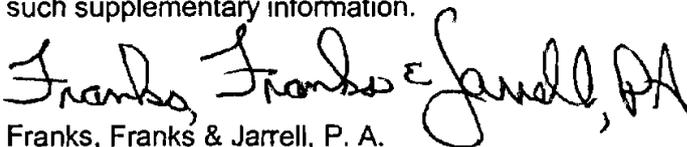
We have compiled the accompanying statement of cash receipts and disbursements - all fund types of the Town of Hatley, Mississippi, for the year ended September 30, 2008, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of the Town's officials. We have not audited or reviewed the accompanying statement of cash receipts and disbursements - all fund types and, accordingly, do not express an opinion or any other form of assurance on it.

The Town's policy is to prepare its financial statements 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 fund types is not intended to present results of operations, in conformity with generally accepted accounting principles.

The Town's 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, 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.

The supplementary information contained on pages 7 through 9 is presented for purposes of additional analysis and has been compiled by us from information that is the representation of the officials of the Town of Hatley, Mississippi, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on such supplementary information.


Franks, Franks & Jarrell, P. A.
May 4, 2009

OFFICES LOCATED IN

TUPELO, FULTON & AMORY

MEMBERS OF THE

AICPA & MSCPA

TOWN OF HATLEY, MISSISSIPPI
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - ALL FUND TYPES
For the year ended September 30, 2008

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Proprietary Fund	
CASH RECEIPTS				
Property Taxes	\$ 24,887	\$ 390	\$	\$ 25,277
Franchise Tax on Utilities	9,267			9,267
Privilege Tax Revenue	120			120
Auto Ad Valorem Tax	15,490			15,490
Intergovernmental Revenues:				
State Shared Revenues:				
General Municipal Aid	248			248
Sales Tax	8,892			8,892
Gasoline Tax	1,279			1,279
TVA In Lieu of Tax	4,513			4,513
Homestead Exemption Reimbursement	2,066			2,066
Fire Protection		2,465		2,465
Charges for Services:				
Water System			243,075	243,075
Solid Waste Income			24,010	24,010
Fines and Forfeits:				
Police Fines	12,864			12,864
Miscellaneous Receipts:				
Interest Income	1,611	401	7,257	9,269
Donations		2,359		2,359
Customer Deposits			2,610	2,610
Transfers	(3,582)	1,316	2,266	0
Other Income	2,090	5,000	4,317	11,407
Total Cash Receipts	79,745	11,931	283,535	375,211
Cash Balance - Beginning of Year	102,846	25,616	499,980	628,442
Total Amount to Account For	\$ 182,591	\$ 37,547	\$ 783,515	\$ 1,003,653
CASH OPERATING DISBURSEMENTS				
General Administration and Finance	\$ 44,632	\$	\$	\$ 44,632
Public Safety: Police	22,796			22,796
Public Works		10,712		10,712
Enterprise: Water			230,109	230,109
Total Cash Operating Disbursements	67,428	10,712	230,109	308,249
Other Cash Disbursements				
Loans Repaid:				
Farmer's Home Administration, RLF & CAP Loans:				
Principal			95,086	95,086
Interest			15,195	15,195
Capital Outlay	221	6,809	0	7,030
Total Other Cash Disbursements	221	6,809	110,281	117,311
Total Cash Disbursements	67,649	17,521	340,390	425,560
Cash Balance - End of year	114,942	20,026	443,125	578,093
Total Amount Accounted For	\$ 182,591	\$ 37,547	\$ 783,515	\$ 1,003,653

See accountants' compilation report

TOWN OF HATLEY, MISSISSIPPI
SELECTED INFORMATION-Substantially all disclosures required
by generally accepted accounting principles are not included
September 30, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Information

The Town operates under the mayor/board of aldermen form of government and provides services as authorized by law.

Reporting Entity

The financial statement of the Town includes all the funds of the Town.

Fund Accounting

The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity.

Basis of Accounting

The financial statement has been prepared on the 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.

NOTE C - LONG-TERM DEBT

The annual requirements to amortize all debt outstanding as of September 30, 2008, including interest payments of \$270,629 are as follows:

Fiscal Year Ended September 30,	CAP Loans	Farmer's Home Administration	RLF	Interest	Total
2009	\$ 19,015	\$ 15,672	\$ 48,064	\$ 36,271	\$ 119,022
2010	19,824	17,163	49,279	32,755	119,021
2011	20,668	18,797	50,525	29,032	119,022
2012	3,043	20,585	51,803	27,762	103,193
2013	0	30,327	53,113	19,989	103,429
2014-2018	0	0	286,404	79,105	365,509
2019-2023	0	0	324,496	41,013	365,509
2024-2026	<u>0</u>	<u>0</u>	<u>155,817</u>	<u>4,702</u>	<u>160,519</u>
	<u>\$ 62,550</u>	<u>\$ 102,544</u>	<u>\$ 1,019,501</u>	<u>\$ 270,629</u>	<u>\$ 1,455,224</u>

The Town does not maintain any debt service funds to service the above notes.

TOWN OF HATLEY, MISSISSIPPI
SCHEDULE OF INVESTMENTS
September 30, 2008

Governmental Fund Types

General Fund:

General Fund - Certificate of Deposit \$ 48,954

Special Revenue Fund:

Fire Department - Certificate of Deposit 8,811

Total Governmental Fund Types 57,765

Proprietary Fund Type

Water Fund - Certificate of Deposit 147,547

Water Fund - Certificate of Deposit 167,696

Water Fund - Certificate of Deposit 19,380

Total Proprietary Fund Type 334,623

Total Investments \$ 392,388

See accountants' compilation report

TOWN OF HATLEY, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS
September 30, 2008

Name	Position	Company	Bond
Elaine Cantrell	Town Clerk	Western Surety Company	\$50,000
Nellie Howard	Assistant Clerk	American States Insurance Company	\$10,000
Bobby Dewayne Ling	Mayor	Western Surety Company	\$50,000
Neil Crook	Police Officer	Western Surety Company	\$25,000
George King	Alderman	Travelers Casualty & Surety Company	\$2,500
Joe Benton	Alderman	Travelers Casualty & Surety Company	\$2,500
Gary Johnson	Alderman	Travelers Casualty & Surety Company	\$2,500
Sarah Morgan	Alderman	Travelers Casualty & Surety Company	\$2,500
Tommie Smith	Alderman	Travelers Casualty & Surety Company	\$2,500

See accountants' compilation report

TOWN OF HATLEY, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS
September 30, 2008

<u>Name</u>	<u>Position</u>	<u>Company</u>	<u>Bond</u>
Elaine Cantrell	Town Clerk	Western Surety Company	\$50,000
Nellie Howard	Assistant Clerk	American States Insurance Company	\$10,000
Bobby Dewayne Ling	Mayor	Western Surety Company	\$50,000
Neil Crook	Police Officer	Western Surety Company	\$25,000

See accountants' compilation report

TOWN OF HATLEY, MISSISSIPPI
SCHEDULE OF LONG-TERM DEBT
For the year ended September 30, 2008

<u>DEFINITION AND PURPOSE</u>	<u>BALANCE OUTSTANDING OCTOBER 1, 2007</u>	<u>TRANSACTIONS DURING THE FISCAL YEAR REDEEMED/ (BORROWED)</u>	<u>BALANCE OUTSTANDING SEPTEMBER 30, 2008</u>
Notes Payable:			
Farmer's Home Administration #4	117,119	14,575	102,544
CAP Loan #1	67,843	15,437	52,406
CAP Loan #2	12,913	2,769	10,144
RLF Water Improvement Loan	<u>1,081,806</u>	<u>62,305</u>	<u>1,019,501</u>
TOTAL	<u>\$ 1,279,681</u>	<u>\$ 95,086</u>	<u>\$ 1,184,595</u>

See accountants' compilation report