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**CITY OF TCHULA, MISSISSIPPI**  
**COMPILED FINANCIAL STATEMENT**  
**AND**  
**REPORT ON APPLYING AGREED-UPON PROCEDURES**

**SEPTEMBER 30, 2008**

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

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**CITY OF TCHULA, MISSISSIPPI  
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September 30, 2008**

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SEE ACCOUNTANTS' COMPILATION REPORT

**CPA****MULLEN &  
COMPANY****Certified Public Accountants**105 Wall Street, Lexington, MS 39095  
(662) 834-2556 • (601) 605-4596**INDEPENDENT ACCOUNTANTS' REPORT**

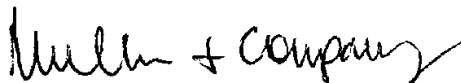
Honorable Mayor and Board of Aldermen  
City of Tchula  
Tchula, Mississippi

We have compiled the accompanying Statement of Cash Receipts and Disbursements—All Funds of the City of Tchula 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 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 the cash 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 supplementary information 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 management of the City of Tchula, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on such supplementary information.



Mullen & Company  
Lexington, MS  
May 14, 2009

CITY OF TCHULA, MISSISSIPPI

SEPTEMBER 30, 2008

FINANCIAL SECTION

**CITY OF TCHULA, MISSISSIPPI**  
**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - ALL FUNDS**  
**YEAR ENDED SEPTEMBER 30, 2008**

Cash Receipts	General	Special Revenue	Capital Projects	Water Sewer	Totals (Memorandum Only)
General property taxes	\$ 201,417				\$ 201,417
License and permits	4,828				4,828
Franchise taxes on utilities	34,196				34,196
Lease - Union Gas	119,149				119,149
Intergovernmental					
Federal grants					
CDBG				6,285	6,285
USDA				14,951	14,951
Federal Transit Administration	864				864
State shared revenues					
General municipal aid	1,216				1,216
Sales tax	66,045				66,045
Alcoholic beverage licenses	900				900
Fire protection	12,078				12,078
Gasoline tax	6,411				6,411
Grand Gulf tax district	11,861				11,861
Homestead exemption	12,190				12,190
Other income - State of MS	7,381				7,381
Holmes County fire protection	-				-
Fines	58,557				58,557
Garbage fees	83,180				83,180
Parks and recreation	750				750
Water				159,253	159,253
Sewer				144,175	144,175
Loan proceeds					-
Other	1,061			772	1,833
Transfers	78		20,998	13,581	34,657
<b>Total revenue receipts</b>	<b>622,162</b>	<b>-</b>	<b>20,998</b>	<b>339,017</b>	<b>982,177</b>
Cash & investments – beginning	40,708	23	1,529	49,082	91,342
<b>Total to account for</b>	<b>\$ 662,870</b>	<b>\$ 23</b>	<b>\$ 22,527</b>	<b>\$ 388,099</b>	<b>\$ 1,073,519</b>

**CITY OF TCHULA, MISSISSIPPI**  
**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - ALL FUNDS**  
**YEAR ENDED SEPTEMBER 30, 2008**

Cash Disbursements	General	Special Revenue	Capital Projects	Water Sewer	Totals (Memorandum Only)
General government	\$ 228,213				\$ 228,213
Police	239,199				239,199
Fire	26,381				26,381
Sanitation	91,465				91,465
Economic development & assistance					-
Library	15,156				15,156
Parks & recreation	35				35
Water & sewer				253,827	253,827
Other				9,726	9,726
Transfers/Other	34,579		78		34,657
Debt Reduction			20,998	27,937	48,935
<b>Total cash disbursements</b>	<b>635,028</b>	<b>-</b>	<b>21,076</b>	<b>291,490</b>	<b>947,594</b>
Cash and investments – ending	27,842	23	1,451	96,609	125,925
<b>Total accounted for</b>	<b>\$ 662,870</b>	<b>\$ 23</b>	<b>\$ 22,527</b>	<b>\$ 388,099</b>	<b>\$ 1,073,519</b>



**CITY OF TCHULA, MISSISSIPPI  
NOTES TO 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 Mississippi State Department of Audit. This is a comprehensive basis of accounting other than generally accepted accounting principles. 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 TCHULA, MISSISSIPPI

SEPTEMBER 30, 2008

SUPPLEMENTAL INFORMATION

**CITY OF TCHULA, MISSISSIPPI**  
**Schedule of Long-Term Debt**  
**Year Ended September 30, 2008**

	Transactions During Year			Balance 9/30/2008
	Balance 9/30/2007	Issued	Redeemed	
Revenue Bond				
1983 FMHA	97,152		8,839	88,313
Total Revenue Bond	97,152		8,839	88,313
Long-Term Debt				
Lease Purchase-Tractor	15,213		7,825	7,388
BankPlus Construction	20,998		20,998	-
Lease Purchase-Backhoe	59,961		6,959	53,002
Revolving CAP Loan	76,098		4,314	71,784
Total Long-Term Debt	172,270	-	40,096	132,174
Totals	\$ 269,422	\$ -	\$ 48,935	\$ 220,487

SEE ACCOUNTANTS' COMPILATION REPORT

**CITY OF TCHULA, MISSISSIPPI**  
**SCHEDULE OF SURETY BOND ON MUNICIPAL OFFICIALS**  
**Year Ended September 30, 2008**

<u>Employee</u>	<u>Position</u>	<u>Bond</u>
Yvonne Brown	Mayor	\$ 100,000
Sammie Epps	Alderman	5,000
Paul Dotson	Alderman	5,000
Calvin Greer	Alderman	5,000
Leo Wilson	Alderman	5,000
Zula Patterson	Alderman	5,000
Anne Horton	City Clerk	100,000
Anne Horton	Notary	5,000
Beverly Dean	Deputy Clerk	25,000
Yvonne Byrd	Deputy Clerk	25,000
Recell Redmond	Police Officer	25,000
Silentos McMorris	Police Officer	25,000
Miron Smith	Police Officer	25,000
Spring Cargill	Police Officer	25,000
John Newton	Police Officer	25,000
Yolanda Common	Police Officer	25,000



**Certified Public Accountants**

105 Wall Street, Lexington, MS 39095  
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**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING  
 AGREED-UPON PROCEDURES**

Honorable Mayor and Board of Aldermen  
 City of Tchula  
 Tchula, Mississippi

We have applied certain agreed-upon procedures as discussed below, to the accounting records of the City of Tchula, 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 Tchula, 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 to balances in the respective general ledger accounts and obtained confirmation of the related balances from the banks:

Account Title	Fund	General Ledger Balance
General Checking	General Fund	5,684
Fire Protection	General Fund	21,440
Urban Renewal	General Fund	132
Department of Health	General Fund	15
Recreation & Parks	General Fund	570
Municipal Complex	Capital Projects	1,452
Home Grant	Special Revenue	13
NCRS	Special Revenue	10
1963 Bond & Coupon	Water Fund	41
Water/Sewer Checking	Water Fund	54,726
Water/Sewer #2	Water Fund	92
Water/Sewer Emergency	Water Fund	1,096
CAP Account	Water Fund	24
USDA Grant	Water Fund	21,646
CDBG	Water Fund	56

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

<u>Bank</u>	<u>Investment</u>	<u>Fund</u>	<u>Amount</u>
BankPlus	CD 1983 Bond	Water Fund	18,928

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. Reconciled the amount of taxes levied according to the tax rolls to amounts actually collected.
  - c. Examined uncollected taxes for proper handling, including tax sales.
  - d. Traced distribution of taxes collected to proper funds.
  - e. 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 be within the limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

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

<u>Purpose</u>	<u>Receiving Fund</u>	<u>Amount</u>
General Municipal Aid	General	1,216
Gasoline Tax	General	6,411
Alcoholic Beverage Licenses	General	900
Nuclear Plant-In Lieu	General	11,861
Sales Tax Allocation	General	66,045
Homestead Reimbursement	General	12,190

<u>Purpose</u>	<u>Receiving Fund</u>	<u>Amount</u>
CDBG	Water	6,285
Fire Protection	General	12,078
Transportation	General	864
Fluoridation Grant	General	7,381

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:

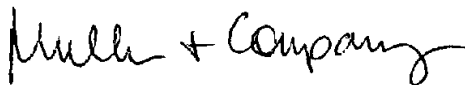
Number of Sample Items                      27

Dollar Value of Sample                      \$ 120,640

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

6. We read the Municipal Compliance Questionnaire completed by the City. There were no responses indicating noncompliance.

Because the above procedures do not constitute an audit 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 the items specified in Paragraphs 1, 2 and 3 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 statement of the City of Tchula, Mississippi for the year ended September 30, 2008.



Mullen & Company  
Lexington, Mississippi  
May 14, 2009