



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.

TOWN OF STATE LINE

FINANCIAL REPORTS

SEPTEMBER 30, 2004

CONTENTS

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

FINANCIAL STATEMENT

Statement of Cash Receipts and Disbursements – All Fund Types

SUPPLEMENTARY DATA

Schedule of Long-Term Debt

Schedule of Surety Bonds of Municipal Officials

ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

SAMUEL F BRITTON
Certified Public Accountant

P O Box 917
715 Azalea Drive
Waynesboro, MS 39367
Ph: (601) 735-3505
Fax: (601) 735-3587

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Honorable Mayor and Board of Aldermen
Town of State Line
State Line, Mississippi

I have compiled the accompanying statement of cash receipts and cash disbursements – all fund types for the Town of State Line for the year ended September 30, 2004, 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. I 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 statement on the basis of cash receipts and disbursement; 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.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements. If the omitted disclosures were included, 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 is presented for purposes of additional analysis and has been compiled by me from information that is the representation of management of the Town of State Line, without audit or review. Accordingly, I do not express an opinion or any other form of assurance on such supplementary information.

Samuel F. Britton, CPA

December 17, 2004

TOWN OF STATE LINE
Statement of Cash Receipts and Disbursements - All Fund Types
Year Ended 9/30/04

	<u>Governmental</u>		<u>Proprietary</u>		<u>Totals</u>	
	Fund Types		Fund Types		(Memorandum only)	
	<u>General</u>	<u>Special Revenue</u>	<u>Enterprise</u>		<u>9/30/2004</u>	<u>9/30/2003</u>
Cash Receipts						
Taxes						
General Property Taxes-Advalorem	\$42,861				\$42,861	\$37,716
Penalties and Interest on Delinquent Taxes						
Licenses and Permits						
Utility Franchise Charges	17,205				17,205	13,411
Other	445				445	245
Fines and Forfeitures	24,711				24,711	25,371
Intergovernmental Receipts						
State Grants						
General Municipal Aid	289				289	289
Homestead Exemption Reimbursement	2,791				2,791	2,598
Law Enforcement Assistance	17,283				17,283	26,218
Other Municipal Aide	315,028				315,028	267,016
Federal Grants						
U S Dept of Justice Home Grant						
State Shared Receipts						
Sales Tax	61,518				61,518	58,117
Fire Protection		10,801			10,801	12,963
Gasoline Taxes	1,561				1,561	1,390

See Accountant's Comilation Report

TOWN OF STATE LINE
Statement of Cash Receipts and Disbursements - All Fund Types
(Continued)
Year Ended 9/30/04

	Governmental Fund Types		Proprietary Fund Types	Totals (Memorandum only)	
	General	Special Revenue	Enterprise	9/30/2004	9/30/2003
Enterprise Operating Revenues Collected					
Water and Sewer			\$210,333	\$ 210,333	\$ 208,353
Interest Income			128	128	76
Other					
MS Dept of Trans	334,133			334,133	402,420
Softball Field Income					
Gym Revenue					
Rural Development Grant Transfers			17,012	17,012	1,857
Miscellaneous	2,661			2,661	4,554
Misc - Loan Proceeds			39,050	39,050	
Total Cash Receipts	<u>\$820,486</u>	<u>\$10,801</u>	<u>\$266,523</u>	<u>\$1,097,810</u>	<u>\$1,062,594</u>
Cash Disbursements					
General Government	\$729,784			\$ 729,784	\$ 751,866
Public Safety	59,454	\$767		60,221	72,347
Public Works	600			600	1,047
Special Revenue					865
Water and Sewer Transfers			\$265,727	265,727	208,979
	17,012			17,012	1,857
Total Cash Disbursements	<u>\$806,850</u>	<u>\$ 767</u>	<u>\$265,727</u>	<u>\$1,073,344</u>	<u>\$1,036,961</u>
Excess of Cash Receipts Over Cash Disbursements	\$ 13,636	\$10,034	\$ 796	\$ 24,466	\$ 25,633
Cash Balances, Beginning of Year	39,466	39,606	33,142	112,214	86,581
Cash Balances, End of Year	<u>\$ 53,102</u>	<u>\$49,640</u>	<u>\$ 33,938</u>	<u>\$ 136,680</u>	<u>\$ 112,214</u>

See Accountant's Compilation Report

**TOWN OF STATE LINE
Schedule of Long-Term Debt
Year Ended September 30, 2004**

	Balance Outstanding <u>October 1, 2003</u>	<u>Transactions During Year</u>		Balance Outstanding <u>September 30, 2004</u>
		<u>Issued</u>	<u>Redeemed</u>	
Other Long-Term Debt:				
FmHA Loan 91-01 for Water System	\$ 14,138		\$ 4,790	\$ 9,348
FmHA Loan 91-02 for Sewer System	82,233		4,358	77,875
FmHA Loan 91-04 for Water System	58,657		1,026	57,631
First Community Bank	-	30,000	2,603	27,397
First State Bank	-	9,050	4,388	4,662
Total	<u>\$ 155,028</u>	<u>\$ 39,050</u>	<u>\$ 17,165</u>	<u>\$ 176,913</u>

See Accountant's Compilation Report

TOWN OF STATE LINE
Schedule of Surety Bonds of Municipal Officials
September 30, 2004

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Amount</u>
Earnest Gardner	Mayor	Western Surety Co.	\$ 50,000
Glenda Pierce	Town Clerk	Ms Municipal Bond	\$ 50,000
Calvin Allen	Chief of Police	Western Surety Co.	\$ 50,000
Bernice Thornton	Deputy Clerk	RLI Surety	\$ 12,500
L A Washington	Alderman	St Paul Surety	\$ 50,000
Clyde Brewer	Alderman	St Paul Surety	\$ 50,000
J C Stewart	Alderman	St Paul Surety	\$ 50,000
Phillip Brewer	Alderman	St Paul Surety	\$ 50,000
Willie Miller	Alderman	St Paul Surety	\$ 50,000

See Accountant's Compilation Report

SAMUEL F BRITTON
Certified Public Accountant

P O Box 917
715 Azalea Drive
Waynesboro, MS 39367
Ph: (601) 735-3505
Fax: (601) 735-3587

ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Honorable Mayor and Board of Aldermen
Town of State Line
State Line, Mississippi

I have applied certain agreed-upon procedures, as discussed below, to the accounting records of the Town of State Line, Mississippi, as of September 30, 2004, 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 this report is solely for the use of the governing body of the Town of State Line, Mississippi, and the Office of the State Auditor. However, this report is a matter of public record, and its distribution is not limited. My procedures and findings are as follows:

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

<u>Bank</u>	<u>Fund</u>	<u>General Ledger Balance</u>
	Petty Cash	\$100
First State Bank	General	38,063
First State Bank	Police	2,907
First State Bank	Street maintenance	9,343
First State Bank	Clearing Account	1,216
First State Bank	Clearing Account II	0
First State Bank	Gym Account	1,477
First State Bank	TSL – Capital Contributions	198
First State Bank	Square Account	325
First State Bank	MML School Account	0
First State Bank	CDBG	688
First State Bank	Fire protection	49,640
First State Bank	Water revenue	12,560
First State Bank	Municipal bond interest	19
First State Bank	Water and sewer reserve	4,745
First State Bank	Utility meter account	16,565
First State Bank	Rural water escrow	50
Total Cash		<u>\$137,896</u>

- B. The agreed-upon procedures to be performed called for the confirmation of all investments, including certificates of deposits, owned by the Town of State Line. The accounting records of the Town of State Line show no ownership of any such investments at September 30, 2004.
- C. I obtained a statement of payments made by the Mississippi Department of Finance and Administration to the town. The payments were traced to deposit in banks, or to application on grants, and recording in the general ledger without exception. Cash receipts were as follows:

<u>Purpose</u>	<u>Receiving Fund</u>	
Fire protection	Special Revenue	\$ 2,371
General Municipal Aid	General	289
Gasoline Tax	General	1,561
Homestead Exemption	General	2,791
Sales Tax	General	61,518
Other Aide to Municipalities	General	13,034

- D. I selected a sample of purchases made by the town during the year. Each sample item was evaluated for compliance with public purchasing requirements set forth Title 31, Chapter 7, Miss. Code Ann. (1972), as applicable.

The sample consisted of the following:

Number of sample items	34
Dollar value of sample	\$ 467,493

I found the town's purchasing procedures to be in compliance with the above sections.

- E. I have read the Municipal Compliance Questionnaire completed by the town. The following responses to the questionnaire indicate noncompliance with state requirements:

Fixed assets are not properly tagged and accounted for per Section 7-7-211 of the Municipal Audit and Accounting Guide.

The Municipal Compliance Questionnaire is required to be approved by the Board of Aldermen and documented in the board minutes. The Municipal Compliance Questionnaire was not approved by the Board of Aldermen in a timely manner.

Town of State Line
December 17, 2004
Page 3

Because the above procedures do not constitute an audit conducted in accordance with generally accepted auditing standards, I do not express an opinion on any of the specific accounts or items referred to above. In connection with the procedures referred to above, no matters came to my attention that caused me to believe that the specified accounts or items should be adjusted. Had I performed additional procedures or had I conducted an audit of the financial statements in accordance with generally accepted auditing standards, matters might have come to my attention that would have been reported to you. This report relates only to the accounts and other items specified above and does not extend to any financial statements of the Town of State Line, for the year ended September 30, 2004.

Samuel F. Britton, CPA
December 17, 2004