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TOWN OF BOYLE, MISSISSIPPI
SPECIAL REPORT ON AGREE-UPON
PROCEDURES FOR SMALL MUNICIPALITIES (TOWNS)

For The Fiscal Year Ended September 30, 2006

TOWN OF BOYLE, MISSISSIPPI
For The Fiscal Year Ended September 30, 2006

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SPECIAL REPORT ON AGREE-UPON PROCEDURES FOR SMALL MUNICIPALITIES

(Compliance Letter)

Honorable Mayor and Aldermen
Town of Boyle
Boyle, Mississippi 38730

We have applied certain agreed-upon procedures, as discussed below, to the accounting records of the Town of Boyle, Mississippi, as of September 30, 2006, 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 Boyle, Mississippi, and the Office of the State Auditor and should not be used for any other purpose. Our procedures and findings are as follows:

1. We reconciled cash on deposit with the following banks to balances in the respective general accounts and obtained confirmation of the related balances from the banks.

<u>Bank</u>	<u>Fund</u>	<u>Balance per General Ledger</u>
Cleveland State Bank	General	\$103,662.22
Cleveland State Bank	Fire Protection	<u>1,000.00</u>
	Total General Fund	104,662.22
Cleveland State Bank	Proprietary Fund	49,839.39
Cleveland State Bank	Bond & Interest	1,008.89

2. We physically examined securities held for investment. Securities held in trust were confirmed directly with respective trustees. All investment transactions during the year were examined for compliance with investments authorized by Section 21-33-323, Miss Code Ann. (1972).

<u>Security</u>	<u>Fund</u>	<u>General Ledger</u>
Merchants and Farmers Bank Certificate of Deposit	General Fund	\$ 81,216.85
State Bank and Trust Co. Certificate of Deposit	General Fund	96,518.26
Cleveland State Bank Certificate of Deposit	General Fund	24,955.22

3. We performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the year:

Special Report on Agreed-Upon
Procedures for Small Municipalities
Town of Boyle, Mississippi – cont'd

- A. Proved the mathematical accuracy of the tax rolls and traced the levies to governing body minutes.
- B. Traced levies to governing body minutes.
- C. Reconciled the amount of taxes levied per the tax rolls to amounts actually collected.
- D. Examined uncollected taxes for proper handling, including tax sales;
- E. Traced distribution of taxes collected to proper funds; and
- F. 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).

Tax assessments were found to be mathematically correct and in agreement with collections as follows:

	<u>Assessed Value</u>	<u>Tax Millage</u>	<u>Tax Levy</u>
<u>Assessments:</u>			
<u>Town</u>			
Realty	2,007,093		
Personal Property	656,464		
Personal – Automobile	513,578		
Public Utility	<u>138,917</u>		
Total	<u>3,316,052</u>	0.024	79,585.25
Add: Actual Homestead reimbursement			4,910.92
Penalties and interest on delinquent taxes			-0-
Prior year's Unpaid Realty Taxes			-0-
Deduct: Homestead Credit			<u>(5,654.92)</u>
Total to be accounted for			\$ <u>78,841.25</u>
	<u>Taxes, Penalties and Interest</u>	<u>Homestead Reimbursement</u>	
Credits:			
Collections allocated to General Fund	<u>74,545.65</u>	<u>4,910.92</u>	\$ 79,456.57
Balance represented by:			
Unpaid Realty taxes			-0-
Board adjustments, etc.			<u>(615.32)</u>
Total accounted for			\$ <u><u>78,841.25</u></u>

Ad valorem tax assessments were found to be within the limitations of sections 27-39-320 to 27-39-329.

Special Report on Agreed-Upon
Procedures for Small Municipalities
Town of Boyle, Mississippi – cont'd

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), as follows:

Actual Collections (Excluding Debt Service)		Actual Collections (Excluding Debt Service)	
Base Year 2005	\$ 75,323.06	2006	\$ 74,545.65
10% Increase	7,532.30	Homestead Exemption	
Tax Increase due to increase in Assessed Value	<u>445.54</u>	Reimbursement	4,910.92
		Under (Over) Limitation	<u>3,844.13</u>
Total	<u>\$ 83,300.70</u>	Total	<u>\$ 83,300.70</u>

Ad valorem tax collections for the retirement of general obligation debt was found to be sufficient for payment of current principal and interest in accordance with limitations imposed by Sections 21-33-87 and 21-33-303, Miss Code Ann. (1972).

4. We obtained a statement of payments made by the Department of Finance and Administration to the municipality. Payments indicated were traced to deposits in the respective bank accounts And recorded in the general ledger without exception. Payments traced were as follows:

<u>Payment Purpose</u>	<u>Receiving Fund</u>	<u>General Ledger Amount</u>
Sales Tax Allocation	General Fund	172,412.59
General Municipal Aid	General Fund	375.29
Gasoline Tax	General Fund	1,839.64
Homestead Reimbursement	General Fund	4,910.92
Liquor License	General Fund	450.00
Nuclear Plant	General Fund	6,087.00
Escrow Pay Vet Loans	General Fund	170.35
Transportation	General Fund	17.00
MDOT Contracts	General Fund	1,452.00
Public Safety	General Fund	4,261.86

5. We selected a sample of purchases made by the municipality during the fiscal year. Each sample item was evaluated for compliance with purchasing requirements set forth in Sections 31-7-1, 31-7-13, 31-7-49 and 31-7-57, Miss. Code Ann. (1972), as applicable. Reviewed board minutes for approval of claims.

The sample consisted of the following:

Number of Sample Items	36
Total Dollar Value of Sample	\$ 56,277.15

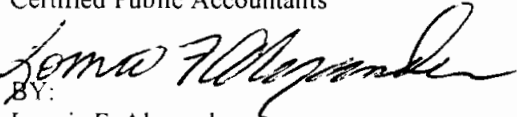
Special Report on Agreed-Upon
Procedures for Small Municipalities
Town of Boyle, Mississippi- cont'd

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

6. The municipality did not complete the Municipal Compliance Questionnaire. The following responses to the Town Clerk on the questionnaire indicate no instance of noncompliance with state requirements. All question on the questionnaire would be the same as September 30, 2005.

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 of 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 statements of the Town of Boyle, Mississippi, for the year ended September 30, 2006.

YURKOW, ALEXANDER & YURKOW, LTD.
Certified Public Accountants


BY:

Lonnie F. Alexander
Certified Public Accountant

August 3, 2007

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**INDEPENDENT ACCOUNTANT'S REPORT ON THE
COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS)**

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


We have compiled the accompanying combined statement of cash receipts and disbursements (all funds), of the Town of Boyle, Mississippi, as of and for the year ended September 30, 2006, in accordance with Statements on Standards of Accounting and Review Services, issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial information that is the representation of town's officials. The accompanying supplemental information in the table of contents is presented for purposes of additional analysis and is not a required part of the combined statement for cash receipts and disbursements. We have not audited or reviewed the accompanying financial statement and, accordingly, do not express an opinion or any other assurance on it.

We conducted a limited scope audit as of September 30, 2006 as set forth in the Mississippi Municipal Audit and Accounting Guide which pertains to small municipalities. Under the provisions of this guide we performed prescribed audit procedures to the municipality as outlined in the guide.

These reports are intended solely for information and use of the governing body and management of the Town of Boyle, Mississippi, and filing with the Mississippi State Department of Audit. This restriction is not intended to limit the distribution of this report which is a matter of public record.

YURKOW, ALEXANDER & YURKOW, LTD.
Certified Public Accountants
Cleveland, Mississippi

BY: 
Lonnie F. Alexander
Certified Public Accountant

August 3, 2007

TOWN OF BOYLE, MISSISSIPPI

COMBINE STATEMENT OF RECEIPTS AND DISBURSEMENTS (ALL FUNDS)

For the Fiscal Year Ended September 30, 2006

	General	Proprietary Fund	2006	(Memorandum Only)	2005
Revenue Receipts					
General Property Taxes	61,336.12		61,336.12		58,467.57
Personal Property - Automobiles	13,209.53		13,209.53		12,509.07
Homestead Reimbursement	4,910.92		4,910.92		4,346.42
Licenses and Permits	14,906.00		14,906.00		6,806.47
Fire Protection	-		-		-
Garbage Fees	26,201.69		26,201.69		25,248.82
Mosquito Control	7,448.50		7,448.50		12,362.17
Franchise and Utility	27,618.08		27,618.08		14,753.70
General Municipal Aid	-		-		-
Municipal Aid Surplus	375.29		375.29		375.29
State Shared Revenues	-		-		-
Sales Tax	172,412.59		172,412.59		148,207.52
Liquor Licenses	450.00		450.00		450.04
Municipal Aid Gasoline	1,889.84		1,889.84		1,889.84
Grand Gulf	6,087.00		6,087.00		5,091.46
Municipal Aid Other	8,816.40		8,816.40		332.90
Others	-		-		-
Interest Earned	6,970.52		6,970.52		3,415.12
Miscellaneous	4,315.87		4,315.87		12,386.59
Charges for Services	-		-		-
Water Utility	-	197,246.53	197,246.53		153,367.70
Interest Earned	-	233.41	233.41		117.26
Total Receipts	356,948.35	197,479.94	554,428.29		460,127.94
Other Receipts	-		-		-
Transfers	-	10,000.00	10,000.00		25,000.00
Total Other Receipts	-	10,000.00	10,000.00		25,000.00
Total Receipts	356,948.35	207,479.94	564,428.29		485,127.94
Cash Balance - Beginning of Year	70,030.92	28,979.44	99,010.36		69,392.52
TOTAL AMOUNT TO ACCOUNT FOR	426,979.27	236,459.38	663,438.65		554,520.46

See accompanying notes and accountant's compilation report

TOWN OF BOYLE MISSISSIPPI
COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS) (cont'd)
For the Fiscal Year Ended September 30, 2006

	General	Proprietary Fund	2006	Totals (Memorandum Only) 2005
Operating Disbursements:				
General Government (Executive Financial)	69,697.36		69,697.36	65,358.25
Public Safety	19,930.38		19,930.38	12,363.51
Public Property	34,042.64		34,042.64	51,534.09
Public Streets and Structures	58,242.96		58,242.96	51,349.74
Health and Sanitation	37,313.26		37,313.26	28,596.20
Water Utility	-	149,175.65	149,175.65	129,087.29
Total Operating Disbursements	<u>219,226.60</u>	<u>149,175.65</u>	<u>368,402.25</u>	<u>338,289.08</u>
Other Disbursements				
Bonds Retired	1,100.00	4,233.96	5,333.96	2,879.75
Capital Outlay	32,080.72	-	32,080.72	-
Transfers	67,872.11	32,189.50	100,061.61	57,089.50
Total Other Disbursements	<u>101,052.83</u>	<u>36,423.46</u>	<u>137,476.29</u>	<u>59,969.25</u>
Total Disbursements	<u>320,279.43</u>	<u>185,599.11</u>	<u>505,878.54</u>	<u>398,258.33</u>
Cash Balance - End of Year	103,662.22	49,839.39	153,501.61	100,009.76
Transfer to Investment (Cert. of Dep)	5,000.00	-	-	57,691.57
Non-Cash Disbursements	(1,962.38)	1,020.88	(941.50)	(1,709.20)
TOTAL AMOUNT ACCOUNTED FOR	<u><u>426,979.27</u></u>	<u><u>236,459.38</u></u>	<u><u>663,438.65</u></u>	<u><u>554,250.46</u></u>

See accompanying notes and accountant's compilation report

NOTES TO FINANCIAL STATEMENT

**TOWN OF BOYLE, MISSISSIPPI
NOTES TO FINANCIAL STATEMENT
SEPTEMBER 30, 2006**

Note A. Summary of Significant Accounting Policies

The financial statement of the Town have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Town of Benoit, Mississippi prepares financial statements and budget on the cash basis of accounting as prescribed by the Mississippi Budget Laws. Consequently, certain revenues are recognized were earned and certain expenses when the obligations are incurred. The most significant of the town's accounting policies are described below.

General Information

The town operates under the Mayor and Aldermen form of government and provides services as authorized by law.

Reporting Entity

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

Fund Accounting

The government uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

The accounts of the Town are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenses or expenditures. The following funds are used by the Town:

Governmental Fund Types:

General Fund – The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Capital Projects Fund – The Capital Projects Fund is used to account for financial resources to be used for the acquisition construction of major capital facilities.

Proprietary Fund Types:

Proprietary Fund – The Proprietary Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost and expenses of providing water and sewer services to the general public on a continuing basis are financed or recovered primarily through user charges.

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 rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred.

(Continued)

**TOWN OF BOYLE, MISSISSIPPI
NOTES TO FINANCIAL STATEMENT
SEPTEMBER 30, 2006**

Note A. Summary of Significant Accounting Policies (Cont'd.)

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: Budget

Budgets are adopted as prescribed by the State of Mississippi. Annual appropriated budgets are adopted for all funds. The Mississippi Code Ann. (1972) prescribes cash basis reporting of revenues for budgeting of expenditures to be disbursed within thirty days after year end (with an exception for construction in progress).

Note D Investments

The Town is allowed, by stature, to invest excess funds in any bonds or other direct obligations of the United States of America or the State of Mississippi, or of any county or municipality of this state, when such county or municipal bonds have been properly approved; or in interest-bearing time certificates of deposit or interest-bearing accounts with any financial institution approved for the deposit of state funds; or in any type of investments permitted by Sections 27-105-33(d) and 27-105-33(e), Miss. Code Ann. (1972).

For accounting purposes, certificates of deposit and interest-bearing accounts are classified as cash.

Schedule of Investments (all funds)

Ownership	Type of Investment	Interest Rate	Acquisition Date	Maturity Date	Other Information	Investment Cost/Value
General Fund	Certificates of Deposit	3.21%	02-18-06	02-18-07	State Depository Merchants & Farmers Bank	\$ 37,450.44
General Fund	Certificate of Deposit	3.21%	03-06-06	03-05-07	State Depository Merchants & Farmers Bank	37,450.44
General Fund	Certificate of Deposit	1.69%	03-03-06	03-03-07	State Depository Merchants & Farmers Bank	6,315.97
General Fund	Certificate of Deposit	4.09%	03-09-06	03-09-07	State Depository Merchants & Farmers Bank	52,045.00
General Fund	Certificate of	3.20%	02-18-06	02-18-07	State Depository State Bank and Trust Company	38,956.93
General Fund	Certificate of	3.25%	03-03-06	03-03-07	State Depository State Bank and Trust Company	5,516.33
General Fund	Certificate of Deposit	2.25%	02-17-06	02-17-07	State Depository Cleveland State Bank	12,763.97

TOWN OF BOYLE, MISSISSIPPI
NOTES TO FINANCIAL STATEMENT
SEPTEMBER 30, 2006

General Fund	Certificate of Deposit	4.25%	03-02-06	03-02-07	State Depository Cleveland State Bank	6,867.75
General Fund	Certificate of Deposit	4.25%			State Depository Cleveland State Bank	5,323.50

Total Investments

\$203,690.83
=====

Note E Memorandum Only – Total Columns

Total columns on the cash receipts and disbursements (all funds) are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations. Neither are such data comparable to a consolidation. Inter-fund elimination has not been made in the aggregation of this data.

Note F Property Tax

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied as of January 1 and payable on or before February 1. The Town bills and collects its own property taxes except for the personal auto taxes that are collected and remitted to the Town by the county tax collector. The general fund millage rate for the Town was 24 mills.

The distribution of taxes to funds were in accordance with prescribed tax levies, and uncollected taxes were properly handled.

TOWN OF BOYLE, MISSISSIPPI
SCHEDULE OF INVESTMENTS (ALL FUNDS)
September 30, 2006

OWNERSHIP	TYPE OF INVESTMENT	INTEREST RATE	ACQUISITION DATE	MATURITY DATE	OTHER INFORMATION	INVESTMENT COST/VALUE
General Fund	Certificate of Deposit	3.21%	2/18/2006	2/18/2007	Merchants and Farmers Bank	\$ 37,450.44
General Fund	Certificate of Deposit	3.21%	2/18/2006	2/18/2007	Merchants and Farmers Bank	\$ 37,450.44
General Fund	Certificate of Deposit	1.69%	3/6/2006	3/7/2007	Merchants and Farmers Bank	\$ 6,315.97
General Fund	Certificate of Deposit	3.20%	2/18/2006	2/18/2007	State Bank and Trust Company	\$ 38,956.93
General Fund	Certificate of Deposit	3.25%	3/3/2006	3/3/2007	State Bank and Trust Company	\$ 5,516.33
General Fund	Certificate of Deposit	4.09%	3/9/2006	3/9/2007	State Bank and Trust Company	\$ 52,045.00
General Fund	Certificate of Deposit	2.25%	2/17/2006	3/9/2007	Cleveland State Bank	\$ 12,763.97
General Fund	Certificate of Deposit	2.00%	3/3/2006	3/2/2007	Cleveland State Bank	\$ 6,867.75
	Certificate of Deposit	4.09%			Cleveland State Bank	5,323.50
Total Investments						<u>\$ 202,690.33</u>

TOWN OF BOYLE, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS
For Fiscal Year Ended September 30, 2006

Name of Company	Policy Period Ending	Person Covered	Bond
The Ohio Casualty Insurance Company	July 2, 2007	Mayor	\$50,000.00
The Ohio Casualty Insurance Company	July 2, 2007	Town Clerk	\$50,000.00
The Ohio Casualty Insurance Company	July 2, 2007	Alderman (5)	\$10,000.00 Each

TOWN OF BOYLE, MISSISSIPPI
SCHEDULE OF LONG-TERM DEBT
For the Fiscal Year Ended September 30, 2006

The United States Department of Agricultural Rural Development, Date of Loan October 10, 1985,
interest rate 5.00%, Original Loan \$343,700.00.

Payment Year	Principle Due Each Year	Number of Years	Total Principal
Balance Due			183,371.62
2006-2007	14,816.69	10	168,554.93
2007-2008	15,574.74	9	152,980.19
2008-2009	16,484.38	8	136,495.81
2009-2010	17,047.60	7	119,448.21
2010-2011	17,570.31	6	101,877.90
2011-2012	18,444.54	5	83,433.36
2012-2013	19,361.29	4	64,072.07
Thereafter	64,072.07		-

The annual requirements to amortized all debt outstanding on note as the present rate of payment at the
end of September 30, 2006 are as follows:

Fiscal Year Ending September 30	Interest	Principal	Total
2006-2007	8,766.31	14,753.69	23,520.00
2007-2008	8,077.26	15,574.74	23,652.00
2008-2009	7,167.62	16,484.38	23,652.00
2009-2010	6,604.40	17,047.60	23,652.00
2010-2011	6,081.69	17,570.31	23,652.00
2011-2012	5,207.46	18,444.54	23,652.00
2012-2013	4,290.71	19,424.29	23,715.00
Thereafter	5,747.73	64,072.07	

The United States Department of Agricultural Rural Development, Date of Loan December 06, 1983
interest rate 5.00%, Original Loan \$135,000.00

Payment Year	Principle Due Each Year	Number of Years	Total Principal
Balance Due			69,088.07
2006-2007	4,734.53	11	64,353.54
2007-2008	4,971.26	10	59,382.28
2008-2009	5,468.39	9	53,913.89
2009-2010	5,741.81	8	48,172.09
2010-2011	6,028.90	7	42,143.19
2011-2012	6,330.34	6	35,812.85
2011-2013	5,805.30	5	30,007.54
Thereafter	30,007.54		-

(Continued)

TOWN OF BOYLE, MISSISSIPPI
SCHEDULE OF LONG-TERM DEBT
For the Fiscal Year Ended September 30, 2006

The annual requirements to amortized all debt outstanding on note as the present rate of payment at the end of September 30, 2006 are as follows:

Fiscal Year Ending September 30	Interest	Principal	Total
2006-2007	3,702.97	4,734.53	8,437.50
2007-2008	3,466.24	4,971.26	8,437.50
2008-2009	2,969.11	5,468.39	8,437.50
2009-2010	2,695.69	5,741.81	8,437.50
2010-2011	2,408.60	6,028.90	8,437.50
2011-2012	2,107.16	6,330.34	8,437.50
2012-2013	1,500.38	5,805.30	7,305.68
Thereafter	5,459.41	30,007.54	-

The United States Department of Agricultural Rural Development, Date of Loan February 11, 1999, interest rate 4.5%, Original Loan \$235,300.00

Payment Year	Principle Due Each Year	Number of Years	Total Principal
Balance Due			210,684.74
2006-2007	4,433.89	27	206,250.85
2007-2008	4,637.59	26	201,613.26
2008-2009	4,850.64	25	196,762.62
2009-2010	5,073.47	24	191,639.15
2010-2011	5,306.55	23	186,332.60
2011-2012	5,550.33	22	180,832.27
2012-2013	5,805.31	21	175,026.96
Thereafter	175,026.96		

The annual requirements to amortized all debt outstanding on note as the present rate of payment at the end of September 30, 2006 are as follows:

Fiscal Year Ending September 30	Interest	Principal	Total
2006-2007	9,390.11	4,433.89	13,824.00
2007-2008	9,186.41	4,637.59	13,824.00
2008-2009	8,973.36	4,850.64	13,824.00
2009-2010	8,750.53	5,073.47	13,824.00
2010-2011	8,517.45	5,306.55	13,824.00
2011-2012	8,273.67	5,550.33	13,824.00
2012-2013	8,018.69	5,805.31	13,824.00
Thereafter	82,981.34	175,026.96	

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**INDEPENDENT ACCOUNTANT'S REPORT OF COMPLIANCE
WITH STATE LAWS AND REGULATIONS**

Honorable Mayor and Alter-persons
Boyle, Mississippi 38730

We have compiled the combine statement of cash receipts and disbursements (all funds) of the Town of Boyle, Mississippi as of and for the year ended September 30, 2006 and have issued our report dated August 3, 2007. We have conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*.

As required by the state legal compliance audit program prescribed by the Office of the State Auditor, we have also performed procedures to test compliance with certain state laws and regulations. However, providing an opinion on compliance with state laws and regulations was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of those procedures and our compilation of the statement of cash receipts and disbursements disclosed no material instances of noncompliance with state laws and regulations.

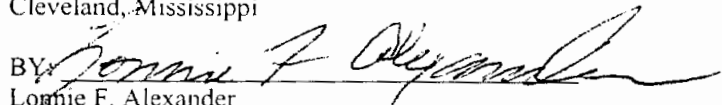
This report is intended for the information of the City's management and the Office of the State Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

YURKOW, ALEXANDER & YURKOW, LTD.

Certified Public Accountants

Cleveland, Mississippi

BY:



Lonnie F. Alexander

Certified Public Accountant

August 3, 2007