



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.



# Faust & Associates



McComb, Mississippi

Michael C Faust, C.P.A.

200 THIRD STREET (39648)  
POST OFFICE BOX 222 (39649)  
MCCOMB, MISSISSIPPI  
(601) 684-6382

## **INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES**

Honorable Mayor and Board of Councilpersons  
Town of Summit, Mississippi

We have applied certain agreed-upon procedures, as discussed below, to the accounting records of the Town of Summit, Mississippi, as of September 30, 2008, and 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). This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those specified users in this report. It is understood the report is solely for the use of the governing body of the Town of Summit, Mississippi, and the Office of the State Auditor and should not be used for any other purposes. Consequently, we make no representations regarding the sufficiency of the procedures described below either for the purpose for which the report has been requested or for any other purpose.

Our procedures and findings are as follows:

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

<b><u>Bank</u></b>	<b><u>Fund</u></b>	<b><u>Balance Per General Ledger</u></b>
<b><u>Governmental Activities:</u></b>		
First Bank	General	\$ 250,055
First Bank	General	70,794
First Bank	General	5,493
First Bank	General	4,033
First Bank	General	2,748
First Bank	General	1,737
Petty Cash	General	100
First Bank	General	(615)
First Bank	General - CD	100,000
Regions Bank	General - CD	80,000
	Total General Fund	<u>\$ 514,345</u>
First Bank	Special Fire	\$ 54,362
State Bank	Special Fire - CD	76,790
	Total Special Fire Fund	<u>\$ 131,152</u>

MEMBERS

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS • MISSISSIPPI SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

<u>Bank</u>	<u>Fund</u>	<u>Balance Per</u> <u>General Ledger</u>
<b><u>Governmental Activities (continued):</u></b>		
First Bank	Cemetery	\$ 9,033
Regions	Cemetery	533
First Bank	Debt Service	18,173
First Bank	Police Seizure	8,311
First Bank	Public Safety	5,250
State Bank	Cemetery - CD	<u>24,573</u>
	Total Other Nonmajor Funds	<u>\$ 65,873</u>
	Total Governmental Activities	<u><u>\$ 711,370</u></u>

**Business-Type Activities:**

First Bank	Water & Sewer	\$ 227,656
First Bank	Water & Sewer	137,905
First Bank	Water & Sewer	11,485
First Bank	Water & Sewer	10,470
Petty Cash	Water & Sewer	202
First Bank	Water & Sewer - CD	48,000
Regions	Water & Sewer - CD	32,961
Regions	Water & Sewer - CD	<u>15,256</u>
	Total Water & Sewer Fund	<u>\$ 483,935</u>
	Total Business-Type Activities	<u><u>\$ 483,935</u></u>

2. 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). The certificates of deposit from Trustmark National Bank was recorded as follows:

<u>Bank</u>	<u>Fund</u>	<u>Balance Per</u> <u>General Ledger</u>
<b><u>Governmental Activities:</u></b>		
First Bank	General	\$ 100,000
Regions	General	\$ 80,000
State Bank	Special Fire	76,790
State Bank	Cemetery	<u>24,573</u>
		<u>\$ 281,363</u>
<b><u>Business-Type Activities:</u></b>		
First Bank	Water & Sewer	\$ 48,000
Regions	Water & Sewer	32,961
Regions	Water & Sewer	<u>15,256</u>
		<u><u>\$ 96,217</u></u>

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

The Town did not have any general obligation debt outstanding during FY 2008.

4. We obtained a statement of payments made by the 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 without exception. Payments traced were as follows:

<u>Payment Purpose</u>	<u>Receiving Fund</u>	<u>Ledger Amount</u>
CDBG Grant - Sewer Extension Project	Water & Sewer Fund	\$ 107,395
CDBG Grant - Silo Project	Capital Project Fund	213,594
Fire Protection Allocation	Special Fire Fund	7,396
Gasoline Tax	General Fund	3,915
General Municipal Aid	General Fund	744
Homestead Exemption Reimbursement	General Fund	21,443
Liquor Privilege Tax	General Fund	1,800
MDEQ Grant	General Fund	15,000
Nuclear Plant Payment	General Fund	21,514
Public Safety Grant	General Fund	692
Sales Tax Allocation	General Fund	333,405
Water & Sewage	Water & Sewer Fund	505
		<u>\$ 727,403</u>

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 Title 31, Chapter 7, Miss. Code Ann. (1972), as applicable.

The sample consisted of the following:

Number of Sample Items		24
Total Dollar Value of Sample	\$	1,008,611

We found the municipality's purchasing procedures to be in agreement with the requirements of the above-mentioned sections except as follows:

#### Findings

- Two instances, the Town did not retain the original bid documents related to construction projects.

#### Recommendation

The Town should establish internal administrative controls to ensure that all state procurement procedures are followed.

#### Town's Response

We concur with the findings. Internal administrative controls will be adopted to ensure that a comprehensive filing system is set up listing all required files to be maintained. State laws will be followed and required bids and quotes will be obtained as well as retained.

6. We have read the Municipal Compliance Questionnaire completed by the municipality. We found from our test of the completed questionnaire that under part 1 number 6 that the Town Councilpersons were not covered by the appropriate surety bond as of September 30, 2008. The Town has subsequently obtained the appropriate surety bond amounts for the Town Councilpersons.

We also noted that the Town's Municipal Compliance Questionnaire was not completed and entered into the official minutes at the next regular board meeting following the year ended September 30, 2008. The FY 2008 Municipal Compliance Questionnaire has been subsequently certified by the board and entered into the official minutes at the July 2009 meeting.

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 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 auditing standards generally accepted in the United States of America, 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 Summit, Mississippi, for the year ended September 30, 2008.

*Faust & Assoc. CPA's P.A.*

Faust & Associates, CPA's, P.A.  
July 30, 2009

## CONTENTS

	<u>PAGE</u>
<b>ACCOUNTANTS' COMPILATION REPORT</b>	1
<b>STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES</b>	2
<b>SELECTED DISCLOSURES TO FINANCIAL STATEMENTS</b>	4
<b>SUPPLEMENTAL INFORMATION:</b>	
Schedule of Investments - All Funds	5
Schedule of Long-Term Debt	6
Schedule of Surety Bonds for Municipal Officials	7





Michael C Faust, C.P.A.

200 THIRD STREET (39648)  
POST OFFICE BOX 222 (39649)  
MCCOMB, MISSISSIPPI  
(601) 684-6382

## ACCOUNTANTS' COMPILATION REPORT

To the Honorable Mayor and Board of Councilpersons  
Town of Summit, Mississippi

We have compiled the accompanying statement of cash receipts and disbursements - governmental and business-type activities of the Town of Summit, Mississippi for the year ended September 30, 2008, and the accompanying supplementary information contained in Schedules I, II and III, which are presented only for supplementary analysis purposes, in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. The financial statement has been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

A compilation is limited to presenting in the form of financial statements and supplementary schedules information that is the representation of management. We have not audited or reviewed the accompanying statement of cash receipts and disbursements and supplementary information and, accordingly, do not express an opinion or any other form of assurance on them.

Town officials have not presented government-wide financial statements to display the cash basis financial position and changes in cash basis financial position of its governmental activities and business-type activities. Accounting principles generally accepted in the United States of America, as applied to the Town's cash basis of accounting, require the presentation of government-wide financial statements. The amounts that would be reported in government-wide financial statements resulting from cash basis transactions for the Town's governmental activities and business-type activities are not reasonably determinable.

The Town officials have also elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusion about the Town's cash receipts and disbursements. Accordingly, this financial statement is not designed for those who are not informed about such matters.

Town officials have also not presented management's discussion and analysis and other required supplemental information that the Governmental Accounting Standards Board has determined is required to supplement, although not required to be a part of, the basic financial statements.

In accordance with the provisions of Section 21-35-31, Miss. Code Ann. (1972), we have issued a report dated July 30, 2009, on the results of our agreed-upon procedures.

Faust & Assoc. CPA'S P.A.

Faust & Associates CPA's, P.A.  
McComb, Mississippi  
July 30, 2009

**Town of Summit, Mississippi**  
**Statement of Cash Receipts and Disbursements**  
**Governmental and Business-Type Activities**  
**For the Fiscal Year Ended September 30, 2008**

	<b>Governmental Activities</b>					<b>Business-Type Activities</b>	
	<u>General Fund</u>	<u>Special Fire Fund</u>	<u>Capital Projects Fund</u>	<u>Other Nonmajor Funds</u>	<u>Total</u>	<u>Water &amp; Sewer Fund</u>	<u>Total</u>
Revenue Receipts:							
Taxes - Ad Valorem	\$ 284,159	\$ -	\$ -	\$ 1,507	\$ 285,666	\$ -	\$ -
Penalties and Interest on Delinquent Taxes	4,511	-	-	-	4,511	-	-
Franchise Fees	63,842	-	-	-	63,842	-	-
Licenses and Permits	16,540	-	-	-	16,540	-	-
Intergovernmental Revenues	474,185	7,396	213,594	6,593	701,768	398,089	398,089
Charges for Services:							
Sanitation	128,148	-	-	-	128,148	-	-
Water and Sewer	-	-	-	-	-	380,511	380,511
Cemetary	-	-	-	5,493	5,493	-	-
Fines and Forfeits	72,200	-	-	1,277	73,477	-	-
Interest	12,061	4,873	-	1,280	18,214	13,121	13,121
Other	17,694	-	-	-	17,694	8,640	8,640
<b>Total Revenue Receipts</b>	<b>1,073,340</b>	<b>12,269</b>	<b>213,594</b>	<b>16,150</b>	<b>1,315,353</b>	<b>800,361</b>	<b>800,361</b>
Other Receipts:							
Interfund Loans and Transfers	-	-	-	-	-	137,774	137,774
Water Deposits	-	-	-	-	-	3,949	3,949
<b>Total Other Receipts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>141,723</b>	<b>141,723</b>
<b>Total Receipts</b>	<b>1,073,340</b>	<b>12,269</b>	<b>213,594</b>	<b>16,150</b>	<b>1,315,353</b>	<b>942,084</b>	<b>942,084</b>
<b>Cash Balance - Beginning of Year</b>	<b>398,272</b>	<b>118,883</b>	<b>137,774</b>	<b>58,542</b>	<b>713,471</b>	<b>561,807</b>	<b>561,807</b>
<b>TOTAL AMOUNT ACCOUNTED FOR</b>	<b>\$ 1,471,612</b>	<b>\$ 131,152</b>	<b>\$ 351,368</b>	<b>\$ 74,692</b>	<b>\$ 2,028,824</b>	<b>\$ 1,503,891</b>	<b>\$ 1,503,891</b>

**Town of Summit, Mississippi**  
**Statement of Cash Receipts and Disbursements**  
**Governmental and Business-Type Activities**  
**For the Fiscal Year Ended September 30, 2008**

	<b>Governmental Activities</b>					<b>Business-Type Activities</b>	
	<u>General Fund</u>	<u>Special Fire Fund</u>	<u>Capital Projects Fund</u>	<u>Other Nonmajor Funds</u>	<u>Total</u>	<u>Water &amp; Sewer Fund</u>	<u>Total</u>
(CONTINUED)							
Operating Disbursements:							
General Government	\$ 225,492	\$ -	\$ -	\$ -	\$ 225,492	\$ -	\$ -
Court	22,580	-	-	-	22,580	-	-
Public Safety	405,642	-	-	-	405,642	-	-
Sanitation	123,926	-	-	-	123,926	-	-
Streets	179,598	-	-	-	179,598	-	-
Enterprises:							
Water and Sewer	-	-	-	-	-	226,149	226,149
Interest on Loans	29	-	-	827	856	13,316	13,316
Total Operating Disbursements	<u>957,267</u>	<u>-</u>	<u>-</u>	<u>827</u>	<u>958,094</u>	<u>239,465</u>	<u>239,465</u>
Other Disbursements:							
Debt Repaid	-	-	-	7,992	7,992	54,709	54,709
Capital Outlay	-	-	213,594	-	213,594	725,782	725,782
Interfund Loans and Transfers	-	-	137,774	-	137,774	-	-
Total Other Disbursements	<u>-</u>	<u>-</u>	<u>351,368</u>	<u>7,992</u>	<u>359,360</u>	<u>780,491</u>	<u>780,491</u>
<b>Total Disbursements</b>	<b>957,267</b>	<b>-</b>	<b>351,368</b>	<b>8,819</b>	<b>1,317,454</b>	<b>1,019,956</b>	<b>1,019,956</b>
<b>Cash Balance - End of Year</b>	<b>514,345</b>	<b>131,152</b>	<b>-</b>	<b>65,873</b>	<b>711,370</b>	<b>483,935</b>	<b>483,935</b>
<b>TOTAL AMOUNT ACCOUNTED FOR</b>	<b>\$ 1,471,612</b>	<b>\$ 131,152</b>	<b>\$ 351,368</b>	<b>\$ 74,692</b>	<b>\$ 2,028,824</b>	<b>\$ 1,503,891</b>	<b>\$ 1,503,891</b>

**TOWN OF SUMMIT, MISSISSIPPI  
SELECTED DISCLOSURES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2008**

**NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**General Information**

The Town operates under a Mayor - Board of Councilperson form of government and provides services as authorized by law.

**Reporting Entity**

The financial statement of the Town consists of 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 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.

# **SUPPLEMENTAL INFORMATION**

**TOWN OF SUMMIT, MISSISSIPPI**

**SCHEDULE OF INVESTMENTS - ALL FUNDS  
SEPTEMBER 30, 2008**

	<b><u>Deposit Amount</u></b>
Certificate of Deposit with First Bank Maturing October 20, 2008, Rate 1.75%	\$ 100,000
Certificate of Deposit with Regions Bank Maturing December 19, 2008, Rate 2.75%	80,000
Certificate of Deposit with State Bank Maturing June 19, 2009, Rate 2.50%	76,790
Certificate of Deposit with First Bank Maturing October 10, 2008, Rate 1.75%	48,000
Certificate of Deposit with Regions Bank Maturing March 20, 2009, Rate 3.92%	32,961
Certificate of Deposit with State Bank Maturing June 19, 2009, Rate 2.50%	24,573
Certificate of Deposit with Regions Bank Maturing November 6, 2008, Rate 2.18%	<u>15,256</u>
<b>Total</b>	<b><u>\$ 377,580</u></b>
Fund Recap:	
General Fund	\$ 180,000
Cemetery Fund	24,573
Special Fire Fund	76,790
Water and Sewer Fund	<u>96,217</u>
<b>Total</b>	<b><u>\$ 377,580</u></b>

**TOWN OF SUMMIT, MISSISSIPPI**  
**SCHEDULE OF LONG-TERM DEBT**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008**

	<b>Balance Outstanding <u>October 1, 2007</u></b>	<b>Issued</b>	<b>Redeemed</b>	<b>Balance Outstanding <u>September 30, 2008</u></b>
<b><u>NOTES:</u></b>				
Freight Rail Service Project Revolving Loan Program - 04-352-RR-01	\$ 86,239	\$ -	\$ (7,993)	\$ 78,246
\$251,000 Combined Water and Sewer System Revenue Bonds Series 2006	251,000	-	-	251,000
Mississippi Department of Environmental Quality Revolving Loan - SRF-C280-753-01	140,278	-	(31,418)	108,860
Mississippi Department of Economic & Community Development Capital Improvement Loan - 5-352-CP-01	36,426	-	(8,420)	28,006
Capital Lease - New Holland Tractor	<u>28,071</u>	<u>-</u>	<u>(14,288)</u>	<u>13,783</u>
<b>Total</b>	<b><u>\$ 542,014</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (62,119)</u></b>	<b><u>\$ 479,895</u></b>

See Accountants' Report

**TOWN OF SUMMIT, MISSISSIPPI**

**SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS  
SEPTEMBER 30, 2008**

<b><u>Name</u></b>	<b><u>Position</u></b>	<b><u>Surety</u></b>	<b><u>Bond Amount</u></b>
Percy B. Robinson	Mayor	Travelers	\$ 25,000
Maeford "Missy" Hancock	Councilperson	Travelers	\$ 7,000
Kathleen Harbour	Councilperson	Travelers	\$ 7,000
Joe Lewis	Councilperson	Travelers	\$ 7,000
Lester Swanigan	Councilperson	Travelers	\$ 7,000
Lester Jones	Town Marshall	Travelers	\$ 50,000
Patricia Whittington	Town Clerk	Western Surety Company	\$ 50,000
Tonya Andrews	Deputy Clerk	Western Surety Company	\$ 25,000