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Town of Mathiston
Financial Statements
Year Ended September 30, 2010

*Dungan CPA Company
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Kosciusko, Mississippi 39090*

Town of Mathiston
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Town of Mathiston

**Financial Section
September 30, 2010**

Dungan CPA Co.

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INDEPENDENT ACCOUNTANTS' REPORT ON AGREED-UPON PROCEDURES FOR SMALL MUNICIPALITIES (TOWNS)

October 22, 2010

Honorable Mayor and Board of Aldermen
Mathiston, Mississippi

I have applied certain agreed-upon procedures, as discussed below, to the accounting records of the Town of Mathiston, Mississippi, as of September 30, 2010, 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 Mathiston, Mississippi, and the Office of the State Auditor and should not be used for any other purposes. My procedures and findings are as follows:

1. I 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:

Bank	Fund	Balance Per General Ledger
Regions Bank	General	\$152,811
Regions Bank	General	35,713
Regions Bank	General	28,261
Regions Bank	General	22,685
Regions Bank	General	1,040
Regions Bank	General	2,843
Regions Bank	General	151,224
Regions Bank	General	13,773
Regions Bank	Utility	50,891
Regions Bank	Utility	38,102
Regions Bank	Utility	12,754
Regions Bank	Utility	1,508

2. I examined for compliance with investments authorized by Section 21-33-323. Miss Code Ann. (1972)

<u>General Security</u>	<u>Fund</u>	<u>Ledger Cost</u>
Certificate of Deposit	General	\$ 151,224
		<hr/>
		<u>\$ 151,224</u>

3. I performed the following procedures with respect to taxes on real and personal property (Including motor vehicles) levied during the fiscal year:
 - A. Verify use of certified county assessment rolls and trace levies to governing body minutes;
 - B. Traced distribution of taxes collected to proper funds; and
 - C. 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).

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

4. I 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>
Gasoline Tax	General Fund	\$ 2,025
General Municipal Aid	General Fund	374
Homestead Exemption	General Fund	6,471
Other Aid	General Fund	0
Sales Tax Allocation	General Fund	189,858
TVA Payments	General Fund	7,764
Fire Protection	General Fund	3,921
Emergency Mgmt	General Fund	0

5. I selected a sample of purchases made by the municipality during the fiscal year. Each sample item was evaluated for proper approval and compliance with purchasing requirements set forth in Title 31, Chapter 7, Miss. Code Ann. (1972), if applicable.

The sample consisted of the following:

Number of Sample Items	92
Total Dollar Value of Sample	\$ 50,487.33

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

6. I selected a sample of collection of fines and forfeitures and verified that the municipal court clerk had settled daily with the municipal clerk. I also selected a sample of state-imposed court assessments collected and determined that the municipal clerk had settled monthly with the Department of Finance and Administration.

I found the municipality's to be in agreement with the requirements of the above mentioned sections.

7. I have read the Municipal Compliance Questionnaire completed by the municipality. The completed survey indicated no instances of noncompliance with state requirements.

Because the above procedures do not constitute an audit in accordance with generally accepted auditing standards, I 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 my attention that caused me to believe the items specified in Paragraphs 1, 2 and 3 should be adjusted. Had I performed additional procedures or had I conducted an audit of the financial statement in accordance with generally accepted auditing standards, matters might have come to my attention that would have been reported to you. This report should not be associated with the financial statements of the Town of Mathiston, Mississippi, for the year ended September 30, 2010.

Dungan CPA Company
October 20, 2010



Dungan CPA Co.

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Honorable Mayor and Board of Alderman
Town of Mathiston, Mississippi

I have compiled the accompanying statement of cash receipts and disbursements - all fund types as of September 30, 2010, and for the year then ended, in accordance with ***Statements on Standards for Accounting and Review Services*** established 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 financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has not presented the management's discussion and analysis information and budgetary comparison information that the *Government Accounting Standards Board* has determined is required to supplement, although not required to be a part of, the basic financial statements.



Dungan CPA Co
October 20, 2010

Town of Mathiston, Mississippi
COMBINED STM OF CASH RECEIPTS AND DISBURSEMENTS
For the Fiscal Year Ended September 30, 2010

Governmental Funds

	General	Special Revenue	Capital Projects	Proprietary Funds	Fiduciary Funds	Totals (Memorandum Only) 2010	Totals (Memorandum Only) 2009
Revenue Receipts:							
General Property Taxes	\$ 79,555					79,555	\$ 83,062
Franchise Tax	8,401					8,401	11,616
Intergovernmental Revenues:							
State Fire Funds	6,298					6,298	3,805
County Fire Protection	2,109					2,109	0
State Shared Revenue:							
Sales Tax	189,858					189,858	204,763
TV/A Franchise	7,764					7,764	6,676
Homestead Exemption	6,471					6,471	6,966
General Aid to Municipalities	2,419			0		2,419	375
Other Aid to Municipalities	0					0	2,195
Charges for Services:							
Water & Sewer Utility	0			542,031		542,031	275,266
Other Receipts:							
Fines & Forfeits	57,231					57,231	68,131
Permits	862					862	868
Other General Fund Revenue	5,263					5,263	1,345
Interest	1,147			50		1,197	3,014
Transfers	17,387					17,387	34,213
Total Receipts	<u>384,765</u>	<u>0</u>	<u>0</u>	<u>542,081</u>	<u>0</u>	<u>926,846</u>	<u>702,294</u>
Cash Balance-Beginning of Year	<u>370,748</u>			<u>209,625</u>	<u>0</u>	<u>580,373</u>	<u>515,393</u>
Total Amount to Account For	<u>\$ 755,512</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 751,706</u>	<u>\$ 0</u>	<u>\$ 1,507,219</u>	<u>\$ 1,217,687</u>

Town of Mathiston, Mississippi
COMBINED STM OF CASH RECEIPTS AND DISBURSEMENTS
For the Fiscal Year Ended September 30, 2010

<u>Governmental Funds</u>						
	General	Special Revenue	Capital Projects	Proprietary Funds	Fiduciary Funds	Totals (Memorandum Only) 2010
						Totals (Memorandum Only) 2009
Operating Disbursements						
General Government (Exec and Financial)	\$ 94,135					\$ 84,686
Public Safety						
Police	146,201					160,660
Fire	32,271					23,557
Highways & Streets	27,379					23,059
Health & Sanitation	28,168					27,720
Library	13,026					13,949
Parks	5,104					5,337
Sanitation	34,348					36,647
Enterprises						
Water & Sewer Utility				155,140		141,161
Loan Repayments	5,431			26,880		32,150
Transfer to Other Funds	0			17,556		34,213
Capitalization	11,938			396,889		54,174
Total Disbursements	398,001	0	0	596,466	0	637,314
Cash Balance-End of Year	357,511			155,241	0	580,373
Total Amount Accounted For	\$ 755,512	\$ 0	\$ 0	\$ 751,706	\$ 0	\$ 1,217,687

TOWN OF MATHISTON
Notes to Financial Statements
September 30, 2010

Note 1 - Summary of significant accounting policies

Reporting Entity:

The financial statement for the town consists of all the funds of the town.

The Citizens of Mathiston have elected to operate under a Code Charter as permitted by Mississippi Statutes 21-3-3, which prescribes a Mayor and Board of Aldermen form of government.

Fund Accounting:

The accounts of the town are organized on the basis of funds, each of which is considered 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 expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statement for this report, into four generic fund types and two broad fund categories as follows:

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. Included in this fund is the General Fund and the Cemetery Fund.

Special Revenue Fund – The Special Revenue Fund accounts for the proceeds of specific revenue sources, other than major capital projects or expendable trust funds that are legally restricted to expenditures for specified purposes. The Special Revenue Fund is the Capital Projects Fund.

Fiduciary Funds – Fiduciary funds are used to account for assets held in a trustee or agency capacity for others. The Fiduciary Fund is the Unemployment Compensation Fund.

Enterprise Funds – Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through use charges; or (b) where the governing body had decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Proprietary Funds are the Water and Sewer Fund.

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.

Use of Estimated

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

TOWN OF MATHISTON
Notes to Financial Statements
September 30, 2010

Note 2 – 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.

Town of Mathiston
Supplemental Section
September 30, 2010

Town of Mathiston, Mississippi
Schedule of Investments-All Funds
For the Fiscal Year ended September 30, 2010

<u>Ownership</u>	<u>Type of Investment</u>	<u>Interest Rate</u>	<u>Acquisition Date</u>	<u>Maturity Date</u>	<u>Investment Value</u>
General Fund	Certificate of Deposit	.85%	May 20, 2009	May 20, 2010	\$152,370

Town of Mathiston, Mississippi
Schedule of Long-Term Debt
For the Fiscal Year ended September 30, 2010

<u><i>Definition & Purpose</i></u>	<u><i>Balance Outstanding</i></u> <u><i>October 1, 2009</i></u>	<u><i>Issued</i></u>	<u><i>Redeemed</i></u>	<u><i>Balance Outstanding</i></u> <u><i>September 30, 2010</i></u>
USDA Rural Development	38,189		8,402	29,787
USDA Rural Development	70,187		2,266	67,921
Miss. Development Authority	14,830		5,423	9,407
USDA Rural Development	92,414		7,152	85,262

Town of Mathiston, Mississippi
Schedule of Surety Bonds for Town Officials
September 30, 2010

<u><i>Name</i></u>	<u><i>Position</i></u>	<u><i>Surety</i></u>	<u><i>Bond Amount</i></u>
Rachel Robinson	Town Clerk	Insurance Company	\$50,000
Bonnie Peacock	Deputy Clerk	Insurance Company	50,000
Roger Miller	Police Chief	Insurance Company	50,000
C. B. Anderson	Police	Insurance Company	25,000
William R. Bland II	Police	Insurance Company	25,000
Jeffery D. McMinn	Police	Insurance Company	25,000
Jimmy Carden	Mayor	Insurance Company	50,000
Donald Yates	Police	Insurance Company	25,000
Robert J Haney	Alderman	Insurance Company	5,000
James E Frost	Alderman	Insurance Company	5,000
Brian M Carden	Alderman	Insurance Company	5,000
James L McAlpin	Alderman	Insurance Company	5,000
Harvey Pinnix	Alderman	Insurance Company	5,000