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# **Town of Duncan, Mississippi**

Financial Statements

September 30, 2015

**Ellis & Hirsberg**  
Certified Public Accountants, PLEEC  
Clarksdale, Mississippi

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## **I N D E X**

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT	1
FINANCIAL STATEMENTS	3
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS GOVERNMENTAL & BUSINESS-TYPE ACTIVITIES	4
NOTES TO FINANCIAL STATEMENTS	7
SUPPLEMENTAL INFORMATION	12
SCHEDULE OF LONG-TERM DEBT	13
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS	14
SCHEDULE OF BUDGET AND ACTUAL REVENUE & EXPENSES - CASH BASIS	15
SCHEDULE OF INVESTMENTS	16
SCHEDULE OF CAPITAL ASSETS	17
INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS	18
INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES	19



## INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Honorable Mayor and Aldermen  
Town of Duncan  
Duncan, Mississippi

We have compiled the accompanying statement of cash receipts and disbursements - governmental and business-type activities of the Town of Duncan, Mississippi, for the year ended September 30, 2015, and the accompanying supplementary information contained in Schedules 1 through 5, which are presented only for supplementary analysis purposes. The financial statements have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the cash basis of accounting.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has 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 the cash basis transactions for the Town's governmental activities and business-type activities are not reasonably determinable.



Management also has 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 §21-35-31, Miss. Code Ann. (1972), we have issued a report dated June 15, 2016 on the results of our agreed-upon procedures.

*Ellis & Hirsberg CPA's PLLC*

Ellis & Hirsberg CPA's PLLC  
Clarksdale, Mississippi  
June 15, 2016

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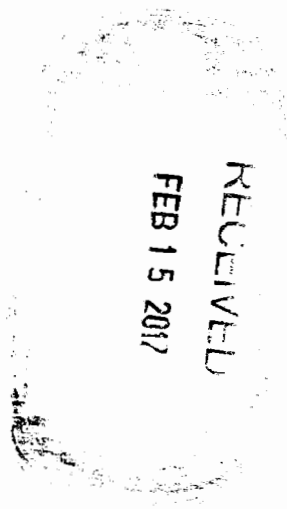
TOWN OF DUNCAN, MISSISSIPPI

FINANCIAL STATEMENTS



**TOWN OF DUNCAN, MISSISSIPPI  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Governmental Activities			Business-type Activities
	Major Funds			
	General	Special	Total	Water Fund
RECEIPTS				
Taxes				
Property taxes	52,309		52,309	
Licenses and permits:				
Permits	450		450	
Privilege licenses	370		370	
Franchise taxes	9,521		9,521	
Intergovernmental revenues:				
Federal receipts				
General municipal aid	905		905	
Homestead exemption	4,136		4,136	
State shared revenues				
Fire protection	142		142	
Gasoline tax	582		582	
Sales taxes	5,842		5,842	
Other	110		110	
Grand Gulf payment	2,723		2,723	



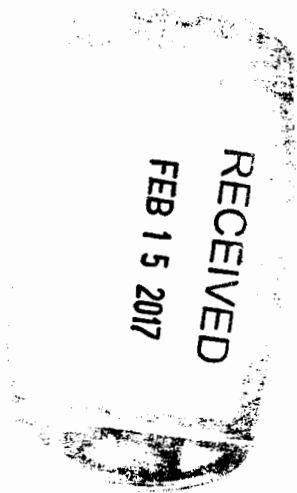


**TOWN OF DUNCAN, MISSISSIPPI  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Governmental Activities			Business- type Activities
	Major Funds			
	General	Special	Total	Water Fund
Charges for services:				
Sanitation	9,583		9,583	
Water/Sewer				77,375
Interest	19		19	20
Miscellaneous receipts	498		498	
Total Receipts	87,190	-	87,190	77,395

**DISBURSEMENTS**

General government	42,901	42,901
Public safety		
Fire	2,315	2,315
Police	5,552	5,552
Public works		
Beautification	10,612	10,612
Sanitation	13,707	13,707
Streets	11,024	11,024





**TOWN OF DUNCAN, MISSISSIPPI  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**



	Governmental Activities			Business-type Activities
	Major Funds			
	General	Special	Total	Water Fund
Proprietary funds				
Water and sewer				60,131
Principal payment on note				11,996
Interest on note				1,348
Total Disbursements	86,111	-	86,111	73,475
Excess (deficiency) of receipts over disbursements	1,079	-	1,079	3,920
Cash Basis of Fund Balance - Beginning of Year	46,342	599	46,941	34,219
Cash Basis of Fund Balance - End of Year	47,421	599	48,020	38,139

See independent accountants' compilation report.





**TOWN OF DUNCAN, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The Town of Duncan operates under a Mayor-Board of Aldermen form of government. The Town has an approximate population of 423. The accounting policies of the Town of Duncan conform to the laws of Mississippi for a municipality with revenues or expenditures of less than \$1,000,000. The following is a summary of the more significant policies.

**Reporting Entity** - This report includes all of the funds and account groups of the Town of Duncan. The Town has developed criteria to determine whether outside agencies or authorities with activities which benefit the citizens of the Town should be included within its financial reporting entity. The criteria include, but are not limited to, whether the Town exercises oversight responsibility on financial inter-dependency, selection of governing authority, and accountability for fiscal matter, scope of public service and special financing relationships. No component unit was identified for inclusion or potential inclusion utilizing the criteria indicated.

**Basis of Presentation - Fund Accounting** - The accounts of the Town of Duncan are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. Each fund is accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures/expenses. The individual funds account for the governmental resources allocated to them for the purpose of carrying on specific activities in accordance with laws, regulations, or other restrictions.

**Basis of Accounting** - All governmental and proprietary funds are accounted for using the cash receipts and disbursements basis of accounting, as allowed by the Mississippi State Department of Audit. This basis of accounting differs from accounting principles generally accepted in the United States of America in that revenues are recognized when received rather than when measurable and available as net current assets and expenditures are generally recognized when the related fund expense is disbursed rather than when the related fund liability is incurred. Consequently, these financial statements are not intended to present financial position or results of operations in accordance with accounting principles generally accepted in the United States of America. Financial statements issued following accounting principles generally accepted in the United States of America normally contain Government-wide Financial Statements, Fund Financial Statements, Management Discussion and Analysis (MD&A), and other supplemental information.

Receipts and disbursements were classified according to requirements for small towns as permitted by the Office of the State Auditor.

The following funds and groups of accounts are used by the Town:

**Governmental Fund Types:**

**General Fund** - This fund is established to account for resources devoted to financing the general services that the Town performs for its citizens, including the servicing of general long-term debt (debt service funds). General tax revenues and other sources of revenue used to finance the fundamental operations of the Town are included in this fund. The fund is charged with all cost of operating the government for which a separate fund has not been established.



**TOWN OF DUNCAN, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**Special Revenue Fund** - The Special Revenue Fund is used to account for revenue sources that are legally restricted to expenditures for specific purposes.

**Proprietary Fund Types:**

**Enterprise Funds** - These funds account for operations that are organized to be self-supporting through user charges. Included in this category is the Water and Sewer Fund.

**Budgetary Data** - Formal budgetary accounting is employed as a management control for all funds of the Town. Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required for governmental and proprietary funds. For governmental funds, receipts are budgeted on the cash basis.

Expenditures are budgeted on the modified cash basis of accounting. This is consistent with the applicable laws of Mississippi for municipalities. Budgets for Special Revenue Funds are made on a project basis, spanning more than one fiscal year. Budgetary control is exercised at the departmental level or by projects.

All unencumbered budget appropriations, except special revenue project budgets, lapse at the end of each fiscal year.

**Cash** - Cash in excess of current requirements is invested in various interest-bearing bank deposits.

**Property Tax Revenues** - Property taxes are levied on January 1 based on the assessed value of property per the County Tax Bills. Assessed values are an approximation of market value.

Property taxes are recognized as revenue when they are received.

**Encumbrances** - The Town of Duncan does not use encumbrance accounting.

**Compensated Absences** - The Town of Duncan, Mississippi does not grant sick leave or vacation pay.

**Interfund Transfers** - The interfund transfers have not been eliminated.

**Restricted Funds** - When an expenditure is incurred that could be paid by either restricted or unrestricted funds, restricted funds are used first.

**Total Columns** - The Combined Statements of Cash Receipts and Disbursements, Governmental and Business-type Activities includes a total column that is described as memorandum only. Data in this column does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Interfund transactions have not been eliminated from the total column of this financial statement.

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**TOWN OF DUNCAN, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**NOTE 2 - PROPERTY TAXES:**

Property taxes attach as an enforceable lien as of February 1.

The Town used a tax levy in 2015 of 44.13 mills on assessed valuation for taxing property within the incorporated boundaries. The Town utilized the county tax rolls and values in assessing the ad valorem taxes on real and personal property within the Town boundaries. The Town pays a fee to the Bolivar County Tax Collector to collect its ad valorem taxes.

Property for which ad valorem taxes have not been paid is advertised for sale in April of each year. Property not sold at the auction is purchased by the State of Mississippi. Since unpaid ad valorem taxes at year end are usually not collected within the 60 day period following the close of the Town's fiscal year, delinquent property taxes are not recorded as a receivable on the books of the Town.

**NOTE 3 - CASH AND OTHER DEPOSITS:**

The collateral for public entities' deposits in financial institutions is now held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Depository Insurance Corporation.

The carrying amount of the Town's deposits with financial institutions was \$81,159 and the bank balance was \$86,692. The bank balance is categorized as follows:

Amount insured or collateralized with securities held by the Town or its agent in the Town's name	\$86,692
--	----------

Custodial Credit Risk - Deposits. Custodial credit risk is defined as the risk that, in the event of the failure of a financial institution, the Town will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Town does not have a deposit policy for custodial credit risk. However, the Mississippi State Treasurer manages that risk on behalf of the Town. Deposits above FDIC coverage are collateralized by the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on behalf of the Town. As of September 30, 2015, none of the Town's bank balances of \$86,692 was exposed to custodial credit risk.

**NOTE 4 - LONG-TERM DEBT:**

Transactions of the long-term debt group of accounts are shown in Schedule 1. The following schedule reflects the debt service requirements of the revenue debt contained in the schedule of long-term debt for the next five years and thereafter:



**TOWN OF DUNCAN, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

Revenue Obligation

Note Payable to Berkadia Commercial Mortgage LLC  
Interest Rate 5%  
Balance 9-30-15 \$20,403

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FYE	Revenue Obligation		
	Berkadia Commercial Mortgage LLC		
	Principal	Interest	Total
2016	12,610	734	13,344
2017	7,793	133	7,926
Totals	20,403	867	21,270

Interest expense for the year was \$1,348.

There are a number of limitations and restrictions contained in the revenue bond ordinance. There are requirements that a reserve account be maintained as follows:

	9-30-15 Reserve
Note Payable Berkadia Commercial Mortgage, LLC Bond Reserve	4,984
Bond Contingent	2,492
Bond Depreciation	2,492
Total	9,968

As of September 30, 2015, restricted cash for the specific obligation described above and reserves for future uses is maintained in the Enterprise Fund in the amount of \$9,968.

**NOTE 5 - RISK MANAGEMENT**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors, and omissions; injuries to employees; and natural disasters. Except as described below, the Town has commercial insurance for these risks. Settled claims resulting from these insured risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**Participation in Public Entity Risk Pool**

The Town is a member of the Mississippi Municipal Workers' Compensation Group (MMWCG). The group is a risk-sharing pool; such a pool is frequently referred to as a self-insurance pool. The pool was formed on March 28, 1989, by the Mississippi Nonprofit Corporation Act, pursuant to Section 71-3-75, Mississippi Code Annotated (1972), to provide





**TOWN OF DUNCAN, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

public entities within the State of Mississippi worker's compensation and employers' liability coverage. The Town pays premiums on a quarterly basis for its workers' compensation insurance coverage based on total payroll. The participation agreement provides that the pool will be self-sustaining through member premiums. The risk of total claims exceeding the pool's resources is remote. In the event claims deplete the trust account, pool members would be required to pay for the deficiencies. Settlement amounts have not exceeded for the current year nor the prior three years.

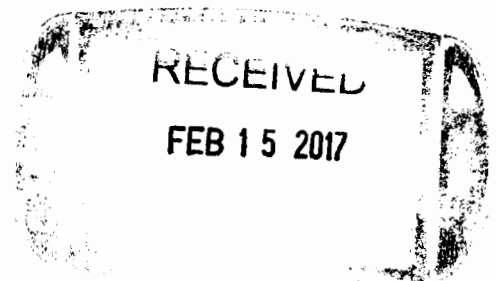
The Town is a member of the Mississippi Municipal Liability Plan, a public entity risk pool. The Mississippi Municipal Liability Plan covers liability against its members. The Plan is funded by member contributions. The Town has not had an additional assessment for excess losses.

**NOTE 6 - ECONOMIC DEPENDENCY**

The Town is a rural community located in the Mississippi Delta. It is dependent on ad valorem taxes and user fees from its residents to remain viable.

**NOTE 7 - SUBSEQUENT EVENTS**

Events that occur after the statement of net assets date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of net assets date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of net assets date require disclosure in the accompanying notes. Management of the Town of Duncan evaluated the activity of the Town through June 15, 2016 and determined that there were no subsequent events requiring disclosure in the financial statements.





TOWN OF DUNCAN, MISSISSIPPI

SUPPLEMENTAL INFORMATION



**TOWN OF DUNCAN, MISSISSIPPI  
SCHEDULE OF LONG-TERM DEBT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

<u>Definations &amp; Purpose</u>	<u>Balance Outstanding 10-1-14</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance Outstanding 9-30-15</u>
Other Long-Term Debt				
Berkadia Commercial Mortgage, LLC	<u>32,399</u>	<u></u>	<u>11,996</u>	<u>20,403</u>
Totals	<u>32,399</u>	<u>-</u>	<u>11,996</u>	<u>20,403</u>

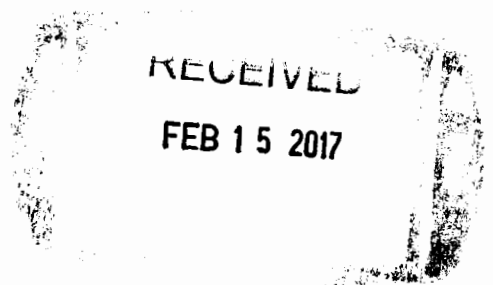
See Independent Accountants' Compilation Report.



**TOWN OF DUNCAN, MISSISSIPPI  
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS  
SEPTEMBER 30, 2015**

<u>Name</u>	<u>Position</u>	<u>Company</u>	<u>Bond Amount</u>
Charles Harvey	Mayor	St Paul Travelers	50,000
Thomas Boschert	Town Clerk	Union Standard	50,000
Shirley Reddies	Alderman	MS Muni Bond Program	10,000
Erma C. Lee	Alderman	MS Muni Bond Program	10,000
Roy Caston	Alderman	MS Muni Bond Program	10,000
Lynn Sutton McMurchy	Alderman	MS Muni Bond Program	10,000
John J. Janous	Alderman	MS Muni Bond Program	10,000

See Independent Accountants' Report.







**TOWN OF DUNCAN, MISSISSIPPI**  
**SCHEDULE OF BUDGET AND ACTUAL REVENUE & EXPENSES - CASH BASIS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

	Revised Budget	Actual	Budget Variance Favorable (Unfavorable)
Receipts			
Franchise Tax	10,000	9,521	(479)
Miscellaneous Income	17,545	8,660	(8,885)
Municipal Aid	1,350	905	(445)
Privilege Taxes	250	370	120
Property Taxes	52,505	52,309	(196)
Sales Taxes	5,000	5,842	842
Sanitation Fees	10,000	9,583	(417)
Water & Sewer Fees	81,000	77,395	(3,605)
Total Receipts	<u>177,650</u>	<u>164,585</u>	<u>(13,065)</u>
General government	46,900	42,901	3,999
Public safety			
Fire	2,200	2,315	(115)
Police	9,750	5,552	4,198
Public works			
Beautification	8,800	10,612	(1,812)
Sanitation	19,500	13,707	5,793
Streets	9,500	11,024	(1,524)
Proprietary funds			
Water and sewer	81,000	73,475	7,525
Total Disbursements	<u>177,650</u>	<u>159,586</u>	<u>18,064</u>
Excess (deficiency) of Receipts over Disbursements	<u>-</u>	<u>4,999</u>	<u>4,999</u>

Notes

This schedule does not include federal or other grant projects.

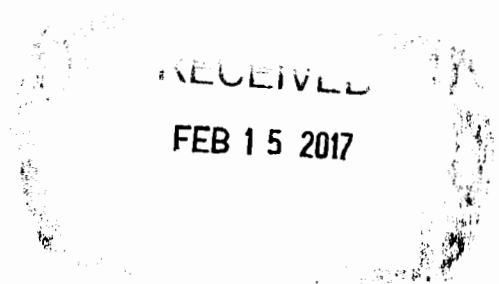
See Independent Accountants' Report.



**TOWN OF DUNCAN, MISSISSIPPI  
SCHEDULE OF INVESTMENTS  
FOR THE FISCAL YEAR SEPTEMBER 30, 2015**

None

See Independent Accountants' Compilation Report.





TOWN OF DUNCAN, MISSISSIPPI  
SCHEDULE OF CAPITAL ASSETS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	<u>Ending Balance</u>
Governmental activities:					
Capital Assets:					
Land					-
Buildings	82,362				82,362
Machinery and equipment	56,935				56,935
Infrastructure					-
Construction in progress					-
	<u>139,297</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>139,297</u>
Total Governmental activities capital assets					
Business-type activities:					
Capital Assets:					
Land	-				-
Construction in progress	-				-
Buildings	-				-
Machinery and equipment	-				-
Infrastructure	213,000				213,000
	<u>213,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>213,000</u>
Total Business-type activities capital assets					

See Independent Accountants' Compilation Report.



**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH  
STATE LAWS AND REGULATIONS**

Honorable Mayor and Aldermen  
Town of Duncan, Mississippi

We have compiled the Statement of Cash Receipts and Disbursements, Governmental and Business-type Activities of the Town of Duncan, Mississippi as of and for the year ended September 30, 2015, and have issued our report thereon dated June 15, 2016. Our report differed from the standard report due to the basis of accounting. All governmental and proprietary funds contained in this report are accounted for using the cash receipts and disbursements basis of accounting, as allowed by the Mississippi State Department of Audit. This basis of accounting differs from generally accepted accounting principles in that revenues are recognized when received rather than when measurable and available as net current assets and expenditures are generally recognized when the related fund expense is disbursed rather than when the related fund liability is incurred. Consequently, these financial statements are not intended to present financial position or results of operations in accordance with generally accepted accounting principles. Financial statements issued following accounting principles generally accepted in the United States of America normally contain Government-Wide Financial Statements, Fund Financial Statements, Management Discussion and Analysis (MD&A). Management elected to omit the MD&A.

We have performed procedures to test compliance with certain state laws and regulations as described in the Municipal Compliance Questionnaire that is prescribed by the Office of the State Auditor. Our procedures were substantially less than an audit, the objective of which is to express an opinion on the Town's compliance with those requirements. Accordingly, we do not express such an opinion.

With respect to items tested, the results of those procedures and our compilation of the accompanying Statement of Cash Receipts and Disbursements - Governmental and Business-Type Activities, Schedule of Long-Term Debt, Schedule of Surety Bonds for Town Officials, Schedule of Budget and Actual Revenue and Expenses, Schedule of Investments and Schedule of Capital Assets for the year ended September 30, 2015 disclosed no instances of noncompliance.

This report is intended for the information and use of management and is not intended and should not be used by anyone other than those specified parties.

*Ellis & Hirsberg CPA's PLLC*

Ellis & Hirsberg CPA's PLLC  
Clarksdale, Mississippi  
June 15, 2016

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

To the Mayor and Aldermen  
Town of Duncan  
Duncan, Mississippi

We have performed the procedures enumerated below, which were agreed to by the Office of the State Auditor and the mayor and Board of Aldermen of the Town of Duncan, to the accounting records of Town of Duncan, Mississippi, solely to assist the Office of the State Auditor and the mayor and Board of Aldermen in evaluating the Town's compliance with certain laws and regulations as of September 30, 2015, and for the year then ended as required by provisions of Section 21-35-31 of Miss. Code Ann. (1972). This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. This sufficiency of these procedures is solely the responsibility of the Office of the State Auditor, State of Mississippi. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this 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 balances in the respective general ledger accounts and obtained confirmation of the related balances from the bank:

<u>Bank</u>	<u>Fund</u>	<u>Balance Per General Ledger</u>
Southern Bancorp	General Fund	15,695
Southern Bancorp	General Fund	31,270
Southern Bancorp	General Fund	456
Total General Fund		47,421
Southern Bancorp	Special Revenue Fund	599
Southern Bancorp	Proprietary Fund	12,370
Southern Bancorp	Proprietary Fund	873
Southern Bancorp	Proprietary Fund	20,093
Southern Bancorp	Proprietary Fund	4,803
Total Proprietary Fund		38,139



2. There were no securities held at year end.
3. We performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:
  - a. Traced 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 compliance with increase limitations of Section 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.

Ad valorem tax collections were found to be within the limitations of Section 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

There were no ad valorem tax collections for the retirement of General Obligation Debt.

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 with no exceptions. Payments traced were as follows:

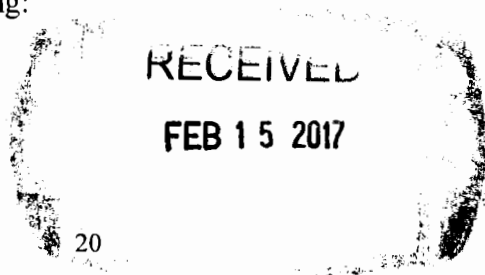
<u>Payment Purpose</u>	<u>Receiving Fund</u>	<u>Amount</u>
General Municipal Aid	General Fund	211
Sales Tax Allocation	General Fund	5,287
Homestead Exemption Reimbursement	General Fund	3,763
Grand Gulf Settlement	General Fund	2,641
Gasoline Tax	General Fund	1,103
Fire Protection Allocation	General Fund	2,305
Other Aid to Municipalities	Special Revenue Fund	24,550
Total		<u>39,860</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, and were approved by the Board of Aldermen prior to disbursement.

The sample consisted of the following:

Number of Sample Items  
Dollar Value of Sample

25  
\$7,836





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

6. The Town of Duncan, Mississippi does not have a municipal court.
7. We have read the Municipal Compliance Questionnaire completed by the municipality. It was completed, signed and recorded in the board's minutes. Test of the questionnaire indicated it was accurately prepared.

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, 3 and 4 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 Duncan, Mississippi, for the year ended September 30, 2015.

This report is intended solely for the use of the Office of the State Auditor, State of Mississippi and the mayor and Board of Aldermen of the Town of Duncan and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

*Ellis & Hirsberg CPA's PLLC*

Ellis & Hirsberg CPA's PLLC  
Clarksdale, Mississippi  
June 15, 2016

