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STATE AUDITOR'S OFFICE

TOWN OF BENTONIA

**COMPILATION OF CERTAIN FINANCIAL INFORMATION AND
REPORT ON AGREED-UPON PROCEDURES
FISCAL YEAR ENDING SEPTEMBER 30, 2006**

**Ardis D. Russell, CPA
Certified Public Accountant
Yazoo City, MS 39194**

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December 29, 2006

**Honorable Mayor and Board of Aldermen
Town of Bentonia
Bentonia, Mississippi 39040**

We have compiled the accompanying statement of cash receipts and disbursements – all fund types of the Town of Bentonia for the year ended September 30, 2006, 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. We 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 disbursements; 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.

The supplementary information contained on pages 5 through 7 is presented for purposes of additional analysis and has been compiled by us from information that is the representation of management of the Town of Bentonia, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on such supplementary information.

Ardis D. Russell, C.P.A.

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Town of Benton, Mississippi
Statement of Cash Receipts and Disbursements – All Fund Types
Fiscal Year Ended September 30, 2006

	<u>Governmental Fund Types</u>			<u>Proprietary Fund Type-Enterprise</u>		<u>Memorandum Only</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>2006</u>	<u>2005</u>	
Cash Receipts						
Taxes						
General property taxes	\$ 29,901			\$ 29,901	\$ 29,921	
License and permits						
Utility franchise charges	6,638			6,638	6,491	
Other	935			935	410	
Intergovernmental receipts						
Federal Sources		\$ 172,945		172,945	26,055	
Homestead exemption	1,175			1,175	1,040	
State shared receipts						
Sales taxes	136,941			136,941	106,663	
Fire protection allocation					2,355	
Gasoline taxes	1,604			1,604	1,344	
Other	12,840			12,840	23,964	
Enterprise operating revenues collected						
Water and sewer			\$ 5,941	57,929	64,517	
Other						
Fines	19,803			19,803	11,270	
Interest	9,585		29	9,614	2,273	
Other	15,910			15,910	450	
Total Cash Receipts	<u>\$ 235,332</u>	<u>\$ 172,945</u>	<u>\$ 5,970</u>	<u>\$ 466,235</u>	<u>\$ 276,753</u>	

Town of Benton, Mississippi
Statement of Cash Receipts and Disbursements – All Fund Types
Fiscal Year Ended September 30, 2006

	<u>Governmental Fund Types</u>		<u>Proprietary Fund Type- Enterprise</u>	<u>Memorandum Only</u>	
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>2006</u>	<u>2005</u>
Cash Disbursements					
General government	\$ 89,993			\$ 89,993	\$ 67,251
Public safety					
Police	77,640			77,640	76,154
Fire		\$ 4,641		4,641	4,454
Highway and streets					
Maintenance of streets	6,226			6,226	17,012
Street lights	12,568			12,568	9,575
Enterprises					
Waterworks					
Sewer Operations					
Debt service				\$ 23,667	12,622
Interest expense				41,437	12,012
Bonds retired					
Service fee			\$ 948	948	1,088
Community Development Block Grant Program			2,000	2,000	2,000
Administrative fee			552	552	593
Engineering		8,750			
Homeland Security Grant					
Police department equipment	\$ 5,034			\$ 5,034	
Housing Grant					
Administrative fees		\$ 15,610			15,610
Legal		1,535			1,535
Inspection		5,950			5,950
Asbestos		1,600			1,600

Town of Bentonia, Mississippi
Statement of Cash Receipts and Disbursements – All Fund Types
Fiscal Year Ended September 30, 2006

	<u>Governmental Fund Types</u>			<u>Proprietary Fund Type- Enterprise</u>	<u>Memorandum Only</u>	
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>		<u>2006</u>	<u>2005</u>
(Continued)						
Housing		139,500			139,500	
Forestry Grant						
Supplies	2,035				2,035	
Emergency Management Program						
Fire department equipment						
FEMA						\$ 2,444
Fire department equipment						<u>19,553</u>
Total Cash Disbursements	<u>\$ 193,496</u>	<u>\$ 177,586</u>	<u>3,500</u>	<u>65,104</u>	<u>439,686</u>	<u>231,258</u>
Excess Cash Receipts Over						
(Under) Cash Disbursements	41,836	(4,641)	2,470	(13,116)	26,549	45,495
Transfers In				13,116	13,116	33,831
Transfers Out	(13,116)				(13,116)	(33,831)
Cash Balances, Beginning of Year	<u>328,517</u>	<u>(4,600)</u>	<u>22,157</u>		<u>351,074</u>	<u>305,579</u>
Cash Balances, End of Year	<u>\$ 357,237</u>	<u>\$ (9,241)</u>	<u>\$ 29,627</u>	<u>\$ -0-</u>	<u>\$ 377,624</u>	<u>\$ 351,074</u>

See Accountant's Compilation Report

Town of Bentonia, Mississippi
Schedule of Long-term Debt
Fiscal Year Ended September 30, 2006

	Balance Outstanding <u>October 1, 2005</u>	Transactions During Year <u>Issued</u> <u>Redeemed</u>	Balance Outstanding <u>September 30, 2006</u>
General Obligation Bonds			
Lagoon Bonds	<u>\$ 13,000</u>	<u>\$ 2,000</u>	<u>\$ 11,000</u>
Total	<u>\$ 13,000</u>	<u>\$ 2,000</u>	<u>\$ 11,000</u>

See Accountant's Compilation Report

Town of Bentonia, Mississippi

**Schedule of Investments
September 30, 2006**

Governmental Fund Types	<u>Interest Rate</u>	<u>Maturity Date</u>	Amount
General Fund			
Certificate of Deposit (BankPlus)	3.94	10-13-06	\$ 60,426
Certificate of Deposit (BankPlus)	3.94	10-20-06	54,793
Certificate of Deposit (BankPlus)	3.94	03-29-07	62,772
Certificate of Deposit (Bank of Yazoo)	3.73	05-12-07	103,308
Certificate of Deposit (Bank of Yazoo)	5.15	09-12-07	<u>50,000</u>
Total Governmental Fund Types			<u>\$ 331,299</u>

Total Investments

See Accountant's Compilation Report

Town of Bentonia, Mississippi

**Schedule of Surety Bonds of Municipal Officials
September 30, 2006**

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Amount</u>
Amy Sudbeck	Town Clerk	MS Municipal Association	\$ 50,000
Edward Ferrell	Chief of Police	MS Municipal Association	\$ 25,000
Tommy Hancock	Mayor	MS Municipal Association	\$ 25,000
	Each Council Member	MS Municipal Association	\$ 3,000

Section 21-21-1, Mississippi Code, 1972, Annotated requires a \$50,000 surety bond for the police chief.

See Accountant's Compilation Report

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December 29, 2006

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**INDEPENDENT ACCOUNTANT'S REPORT ON
 APPLYING AGREED-UPON PROCEDURES**

**Honorable Mayor and
 Board of Aldermen
 Town of Bentonia
 Bentonia, Mississippi**

We have performed the procedures enumerated below, which were agreed to by the Office of the State Auditor, to the accounting records of the Town of Bentonia solely to assist the Office of the State Auditor, to evaluate the Town of Bentonia's compliance with certain laws and regulations as of September 30, 2006 and for the year then ended. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The 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:

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

<u>Bank</u>	<u>Fund</u>	<u>General Ledger Balance</u>
BankPlus	General	\$ 30,883
BankPlus	Debt Service	10,647
BankPlus	Fire Protection	4,795

- B. We confirmed directly with respective banks all investments, including certificates of deposits, owned by the Town of Bentonia. All investment transactions during the year were examined for compliance with investments authorized by Section 21-33-323, Mississippi Code, 1972, Annotated.

<u>Investment</u>	<u>Fund</u>	<u>Amount</u>
Certificates of Deposit	General	\$ 331,299

- C. We performed the following procedures with respect to Advalorem taxes on real and personal property levied during the fiscal year:
1. Proved the mathematical accuracy of the tax rolls and traced levies to governing body minutes.
 2. Reconciled the amount of taxes levied according to the tax rolls to amounts actually collected.
 3. Examined uncollected taxes for proper handling, including tax sales.
 4. Traced distribution of taxes collected to proper funds.
 5. Analyzed increase in taxes for most recent period for compliance with increase limitations of Sections 27-39-320 through 27-39-323, Mississippi Code, 1972, Annotated.

Tax assessments were mathematically correct and agreed with collections as follows:

	<u>Taxable Assessed Valued</u>	<u>Millage</u>	<u>Tax</u>
Real Property	\$ 1,510,717	14	\$ 21,150
Personal Property	352,023	14	4,928
Homestead Exemption Allowed	203,240	14	(2,845)
Actual Homestead Reimbursement			1,175
Tax Collector's Commissions			(708)
Total Taxes to Account For			<u>\$ 23,700</u>
	<u>Taxes Less Collector's Commissions</u>	<u>Homestead Reimbursement</u>	
Collections and Settlements			
General Fund	<u>\$ 22,613</u>	<u>\$ 1,175</u>	<u>\$ 23,788</u>
Total	<u>22,613</u>	<u>1,175</u>	23,788
Unaccounted for			(88)
Total Taxes Accounted For			<u>\$ 23,700</u>

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

Advalorem tax collections were within the limitations of Sections 27-39-320 through 27-39-323, Mississippi Code, 1972, Annotated, as follows:

Limitation:		Actual Collections:	
Base Year 2005	\$ 25,305	FYE 9/30/04 ^b	\$ 23,321
10% Increase	2,531	Homestead Exemption	
		Reimbursement	1,175
		Under (Over) Limitation	<u>3,340</u>
Total	<u>\$ 27,836</u>		<u>\$ 27,836</u>

Advalorem tax collections for retirement of general long-term debt were sufficient for payment of current principal and interest in accordance with limitations imposed by Sections 21-33-87 and 21-33-303, Mississippi Code, 1972, Annotated.

- D. We obtained a statement of payments made by the Mississippi Department of Finance and Administration to the town. The payments were traced to deposits in banks and recording in the general ledger without exception. Cash receipts were as follows:

<u>Purpose</u>	<u>Receiving Fund</u>	<u>Amount</u>
Sales Tax Allocation	General Fund	\$ 136,941
Gasoline Tax	Street Improvement Fund	1,344
Homestead Exemption	General Fund	1,175
General Municipal Aid	General Fund	261
Grand Gulf	General Fund	4,792
CDBG Public Facilities Project	CDBG	8,750
Homeland Security	General Fund	6,298
Housing	General Fund	164,195

The fire protection allocation of \$2,543 was not received until December 16, 2006.

- E. We 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 in Title 31, Chapter 7, Mississippi Code, 1972, Annotated as applicable.

The sample consisted of the following:

Number of Sample Items	24
Dollar Value of Sample	\$7,934

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

- F. We have read the Municipal Compliance Questionnaire completed by the town. The completed survey indicated no instances of noncompliance with the state requirements.

Because the above procedures do not constitute an audit conducted in accordance with generally accepted auditing standards, we do not express an opinion on any of the accounts or items referred to above. In connection with the procedures referred to above, no matters came to our attention that caused us to believe that the specified accounts or items 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 related only to the accounts and items specified above and does not extend to any financial statements of the Town of Bentonina, taken as a whole.

Ardis D. Russell, CPA

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