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TOWN OF CALEDONIA
AGREED UPON PROCEDURES
SEPTEMBER 30, 2006

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STATE AUDITOR'S OFFICE

Town of Caledonia

SPECIAL REPORT ON AGREED-UPON
PROCEDURES FOR SMALL MUNICIPALITIES (TOWNS)

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

We have applied certain agreed upon procedures, as discussed below, to the accounting records of the Town of Caledonia, 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, Mississippi Code, 1972, Annotated. It is understood the report is solely for the use of the governing body of the Town of Caledonia, Mississippi, and the Office of the State Auditor and should not be used for any other purposes. 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 banks:

<u>Bank</u>	<u>Fund</u>	<u>Balance Per General Ledger</u>
Cadence Bank	General	\$ 57,096
Cadence Bank	Economic Development	13,928
Cadence Bank	Fire	1,932
Cadence Bank	Fine	3,220
Cadence Bank	Park	<u>20,048</u>
	Total	<u>\$ 96,224</u>

2. There were no securities held by the Town of Caledonia.
3. We performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year: (Memo: The County is now administering all of the duties concerning property taxes, including the tax sales for the Town.)
 - a. Verify 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.
 - d. Analyzed increase in taxes for most recent period for compliance with increase limitations of Sections 27-29-320 to 27-39-323, Miss. Code Ann. (1972).

Honorable Mayor and Board of Aldermen
Town of Caledonia
Caledonia, Mississippi
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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).

There is no Town debt, so ad valorem tax collection for the retirement of general obligation debt was not needed.

4. We obtained a statement of payments 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>Purpose</u>	<u>Receiving Fund</u>	<u>Amount</u>
Sales Tax Allocation	General	\$ 95,583
General Municipal Aid	General	529
Liquor Privilege	General	900
Fire Protection	General	5,162
Gasoline Tax	General	2,716
Homestead Exemption	General	2,860
TVA Payment in lieu of Taxes	General	7,854
Other - Aid	General	<u>7,336</u>
		\$122,940

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 purchases over the \$3,500 bid limit.

Number of Sample Items	5
Total Dollar Value of Sample	\$28,789

We found the municipality's purchasing procedures to be in agreement with the requirements of the above-mentioned sections. We recommend that separate files be maintained to the Town Hall for each bid project and that notations be made where the lowest bid is not accepted.

Honorable Mayor and Board of Aldermen
Town of Caledonia
Caledonia, Mississippi
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6. We have read the Municipal Compliance Questionnaire completed by the municipality. The following responses to the questionnaire indicate noncompliance with state requirements.

The Town responded positively concerning the use of a claim docket. The Town does not use a claims docket and is not required to do so due to the size of the Town.

The Town uses a chart of accounts. This is sufficient for their needs but is not the chart of accounts prescribed by the State Auditor.

The Town minutes are not being signed timely.

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, 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 Caledonia, Mississippi, for the year ended September 30, 2006.

Rollins and Crigler

January 9, 2007

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

<u>Revenue Receipts</u>	<u>General</u>
Property taxes - real & personal	\$ 27,498
Vehicle tags	9,812
Privilege tax	837
State Shared Revenues:	
General Municipal Aid	529
Sales Tax	95,583
Gasoline Tax	2,716
Alcoholic Beverage Licenses	900
Fire Insurance Premium Tax Distribution	5,162
Other - Municipal Aid	7,336
Homestead Exemption	2,860
County Shared Revenue:	
Lowndes County- General	7,000
Lowndes County- Park	5,000
Fines - Public Safety	14,263
Park Concessions, fees, etc.	54,547
TVA in lieu of taxes	7,854
Franchise Fees - Monroe Count Electric	13,011
Franchise Fees - Caledonia Natural Gas	4,092
Franchise Fees - Cable One	2,000
Rent - Community Center	2,511
Rent - Church Building	1,250
Miscellaneous	11,373
Interest Income	<u>1,497</u>
 Total Receipts	 \$ <u>277,631</u>
 Cash Balance - Beginning of Year	 <u>62,261</u>
 TOTAL AMOUNT TO ACCOUNT FOR	 <u>\$ 339,892</u>

See accompanying notes and accountants' compilation report.

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

	<u>General</u>
Operating Disbursements:	
General Government	135,977
Public Safety:	
Court	20,506
Police	7,321
Fire	11,594
Streets	5,530
Sanitation	910
Parks and Recreation	<u>61,830</u>
Total Disbursements	243,668
Cash Balance - End of Year	<u>96,224</u>
TOTAL AMOUNT ACCOUNTED FOR	<u>\$ 339,892</u>

See accompanying notes and accountants' compilation report.

TOWN OF CALEDONIA
Schedule of Surety Bonds of Municipal Officials
September 30, 2006

<u>POSITION</u>	<u>SURETY</u>	<u>TERMS</u>	<u>AMOUNT</u>
Mayor	MS Municipal Bond Program	July 2005-July 2009	\$ 25,000
Aldermen	MS Municipal Bond Program	July 2005-July 2009	\$ 5,000
Town Clerk	St. Paul's	April 12, 2006- April 1, 2007	\$ 50,000
Town Marshall	St. Paul's		\$ 50,000
Deputy Marshall	St. Paul's		\$ 25,000

See accompanying notes and accountants' compilation report.

TOWN OF CALEDONIA, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2006

Note A: Summary of Significant Accounting Policies

General Information

The Town operates under the Mayor/Alderman form of government and provides services as authorized by law.

Reporting Entity

The financial statement of the Town consists of these funds:

- General
- Park
- Fire
- Fine
- Economic Development

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.