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**CITY OF CALHOUN CITY, MISSISSIPPI**  
**COMPILATION &**  
**AGREED UPON PROCEDURES REPORT**  
**OCTOBER 1, 2005- SEPTEMBER 30, 2006**

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**MARGARET H. BLACK**  
**Certified Public Accountant**  
**P.O. Box 643**  
**Calhoun City, MS 38916**

Honorable Mayor J.R. Denton  
Board of Aldermen  
City of Calhoun City  
Calhoun City, MS 38916

I have compiled the accompanying Combined Statement of Cash Receipts and Disbursements-All Fund Types of the City of Calhoun City, Mississippi for the year ended September 30, 2006, in accordance with Statements of 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. I have not audited or reviewed the accompanying Combined 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 City'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.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements. If the omitted disclosures were included, they might influence the user's conclusions about the City's cash receipts and disbursements. Accordingly, the financial statement is not designed for those who are not informed about such matters.

The supplementary information contained on pages 4 through 10 is presented for purposes of additional analysis and has been compiled by me from information that is the representation of management of the City of Calhoun City, Mississippi without audit or review. Accordingly, I do not express an opinion or any other form of assurance on such supplementary information.

  
Margaret H. Black, C.P.A.

January 2, 2007

CITY OF CALHOUN CITY, MS  
 COMBINED STATEMENT OF CASH RECEIPTS & DISBURSEMENT (ALL FUNDS)  
 For the Year Ended September 30, 2006

	GOVERNMENTAL FUND TYPES			PROPRIETARY	FIDUCIARY	TOTALS	
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECT	FUND TYPE ENTERPRISE	FUND TYPE TRUST & AGENCY	(MEMORANDUM ONLY) 2005-06	2004-05
<b>CASH RECEIPTS</b>							
Taxes							
General Property Taxes	258,125.48					258,125.48	278,405.24
Payments in Lieu of Taxes	19,980.49					19,980.49	19,980.19
Penalties & Interest on delinquent taxes	3,481.65					3,481.65	8,372.19
Licenses & Permits							
Utility Franchise Charges	38,514.76					38,514.76	32,405.92
Other	4,683.50					4,683.50	4,226.00
Intergovernmental Receipts							
Federal Sources							
Rural Development Grant	9,490.00					9,490.00	0.00
State Grants							
General Municipal Aid	975.75					975.75	975.75
Homestead Exempt. Reimb.	32,486.53					32,486.53	29,098.49
Homeland Security Grant	0.00					0.00	9,656.00
Public Safety Grant	11,827.00					11,827.00	0.00
Emergency Mgmt. Grant	794.00					794.00	0.00
MEMA-Katrina Funds	10,223.43					10,223.43	0.00
State Shared Receipts							
Sales Tax	321,961.52					321,961.52	300,389.79
Fire Protection Allocation	9,519.89					9,519.89	8,818.53
Gasoline Taxes	5,147.60					5,147.60	5,147.60
County Grants & Shared Rec.							
Road Taxes	42,121.61					42,121.61	34,352.28
County Fire Reimbursements	2,600.00					2,600.00	5,600.00
Enterprise Operations							
Revenues Collected							
Water & Sewer Utility				380,919.49		380,919.49	333,902.54
Charges for Nonenterprise Services							
Rent	5,125.00					5,125.00	1,250.00
Library Income	404.00					404.00	616.45
Sanitation	93,356.68					93,356.68	92,922.70
Special Street Assessment	71.70					71.70	0.00
Fines & Forfeits	30,115.30					30,115.30	33,966.31
Fire Protect. Reimb.-State Springs	0.00					0.00	668.57
Expenses Refunds	1,050.00					1,050.00	10,871.63
Miscellaneous Income	1,225.00					1,225.00	580.00
<b>TOTAL REVENUE RECEIPTS</b>	<b>903,280.89</b>	<b>0.00</b>	<b>0.00</b>	<b>380,919.49</b>	<b>0.00</b>	<b>1,284,200.38</b>	<b>1,212,206.18</b>
<b>OTHER RECEIPTS</b>							
Interest Income	37,556.76	11,175.76		23,024.90	954.64	72,712.06	34,259.99
Sales of Vehicle	0.00					0.00	500.00
Centennial Transfer	0.00					0.00	1,000.00
Centennial Sales	16,016.90					16,016.90	2,860.00
Contributions-Lamp Posts	13,415.00					13,415.00	24,981.80
Contributions-Fire Department	1,493.00					1,493.00	0.00
Contributions-Miscellaneous	4,776.00					4,776.00	0.00
Contributions-Centennial	21,905.00					21,905.00	0.00
Payable to General Fund				761.21		761.21	0.00
Transfers	224,368.65	75,000.00		65,858.00		365,226.65	218,209.55
<b>TOTAL OTHER RECEIPTS</b>	<b>319,531.31</b>	<b>86,175.76</b>	<b>0.00</b>	<b>89,644.11</b>	<b>954.64</b>	<b>496,305.82</b>	<b>281,811.34</b>
<b>TOTAL CASH RECEIPTS</b>	<b>1,222,812.20</b>	<b>86,175.76</b>	<b>0.00</b>	<b>470,563.60</b>	<b>954.64</b>	<b>1,780,506.20</b>	<b>1,494,017.52</b>
Cash Balance, Beginning of Period	964,502.92	200,117.03	0.00	410,799.91	20,791.38	1,596,211.24	1,496,286.70
<b>TOTAL AMOUNT TO ACCOUNT FOR</b>	<b>2,187,315.12</b>	<b>286,292.79</b>	<b>0.00</b>	<b>881,363.51</b>	<b>21,746.02</b>	<b>3,376,717.44</b>	<b>2,990,304.22</b>

Cash balances are made up of Cash on Hand, Cash in Bank Accounts, & Cash in Certificates of Deposit.

SEE ACCOMPANYING ACCOUNTANT'S COMPILATION REPORT

CITY OF CALHOUN CITY, MS  
 COMBINED STATEMENT OF CASH RECEIPTS & DISBURSEMENT (ALL FUNDS)  
 For the Year Ended September 30, 2006

	GOVERNMENTAL FUND TYPES			PROPRIETARY	FIDUCIARY	TOTALS	
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECT	FUND TYPE ENTERPRISE	FUND TYPE TRUST & AGENCY	(MEMORANDUM ONLY)	
						2005-06	2004-05
<b>CASH DISBURSEMENTS</b>							
Operating Disbursements							
General Government	168,115.48					168,115.48	151,767.23
Public Safety:							
Police	267,589.32					267,589.32	278,656.16
Fire	31,124.37					31,124.37	32,655.12
Highways & Streets	140,950.05					140,950.05	141,196.83
Sanitation	73,588.57					73,588.57	81,745.11
Culture & Recreation:							
Parks	38,556.89					38,556.89	24,292.86
Library	42,205.79					42,205.79	35,702.87
Economic Development Asst.	2,391.00					2,391.00	664.29
Hospital Contingency						0.00	0.00
Enterprise:							
Water & Sewer Utility				298,587.83		298,587.83	272,879.90
Interest on Bonds/Notes				23,758.24		23,758.24	24,802.47
<b>TOTAL OPERATING DISBURSEMENTS:</b>	<b>764,521.47</b>	<b>0.00</b>	<b>0.00</b>	<b>322,346.07</b>	<b>0.00</b>	<b>1,086,867.54</b>	<b>1,044,362.84</b>
<b>OTHER DISBURSEMENTS</b>							
Bonds Retired				22,099.76		22,099.76	20,705.53
Centennial Expense	52,819.41					52,819.41	6,124.18
Chamber Spirit Committee	8,260.86					8,260.86	0.00
Capital Outlays	87,106.95					87,106.95	104,690.88
Payable from Tax Sale	54.27					54.27	0.00
Receivable from Water	761.21					761.21	0.00
Transfers	299,368.65			65,858.00		365,226.65	218,209.55
<b>TOTAL OTHER DISBURSEMENTS</b>	<b>448,371.35</b>	<b>0.00</b>	<b>0.00</b>	<b>87,957.76</b>	<b>0.00</b>	<b>536,329.11</b>	<b>349,730.14</b>
<b>TOTAL CASH DISBURSEMENTS</b>	<b>1,212,892.82</b>	<b>0.00</b>	<b>0.00</b>	<b>410,303.83</b>	<b>0.00</b>	<b>1,623,196.65</b>	<b>1,394,092.98</b>
Cash Balance, End of Period	974,422.30	286,292.79	0.00	471,059.68	21,746.02	1,753,520.79	1,596,211.24
<b>TOTAL AMOUNT ACCOUNTED FOR</b>	<b>2,187,315.12</b>	<b>286,292.79</b>	<b>0.00</b>	<b>881,363.51</b>	<b>21,746.02</b>	<b>3,376,717.44</b>	<b>2,990,304.22</b>

Cash balances are made up of Cash on Hand, Cash in Bank Accounts, & Cash in Certificates of Deposit.

SEE ACCOMPANYING ACCOUNTANT'S COMPILATION REPORT

**CITY OF CALHOUN CITY, MISSISSIPPI  
SCHEDULE OF INVESTMENTS  
SEPTEMBER 30, 2006**

**GOVERNMENTAL FUND TYPES:**

General Fund

4.54% Certificate of Deposit, Dated 3/4/06  
Due 210 days after date 592,873.14

5.041% Certificate of Deposit, Dated 9/1/06  
Due 29 days after date 192,040.40

5/165% Certificate of Deposit, Dated 9/18/06  
Due 11 months after date 23,800.20

Special Revenue Fund

4.54% Certificate of Deposit, Dated 3/4/06  
Due 210 days after date 286,292.79

**TOTAL GOVERNMENTAL FUND TYPES** 1,095,006.53

**PROPRIETARY FUND TYPES:**

Enterprise Fund

4.54% Certificate of Deposit, Dated 3/4/06  
Due 210 days after date 374,812.16

5.041% Certificate of Deposit, Dated 9/1/06  
Due 29 days after date 106,145.48

**TOTAL PROPRIETARY FUND TYPES** 480,957.64

**FIDUCIARY FUND TYPES:**

Trust and Agency Fund

4.54% Certificate of Deposit, Dated 3/4/06  
Due 210 days after date 21,746.02

**TOTAL INVESTMENTS** 1,597,710.19

SEE ACCOMPANYING ACCOUNTANT'S COMPILATION REPORT

**CITY OF CALHOUN CITY, MISSISSIPPI  
SCHEDULE OF LONG-TERM DEBT  
YEAR ENDED SEPTEMBER 30, 2006**

DEFINITION & PURPOSE	BALANCE 10/1/2005	TRANSACTIONS DURING YEAR		BALANCE 9/30/2006
		ISSUED	REDEEMED	
G.O. BONDS	0.00	0.00	0.00	0.00
<u>REVENUE BONDS</u>				
FmHA Water & Sewer Bonds, sold to General Electric	77,000.00	0.00	14,000.00	63,000.00
Rural Development Bonds	<u>401,847.59</u>	<u>0.00</u>	<u>8,099.76</u>	<u>393,747.83</u>
<b>TOTALS</b>	<u><u>478,847.59</u></u>	<u><u>0.00</u></u>	<u><u>22,099.76</u></u>	<u><u>456,747.83</u></u>

SEE ACCOMPANYING ACCOUNTANT'S COMPILATION REPORT

**CITY OF CALHOUN CITY, MS  
SCHEDULE OF RECONCILIATION OF TAX ASSESSMENTS  
TO FUND COLLECTIONS  
SEPTEMBER 30, 2006**

Tax assessments were found to be mathematically correct and in agreement with collections as follows:

Assessed Valuation & Millage:		MILLAGE	TAX
Realty	5,508,198	31.5	173,508.24
Personal	2,180,279	31.5	68,678.79
Personal-Motor Vehicle	<u>1,717,447</u>	31.5	<u>54,099.58</u>
	9,405,924		296,286.61
Less Homestead Exemption			<u>-35,265.09</u>
<b>Total Tax Due</b>			261,021.52
Collections Adjustments:			
<b>Add:</b> Homestead Reimbursement	32,486.53		
Prior Year Tax Collections	5,828.36		
In-Lieu Taxes (TVA)	19,980.49		
Penalties & Interest	<u>3,481.65</u>		
			61,777.03
<b>Less:</b> Tax Collector's Commission			<u>-2,704.98</u>
<b>TOTAL TO BE ACCOUNTED FOR</b>			<u><u>320,093.57</u></u>

	<b>TAXES</b>	<b>HOMESTEAD REIMB.</b>	<b>TOTAL</b>
<b>Collections Credited to Funds:</b>			
Governmental-General	<u>281,587.62</u>	<u>32,486.53</u>	<u>314,074.15</u>
	<u>281,587.62</u>	<u>32,486.53</u>	<u>314,074.15</u>
Balance Represented By:			
Unpaid Realty Taxes			3,889.72
Unpaid Personal Taxes			2,126.22
Unaccounted for Difference			3.48
<b>TOTAL ACCOUNTED FOR</b>			<u><u>320,093.57</u></u>

SEE ACCOMPANYING ACCOUNTANT'S COMPILATION REPORT.

**CITY OF CALHOUN CITY, MISSISSIPPI  
 SCHEDULE OF SURETY BONDS OF MUNICIPAL OFFICIALS  
 YEAR ENDED SEPTEMBER 30, 2006**

<u>NAME</u>	<u>POSITION</u>	<u>SURETY</u>	<u>AMOUNT</u>
J.R. Denton	Mayor	Western Surety	50,000
Faye Spratlin	City Clerk	St. Paul Insurance	50,000
Benny Langford	Police Chief	Western Surety	50,000
Office Employees	Deputy Clerks	St. Paul Ins.	10,000
Police Officers	Policemen	Western Surety	25,000
Aldermen	Aldermen	MS Municipal Bond Program Scott Municipal Insurance Co.	15,000

SEE ACCOMPANYING ACCOUNTANT'S COMPILATION REPORT

**MARGARET H. BLACK**  
**Certified Public Accountant**  
**P.O. Box 643**  
**Calhoun City, MS 38916**

January 2, 2007

Honorable Mayor J.R. Denton  
Board of Aldermen  
City of Calhoun City  
Calhoun City, MS 38916

**Independent Accountant's Report**  
**On Applying Agreed-Upon Procedures**

I have applied certain agreed-upon procedures, as discussed below, to the accounting records of the City of Calhoun City, 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. 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 the specified users of the report.

Consequently, I 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. 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	GENERAL LEDGER BALANCE
Regions Bank	General	\$ 134,647.02
Regions Bank	Proprietary	(10,009.49)
Regions Bank	General	3,112.43
Regions Bank	Proprietary	3.53
Regions Bank	Proprietary	5.00
Regions Bank	Proprietary	3.00
Regions Bank	General	301.58
Regions Bank	General	27,585.53

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

INVESTMENTS	FUND	AMOUNT
Cert.of Deposit-Regions	General	\$ 592,873.14
Cert.of Deposit-Renasant	General	192,040.40
Cert.of Deposit-Regions	Proprietary	374,812.16
Cert.of Deposit-Renasant	Proprietary	106,145.48
Cert.of Deposit-Regions	Fiduciary	21,746.02

Cert.of Deposit-Regions	Special Revenue	286,292.79
Cert.of Deposit-Regions	General	23,800.20

C. I performed the following procedures with respect to advalorem taxes on real and personal property (including motor vehicles) 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 reported on the Schedule of Reconciliation of Tax Assessments to Fund Collections on page 6.

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:

		ACTUAL COLLECTIONS:	
2004-05 COLLECTIONS	335,856.11	2005-06	281,587.62
10% LIMIT	<u>33,585.61</u>	HOMESTEAD REIMB.	32,486.53
TOTAL LIMITATION	<u>369,441.72</u>	(OVER)UNDER LIMITATION	<u>55,367.57</u>
			<u>369,441.72</u>

D. I obtained a statement of payments made by the Department of Finance and Administration to the city. The payments were traced to deposits in banks and recording in the general ledger with no exceptions. Cash receipts were as follows:

<u>PURPOSE</u>	<u>RECEIVING FUND</u>	<u>AMOUNT</u>
Fire Protection	General	\$ 9,519.89
General Municipal Aid	General	975.75
Gasoline Tax	General	5,147.60
Homestead Exemption	General	32,486.53
TVA in lieu of taxes	General	19,980.49
Sales Tax	General	321,961.52
Emergency Management Grant	General	11,017.43
Public Safety Grant	General	11,827.00
Rural Development Grant	General	9,490.00

E. I selected a sample of purchases made by the city during the year. Each sample item was evaluated for compliance with public purchasing requirements set forth in Sections 31-7-1, 31-7-13, 31-7-49, and 31-7-57, Mississippi Code, 1972, Annotated, as applicable.

The sample consisted of the following:

Number of Sample Items	214
Dollar Value of Sample	\$220,877.30

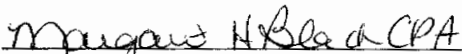
I found the city's purchasing procedures to be in compliance with the above sections.

F. I have read the Municipal Compliance Questionnaire completed by the city. The completed survey indicated no instances of noncompliance.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on the specific accounts or classes of transactions referred to above. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of the governing body of the City of Calhoun City, Mississippi, and the Office of the State Auditor 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. However, this report is a matter of public record and its distribution is not limited.

This report should not be associated with the financial statements of the City of Calhoun City, Mississippi for the year ended September 30, 2006.

  
Margaret H. Black  
Certified Public Accountant