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TOWN OF LENA, MISSISSIPPI

FINANCIAL STATEMENT AND SUPPLEMENTARY INFORMATION

SPECIAL REPORT ON AGREED-UPON PROCEDURES

For the Fiscal Year Ended September 30, 2006

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Butchart, Ellzey & Associates

A Professional Corporation
Jackson & Canton

Thomas B. Butchart, CPA, MBT
William S. Ellzey, CPA

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

We have compiled the accompanying statement of cash receipts and disbursements -- all fund types of the Town of Lena for the year ended September 30, 2006, and the accompanying supplementary information contained on page 4, which is presented only for supplementary analysis purposes, 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 the supplementary schedule and, accordingly do not express an opinion or any other form of assurance on them.

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.

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 town's cash receipts and disbursements. Accordingly, the financial statement is not designed for those who are not informed about such matters.

Butchart, Ellzey & Associates

Canton, Mississippi
July 27, 2007

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FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

TOWN OF LENA, MISSISSIPPI

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - ALL FUND TYPES

SEE ACCOUNTANTS' COMPILATION REPORT

For the Fiscal Year Ended September 30, 2006

	<u>GOVERNMENTAL</u> <u>FUND</u> <u>General</u> <u>2006</u>	<u>TOTALS</u> <u>(Memorandum</u> <u>Only)</u> <u>2005</u>
<u>REVENUE RECEIPTS</u>		
General property taxes	\$ 8,942	\$ 8,443
Licenses and permits	200	160
Franchise taxes on utilities	4,617	4,337
Intergovernmental revenues:		
County assistance	16,301	16,369
General municipal aid (from State)	87	87
State shared revenues:		
Homestead exemption	1,191	1,080
Sales tax	15,237	13,780
Gasoline tax	459	459
Fire insurance premium tax distribution	-	787
Wildlife and parks	16,837	-
Emergency management	4,297	-
Public safety	4,529	1,710
Fines	18,266	17,371
Interest income	360	175
Miscellaneous	1,850	172
TOTAL REVENUE RECEIPTS	\$ 93,173	\$ 64,930
<u>OTHER RECEIPTS</u>		
Sale of building	-	25,000
TOTAL RECEIPTS	<u>\$ 93,173</u>	<u>\$ 89,930</u>

TOWN OF LENA, MISSISSIPPI

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - ALL FUND TYPES

SEE ACCOUNTANTS' COMPILATION REPORT

For the Fiscal Year Ended September 30, 2006

	<u>GOVERNMENTAL</u>	
	<u>FUND</u>	<u>TOTALS</u>
	<u>General</u>	<u>(Memorandum Only)</u>
	<u>2006</u>	<u>2005</u>
<u>OPERATING DISBURSEMENTS</u>		
General government (Executive & Financial)		
Personnel	\$ 7,832	\$ 7,557
Professional fees	3,375	3,325
Municipal dues	760	410
Utilities and telephone	2,280	1,996
Convention	1,673	940
Insurance	4,047	4,027
Other	3,084	5,302
	<u>\$ 23,051</u>	<u>\$ 23,557</u>
Public Safety		
Police		
Personnel	\$ 4,990	\$ 4,520
Supplies and equipment	1,953	3,273
Court assessment fees	8,058	6,828
Maintenance and repairs	-	1,134
	<u>\$ 15,001</u>	<u>\$ 15,755</u>
Fire		
Personnel	\$ 700	\$ 725
Insurance	3,816	3,766
Vehicle operation	1,560	-
Supplies and equipment	720	1,811
Maintenance and repairs	586	101
Other	322	282
	<u>\$ 7,704</u>	<u>\$ 6,685</u>
Highways and streets		
Lights and supplies	\$ 5,642	\$ 5,059
Sanitation	\$ 1,756	\$ 1,536
Culture and recreation		
Parks	\$ 315	\$ 282
TOTAL OPERATING DISBURSEMENTS	<u>\$ 53,469</u>	<u>\$ 52,874</u>
<u>OTHER DISBURSEMENTS</u>		
Capital outlay	\$ 28,259	\$ 6,239
Purchase of building	-	25,000
TOTAL OTHER DISBURSEMENTS	<u>\$ 28,259</u>	<u>\$ 31,239</u>
TOTAL CASH DISBURSEMENTS	<u>\$ 81,728</u>	<u>\$ 84,113</u>
EXCESS CASH RECEIPTS (DISBURSEMENTS)	<u>\$ 11,445</u>	<u>\$ 5,817</u>
CASH BALANCE - BEGINNING OF YEAR	<u>97,140</u>	<u>91,323</u>
CASH BALANCE - END OF YEAR	<u>\$ 108,585</u>	<u>\$ 97,140</u>

TOWN OF LENA, MISSISSIPPI

SUPPLEMENTARY SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS

SEE ACCOUNTANTS' COMPILATION REPORT

For the Fiscal Year Ended September 30, 2006

<u>NAME</u>	<u>POSITION</u>	<u>COMPANY</u>	<u>BOND</u>
Robert Bone	Mayor	Brierfield Insurance Co.	10,000
Elaine Pope	City Clerk	Brierfield Insurance Co.	50,000
Elaine Pope	Tax Collector	Brierfield Insurance Co.	10,000
Jamie Johnson	Marshall	Brierfield Insurance Co.	2,000
Mike Freeny	Deputy Marshall	Brierfield Insurance Co.	2,000
Jimmy Lewis	Deputy Marshall	Brierfield Insurance Co.	2,000
Glover Watkins	Alderman	MS. Muni. Serv. Co.	5,000
Ralph Sessums	Alderman	MS. Muni. Serv. Co.	5,000
Joseph Langford	Alderman	MS. Muni. Serv. Co.	5,000
Steve Goodman	Alderman	MS. Muni. Serv. Co.	5,000
Michael Sherman	Alderman	MS. Muni. Serv. Co.	5,000

SPECIAL REPORT
ON AGREED - UPON PROCEDURES

Butchart, Ellzey & Associates

A Professional Corporation
Jackson & Canton

Thomas B. Butchart, CPA, MBT
William S. Ellzey, CPA

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

Mayor and Board of Aldermen
Town of Lena, Mississippi

We have performed certain agreed-upon procedures enumerated below to the accounting records of the Town of Lena, 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, Miss. Code Ann. (1972). This agreed-upon procedures engagement was conducted 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 parties specified in this report. 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.

The procedures and the associated 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 of the related balances from the banks:

<u>Bank</u>	<u>Fund</u>	<u>Balance Per General Ledger</u>
Merchants & Farmers Bank	General-Fire Protection	\$96,200
Merchants & Farmers Bank	General	<u>12,385</u>
Total General Fund		<u>\$108,585</u>

- B. We performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:

1. Verify use of certified county assessment rolls and trace levies to governing body minutes
2. Examine uncollected taxes for proper handling, including tax sales;
3. Traced distribution of taxes collected to proper funds; and

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Member AICPA Private Companies Practice Section

July 27, 2007

4. 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).

- C. We 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 with one exception: the fire protection allocation of \$849, was not received until after year end. Payments traced were are follows:

<u>Payment Purpose</u>	<u>Receiving Fund</u>	<u>Ledger Amount</u>
Sales Tax Allocation	General Fund	\$15,237
Fire Protection	General Fund	-0-
Emergency Management	General Fund	4,297
Wildlife and Parks	General Fund	16,837
General Municipal Fund	General Fund	87
Gasoline	General Fund	459
Homestead Exemption	General Fund	1,191
Public Safety	General Fund	<u>4,529</u>
		<u>\$42,637</u>

- D. 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:

Number of Sample Items	5
Total Dollar Value of Sample	\$19,623

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

Mayor and Board of Aldermen
Town of Lena, Mississippi

July 27, 2007

- E. We have read the Municipal Compliance Questionnaire completed by the Town. The completed survey indicated no instances of non-compliance with state requirements.

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 transaction 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 A, B and C 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 Lena, Mississippi, for the year ended September 30, 2006

Butcher, Elzy & Associates

Canton, Mississippi
July 27, 2007