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**City of Mendenhall, Mississippi**  
**Compiled Financial Statements**  
**Year Ended September 30, 2006**

**Charles Robert Prince**  
**Certified Public Accountant**

**City of Mendenhall, Mississippi**

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## **FINANCIAL STATEMENTS**

**Charles Robert Prince**  
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**ACCOUNTANT'S COMPILATION REPORT**

Honorable Mayor and Board of Alderpersons  
City of Mendenhall  
Mendenhall, Mississippi

I have compiled the accompanying statement of cash receipts and disbursements- governmental and business-type activities and other funds of the City of Mendenhall, Mississippi for the year ended September 30, 2006, and the accompanying supplementary information contained in Schedules 1 through 4, which are 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. 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.

A compilation is limited to presenting in the form of financial statements and supplementary schedules information that is the representation of management. I have not audited or reviewed the accompanying statement of cash receipts and disbursements- governmental and business-type activities and other funds and supplementary schedules and, accordingly, do not express an opinion or any other form of assurance on them.

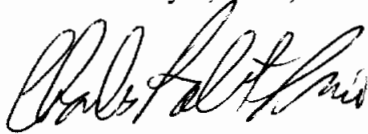
Management has not presented government-wide financial statements to display the cash basis financial position and changes in cash basis financial position of its governmental activities and business-type activities. Accounting principles generally accepted in the United States of America, as applied to the City'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 City's governmental activities and business-type activities are not reasonably determinable.

**Honorable Mayor and Board of Alderpersons  
City of Mendenhall**

The Mayor and Alderpersons have also elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the City's cash receipts and disbursements. Accordingly, this financial statement is not designed for those who are not informed about such matters.

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), I have issued a report dated January 2, 2007, on the results of our agreed-upon procedures.

A handwritten signature in black ink, appearing to read "Charles H. Smith". The signature is written in a cursive style with a large initial "C".

February 6, 2007

**City of Mendenhall, Mississippi**  
**Statement of Cash Receipts and Disbursements—**  
**Governmental and Business-type Activities and Other Funds**  
**For the Year Ended September 30, 2006**

	Governmental Activities				Business - Type Activities	
	General Fund	Special Revenue Fund	Debt Service Fund	TOTAL	Water Fund	Fiduciary Fund
<b>RECEIPTS:</b>						
Taxes						
General Property Taxes	\$ 353,830	\$ 43,886	\$ 69,228	\$ 466,944		\$
Rail Car Taxes	5,378			5,378		
Penalties and Interest	10,542			10,542		
License and Permits						
Utility Franchise Charges	86,815			86,815		
Other	18,304			18,304		
Intergovernmental Receipts						
Federal Receipts						
CDBG Grant					234,195	
Homeland Security Grant	14,756			14,756		
Rural Impact Grant					1,500	
FEMA Grant	38,507			38,507	19,000	
State Grants						
General Municipal Aid	1,332			1,332		
Homestead Exemption	28,430	3,468	5,471	37,369		
Police Reimbursement	917			917		
State Shared Receipts						
Sales Taxes	614,085			614,085		
Fire Protection		12,993		12,993		
Gasoline Taxes	7,185			7,185		
Grand Gulf	27,438			27,438		
County Grants						
Fire Allocation		26,870		26,870		
1/2 Road and Bridge Taxes	13,379			13,379		
Municipal Fire Funds-D'Lo		4,623		4,623		

SEE ACCOUNTANT'S COMPILATION REPORT

**City of Mendenhall, Mississippi**  
**Statement of Cash Receipts and Disbursements—**  
**Governmental and Business-type Activities and Other Funds**  
**For the Year Ended September 30, 2006**

	Governmental Activities				Business - Type Activities	
	General Fund	Special Revenue Fund	Debt Service Fund	TOTAL	Water Fund	Fiduciary Fund
RECEIPTS: Continued						
Charges for Services	\$	\$	\$	\$	\$	\$
Water and Sewer					435,500	
Garbage		133,400		133,400		
Meter Deposits					3,523	
Other Receipts						
Fines and Forfeits	151,813			151,813		
Interest	5,169		442	7,324	1,110	
Rent	6,876	1,713		6,876		
K-9 Donations	12,023			12,023		
Other	28,304	575		28,879		
Bank Loan Proceeds	120,045			120,045	49,909	
CAP Loan Proceeds						
<b>TOTAL RECEIPTS</b>	<b>\$ 1,545,128</b>	<b>\$ 227,528</b>	<b>\$ 75,141</b>	<b>\$ 1,847,797</b>	<b>\$ 744,737</b>	<b>\$ -</b>

**SEE ACCOUNTANT'S COMPILATION REPORT**

**City of Mendenhall, Mississippi**  
**Statement of Cash Receipts and Disbursements--**  
**Governmental and Business-type Activities and Other Funds**  
**For the Year Ended September 30, 2006**

	Governmental Activities				Business - Type Activities	
	General Fund	Special Revenue Fund	Debt Service Fund	TOTAL	Water Fund	Fiduciary Fund
<b>DISBURSEMENTS:</b>						
General Government	\$ 465,391	\$	\$	\$ 465,391	\$	\$
Public Safety						
Police	391,988			391,988		
Fire	6,602	15,112		21,714		
Highways and Streets						
Repairs and Maintenance	202,470			202,470		
Sanitation		170,817		170,817		
Culture and Recreation	31,943			31,943		
Economic Development and Assistance Enterprises	17,200			17,200		
Water and Sewer					369,714	
Grants						
Capital Outlay-CDBG					234,195	
Capital Outlay-Rural Impact Grant					1,500	

**SEE ACCOUNTANT'S COMPILATION REPORT**

**City of Mendenhall, Mississippi**  
**Statement of Cash Receipts and Disbursements—**  
**Governmental and Business-type Activities and Other Funds**  
**For the Year Ended September 30, 2006**

	Governmental Activities				Business - Type Activities		
	General Fund	Special Revenue Fund	Debt Service Fund	TOTAL	Water Fund	Fiduciary Fund	Other
DISBURSEMENTS: Continued							
Interest on Debt	\$ 3,064	\$	\$ 3,960	\$ 7,024	\$ 11,167	\$	
Payment of Bonds			60,000	60,000			
Payment of Loan- Peoples Bank					4,929		
Payment of Loans- Priority One Bank	8,976			8,976	50,000		
Payment of CAP Loan - MS Dev. Auth.	2,787			2,787	16,538		
Fees and Commissions			2,564	2,564			
Capital Outlay	319,636	2,450		322,086	78,427		
<b>TOTAL DISBURSEMENTS</b>	<b>\$ 1,450,057</b>	<b>\$ 188,379</b>	<b>\$ 66,524</b>	<b>\$ 1,704,960</b>	<b>\$ 766,470</b>	<b>\$ -</b>	
<b>EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS</b>	<b>\$ 95,071</b>	<b>\$ 39,149</b>	<b>\$ 8,617</b>	<b>\$ 142,837</b>	<b>\$ (21,733)</b>	<b>\$ -</b>	
<b>OTHER FINANCING SOURCES (USES)</b>							
Interfund Transfers	\$ (188)	\$ 188	\$	\$ -	\$ -	\$	
Interfund Loans	(17,333)			(17,333)	16,000	1,333	
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (17,521)</b>	<b>\$ 188</b>	<b>\$ -</b>	<b>\$ (17,333)</b>	<b>\$ 16,000</b>	<b>\$ 1,333</b>	
<b>Excess (Deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>\$ 77,550</b>	<b>\$ 39,337</b>	<b>\$ 8,617</b>	<b>\$ 125,504</b>	<b>\$ (5,733)</b>	<b>\$ 1,333</b>	
<b>CASH BASIS FUND BALANCE- BEGINNING</b>	<b>219,105</b>	<b>132,425</b>	<b>9,747</b>	<b>361,277</b>	<b>100,649</b>	<b>3,546</b>	
<b>CASH BASIS FUND BALANCE- ENDING</b>	<b>\$ 296,655</b>	<b>\$ 171,762</b>	<b>\$ 18,364</b>	<b>\$ 486,781</b>	<b>\$ 94,916</b>	<b>\$ 4,679</b>	

**SEE ACCOUNTANT'S COMPILATION REPORT**

## **SUPPLEMENTAL INFORMATION**

**City of Mendenhall, Mississippi**  
**Schedule of Investments**  
**September 30, 2006**  
**Schedule 1**

**Special Revenue Fund**

Municipal Fire Fund:

4.50% Certificate of Deposit, Dated March 9, 2006  
Due June 9, 2007

\$ 78,700

**Total Investments**

\$ 78,700

**SEE ACCOUNTANT'S COMPILATION REPORT**

**City of Mendenhall, Mississippi**  
**Schedule of Long-Term Debt**  
**September 30, 2006**  
**Schedule 2**

Definition & Purpose	Balance Outstanding 10/1/2005	Transactions During Fiscal Year		Balance Outstanding 9/30/2006
		Issued	Redeemed	
<b>REVENUE BONDS</b>				
1991 General Obligation Bonds @ 6.395% for Water & Sewer System Improvements	\$ 60,000	\$	\$ 60,000	\$ -
<b>GENERAL DEBT</b>				
MS Dev. Authority, Capital Improvement Revolving Loan @ 3.00% for Civic Center	61,228		2,787	58,441
Priority One Bank Loan @ 3.965% for Mosquito Sprayer	2,560		2,560	-
Peoples Bank Loan @ 4.965% for Backhoe	4,929		4,929	-
Priority One Bank Loan @ 3.894% for Water & Sewer System Improvements	100,000		50,000	50,000
MS Dev. Authority, Capital Improvement Revolving Loan @ 2.00% for Water and Sewer System Improvements	390,225		16,538	373,687
MS Dev. Authority, Capital Improvement Revolving Loan @ 2.00% for Water and Sewer System Improvements		49,909		49,909
Trustmark National Bank Loan @ 4.66% for Street Improvements		100,000		100,000
Priority One Bank Lease @ 5.30 % for Police Dept. Voice Recorder System		20,045	6,416	13,629
<b>TOTAL</b>	<b>\$ 618,942</b>	<b>\$ 169,954</b>	<b>\$ 143,230</b>	<b>\$ 645,666</b>

**SEE ACCOUNTANT'S COMPILATION REPORT**

**City of Mendenhall, Mississippi**  
**Schedule of Surety Bonds for Town Officials**  
**September 30, 2006**  
**Schedule 3**

Randall Neely	Mayor	RLI Insurance Co.	\$ 10,000
Bill Broadhead	Aldersperson	Travelers Casualty & Surety Co. of Amer.	25,000
Jeff May	Aldersperson	Travelers Casualty & Surety Co. of Amer.	25,000
Greg Paes	Aldersperson	Travelers Casualty & Surety Co. of Amer.	25,000
Ardell Washington	Aldersperson	Travelers Casualty & Surety Co. of Amer.	25,000
Frankie M. Jones	Aldersperson	Travelers Casualty & Surety Co. of Amer.	25,000
Judi May	City Clerk	Western Surety	50,000
Tiffany Wallace	Deputy Clerk	Western Surety	10,000
Barbara M. Berry	Deputy Clerk	RLI Insurance Co.	10,000
Jimbo Sullivan	Chief of Police	Western Surety	50,000
Matt Abbott	Dispatcher/Deputy Court Clerk	RLI Insurance Co.	25,000
Dicky Brovelli	Dispatcher/Deputy Court Clerk	RLI Insurance Co.	25,000
Nancy Shows	Dispatcher/Deputy Court Clerk	Western Surety	25,000
Lorie King	Court Clerk	RLI Insurance Co.	10,000

**SEE ACCOUNTANT'S COMPILATION REPORT**

**City of Mendenhall, Mississippi**  
**Solid Waste Management Services Schedule**  
**Full Cost Accounting**  
**Summary of Costs Report**  
**Fiscal Year Ending September 30, 2006**  
**Schedule 4**

**Operating Costs (Direct Costs):**

Personnel	\$ 47,600
Supplies & Fuel	6,804
Contractual Services	116,413
Depreciation	<u>-</u>
<b>Total Of All Costs</b>	<b><u><u>\$ 170,817</u></u></b>

**Supplemental Information:**

Cost of Collection	\$ 85,408
Cost of Disposal	<u>85,409</u>
<b>Total Cost</b>	<b><u><u>\$ 170,817</u></u></b>
<b>Total Cost Per User</b>	<b><u><u>\$ 66.85</u></u></b>

**SEE ACCOUNTANT'S COMPILATION REPORT**

**City of Mendenhall, Mississippi**  
**Independent Accountant's Report on Applying**  
**Agreed-Upon Procedures**  
**September 30, 2006**

**Charles Robert Prince**  
**Certified Public Accountant**

**Charles Robert Prince  
 Certified Public Accountant  
 Post Office Box 353  
 Magee, Mississippi**

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

The Mayor and Board of Alderpersons  
 City of Mendenhall  
 Mendenhall, Mississippi

I have performed the procedures enumerated below, which were agreed to by the Office of the State Auditor, to the accounting records of the City of Mendenhall, Mississippi, solely to assist the Office of the State Auditor evaluate the City of Mendenhall, Mississippi'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, 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.

My procedures and findings are as follows:

1. I reconciled cash on deposit with the following bank 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>
Priority One Bank	General Fund	\$ 296,655
	Total General Fund	<u>\$ 296,655</u>
Priority One Bank	Special Revenue Fund	\$ 20,054
Priority One Bank	Special Revenue Fund	147,757
Priority One Bank	Special Revenue Fund	3,951
	Total Special Revenue Fund	<u>\$ 171,762</u>
Priority One Bank	Debt Service Fund	\$ 18,364
	Total Debt Service Fund	<u>\$ 18,364</u>

Bank	Fund	Balance Per General Ledger
Priority One Bank	Water Fund	\$ 94,893
Priority One Bank	Water Fund	23
	Total Water Fund	<u>\$ 94,916</u>
Priority One Bank	Other Fund - Fiduciary	\$ 1,052
Priority One Bank	Other Fund - Fiduciary	3,827
	Total Other Fund - Fiduciary	<u>\$ 4,879</u>

2. I physically examined securities held for investment. Securities held in trust were confirmed directly with respective trustees. All investment transactions during the year were examined for compliance with investments authorized by Section 21-33-323, Miss. Code Ann. (1972).
  - a. Investments consisted of a certificate of deposit totaling \$78,700 on behalf of the Municipal Fire Fund, a special revenue fund.
  
3. I performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:
  - 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; and
  - d. Analyzed increase in taxes for most recent period for compliance 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).

Ad valorem tax collections for the retirement of general obligation debt were found to be sufficient for payment of current principal and interest in accordance with limitations imposed by Sections 21-33-87 and 21-33-303, Miss. Code Ann. (1972).

4. I 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 without exception. Payments traced were as follows:

<u>Payment Purpose</u>	<u>Receiving Fund</u>	<u>Amount</u>
Gasoline Tax	General Fund	\$ 7,185
Homestead Exemption Reimb.	General Fund	28,430
Sales Tax Allocation	General Fund	614,085
General Municipal Aid	General Fund	1,332
Grand Gulf	General Fund	27,438
Homeland Security	General Fund	14,756
FEMA Grant	General Fund	38,507
Police Reimbursement	General Fund	917
Fire Protection	Special Revenue Fund	12,993
Homestead Exemption Reimb.	Special Revenue Fund	3,468
Homestead Exemption Reimb.	Debt Service Fund	5,471
FEMA Grant	Water Fund	19,000
Other Aid to Municipalities	Water Fund	235,695

5. I 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	25
Dollar Value of Sample	\$ 716,236

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

6. I have read the Municipal Compliance Questionnaire completed by the municipality. The completed survey indicated no instances of noncompliance with state requirements.

I was not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's compliance with laws and regulations. Accordingly, I do not express such an opinion. Had I preformed 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 Office of the State Auditor, State of Mississippi 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.



February 6, 2007