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STATE AUDITOR'S OFFICE

TOWN OF MERIGOLD, MISSISSIPPI

FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2006

EDMONDSON & BURCHFIELD, PLLC
CERTIFIED PUBLIC ACCOUNTANTS
Cleveland, Mississippi

TOWN OF MERIGOLD, MISSISSIPPI
FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2006

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AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

MISSISSIPPI SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES**

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

We have applied certain agreed-upon procedures, as discussed below, to the accounting records of the Town of Merigold, Mississippi, as of September 30, 2006, and for the year then ended, as required by the Office of the State Auditor, under provisions of Section 21-35-31, Miss. Code Ann. (1972). It is understood that the report is solely for the use of the governing body of the Town of Merigold, 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>
Cleveland State Bank	General Fund	\$ 19,109
Cleveland State Bank	General Fund	84,146
	Total General Fund	<u>\$ 103,255</u>
Cleveland State Bank	Fire Protection Fund	<u>\$ 4,374</u>
Cleveland State Bank	CDBG Grant Fund	<u>\$ 1</u>
Cleveland State Bank	HOME Grant Fund	<u>\$ 1</u>
Cleveland State Bank	Water & Sewer Fund	<u>\$ 276,998</u>
Cleveland State Bank	Unemployment Reserve Fund	<u>\$ 895</u>

2. We confirmed directly with respective banks all investments, including certificates of deposit, owned by the Town of Merigold. All investment transactions during the year were examined for compliance with investments authorized by Section 21-33-323, Miss. Code Ann. (1972).

<u>Investment</u>	<u>Fund</u>	<u>Balance per General Ledger</u>
Certificate of Deposit	General Fund	<u>\$ 92,776</u>

3. We performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:
 - a. Verified use of certified county assessment rolls and traced 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 Section 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).

4. We 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>Ledger Amount</u>
Sales Tax Allocation	General Fund	\$ 65,013
Homestead Reimbursement	General Fund	10,945
Homestead Reimbursement	Fire Protection Fund	40
Nuclear Plant Allocation	General Fund	4,701
Liquor Privilege	General Fund	2,475
Gasoline Tax	General Fund	1,743
General Municipal Aid	General Fund	346
Fire Protection Allocation	Fire Protection Fund	3,377
Homeland Security Grant	General Fund	6,126
CDBG Grant	CDBG Project Fund	279,100
HOME Grant	HOME Project Fund	9,275
		<u>\$ 383,141</u>

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:

Number of Sample Items	33
Dollar Value of Sample	\$ 321,446

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

6. We have read the Municipal Compliance Questionnaire completed by the municipality. The following responses to the questionnaire indicate noncompliance with state requirements:
 - a. We noted that the Municipal Compliance Questionnaire was not properly signed by appropriate officials or approved and entered into the minutes of the Board of Aldermen.

Because the above procedures do not constitute an audit conducted in accordance with auditing standards generally accepted in the United States of America, 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 auditing standards generally accepted in the United States of America, 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 Merigold, Mississippi, for the year ended September 30, 2006.

Edmondson & Beachfield, P.C.

March 6, 2008

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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Honorable Mayor and Board of Aldermen
Town of Merigold, Mississippi

We have compiled the accompanying statement of cash receipts and disbursements (all funds) of the Town of Merigold, Mississippi, 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 information that is the representation of management in the form of financial statements. We have not audited or reviewed the accompanying statement of cash receipts and disbursements (all funds) and accordingly do not express an opinion or any other form of assurance on it.

The Town's policy is to prepare its financial statements 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 funds) is not intended to present results of operations, in conformity with accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements. If the omitted disclosures were included in the financial statement, 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.

The supplementary information contained on pages 7 - 11 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 Merigold, Mississippi, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on such supplementary information.



March 6, 2008

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

	Governmental Funds				Proprietary Fund Water & Sewer Enterprise	Fiduciary Fund Expendable Trust	Totals (Memorandum Only) 9-30-2006
	General	Special Revenue	Capital Projects CDBG	HOME			
REVENUE RECEIPTS:							
General Property Taxes	\$ 85,931	\$ 310	\$ -	\$ -	\$ -	\$ -	\$ 86,241
Realty, Personality, & Public Utility	27,511	91	-	-	-	-	27,602
Motor Vehicle	10,066	33	-	-	-	-	10,099
Delinquent	2,704	-	-	-	-	-	2,704
Penalties & Interest on Delinquent Taxes	1,129	-	-	-	-	-	1,129
Licenses and Permits	17,769	-	-	-	-	-	17,769
Franchise Fees	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Federal Revenue	-	-	-	-	-	-	-
CDBG Grant	-	-	279,100	-	-	-	279,100
HOME Grant	-	-	-	9,275	-	-	9,275
Homeland Security Grant	6,126	-	-	-	-	-	6,126
State Shared Revenue	-	-	-	-	-	-	-
General Municipal Aid	346	-	-	-	-	-	346
Sales Tax	65,013	-	-	-	-	-	65,013
Fire Protection Allocation	-	3,377	-	-	-	-	3,377
Gasoline Tax	1,743	-	-	-	-	-	1,743
Alcoholic Beverage Licenses	2,475	-	-	-	-	-	2,475
Homestead Reimbursement	10,945	40	-	-	-	-	10,985
Grand Gulf - In Lieu of Taxes	4,701	-	-	-	-	-	4,701
Bolivar County Revenue	-	-	-	-	-	-	-
Privilege Tax	931	-	-	-	-	-	931
Fines and forfeits	2,625	-	-	-	-	-	2,625
Interest Income	3,356	-	-	-	7	-	3,363
Charges for Services	-	-	-	-	-	-	-
Water & sewer utility	-	-	-	-	84,909	-	84,909
Cemetery Fees	3,700	-	-	-	-	-	3,700
Miscellaneous	(402)	-	-	-	-	-	(402)
TOTAL REVENUE RECEIPTS	246,669	3,851	279,100	9,275	84,909	7	623,811
OTHER RECEIPTS:							
Interfund transfers	-	-	-	1	25,699	-	25,700
TOTAL OTHER RECEIPTS	-	-	-	1	25,699	-	25,700
TOTAL CASH RECEIPTS	\$ 246,669	\$ 3,851	\$ 279,100	\$ 9,276	\$ 110,608	\$ 7	\$ 649,511

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

	Governmental Funds				Proprietary Fund Water & Sewer Enterprise	Fiduciary Fund Expendable Trust	Totals (Memorandum Only) 9-30-2006
	General	Special Revenue	CDBG	Capital Projects HOME			
OPERATING DISBURSEMENTS:							
General government	\$ 143,123	\$ -	\$ -	\$ -	\$ -	1	\$ 143,124
Public safety	24,750	6,505	-	-	-	-	31,255
Highways and streets	20,682	-	-	-	-	-	20,682
Sanitation	18,747	-	-	-	-	-	18,747
Health and welfare	-	-	-	-	-	-	-
Education and recreation	13,298	-	-	-	-	-	13,298
Enterprises:							
Water & Sewer Utility	-	-	-	-	159,109	-	159,109
Other:							
CDBG Grant expenditures	-	-	279,100	-	-	-	279,100
HOME Grant expenditures	-	-	-	9,275	-	-	9,275
TOTAL OPERATING DISBURSEMENTS	220,600	6,505	279,100	9,275	159,109	1	674,590
OTHER DISBURSEMENTS:							
Interfund Transfers	25,700	-	-	-	-	-	25,700
TOTAL OTHER DISBURSEMENTS	25,700	-	-	-	-	-	25,700
TOTAL CASH DISBURSEMENTS	\$ 246,300	\$ 6,505	\$ 279,100	\$ 9,275	\$ 159,109	1	\$ 700,290
Excess (deficiency) of Cash Receipts Over (Under) Cash Disbursements	369	(2,654)	-	1	(48,501)	6	(50,779)
Cash and investment balances, beginning of year	195,662	7,028	1	-	325,499	889	529,079
Cash and investment balances, end of year	\$ 196,031	\$ 4,374	\$ 1	\$ 1	\$ 276,998	\$ 895	\$ 478,300

TOWN OF MERIGOLD, MISSISSIPPI
SCHEDULE OF INVESTMENTS - ALL FUNDS
For the Fiscal Year Ended September 30, 2006

OWNERSHIP	TYPE OF INVESTMENT	INTEREST RATE	ACQUISITION DATE	MATURITY DATE	OTHER INFORMATION	INVESTMENT COST / VALUE
General Fund	Certificate of Deposit	3.75%	5/21/2006	11/20/2006	State Depository Cleveland State Bank	\$ 92,776

TOWN OF MERIGOLD, MISSISSIPPI
SCHEDULE OF LONG-TERM DEBT
For the Fiscal Year Ended September 30, 2005

No long-term Debt to report.

See accountants' compilation report

TOWN OF MERIGOLD, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS
For the Fiscal Year Ended September 30, 2006

Name	Position	Company	Term	Amount or Limit
Edna S. Lloyd	Town Clerk	Western Surety	6-11-06 / 6-11-07	\$ 50,000
Albert L. Junkin, Jr.	Town Marshall	Western Surety	7-3-06 / 7-3-07	\$ 50,000
Therlene Golliday	Alderman	Western Surety	7-1-06 / 7-1-07	\$ 25,000
Charles W. Miller	Alderman	Western Surety	7-1-06 / 7-1-07	\$ 25,000
McKenzie "Ken" T. McGarrh	Alderman	Western Surety	7-1-06 / 7-1-07	\$ 25,000
Johnny Wesley Thomas	Alderman	Western Surety	7-1-06 / 7-1-07	\$ 25,000
William "Billy" Latham	Alderman	Western Surety	7-1-06 / 7-1-07	\$ 25,000

See accountants' compilation report

TOWN OF MERIGOLD, MISSISSIPPI
RECONCILIATION OF TAX ASSESSMENTS TO FUND COLLECTIONS - 2005 TAX ROLLS
For the Fiscal Year Ended September 30, 2006

Assessments - 2005 Tax Rolls	Assessed Valuation	Ad Valorem Taxes	
Realty	\$ 1,323,702		
Personalty	71,277		
Auto and Mobile Home (remitted by Bolivar County)	412,495		
Public Utility	277,512		
Total Assessed Valuation	\$ 2,084,986		
Total Ad Valorem Tax @ 69.82 mills		\$ 145,574	
Less: Homestead Exemption Credit		19,076	
Net Ad Valorem Taxes			\$ 126,498
Other Collections:			
Actual Homestead Reimbursements		10,985	
Prior Year Tax Collections		10,099	
Penalties and Interest on Delinquent Taxes		2,958	24,042
Deductions:			
Bolivar County Tax Collector's Commission			(1,453)
Total Ad Valorem Taxes to be Accounted For			\$ 149,087
Collections:			
Collections allocated to:	Taxes	Homestead	Total
General Fund	\$ 126,212	\$ 10,945	\$ 137,157
Fire Protection Fund	434	40	474
Totals	\$ 126,646	\$ 10,985	137,631
Balance Represented by:			
Unpaid Realty			9,573
Unpaid Personalty			1,165
Unaccounted for - Under (Over) Collected			718
Total Ad Valorem Taxes Accounted For			\$ 149,087

(Continued)

See accountants' compilation report

TOWN OF MERIGOLD, MISSISSIPPI
RECONCILIATION OF TAX ASSESSMENTS TO FUND COLLECTIONS - 2005 TAX ROLLS
(Continued)
For the Fiscal Year Ended September 30, 2006

Tax millage levies for the current fiscal year (tax year 2005) were as follows:

<u>Fund</u>	<u>Millage</u>	<u>Purpose</u>
General	69.57	General
Fire Protection Fund	0.25	Fire Protection
Total	69.82	

Ad Valorem tax assessments were found to be within the limitations of Section 27-39-320 to 27-39-329 as follows:

\$ 122,142	(3) Base 2004 - 2005	\$ 123,942	(1) Taxes collected 2005 - 2006
-		(3,711)	Less: Exempted Amounts
-		10,985	(2) Homestead exemption reimbursement
<u>\$ 122,142</u>		<u>131,216</u>	
12,214	10% Increase	3,140	Margin for Increase
<u>\$ 134,356</u>		<u>\$ 134,356</u>	

(1) General Fund Collections	\$ 126,212
Fire Protection Fund Collections	434
Less: penalties and interest	(2,704)
Balance	<u>\$ 123,942</u>

(2) General Fund	\$ 10,945
Fire Protection Fund	40
Balance	<u>\$ 10,985</u>

(3) General Fund Collections	\$ 113,326
Fire Protection Fund Collections	390
Less: penalties and interest	(1,803)
	111,913
Homestead	10,229
Balance	<u>\$ 122,142</u>

See accountants' compilation report