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**Town of Monticello, Mississippi**

**Independent Accountant's Report on Applying  
Agreed-Upon Procedures and  
Compiled Financial Statements**

**Year Ended September 30, 2006**

**TOWN OF MONTICELLO**  
**For the Year Ended September 30, 2006**

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**Charles R. Hart**

Certified Public Accountant

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Wesson, Mississippi 39191

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

To the Mayor and Board of Aldermen  
Town of Monticello, Mississippi

I have performed the procedures enumerated below, which were agreed to by the Office of the State Auditor, to the accounting records of Town of Monticello, Mississippi, solely to assist the Office of the State Auditor evaluate the Town of Monticello, 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 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 Office of the State Auditor, State of Mississippi. Consequently, I make no representation regarding the sufficiency of the procedures describe 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 banks to balances in the respective general ledger accounts and obtained confirmation of the related balances from the banks:

Bank	Fund	Balance Per: General Ledger
AM South	General	808,424
First Bank	General	3,866
AM South	Water & Sewer Proprietary	90,756

- 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).

Certificates of Deposit:

General Funds:

2.74% Certificate of Deposit, dated September 25, 2006 Matures October 2, 2006. AmSouth - Sales Tax	102,338
5.12% Certificate of Deposit, dated September 18, 2006 Matures April 18, 2007. (0056192401) AmSouth - Sales Tax	22,670
5.12% Certificate of Deposit, dated September 20, 2006 Matures April 19, 2007. (0064989534) AmSouth - Fire Fund	25,000
<b>Total Investments</b>	<b>150,008</b>

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 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).

Ad valorem tax collections for retirement of general obligation debt was 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 Town of Monticello. 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>Payment Purpose</u>	<u>Receiving Fund</u>	<u>Ledger Amount</u>
Sales Tax	General	460,399
Homestead Exemption Reimbursement	General	27,666
Grand Gulf Nuclear Plant	General	19,935
Public Recreation Facility	General	51,253
Gasoline Tax	General	4,854
Fire Protection	General	8,777
Public Safety	General	38,684
Municipal Aid	General	900
Other – Miscellaneous	General	1,630
Loan Proceeds – MDA	General	95,721
CDBG Program	General	54,380
Public Safety – Emergency MGT	General	1,630

5. I selected a sample of purchases made by the Town of Monticello 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	37
Total Dollar Value of Sample	\$154,408

I found the Town of Monticello'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 Town of Monticello. The completed survey indicated no instances of noncompliance with the state requirements.

I was not engaged to, and did not conduct 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 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 Town of Monticello and 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 not intended to be and should not be used by anyone other than those specified parties.



Charles R. Hart  
Certified Public Accountant

February 5, 2007  
Wesson, Mississippi

**Charles R. Hart**

Certified Public Accountant

P.O. Box 336

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## Accountant's Compilation Report

Town of Monticello  
Mayor and Board of Aldermen  
Monticello, Mississippi

I have compiled the accompanying statement of cash receipts and disbursements-governmental and business-type activities of the Town of Monticello, Mississippi for the year ended September 30, 2006, and the accompanying supplementary information contained in Schedules 1 and 2, 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.

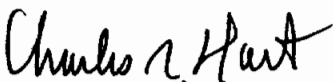
A compilation is limited to presenting in the form of financial statements and supplementary schedules information that is the representation of management. I have not audited or reviewed the accompanying statement of cash receipts and disbursements-governmental and business-type activities and supplementary 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 Town'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 Town's governmental activities and business-type activities are not reasonably determinable.

The Mayor and Alderman 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 Town'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 February 5, 2007, on the results of our agreed-upon procedures.



Charles R. Hart  
Certified Public Accountant

February 5, 2007  
Wesson, Mississippi

**Town of Monticello**  
**Statement of Cash Receipts & Disbursements**  
**Governmental and Business-Type Activities**  
**Year Ended September 30, 2006**

	Governmental Activities	Business- type Activities	(Memo Only)
	General	Water & Sewer	Total
<b>RECEIPTS</b>			
Taxes			
General property taxes	396,828		396,828
Property Taxes - prior	33,752		33,752
Penalties & interest on delinquent taxes	11,257		11,257
Licenses & permits			
Privilege licenses	10,650		10,650
Franchise charges - utilities	80,024		80,024
Intergovernmental revenues:			
Federal receipts			
FEMA Katrina grant	336,715		336,715
General Municipal Aid & Gas Tax	5,754		5,754
State Shared Revenues:			
Homestead Exemption Reimbursement	27,666		27,666
Sales Tax	460,399		460,399
In Lieu of Tax - Grand Gulf	19,935		19,935
Fire insurance premium tax	8,777		8,777
MDA grant	148,148		148,148
MDOT grant	2,500		2,500
County:			
Fire protection	17,784		17,784
Charges for Services:			
Atwood Water Park	23,292		23,292
Water, Sewer, & Garbage		520,720	520,720
Fines & Forfeits	66,393		66,393
Miscellaneous	217,519		217,519
<b>Total Receipts</b>	<b>1,867,393</b>	<b>520,720</b>	<b>2,388,113</b>

SEE ACCOUNTANT'S COMPILATION REPORT

**Town of Monticello  
Statement of Cash Receipts & Disbursements  
Governmental and Business-Type Activities  
Year Ended September 30, 2006**

	Governmental Activities	Business- type Activities	(Memo Only)
	General	Water & Sewer	Total
<b>DISBURSEMENTS</b>			
General government	284,888		284,888
Public safety			
Police	430,081		430,081
Streets	408,222		408,222
Fire	195,678		195,678
Municipal Court	29,506		29,506
Culture & recreation			
Recreation	48,133		48,133
Enterprise			
Water & Sewer		376,807	376,807
Garbage Fees		142,237	142,237
Debt service - principal & interest	41,387	5,680	47,067
Capital outlay	281,864		281,864
Other non-operating disbursements	76,452	5,795	82,247
	<hr/>	<hr/>	<hr/>
Total Disbursements	1,796,211	530,519	2,326,730

SEE ACCOUNTANT'S COMPILATION REPORT

**Town of Monticello**  
**Statement of Cash Receipts & Disbursements**  
**Governmental and Business-Type Activities**  
**Year Ended September 30, 2006**

	Governmental Activities	Business- type Activities	(Memo Only)
	General	Water & Sewer	Total
Excess(Deficiency) of receipts over disbursements	71,182	(9,799)	61,383
<b>OTHER FINANCING SOURCES (USES)</b>			
Railroad in lieu of taxes			
MRHA in lieu of taxes	4,612		4,612
Other non-revenue receipts	101,240	65,954	167,194
Donation - GP	30,000		30,000
Interest Earned	6,349		6,349
Total other financing resources (Uses)	142,201	65,954	208,155
Excess (Deficiency) of receipts and other financing sources over disbursements and other financing uses	213,383	56,155	269,538
<b>Cash Basis Fund Balance - Beginning of Year</b>	598,907	34,601	633,508
<b>Cash Basis Fund Balance - End of Year</b>	812,290	90,756	903,046

SEE ACCOUNTANT'S COMPILATION REPORT

## **SUPPLEMENTAL INFORMATION**

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**Town of Monticello  
Schedule of Long-Term Debt  
Year Ended September 30, 2006**

	Balance Outstanding Oct. 1, 2005	Transactions During Fiscal Year		Balance Outstanding Sept. 30, 2006
		Issued	Redeemed	
Great Southern Leasing New Fire Truck	115,653		16,398	99,255
State Bank Tractor/Backhoe	5,596		5,596	-
MS Development Authority Sports Complex	-	99,721	-	99,721
<b>Total Long-Term Debt</b>	<b>121,249</b>	<b>99,721</b>	<b>21,994</b>	<b>198,976</b>

**SEE ACCOUNTANT'S COMPILATION REPORT**

**Town of Monticello  
Schedule of Surety Bonds Coverage  
Year Ended September 30, 2006**

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Bond Amount</u>
David Nichols	Mayor	St. Paul Surety	50,000
David Stanley	Police Chief	St. Paul Surety	50,000
Deborah Lea	City Clerk	St. Paul Surety	50,000
Kim Benson	Court Clerk	St. Paul Surety	10,000
Amy Corken	Deputy Clerk	St. Paul Surety	10,000
Various	Alderman	St. Paul Surety	25,000

SEE ACCOUNTANT'S COMPILATION REPORT