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JAN 11 2008
STATE AUDITOR'S OFFICE

Town of Bentonia
P. O. Box 310
Bentonia, MS 39040

January 10, 2008

Office of the State Auditor
P. O. Box 956
Jackson, Mississippi 39205

Re: Annual Town Audit

Department of Technical Assistance

Accompanying this letter are two copies of the annual compilation of certain financial information and report on agreed-upon procedures for the fiscal year ending September 30, 2007 of the Town of Bentonia, Mississippi. In connection with this compilation, a separate management letter was not written to the town.

Sincerely yours,



Tommy Hancock
Mayor

TOWN OF BENTONIA

COMPILATION OF CERTAIN FINANCIAL INFORMATION AND

REPORT ON AGREED-UPON PROCEDURES

FISCAL YEAR ENDING SEPTEMBER 30, 2007

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AGREED-UPON PROCEDURES

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Mississippi Society of
Certified Public Accountants

January 4, 2008

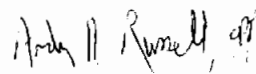
**Honorable Mayor and Board of Aldermen
Town of Bentonia
Bentonia, Mississippi 39040**

We have compiled the accompanying statement of cash receipts and disbursements – all fund types of the Town of Bentonia for the year ended September 30, 2007, 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, accordingly, do not express an opinion or any other form of assurance on it.

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.

The supplementary information contained on pages 5 through 7 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 Bentonia, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on such supplementary information.



Ardis D. Russell, C.P.A.

Town of Bentonia, Mississippi
Statement of Cash Receipts and Disbursements – All Fund Types
Fiscal Year Ended September 30, 2007

| | <u>Governmental Fund Types</u> | | | <u>Proprietary</u> | <u>Memorandum Only</u> |
|---|--------------------------------|----------------------------------|-------------------------------|--|-------------------------------------|
| | <u>General</u> | <u>Special</u> <u>Revenue</u> | <u>Debt</u> <u>Service</u> | <u>Fund Type-</u> <u>Enterprise</u> | <u>2007</u> <u>2006</u> |
| Cash Receipts | | | | | |
| Taxes | | | | | |
| General property taxes | \$ 25,364 | | | | \$ 29,901 |
| License and permits | | | | | |
| Utility franchise charges | 11,167 | | | | 6,638 |
| Other | 835 | | | | 935 |
| Intergovernmental receipts | 4,708 | | | | 4,708 |
| Federal Sources | | \$ 444,912 | | | 444,912 |
| Homestead exemption | 1,245 | | | | 1,175 |
| State shared receipts | | | | | |
| Sales taxes | 213,950 | | | | 136,941 |
| Fire protection allocation | | 2,543 | | | 2,543 |
| Gasoline taxes | 1,343 | | | | 1,604 |
| Other | 3,802 | | | | 12,840 |
| Enterprise operating revenues collected | | | | | |
| Water and sewer | | | \$ 7,018 | \$ 63,111 | 57,929 |
| Other | | | | | |
| Fines | 17,638 | | | | 19,803 |
| Interest | 16,403 | 212 | | | 9,614 |
| Other | <u>19,331</u> | | | | <u>15,910</u> |
| Total Cash Receipts | <u>\$ 315,786</u> | <u>\$ 447,667</u> | <u>\$ 7,018</u> | <u>\$ 63,111</u> | <u>\$ 833,582</u> <u>\$ 466,235</u> |

See Accountant's Compilation Report

Town of Benton, Mississippi
Statement of Cash Receipts and Disbursements – All Fund Types
Fiscal Year Ended September 30, 2007

| | <u>Governmental Fund Types</u> | | | <u>Proprietary</u> | <u>Memorandum Only</u> | |
|--|--------------------------------|-------------------|------------------|--------------------|------------------------|-------------------|
| | <u>General</u> | <u>Special</u> | <u>Debt</u> | <u>Fund Type-</u> | <u>2007</u> | <u>2006</u> |
| | | <u>Revenue</u> | <u>Service</u> | <u>Enterprise</u> | | |
| (Continued) | | | | | | |
| Housing Forestry Grant Supplies | | 131,935 | | | 131,935 | 139,500 |
| Total Cash Disbursements | <u>212,534</u> | <u>447,706</u> | <u>3,345</u> | <u>44,994</u> | <u>708,579</u> | <u>439,686</u> |
| Excess Cash Receipts Over (Under) Cash Disbursements | 103,252 | (39) | 3,673 | 18,117 | 125,003 | 26,549 |
| Transfers In | 18,117 | | | | 18,117 | 13,116 |
| Transfers Out | | | | | (18,117) | (13,116) |
| Cash Balances, Beginning of Year | <u>357,237</u> | <u>(9,241)</u> | <u>29,627</u> | | <u>377,624</u> | <u>351,074</u> |
| Cash Balances, End of Year | <u>\$ 478,606</u> | <u>\$(9,280)</u> | <u>\$ 33,300</u> | <u>\$ -0-</u> | <u>\$ 502,627</u> | <u>\$ 377,624</u> |

See Accountant's Compilation Report

Town of Bentonia, Mississippi
Schedule of Long-term Debt
Fiscal Year Ended September 30, 2007

| | Balance Outstanding <u>October 1, 2006</u> | Transactions During Year <u>Issued</u> <u>Redeemed</u> | Balance Outstanding <u>September 30, 2007</u> |
|---------------------------------|---|--|--|
| General Obligation Bonds | | | |
| Lagoon Bonds | <u>\$ 11,000</u> | <u>\$ 2,000</u> | <u>\$ 9,000</u> |
| Total | <u>\$ 11,000</u> | <u>\$ 2,000</u> | <u>\$ 9,000</u> |

See Accountant's Compilation Report

Town of Bentonia, Mississippi

**Schedule of Investments
September 30, 2007**

| Governmental Fund Types | <u>Interest Rate</u> | <u>Maturity Date</u> | Amount |
|--|---------------------------------|---------------------------------|--------------------------|
| General Fund | | | |
| Certificate of Deposit (BankPlus) | 5.39 | 10-13-07 | \$ 63,520 |
| Certificate of Deposit (BankPlus) | 4.18 | 10-20-07 | 58,381 |
| Certificate of Deposit (BankPlus) | 4.67 | 09-12-08 | 52,625 |
| Certificate of Deposit (Bank of Yazoo) | 3.94 | 03-29-08 | 65,282 |
| Certificate of Deposit (Bank of Yazoo) | 4.91 | 05-17-08 | <u>107,895</u> |
| Total Governmental Fund Types | | | <u>\$ 347,703</u> |

Total Investments

See Accountant's Compilation Report

Town of Bentonia, Mississippi

**Schedule of Surety Bonds of Municipal Officials
September 30, 2007**

| <u>Name</u> | <u>Position</u> | <u>Surety</u> | <u>Amount</u> |
|----------------|-----------------------------------|-----------------------------|---------------|
| Amy Sudbeck | Town Clerk (10/01/06 – 9/4/07) | MS Municipal Association | \$ 50,000 |
| Edward Ferrell | Chief of Police | MS Municipal Association | \$ 50,000 |
| Tommy Hancock | Mayor | MS Municipal Association | \$ 25,000 |
| | Each Council Member | MS Municipal Association | \$ 3,000 |

See Accountant's Compilation Report

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January 4, 2008

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

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

We have performed the procedures enumerated below, which were agreed to by the Office of the State Auditor, to the accounting records of the Town of Bentonia solely to assist the Office of the State Auditor, to evaluate the Town of Bentonia's compliance with certain laws and regulations as of September 30, 2007 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, 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.

Our procedures and 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 on the related balances from the banks:

| <u>Bank</u> | <u>Fund</u> | <u>General Ledger Balance</u> |
|-------------|--------------------------------|---------------------------------------|
| BankPlus | General | \$136,176 |
| BankPlus | Debt Service | 7,323 |
| BankPlus | Fire Protection | 6,728 |
| BankPlus | CDBG-Public Facilities Project | 4,375 |

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

| <u>Investment</u> | <u>Fund</u> | <u>Amount</u> |
|-------------------------|-------------|---------------|
| Certificates of Deposit | General | \$347,703 |

- C. We performed the following procedures with respect to Advalorem taxes on real and personal property 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 follows:

| | <u>Taxable Assessed Valued</u> | <u>Millage</u> | <u>Tax</u> |
|-----------------------------------|---|------------------------------------|-------------------------|
| Real Property | \$ 1,431,403 | 14 | \$ 20,040 |
| Personal Property | 180,552 | 14 | 2,528 |
| | | | |
| Homestead Exemption Allowed | 176,260 | 14 | (2,468) |
| Actual Homestead Reimbursement | | | 1,245 |
| Tax Collector's Commissions | | | (627) |
| Total Taxes to Account For | | | <u>\$ 20,718</u> |
| | | | |
| | <u>Taxes Less Collector's Commissions</u> | <u>Homestead Reimbursement</u> | |
| | | | |
| Collections and Settlements | | | |
| General Fund | <u>\$ 19,426</u> | <u>\$ 1,245</u> | |
| | | | |
| Total | <u>\$ 19,426</u> | <u>\$ 1,245</u> | 20,671 |
| | | | |
| Unaccounted for | | | <u>47</u> |
| | | | |
| Total Taxes Accounted For | | | <u>\$ 20,718</u> |

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:

| | | | |
|--------------------|-------------------------|----------------------------|-------------------------|
| Limitation: | | Actual Collections: | |
| Base Year 2006 | \$ 27,836 | FYE 9/30/07 | \$ 20,053 |
| 10% Increase | 2,784 | Homestead Exemption | |
| | | Reimbursement | 1,245 |
| | | Under (Over) Limitation | <u>9,322</u> |
| Total | <u>\$ 30,620</u> | | <u>\$ 30,620</u> |

Advalorem tax collections for retirement of general long-term debt were sufficient for payment of current principal and interest in accordance with limitations imposed by Sections 21-33-87 and 21-33-303, Mississippi Code, 1972, Annotated.

- D. We obtained a statement of payments made by the Mississippi Department of Finance and Administration to the town. The payments were traced to deposits in banks and recording in the general ledger without exception. Cash receipts were as follows:

| <u>Purpose</u> | <u>Receiving Fund</u> | <u>Amount</u> |
|--------------------------------|-------------------------|---------------|
| Sales Tax Allocation | General Fund | \$ 213,950 |
| Gasoline Tax | Street Improvement Fund | 1,343 |
| Homestead Exemption | General Fund | 1,245 |
| General Municipal Aid | General Fund | 261 |
| Grand Gulf | General Fund | 3,540 |
| CDBG Public Facilities Project | CDBG | 300,607 |
| Housing | General Fund | 144,305 |
| Fire Protection (FY-06) | Fire Fund | 2,543 |

The fire protection allocation for FY07 of \$2,366 was not received as of December 31, 2007 but has been applied for.

- E. We selected a sample of purchases made by the town during the year. Each sample item was evaluated for compliance with public purchasing requirements set forth in Title 31, Chapter 7, Mississippi Code, 1972, Annotated as applicable.

The sample consisted of the following:

| | |
|------------------------|---------|
| Number of Sample Items | 22 |
| Dollar Value of Sample | \$9,853 |

We found the town's purchasing procedures to be in compliance with the above sections.

Because the above procedures do not constitute an audit conducted in accordance with generally accepted auditing standards, we do not express an opinion on any of the accounts or items referred to above. In connection with the procedures referred to above, no matters came to our attention that caused us to believe that the specified accounts or items 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 related only to the accounts and items specified above and does not extend to any financial statements of the Town of Bentonina, taken as a whole.

Ardis D. Russell, CPA

Ardis D. Russell, CPA