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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, 2007

TOWN OF MONTICELLO
For the Year Ended September 30, 2007

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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, 2007, 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
Regions	General	959,851
First Bank	General	10,782
Regions	Water & Sewer Proprietary	169,623

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:

4.03% Certificate of Deposit, dated September 27, 2007 Matures October 4, 2007. (0070721831) Regions - Sales Tax	100,455
4.03% Certificate of Deposit, dated September 24, 2007 Matures October 1, 2007. (0070721882) Regions - Sales Tax	106,433
4.64% Certificate of Deposit, dated April 18, 2007 Matures November 16, 2007. (0056192401) Regions - Sales Tax	23,344
3.50% Certificate of Deposit, dated April 19, 2007 Matures March 15, 2008. (0064989534) Regions - Fire Fund	24,000

Total Investments	254,232
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3. I 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 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>
CDBG Program	Water & Sewer	368,985
Employment Security Commission	General	4,320
Fire Protection Allocation	General	8,168
Forestry Commission	General	8,480
Gasoline Tax	General	4,854
General Municipal Aid	General	900
Grand Gulf Nuclear Facility	General	19,206
Grand Gulf Nuclear Miscellaneous	General	294
Health Department	General	1,358
Homeland Security Grant	General	50,635
Homestead Exemption Reimbursement	General	29,326
Loan Proceeds – MDA	General	4,000
Loan Proceeds – MDA	Water & Sewer	81,791
MS Department of Transportation	General	4,114
Public Health	General	5,624
Public Safety	General	93,843
RIP Grant	General	3,050
Sales Tax	General	455,661
Wildlife and Fisheries Grant	General	26,456
		<u>1,171,065</u>

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	27
Total Dollar Value of Sample	\$287,139

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

May 2, 2008
Wesson, Mississippi

Charles R. Hart

Certified Public Accountant

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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, 2007, and the accompanying supplementary information contained in Exhibits 2 and 3, 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 May 2, 2008, on the results of our agreed-upon procedures.

Charles R. Hart
Certified Public Accountant

May 2, 2008
Wesson, Mississippi

Town of Monticello
Statement of Cash Receipts & Disbursements
Governmental and Business-Type Activities
Year Ended September 30, 2007

	Governmental Activities	Business- Type Activities Water & Sewer	(Memo Only) Total
	General		
RECEIPTS			
Taxes:			
General property taxes	410,306		410,306
Property taxes - prior	3,666		3,666
Penalties & interest on delinquent taxes	8,490		8,490
Licenses & permits:			
Privilege licenses	16,478		16,478
Franchise charges - utilities	60,793		60,793
Intergovernmental revenues:			
Federal receipts			
FEMA Grant	8,914		8,914
Homeland Security	50,635		50,635
RIP Grant	3,050		3,050
CDBG Grant		368,985	368,985
General Municipal Aid & Gas Tax	5,753		5,753
State Shared Revenues:			
Homestead Exemption Reimbursement	29,326		29,326
Sales Tax	455,661		455,661
In Lieu of Tax - Grand Gulf	19,206		19,206
Fire insurance premium tax	8,168		8,168
MS Employment Security	3,200		3,200
MS Forestry Commission	8,480		8,480
MDOT Grant	4,114		4,114
Wildlife & Fisheries	26,457		26,457
Public Health - MOS Grant	1,945		1,945
Public Safety - Siren Grant	50,000		50,000
Public Safety - Cert Grant	43,843		43,843
Public Safety	23,961		23,961
County:			
Fire protection	34,917		34,917
Charges for Services:			
Atwood Water Park	53,697		53,697
Water, Sewer, & Garbage		521,845	521,845
Fines & Forfeits	64,368		64,368
Miscellaneous	189,097		189,097
Total Receipts	1,584,525	890,830	2,475,355

SEE ACCOUNTANT'S COMPILATION REPORT

**Town of Monticello
Statement of Cash Receipts & Disbursements
Governmental and Business-Type Activities
Year Ended September 30, 2007**

	Governmental Activities	Business- Type Activities Water & Sewer	(Memo Only) Total
	General		
DISBURSEMENTS			
General government	380,103		380,103
Public safety			
Police	423,731		423,731
Streets	193,621		193,621
Fire	249,694		249,694
Municipal Court	26,550		26,550
Culture & recreation			
Recreation	151,075		151,075
Enterprise			
Water & Sewer		736,972	736,972
Garbage Fees		155,178	155,178
Debt service - principal & interest	36,623		36,623
Capital outlay	101,604	12,257	113,861
Other non-operating disbursements	11,110	4,299	15,409
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Total Disbursements	1,574,111	908,706	2,482,817

SEE ACCOUNTANT'S COMPILATION REPORT

Town of Monticello
Statement of Cash Receipts & Disbursements
Governmental and Business-Type Activities
Year Ended September 30, 2007

	Governmental Activities	Business- Type Activities	(Memo Only)
	General	Water & Sewer	Total
Excess (Deficiency) of receipts over disbursements	10,414	(17,876)	(7,462)
OTHER FINANCING SOURCES (USES)			
Railroad in lieu of taxes			
MRHA in lieu of taxes	1,099		1,099
Other non-revenue receipts	129,238	16,075	145,313
MDA Loan Proceeds		80,668	80,668
Donation - GP	491		491
Interest Earned	17,101		17,101
Total other financing resources (Uses)	147,929	96,743	244,672
Excess (Deficiency) of receipts and other financing sources over disbursements and other financing uses	158,343	78,867	237,210
Cash Basis Fund Balance - Beginning of Year	812,290	90,756	903,046
Cash Basis Fund Balance - End of Year	970,633	169,623	1,140,256

SEE ACCOUNTANT'S COMPILATION REPORT

SUPPLEMENTAL INFORMATION

**Town of Monticello
Schedule of Long-Term Debt
Year Ended September 30, 2007**

	Balance Outstanding Oct. 1, 2006	Transactions During Fiscal Year		Balance Outstanding Sept. 30, 2007
		Issued	Redeemed	
Great Southern Leasing New Fire Truck	99,255		17,453	81,802
MS Development Authority Sports Complex	95,721	4,000	6,803	92,918
MS Development Authority Water & Sewer Improvements		81,790		81,790
Total Long-Term Debt	194,976	85,790	24,256	256,510

SEE ACCOUNTANT'S COMPILATION REPORT

**Town of Monticello
Schedule of Surety Bonds Coverage
Year Ended September 30, 2007**

<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
David Jones	Park Director	St. Paul Surety	10,000
Pam Smith	Parks Ranger	St. Paul Surety	10,000

SEE ACCOUNTANT'S COMPILATION REPORT