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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, 2009

TOWN OF MONTICELLO
For the Year Ended September 30, 2009

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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, 2009, 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 (checking and certificate of deposit):

Bank	Fund	Balance Per: General Ledger
Regions	General	852,513
First Bank	General	11,537
Regions	Water & Sewer Proprietary	206,447
State Bank	General	150,955

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:

3.00% dated May 18, 2009, due November 16, 2009 (50782) State Bank - Sales Tax	101,496
1.76% dated June 15, 2009, due December 14, 2009 (51213) State Bank - Sales Tax	25,130
Variable Certificate of Deposit, dated September 25, 2009 Matures October 2, 2009. (0078646766) Regions - Sales Tax	102,918
Variable Certificate of Deposit, dated September 28, 2009 Matures October 5, 2009. (0078646790) Regions - Sales Tax	109,099
1.75% dated May 22, 2009, due November 23, 2009 (50903) State Bank - Fire Fund	24,329

2.25% dated December 14, 2008, due December 14, 2009
 (101773) First Bank - Atwood

4,139

Total Investments (included in Item 1)

367,111

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>
Fire Protection Allocation	General	9,120
Gasoline Tax	General	4,853
General Municipal Aid	General	900
Grand Gulf Nuclear Facility	General	19,504
Homestead Exemption Reimbursement	General	32,952
Other Aid - MDA	General	2,000
Public Safety	General	30,169
Sales Tax	General	469,560
Usage Fees	Water & Sewer	611
Wildlife and Fisheries Grant	General	<u>79,562</u>
		<u>649,231</u>

- 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	43
Total Dollar Value of Sample	\$92,279

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

- 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

December 16, 2009
Wesson, Mississippi

Charles R. Hart
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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, 2009, 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 December 16, 2009, on the results of our agreed-upon procedures.

Charles R. Hart
Certified Public Accountant

December 16, 2009
Wesson, Mississippi

Town of Monticello
Statement of Cash Receipts & Disbursements
Governmental and Business-Type Activities
Year Ended September 30, 2009

	Governmental Activities	Business- type Activities	(Memo Only)
	General	Water & Sewer	Total
RECEIPTS			
Taxes			
General property taxes	427,462		427,462
Property Taxes - prior	10,720		10,720
Penalties & interest on delinquent taxes	11,842		11,842
Licenses & permits			
Privilege licenses	8,074		8,074
Franchise charges - utilities	78,096		78,096
Intergovernmental revenues:			
Federal receipts			
FEMA Grant	28,404		28,404
Homeland Security	6,625		6,625
RIP Grant	36,375		36,375
CDBG Grant			-
General Municipal Aid & Gas Tax	5,753		5,753
State Shared Revenues:			
Homestead Exemption Reimbursement	32,952		32,952
Sales Tax	469,560		469,560
In Lieu of Tax - Grand Gulf	19,504		19,504
Fire insurance premium tax	9,120		9,120
MDA Grant	2,000		2,000
MS Employment Security	-		-
MS Forestry Commission	-		-
MDOT grant	-		-
Wildlife & Fisheries	79,561		79,561
Public Health – MOS Grant	49,710		49,710
Public Safety – Siren Grant	25,063		25,063
Public Safety - Cert Grant	3,000		3,000
Public Safety	26,321		26,321
County:			
Fire protection	36,201		36,201
Charges for Services:			
Parks & Recreation	110,832		110,832
Water, Sewer, & Garbage		544,406	544,406
Fines & Forfeits	61,089		61,089
Miscellaneous	37,795		37,795
Total Receipts	1,576,059	544,406	2,120,465

SEE ACCOUNTANT'S COMPILATION REPORT

**Town of Monticello
Statement of Cash Receipts & Disbursements
Governmental and Business-Type Activities
Year Ended September 30, 2009**

	Governmental Activities	Business- Type Activities	(Memo Only)
	General	Water & Sewer	Total
DISBURSEMENTS			
General government	255,485		255,485
Public safety			
Police	376,067		376,067
Streets	104,729		104,729
Fire	174,660		174,660
Municipal Court	17,329		17,329
Culture & recreation			
Recreation	222,293		222,293
Enterprise			
Water & Sewer		293,958	293,958
Garbage Fees		166,356	166,356
Debt service - principal & interest	52,556	35,374	87,930
Capital outlay	465,800	28,137	493,937
Other non-operating disbursements	30,173	25,079	55,252
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Total Disbursements	1,699,092	548,904	2,247,996

SEE ACCOUNTANT'S COMPILATION REPORT

Town of Monticello
Statement of Cash Receipts & Disbursements
Governmental and Business-Type Activities
Year Ended September 30, 2009

	Governmental Activities	Business- Type Activities	(Memo Only)
	General	Water & Sewer	Total
Excess(Deficiency) of receipts over disbursements	(123,033)	(4,498)	(127,531)
OTHER FINANCING SOURCES (USES)			
Railroad in lieu of taxes	-	-	-
MRHA in lieu of taxes	1,247	-	1,247
Other non-revenue receipts	62,126	8,176	70,302
MDA Loan Proceeds	-	-	-
Donation - GP	547	-	547
	63,920	8,176	72,096
Total other financing resources (Uses)			
Excess (Deficiency) of receipts and other financing sources over disbursements and other financing uses	(59,113)	3,678	(55,435)
Cash Basis Fund Balance - Beginning of Year	1,074,118	202,769	1,276,887
Cash Basis Fund Balance - End of Year	1,015,005	206,447	1,221,452

SEE ACCOUNTANT'S COMPILATION REPORT

SUPPLEMENTAL INFORMATION

**Town of Monticello
Schedule of Long-Term Debt
Year Ended September 30, 2009**

	Balance Outstanding Oct. 1, 2008	Transactions During Fiscal Year		Balance Outstanding Sept. 30, 2009
		Issued	Redeemed	
Great Southern Leasing New Fire Truck	63,224		19,774	43,450
MS Development Authority Sports Complex	85,353		14,990	70,363
MS Development Authority Water & Sewer Improvements	411,821		17,266	394,555
Total Long-Term Debt	560,398		52,030	508,368

SEE ACCOUNTANT'S COMPILATION REPORT

**Town of Monticello
Schedule of Surety Bonds Coverage
Year Ended September 30, 2009**

<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	50,000
Amy Corken	Deputy Clerk	St. Paul Surety	50,000
(Various)	Alderman	St. Paul Surety	10,000
Kenny Graves	Park Director	St. Paul Surety	50,000
Pam Smith	Parks Ranger	St. Paul Surety	50,000

SEE ACCOUNTANT'S COMPILATION REPORT