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TOWN OF WALNUT GROVE, MISSISSIPPI

FINANCIAL STATEMENT AND SUPPLEMENTARY INFORMATION

SPECIAL REPORT ON AGREED-UPON PROCEDURES

For the Fiscal Year Ended September 30, 2008

TOWN OF WALNUT GROVE, MISSISSIPPI
FINANCIAL STATEMENT AND SUPPLEMENTARY INFORMATION
SPECIAL REPORT ON AGREED-UPON PROCEDURES
For the Fiscal Year Ended September 30, 2008

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STATE AUDITOR'S OFFICE

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FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

Butchart, Ellzey & Associates

A Professional Corporation
Jackson & Canton

Thomas B. Butchart, CPA, MBT
William S. Ellzey, CPA

Honorable Mayor and Board of Aldermen
Town of Walnut Grove
Walnut Grove, Mississippi

We have compiled the accompanying statement of cash receipts and disbursements – all fund types of the Town of Walnut Grove for the year ended September 30, 2008, and the accompanying supplementary information contained on pages 4 and 5, 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.

A compilation is limited to presenting in the form of financial statements and supplementary schedules 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 supplementary schedules and, accordingly, do not express an opinion or any other form of assurance on them.

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.

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

Butchart, Ellzey & Associates

Canton, Mississippi
May 12, 2009

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TOWN OF WALNUT GROVE, MISSISSIPPI

COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUND TYPES)
SEE ACCOUNTANTS' COMPILATION REPORT
 For the Fiscal Year Ended September 30, 2008

	<u>General</u>	<u>Proprietary Funds</u>	<u>Totals (Memorandum Only)</u>	
			<u>2008</u>	<u>2007</u>
<u>Revenue Receipts:</u>				
General Property Taxes	\$ 29,277	\$ -	\$ 29,277	\$ 30,214
Penalties and Interest on Delinquent Taxes	337		337	477
Licenses and Permits	789		789	651
In Lieu of Taxes and Impact Fees	120,291		120,291	136,880
Public Utility Franchise	19,399		19,399	18,149
Intergovernmental Revenues:				
State Shared Revenues:				
General Municipal Aid	254		254	254
Sales Tax	68,896		68,896	52,431
Gasoline Tax	1,342		1,342	1,342
Health Department	12,679		12,679	2,383
Public Safety	5,465		5,465	2,811
Fire Insurance Premium Tax Distribution	2,527		2,527	6,144
Homestead Exemption	3,276		3,276	3,091
TVA in Lieu of Taxes	7,883		7,883	7,263
County Revenue:				
Auto Advalorem	18,207		18,207	8,770
Regular Advalorem	10,442		10,442	21,883
Fire Protection	9,890		9,890	9,115
Charges for Services:				
Gas Utility		1,076,148	1,076,148	1,081,431
Water and Sewer Utility		211,061	211,061	212,268
Garbage Fees	24,462		24,462	24,898
Police Fines	(1,036)		(1,036)	28,948
Rental Income	18,000		18,000	17,000
Interest Income	737	1,201	1,938	2,218
Recreational Funds	18,000		18,000	9,000
Other Income	30	-	30	-
	<u>30</u>	<u>-</u>	<u>30</u>	<u>-</u>
Total Receipts	\$ 371,147	\$ 1,288,410	\$ 1,659,557	\$ 1,677,621
<u>Other Receipts:</u>				
Bank Loans	\$ -	\$ -	\$ -	\$ 75,000
Loans and Transfers	50,452	17,710	68,162	36,971
	<u>50,452</u>	<u>17,710</u>	<u>68,162</u>	<u>36,971</u>
Total Other Receipts	\$ 50,452	\$ 17,710	\$ 68,162	\$ 111,971
Total Receipts	\$ 421,599	\$ 1,306,120	\$ 1,727,719	\$ 1,789,592
Cash Balance - Beginning of Year	<u>121,607</u>	<u>162,360</u>	<u>283,967</u>	<u>157,649</u>
TOTAL AMOUNT TO ACCOUNT FOR	\$ 543,206	\$ 1,468,480	\$ 2,011,686	\$ 1,947,241

TOWN OF WALNUT GROVE, MISSISSIPPI

COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUND TYPES)

SEE ACCOUNTANTS' COMPILATION REPORT

For the Fiscal Year Ended September 30, 2008

	<u>General</u>	<u>Proprietary Funds</u>	<u>Totals (Memorandum Only)</u>	
			<u>2008</u>	<u>2007</u>
<u>Operating Disbursements:</u>				
General Government (Executive and Financial)				
Personnel	\$ 78,376		\$ 78,376	\$ 87,944
Other	42,121		42,121	74,846
Public Safety:				
Police				
Salaries	123,714		123,714	117,261
Court fees, jail costs, supplies	29,739		29,739	21,721
Fire	5,998		5,998	2,399
Highways and Streets:				
Lights and Maintenance	14,580		14,580	13,837
Sanitation - Garbage Collection	7,741		7,741	6,887
Culture and Recreation:				
Ball fields	85		85	98
Libraries	40,320		40,320	33,199
Enterprises:				
Water and Sewer Utility:				
Personnel		34,768	34,768	38,483
Maintenance and Power		81,666	81,666	110,943
Chemicals		19,107	19,107	18,785
Other		5,832	5,832	9,013
Gas Utility:				
Personnel		187,118	187,118	169,250
Gas Purchases		530,225	530,225	694,415
Maintenance and Power		67,806	67,806	41,340
Chemicals		8,799	8,799	6,206
Other		98,517	98,517	59,842
Interest on Loans	479	13,251	13,730	15,962
COPS Grant Repayment	3,891	-	3,891	3,853
	<u>3,891</u>	<u>-</u>	<u>3,891</u>	<u>3,853</u>
Total Operating Disbursements	\$ 347,044	\$ 1,047,089	\$ 1,394,133	\$ 1,526,284
<u>Other Disbursements:</u>				
Bank Loans Repaid	\$ 10,345	\$ 105,653	\$ 115,998	\$ 73,929
Capital Outlay	9,548	14,556	24,104	26,090
Loans and Transfers	-	68,162	68,162	36,971
	<u>-</u>	<u>68,162</u>	<u>68,162</u>	<u>36,971</u>
Total Other Disbursements	\$ 19,893	\$ 188,371	\$ 208,264	\$ 136,990
Total Disbursements	\$ 366,937	\$ 1,235,460	\$ 1,602,397	\$ 1,663,274
Cash Balance - End of Year	<u>176,269</u>	<u>233,020</u>	<u>409,289</u>	<u>283,967</u>
TOTAL AMOUNT ACCOUNTED FOR	<u>\$ 543,206</u>	<u>\$ 1,468,480</u>	<u>\$ 2,011,686</u>	<u>\$ 1,947,241</u>

TOWN OF WALNUT GROVE, MISSISSIPPI

SUPPLEMENTARY SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS

SEE ACCOUNTANTS' COMPILATION REPORT

September 30, 2008

<u>NAME</u>	<u>POSITION</u>	<u>COMPANY</u>	<u>BOND</u>
Grady Sims	Mayor	Brierfield Insurance	10,000
Ada Chamblee	Town Clerk	Brierfield Insurance	50,000
Hilda Spence	Asst. Town Clerk	Brierfield Insurance	25,000
Jerry Millsaps	Utilities Manager	Brierfield Insurance	1,000
Joseph Lee	Deputy Marshall	Brierfield Insurance	25,000
Carey Thomas	Marshall	Brierfield Insurance	50,000
Chiquitia Cooks	Deputy Marshall	Brierfield Insurance	25,000
James Edwards	Auxiliary Policeman	Brierfield Insurance	25,000
Jimmy Lewis	Deputy Marshall	Brierfield Insurance	25,000
Brent King	City Manager	Brierfield Insurance	1,000
W. C. Croft, Jr.	Alderman	MS. Municipal Board Program	25,000
David Dumas	Alderman	MS. Municipal Board Program	25,000
Marcus Ellis, Jr.	Alderman	MS. Municipal Board Program	25,000
Jerry Darby	Alderman	MS. Municipal Board Program	25,000
Ricky Chamblee	Alderman	MS. Municipal Board Program	25,000

TOWN OF WALNUT

SUPPLEMENTARY SCHEDULE OF LONG

SEE ACCOUNTANTS'

September 30,

	<u>INTEREST</u>		<u>ISSUE</u>
	<u>RATES</u>	<u>PAYMENT</u> <u>DATES</u>	<u>DATE</u>
<u>WATER AND SEWER FUND</u>			
<u>OTHER LONG-TERM DEBT</u>			
Note payable - Trustmark	4.07%	annually	10/7/05
Note payable - MS. Department of Economic and Community Development (Total Loan \$500,000)	3.00%	monthly	7/14/00
TOTAL LONG-TERM DEBT WATER AND SEWER FUND			
<u>GAS FUND</u>			
<u>OTHER LONG-TERM DEBT</u>			
Note payable - Bank of Walnut Grove	6.00%	annually	1/9/07
TOTAL LONG-TERM DEBT GAS FUND			
<u>GENERAL LONG-TERM DEBT GROUP</u>			
COPS grant repayment obligation	1.00%	monthly	2/15/06
Capital lease obligation	3.25%	monthly	2/15/05
TOTAL LONG-TERM DEBT - GENERAL LONG-TERM DEBT GROUP			
TOTAL LONG-TERM DEBT			

GROVE, MISSISSIPPI

TERM DEBT - ALL FUNDS

COMPILATION REPORT

2008

<u>FINAL MATURITY DATE</u>	<u>BALANCE OUTSTANDING 10/1/2007</u>	<u>TRANSACTIONS DURING FISCAL YEAR</u>		<u>BALANCE OUTSTANDING 9/30/2008</u>
		<u>ISSUED</u>	<u>RETIRED</u>	
10/7/2010	\$ <u>61,172</u>	\$ <u>-</u>	\$ <u>14,390</u>	\$ <u>46,782</u>
1/1/2016	\$ <u>305,554</u>	\$ <u>-</u>	\$ <u>32,624</u>	\$ <u>272,930</u>
	\$ <u>366,726</u>	\$ <u>-</u>	\$ <u>47,014</u>	\$ <u>319,712</u>
1/9/2012	<u>58,639</u>	\$ <u>-</u>	\$ <u>58,639</u>	\$ <u>-</u>
	\$ <u>58,639</u>	\$ <u>-</u>	\$ <u>58,639</u>	\$ <u>-</u>
3/1/2011	\$ <u>14,127</u>	\$ <u>-</u>	\$ <u>3,891</u>	\$ <u>10,236</u>
2/15/2009	\$ <u>15,645</u>	\$ <u>-</u>	\$ <u>10,345</u>	\$ <u>5,300</u>
	\$ <u>29,772</u>	\$ <u>-</u>	\$ <u>14,236</u>	\$ <u>15,536</u>
	\$ <u>455,137</u>	\$ <u>-</u>	\$ <u>119,889</u>	\$ <u>335,248</u>

SPECIAL REPORT
ON AGREED-UPON PROCEDURES

Butchart, Ellzey & Associates

A Professional Corporation
Jackson & Canton

Thomas B. Butchart, CPA, MBT
William S. Ellzey, CPA

INDEPENDENT ACCOUNTANTS' REPORT ON AGREED-UPON PROCEDURES FOR SMALL MUNICIPALITIES (TOWNS)

Mayor and Board of Aldermen
Town of Walnut Grove, Mississippi

We have performed certain agreed-upon procedures enumerated below to the accounting records of the Town of Walnut Grove, Mississippi, as of September 30, 2008, and for the year then ended, as required by the Office of the State Auditor, under the provisions of Section 21-35-31, Miss. Code Ann. (1972). 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 parties specified in this report. 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.

The procedures and the associated findings are as follows:

1. We reconciled cash on deposit with the following banks to balance in the respective general ledger accounts and obtained confirmation of the related balance from the banks:

<u>Bank</u>	<u>Fund</u>	<u>Balance Per General Ledger</u>
Bank of Walnut Grove	General	\$ 176,269
Bank of Walnut Grove	Gas System	136,350
Bank of Walnut Grove	Water & Sewer System	<u>49,933</u>
	Total	<u>\$ 362,552</u>

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Member AICPA Private Companies Practice Section

2. 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).

<u>General Security</u>	<u>Fund</u>	<u>Ledger Cost</u>
Certificate of Deposit	Gas System	\$20,000
Certificate of Deposit	Gas System	<u>23,737</u>
	Total Gas System	<u>\$43,737</u>
Certificate of Deposit	Water & Sewer System	<u>\$ 3,000</u>
	Total	<u>\$46,737</u>

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 trace levees 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).

3. 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	\$ 68,896
Gasoline Tax	General Fund	1,342
Law Enforcement	General Fund	5,465
Fire Insurance Premium Tax Distribution	General Fund	2,527
Homestead Exemption	General Fund	3,276
TVA in Lieu of Taxes	General Fund	7,883
General Municipal Aid	General Fund	254
Health Department	General Fund	<u>12,679</u>
	Total	<u>\$ 102,322</u>

4. 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	<u>4</u>
Total Dollar Value of Sample	<u>\$24,104</u>

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

5. We have read the Municipal Compliance Questionnaire completed by the municipality. The completed survey indicated no instances of noncompliance with state requirements.

Because the above procedures do not constitute an audit in accordance with generally accepted auditing standards, 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 generally accepted auditing standards, 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 Walnut Grove, Mississippi, for the year ended September 30, 2008.

Butchart, Ellyou & Associates

Canton, Mississippi
May 12, 2009

