



The following document was not prepared by the Office of the State Auditor, but was prepared by and submitted to the Office of the State Auditor by a private CPA firm. The document was placed on this web page as it was submitted. The Office of the State Auditor assumes no responsibility for its content or for any errors located in the document. Any questions of accuracy or authenticity concerning this document should be submitted to the CPA firm that prepared the document. The name and address of the CPA firm appears in the document.

TOWN OF BOLTON, MISSISSIPPI

**Financial Statement and
Supplemental Information**

For the Year Ended September 30, 2006

TOWN OF BOLTON, MISSISSIPPI
FINANCIAL STATEMENT AND SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2006

TABLE OF CONTENTS

FINANCIAL STATEMENTS		
Accountant's Report		1
Combined Statement of Cash Receipts and Disbursements (All Funds)		2 - 3
SUPPLEMENTAL INFORMATION		
	<u>Schedule</u>	
Schedule of Long-Term Debt	1	5
Schedule of Surety Bonds Municipal Officials	2	6
AGREED UPON PROCEDURES		
Special Report on Agreed-Upon Procedures for Small Municipalities (Towns)		8 - 11



**BANKS, FINLEY,
WHITE & CO.**

CERTIFIED PUBLIC ACCOUNTANTS

ACCOUNTANT'S REPORT

Honorable Mayor and Board of Alderpersons
Town of Bolton, Mississippi

We have compiled the accompanying combined statement of cash receipts and disbursements for each fund of the Town of Bolton 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's 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. We have not audited or review the accompanying the accompanying statement of cash receipts and disbursements and supplementary information 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 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 Mayor and Alderpersons have also elected to omit substantially all of the disclosures ordinarily included in a financial statement prepared on the cash basis of accounting. If the omitted disclosures were included in the financial statement, 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 the management's discussion and analysis 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), we have issued a report dated June 5, 2007, on the results of our agreed-upon procedures.

We are not independent with respect to the Town of Bolton, Mississippi.

Banks, Finley, White & Co.
June 5, 2007

TOWN OF BOLTON, MISSISSIPPI
Combined Statement of Cash Receipts
and Disbursements (All Funds)
For the Year Ended September 30, 2006

	<u>Governmental Funds</u>			Total Memo Only 2006
	<u>General</u>	<u>Special Revenue</u>	<u>Proprietary Funds</u>	
Revenue receipts:				
General property taxes	\$ 126,116	\$ -	\$ -	\$ 126,116
Licenses and permits	1,123	-	-	1,123
State grants, including pass through	-	130,856	-	130,856
Federal grants	-	188,618	-	188,618
State shared revenues:				
Municipal aid	328	-	-	328
Sales tax	153,059	-	-	153,059
Gasoline tax	1,494	-	-	1,494
Severance tax	26,037	-	-	26,037
Other				
Franchise tax	27,168	-	-	27,168
Nuclear plant	5,251	-	-	5,251
Fines and bonds	8,914	-	-	8,914
Interest income	18	-	-	18
Miscellaneous	4,099	-	-	4,099
Charges for services:				
Water	-	-	77,662	77,662
Child care	-	14,348	-	14,348
Total revenue receipts	<u>353,607</u>	<u>333,822</u>	<u>77,662</u>	<u>765,091</u>
Other receipts:				
Miscellaneous	4,532	1,958	-	6,490
Loan proceeds	35,000	-	-	35,000
Interfund loans and transfers	<u>146,225</u>	<u>-</u>	<u>-</u>	<u>146,225</u>
Total Other receipts	<u>185,757</u>	<u>1,958</u>	<u>-</u>	<u>187,715</u>
Total receipts	539,364	335,780	77,662	952,806
Cash balance - beginning of year	<u>34,012</u>	<u>28,326</u>	<u>9,901</u>	<u>72,239</u>
TOTAL AMOUNT TO ACCOUNT FOR	<u>\$ 573,376</u>	<u>\$ 364,106</u>	<u>\$ 87,563</u>	<u>\$1,025,045</u>

TOWN OF BOLTON, MISSISSIPPI
Combined Statement of Cash Receipts
and Disbursements (All Funds) - Continued
For the Year Ended September 30, 2006

	<u>Governmental Funds</u>			Total (Memo Only) 2006
	<u>General</u>	<u>Special Revenue</u>	<u>Proprietary Funds</u>	
Operating disbursements:				
General government (executive and financial)	\$ 183,141	\$ -	\$ -	\$ 183,141
Judicial	38,366	-	-	38,366
Public safety:				
Police	153,908	-	-	153,908
Fire	7,398	-	-	7,398
Child development	-	155,089	-	155,089
Highways and streets:				
Streets	23,386	-	-	23,386
Economic development	-	40,702	-	40,702
Enterprise:				
Water	-	110,568	72,682	183,250
Total operating disbursements	<u>406,199</u>	<u>306,359</u>	<u>72,682</u>	<u>785,240</u>
Other disbursements:				
Interfund loans and transfers	<u>135,898</u>	<u>-</u>	<u>10,357</u>	<u>146,255</u>
Total other disbursements	<u>135,898</u>	<u>-</u>	<u>10,357</u>	<u>146,255</u>
Total disbursements	542,097	306,359	83,039	931,495
Cash balance - end of year	<u>31,279</u>	<u>57,747</u>	<u>4,524</u>	<u>93,550</u>
TOTAL AMOUNT ACCOUNTED FOR	<u>\$ 573,376</u>	<u>\$ 364,106</u>	<u>\$ 87,563</u>	<u>\$ 1,025,045</u>

SUPPLEMENTAL INFORMATION

TOWN OF BOLTON, MISSISSIPPI
Schedule of Long-Term Debt
For the Year Ended September 30, 2006

DEFINITION AND PURPOSE

	<u>Sept. 30, 2005</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Sept. 30, 2006</u>
Bank Note Payable:				
Merchants and Planters Bank**	\$ -	\$ 35,000	\$ -	\$ 35,000
Merchants and Planters Bank	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ -</u>	<u>\$ 35,000</u>	<u>\$ -</u>	<u>\$ 35,000</u>

** Tax Anticipation Loan.

TOWN OF BOLTON, MISSISSIPPI
Schedule of Surety Bonds for Municipal Officials
For the Year Ended September 30, 2006

<u>Name</u>	<u>Position</u>	<u>Company</u>	<u>Bond Amount</u>
Lawrence Butler	Mayor	St. Paul Travlrs	\$ 25,000
Douglas Beard	Alderman	St. Paul Travlrs	5,000
Pelvia Robinson	Alderwoman	St. Paul Travlrs	5,000
Larry Thompson	Alderman	St. Paul Travlrs	5,000
Jimmie Lewis	Alderman	St. Paul Travlrs	5,000
Helen Harris	Alderwoman	St. Paul Travlrs	5,000
Shirley Mason	Alderwoman	St. Paul Travlrs	5,000
Jeardine Robinson	Town Clerk	Western Surety	50,000
Shelia Williams	Court Clerk	Western Surety	25,000
Michael Willimas	Police Chief	St. Paul Travlrs	50,000

TOWN OF BOLTON, MISSISSIPPI
Agreed Upon Procedures
Year Ended September 30, 2006



**BANKS, FINLEY,
WHITE & CO.**
CERTIFIED PUBLIC ACCOUNTANTS

**SPECIAL REPORT ON AGREED-UPON
PROCEDURES FOR SMALL MUNICIPALITIES (TOWNS)**

Mayor and Alderpersons
Town of Bolton and
Office of the State Auditor
Bolton, 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 Bolton, Mississippi, solely to assist the Office of the State Auditor in evaluating the Town of Bolton, Mississippi's compliance with certain laws and regulations as of September 30, 2006, and for the year then ended. Management is responsible for the Town of Bolton, Mississippi's compliance with those requirements. 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 purposes.

Our procedures and findings are as follows:

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

Bank	Fund	Balance per General Ledger
Merchants and Planters Bank	General Fund Operating	\$ 15,540
Merchants and Planters Bank	General Fund Savings	3,914
Merchants and Planters Bank	Tax Collector	6,605
Merchants and Planters Bank	Fire Protection	2,853
Merchants and Planters Bank	Fine Fund	2,359
Merchants and Planters Bank	Justice Court	8
Merchants and Planters Bank	Total General Fund	\$ 31,279

Mayor and Alderpersons
City of Shaw and
Office of the State Auditor
Shaw, Mississippi

Bank	Fund	Balance per General Ledger
Merchants and Planters Bank	EDi Project	\$ 49,970
Merchants and Planters Bank	Child Care Title XX	5,228
Merchants and Planters Bank	Child Development Center	1,624
Merchants and Planters Bank	Home Land Security	<u>925</u>
	Total Special Revenue	\$ <u>57,747</u>
Merchants and Planters Bank	Water Works Fund	4,156
Merchants and Planters Bank	Water Sewer Fund	<u>368</u>
	Total Proprietary Fund	\$ <u>4,524</u>

2. There were no investments owned at September 30, 2006.
3. 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 traced 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 the most recent period for compliance 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 the prescribed tax levies, and uncollected taxes were determined to be properly handled.

Mayor and Alderpersons
 Town of Bolton and
 Office of the State Auditor
 Bolton, Mississippi

4. We obtained a statement of payments made by the Department of Finance and Administration to the municipality. Payments indicated below were traced to the 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>Balance per General Ledger</u>
General Municipal Aid	General	\$ 328
Gasoline Tax	General	1,494
Homestead Exemption Reimbursements	General	5,196
Sales Tax Allocation	General	153,059
Nuclear Plant	General	5,251
Child Care Food	Special Revenue	29,170
Child Care Title XX	Special Revenue	95,371
Fire Protection	General	3,199
Emergency Management Program	General	36,396
MS Development Authority	Special Revenue	110,568
Disabled Assistance	Special Revenue	13
Home Land Security	Special Revenue	6,302
Total	General	<u>\$ 446,347</u>

5. 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	1
Total dollar values of sample	\$110,568

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

We also noted that checks are signed by the Town Clerk and the Mayor. The Town Clerk receives the bank statement and reconciles the bank statement. To enhance segregation of duties, someone other than the Town Clerk should receive and reconcile the bank statements.

Mayor and Alderpersons
Town of Bolton and
Office of the State Auditor
Bolton, Mississippi

6. We inquired about the Municipal Compliance Questionnaire and were informed by the Town Clerk that the questionnaire had not been completed and submitted to the proper state agency. However, we found that the Town had complied with the budget provisions. Our review of the financial statements noted that the General and Utility Fund had no budget overruns for the fiscal year ending September 30, 2006.

We also noted the following:

The Town did not maintain the following components of an accounting system:

- ♦ Cash receipt journal
- ♦ Cash disbursement journal
- ♦ Detailed general ledger
- ♦ Formal chart of accounts
- ♦ Bank reconciliation

The Town should adopt administrative control procedures to establish and maintain an accounting system that will provide an accounting of all financial activities to permit the preparation of financial statements in accordance with general accepted accounting principles and thus maintain an effective system of internal accounting controls.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion, on the accounting records. Accordingly, we do not express such an opinion that would have been reported to you.

This report is intended solely for the information and use of the Town of Bolton and 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 a matter of public record and its distribution is not limited.

Bank, Finley, White & Co.

June 5, 2007