



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.

RECEIVED
APR 09 2008
STATE AUDITOR'S OFFICE

TOWN OF WALNUT GROVE, MISSISSIPPI

FINANCIAL STATEMENT AND SUPPLEMENTARY INFORMATION

SPECIAL REPORT ON AGREED-UPON PROCEDURES

For the Fiscal Year Ended September 30, 2007

TOWN OF WALNUT GROVE, MISSISSIPPI
FINANCIAL STATEMENT AND SUPPLEMENTARY INFORMATION
SPECIAL REPORT ON AGREED-UPON PROCEDURES

For the Fiscal Year Ended September 30, 2007

C O N T E N T S

Financial Statements and Supplementary Information

Independent Accountants' Compilation Report	Page	1
Combined Statement of Cash Receipts and Disbursements (All Fund Types)		2 – 3
Schedule of Surety Bonds for Town Officials		4
Schedule of Long-term Debt		5

Special Report on Agreed Upon Procedures

Independent Accountants' Special Report		6 – 8
---	--	-------

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

Butchart, Ellzey & Associates

A Professional Corporation
Jackson & Canton

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

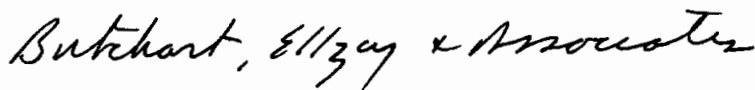
Honorable Mayor and Board of Aldermen
Town of Walnut Grove
Walnut Grove, Mississippi

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, 2007, 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.



Canton, Mississippi
March 21, 2008

Post Office Box 629
729 East Center Street
Canton, MS 39046-0629
Telephone (601) 859-3275
Telephone (601) 948-4694
Fax (601) 859-3260
butchartellzey@bellsouth.net

Member AICPA Private Companies Practice Section

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, 2007

	<u>General</u>	<u>Proprietary Funds</u>	<u>Totals (Memorandum Only)</u>	
			<u>2007</u>	<u>2006</u>
<u>Revenue Receipts:</u>				
General Property Taxes	\$ 30,214		\$ 30,214	\$ 29,298
Penalties and Interest on Delinquent Taxes	477		477	278
Licenses and Permits	651		651	1,049
In Lieu of Taxes and Impact Fees	136,880		136,880	122,961
Public Utility Franchise	18,149		18,149	16,145
Intergovernmental Revenues:				
Federal Revenue:				
Home Grant	-		-	3,032
State Shared Revenues:				
General Municipal Aid	254		254	254
Sales Tax	52,431		52,431	50,331
Gasoline Tax	1,342		1,342	1,342
Emergency Grant	-	-	-	12,234
Health Department		2,383	2,383	-
Public Safety	2,811		2,811	9,450
Fire Insurance Premium Tax Distribution	6,144		6,144	-
Homestead Exemption	3,091		3,091	3,018
TVA in Lieu of Taxes	7,263		7,263	6,758
County Revenue:				
Auto Advalorem	8,770		8,770	8,616
Regular Advalorem	21,883		21,883	18,282
Fire Protection	9,115		9,115	9,624
Charges for Services:				
Gas Utility		1,081,431	1,081,431	896,427
Water and Sewer Utility		212,268	212,268	200,760
Garbage Fees	24,898		24,898	22,663
Police Fines	28,948		28,948	15,199
Rental Income	17,000		17,000	17,500
Interest Income	921	1,297	2,218	2,352
Recreational Funds	9,000		9,000	22,000
Other Income	-	-	-	3,453
Total Receipts	\$ 380,242	\$ 1,297,379	\$ 1,677,621	\$ 1,473,026
<u>Other Receipts:</u>				
Bank Loans	\$ -	\$ 75,000	\$ 75,000	\$ 75,000
Loans and Transfers	11,546	25,425	36,971	40,986
Total Other Receipts	\$ 11,546	\$ 100,425	\$ 111,971	\$ 115,986
Total Receipts	\$ 391,788	\$ 1,397,804	\$ 1,789,592	\$ 1,589,012
Cash Balance - Beginning of Year	104,762	52,887	157,649	243,502
TOTAL AMOUNT TO ACCOUNT FOR	\$ 496,550	\$ 1,450,691	\$ 1,947,241	\$ 1,832,514

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, 2007

	<u>General</u>	Proprietary <u>Funds</u>	Totals (Memorandum Only)	
			<u>2007</u>	<u>2006</u>
<u>Operating Disbursements:</u>				
General Government (Executive and Financial)				
Personnel	\$ 87,944	\$ -	\$ 87,944	\$ 91,517
Other	74,846		74,846	43,392
Public Safety:				
Police				
Salaries	117,261		117,261	110,985
Court fees, jail costs, supplies	21,721		21,721	14,466
Fire	2,399		2,399	3,304
Highways and Streets:				
Lights and Maintenance	13,837		13,837	11,586
Sanitation - Garbage Collection	6,887		6,887	6,700
Culture and Recreation:				
Ball fields	98		98	96
Libraries	33,199		33,199	29,184
Enterprises:				
Water and Sewer Utility:				
Personnel		38,483	38,483	41,111
Maintenance and Power		110,943	110,943	154,427
Chemicals		18,785	18,785	21,086
Other		9,013	9,013	9,645
Gas Utility:				
Personnel		169,250	169,250	161,774
Gas Purchases		694,415	694,415	703,391
Maintenance and Power		41,340	41,340	43,274
Chemicals		6,206	6,206	2,323
Other		59,842	59,842	62,293
Interest on Loans	853	15,109	15,962	12,184
COPS Grant Repayment	3,853		3,853	1,594
Home Grant Expenditures	-	-	-	3,032
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Operating Disbursements	\$ 362,898	\$ 1,163,386	\$ 1,526,284	\$ 1,527,364
<u>Other Disbursements:</u>				
Bank Loans Repaid	\$ 12,045	\$ 61,884	\$ 73,929	\$ 64,513
Capital Outlay	-	26,090	26,090	42,002
Loans and Transfers	-	36,971	36,971	40,986
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Other Disbursements	\$ 12,045	\$ 124,945	\$ 136,990	\$ 147,501
<u>Total Disbursements</u>	\$ 374,943	\$ 1,288,331	\$ 1,663,274	\$ 1,674,865
<u>Cash Balance - End of Year</u>	<u>121,607</u>	<u>162,360</u>	<u>283,967</u>	<u>157,649</u>
<u>TOTAL AMOUNT ACCOUNTED FOR</u>	<u>\$ 496,550</u>	<u>\$ 1,450,691</u>	<u>\$ 1,947,241</u>	<u>\$ 1,832,514</u>

TOWN OF WALNUT GROVE, MISSISSIPPI

SUPPLEMENTARY SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS

SEE ACCOUNTANTS' COMPILATION REPORT

September 30, 2007

<u>NAME</u>	<u>POSITION</u>	<u>COMPANY</u>	<u>BOND</u>
Grady Sims	Mayor	Western Surety	10,000
Ada Chamblee	Town Clerk	Western Surety	50,000
Hilda Spence	Asst. Town Clerk	Western Surety	25,000
Jerry Millsaps	Utilities Manager	Western Surety	1,000
Joseph Lee	Deputy Marshall	Western Surety	25,000
Vincent Waller	Deputy Marshall	Brierfield Insurance	25,000
Keith Brown	Marshall	Brierfield Insurance	50,000
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
Note payable - Trustmark	3.26%	monthly	10/15/03
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

2007

<u>FINAL MATURITY DATE</u>	<u>BALANCE OUTSTANDING</u>	<u>TRANSACTIONS DURING FISCAL YEAR</u>		<u>BALANCE OUTSTANDING</u>
	<u>10/1/2006</u>	<u>ISSUED</u>	<u>RETIRED</u>	<u>9/30/2007</u>
10/7/2010	\$ 75,000		\$ 13,828	\$ 61,172
1/1/2016	\$ 337,250	\$ -	\$ 31,696	\$ 305,554
	\$ 412,250	\$ -	\$ 45,524	\$ 366,726
1/9/2012	-	\$ 75,000	\$ 16,361	\$ 58,639
	\$ -	\$ 75,000	\$ 16,361	\$ 58,639
3/1/2011	\$ 17,980		\$ 3,853	\$ 14,127
10/6/2006	\$ 2,030	\$ -	\$ 2,030	\$ -
2/15/2009	\$ 25,660	\$ -	\$ 10,015	\$ 15,645
	\$ 45,670	\$ -	\$ 15,898	\$ 29,772
	\$ 457,920	\$ 75,000	\$ 77,783	\$ 455,137

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, 2007, 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	\$ 121,607
Bank of Walnut Grove	Gas System	115,072
Bank of Walnut Grove	Water & Sewer System	<u>20,704</u>
	Total	<u>\$ 257,383</u>

Post Office Box 629
729 East Center Street
Canton, MS 39046-0629
Telephone (601) 859-3275
Telephone (601) 948-4694
Fax (601) 859-3260
butchartellzey@bellsouth.net

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>3,584</u>
	Total Gas System	<u>\$23,584</u>
Certificate of Deposit	Water & Sewer System	<u>\$ 3,000</u>
	Total	<u>\$26,584</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 with one exception: the fire insurance premium tax distribution for the prior year in the amount of \$3,834, was received in the current year.

Payments traced were as follows:

<u>Payment Purpose</u>	<u>Receiving Fund</u>	<u>Ledger Amount</u>
Sales Tax Allocation	General Fund	\$ 52,431
Gasoline Tax	General Fund	1,342
Law Enforcement	General Fund	2,811
Fire Insurance Premium Tax Distribution	General Fund	6,144
Homestead Exemption	General Fund	3,091
TVA in Lieu of Taxes	General Fund	7,263
General Municipal Aid	General Fund	254
Health Department	Gas Fund	<u>2,383</u>
	Total	<u>\$ 75,719</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>3</u>
Total Dollar Value of Sample	<u>\$15,748</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, 2007.

Buehert, Elzy & Associates

Canton, Mississippi
March 21, 2008