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TOWN OF WESSON
ANNUAL REPORT
SEPTEMBER 30, 2004

TOWN OF WESSON
For the Year Ended September 30, 2004

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Charles R. Hart

Certified Public Accountant

P.O. Box 336

Wesson, Mississippi 39191

Office: 643-5101

or 833-5801

Home: 643-5631

**Special Report on Agreed-Upon
Procedures for Small Municipalities (Towns)**

To the Mayor and Board of Aldermen
Town of Wesson, Mississippi

We have applied certain agreed-upon procedures, as discussed below, to the accounting records of the Town of Wesson, Mississippi, as of September 30, 2004, 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). It is understood the report is solely for the use of the governing body of the Town of Wesson, Mississippi, and the Office of the State Auditor and should not be used 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 from the banks:

<u>Bank</u>	<u>Fund</u>	<u>Balance Per General Ledger</u>
Copiah Bank	General	74,157
Trustmark Bank	Water & Sewer	61,660
Copiah Bank	Water & Sewer	3,840

- 2. We 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).

<u>Certificate of Deposit</u>	<u>Ledger Cost</u>
<u>General:</u>	
1.77% dated September, 2003, due December, 2003 # 954321410	43,057
<u>Water & Sewer:</u>	
.77% dated July 27, 2004, due October 27, 2004 # 71691 - Water Meter Deposit Fund	26,938
1.77% dated September 2004, due December, 2004 # 9544321428 - Contingent Fund	52,141
1.77% dated September 2004, due December, 2004 # 9544321444 - Depreciation Fund	15,041
1.77% dated September 2004, due December, 2004 # 9544321436 - Cushion Fund	15,041

1.33% dated December 5, 2003, due December 15, 2004 # 70884 - FHA	4,300
.77% dated January 13, 2004, due December 15, 2004 # 71030 - FHA	4,300
.77% dated February 19,2004, due December 15, 2004 # 71176 - FHA	4,300
.77% dated March 8, 2004, due December 15, 2004 # 71242 - FHA	4,300
.77% dated April 12, 2004, due December 15, 2004 # 71356 - FHA	4,300
.77% dated May 11, 2004, due December 15, 2004 # 71443 - FHA	4,300
.77% dated June 9, 2004, due December 15, 2004 # 71517 - FHA	4,300
.77% dated July 13, 2004, due December 15, 2004 # 71640 - FHA	4,300
.77% dated August 13, 2004, due December 15, 2004 # 71754 - FHA	4,300
.77% dated September 14, 2004, due December 15, 2004 # 71857 - FHA	4,315
1.601% dated September 21, 2004, due September 21, 2005 # 9544321493 - Water Tank	12,313
	<hr/>
Total Proprietary C.D.'s	<u>164,489</u>
Total Certificates Deposits - All Funds	<u><u>207,546</u></u>

3. We performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:
- Verify use of certified county assessment rolls and trace levies to governing body minutes;
 - Examined uncollected taxes for proper handling, including tax sales;
 - Traced distribution of taxes collected to proper funds; and
 - 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. We obtained a statement of payments made by the Department of Finance and Administration to the Town of Wesson. 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	Fire	7,234
General Municipal Aid	General	882
Gasoline Tax	General	4,549
Homestead Exemption Reimbursement	General	8,913
Grand Gulf Nuclear Plant	General	17,978
Sales Tax Allocation	General	125,799
Liquor Privilege Tax	General	1,800
Homestead Security	General	4,965
Homeland Security	Fire	6,934

5. We selected a sample of purchases made by the Town of Wesson 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	41
Total Dollar Value of Sample	\$95,609

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

6. We have read the Municipal Compliance Questionnaire completed by the Town of Wesson. The completed survey indicated no instances of noncompliance with the 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 Wesson, Mississippi, for the year ended September 30, 2004.

Charles R. Hart
Certified Public Accountant

May 5, 2005

Charles R. Hart

Certified Public Accountant

P.O. Box 336

Wesson, Mississippi 39191

Office: 643-5101

or 833-5801

Home: 643-5631

Compilation Report

Town of Wesson
Mayor and Board of Aldermen
Wesson, Mississippi

I have compiled the accompanying statement of revenues and expenses-cash basis for the year ended September 30, 2004, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statement has 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 information that is the representation of management. I have not audited or reviewed the accompanying financial statement and, accordingly, do not express an opinion or any other form of assurance on it.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statement, they might influence the user's conclusions about the Town's results of operations. Accordingly, this financial statement is not designed for those who are not informed about such matters.

Charles R. Hart
Certified Public Accountant

May 5, 2005

Town of Wesson
Combined Statement of Cash Receipts & Disbursements
(All Funds)
For the Fiscal Year Ended September 30, 2004

	Governmental Funds <u>General</u>	Proprietary Fund <u>Water & Sewer</u>	Capital Projects <u>Old Wesson School</u>	(Memo Only) <u>Total</u>
Revenue Receipts:				
General Property Taxes	144,238			144,238
Licenses & Permits	4,570			4,570
Franchise Taxes	45,473			45,473
Intergovernmental Revenues:				
Federal - Homeland Security	12,099			12,099
Federal - HUD	2,220			2,220
Federal - DRG	55,100			55,100
State Shared Revenues:				
Sales Tax	125,799			125,799
Grand Gulf-In Lieu	17,978			17,978
Fire Protection	15,234			15,234
Homestead Expt Reimbmt	8,913			8,913
Municipal Aid & Gasoline Tax	5,432			5,432
Copiah County-Fire Rebate	3,500			3,500
Fines & Forfeits	38,980			38,980
Charges for Services:				
Water, Sewer, & Garbage		348,076		348,076
Total Revenue Receipts	<u>479,536</u>	<u>348,076</u>		<u>827,612</u>
Other Receipts:				
Administrative Fee-Water Dept.	21,000			21,000
Interest Income, Refunds, Misc.	4,176	37,512		41,688
Loan Proceeds-Old Wesson Sch				0
Other non-revenue receipts		1,269		1,269
Tap & Connect Fees		11,006		11,006
Penalties		2,660		2,660
Total Other Receipts	<u>25,176</u>	<u>52,447</u>		<u>77,623</u>
Total Receipts	<u>504,712</u>	<u>400,523</u>		<u>905,235</u>
Cash Balance Beginning				
Unrestricted	133,957	71,997	115,005	320,959
Restricted		122,304		122,304
Total Amount To Account For	<u>638,669</u>	<u>594,824</u>	<u>115,005</u>	<u>1,348,498</u>

Town of Wesson
Combined Statement of Cash Receipts & Disbursements
(All Funds)
For the Fiscal Year Ended September 30, 2004

	Governmental Funds <u>General</u>	Proprietary Fund <u>Water & Sewer</u>	Capital Projects <u>Old Wesson School</u>	(Memo Only) <u>Total</u>
Operating Disbursements:				
General Government	132,822			132,822
Police	212,773			212,773
Streets	70,142			70,142
Fire	18,898			18,898
Library	9,123			9,123
Water & Sewer		240,784		240,784
Cops Grant Program				0
Total Operating Disbursements	443,758	240,784		684,542
Other Disbursements:				
Debt Service-Principal	12,921	50,434		63,355
Debt Service-Interest	3,796	17,440		21,236
Garbage Fees		38,731		38,731
Capital Outlay-Erosion Control	55,000		113,205	168,205
Other Non-Operating Disbursements	7,780	17,446		25,226
Total Other Disbursements	79,497	124,051	113,205	316,753
Total Disbursements	523,255	364,835	113,205	1,001,295
Cash Balance End of Year				
Unrestricted	115,414	65,500	1,800	182,714
Restricted		164,489		164,489
Total Amount Accounted For	638,669	594,824	115,005	1,348,498

See accompanying notes and accountant's compilation report.

Town of Wesson, Mississippi
Notes to the Financial Statement
September 30, 2004

Note A: Summary of Significant Accounting Policies

General Information

The town operates under the Mayor/Board of Alderman form of government and provides services as authorized by law.

Reporting Entity

The financial statement of the town consists of all the funds of the town.

Fund Accounting

The accounts of the town are organized on the basis of funds, each of which is considered a separate accounting entity.

Basis of Accounting

The financial statement is prepared on a cash receipts and disbursements basis, as prescribed by the Office of the State Auditor. Consequently, certain revenues are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred.

Note B: Report Classifications

Receipts and disbursements were classified according to requirements for small towns in the State of Mississippi as prescribed by the Office of State Auditor.

**Town of Wesson
Schedule of Long-Term Debt
For the Fiscal Year Ended September 30, 2004**

	Balance Outstanding Oct. 1, 2001	Transactions During Fiscal Year Issued	Redeemed	Balance Outstanding Sept. 30, 2002
Revenue Bonds:				
FHA Loan #1, September 5, 1975, Water & Sewer Improvements, \$433,000	150,938		21,157	129,781
FHA Loan #2, February 18, 1976, Water & Sewer Improvements, \$350,000	110,750		16,125	94,625
Total Revenue Bonds	<u>261,688</u>	<u>0</u>	<u>37,282</u>	<u>224,406</u>
Other Long-Term Debt:				
Loan Payable, June 17, 1992, Water & Pollution Control, SRF \$237,465	148,013		8,604	139,409
Loan Payable, January 2003, First Continental Leasing, Police Car \$19,148	11,154		4,831	6,323
Loan Payable, January 2003, First Continental Leasing, Truck W&S \$18,028	10,825		4,548	6,277
Capital Improvement Fire Station	55,231		8,090	47,141
Total Other Long-Term Debt	<u>225,223</u>	<u>0</u>	<u>26,073</u>	<u>199,150</u>

**Town of Wesson
Schedule of Surety Bonds for Municipal Officials
September 30, 2004**

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Bond Amount</u>
Alton Shaw	Mayor	St. Paul Travelers	\$10,000
Linda Dykes	City Clerk	St. Paul Travelers	\$50,000
Steve Carlisle	Police Chief	St. Paul Travelers	\$50,000
Pauline A. James	Deputy Clerk	St. Paul Travelers	\$10,000
Police Officers	Various	St. Paul Travelers	\$10,000