

TOWN OF MAYERSVILLE, MISSISSIPPI

Financial Statement
and Supplemental Information

For the Fiscal Year Ended September 30, 2005
with
Accountant's Report

**TOWN OF MAYERSVILLE, MISSISSIPPI
FINANCIAL STATEMENT AND SUPPLEMENTAL INFORMATION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005**

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FINANCIAL STATEMENT



May & Company
A Limited Liability Partnership

WE BRING EXCELLENCE AND INNOVATION TO THE EQUATION

ACCOUNTANT'S REPORT

Honorable Mayor and Board of Alderpersons
Town of Mayersville, Mississippi

We have compiled the accompanying combined statement of cash receipts and disbursements for each fund of the Town of Mayersville for the year ended September 30, 2005, and the accompanying supplementary information contained in Schedules 1 and 2, 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. We have not audited or reviewed 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 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 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), we have issued a report dated March 2, 2006, on the results of our agreed-upon procedures.

May & Company
Vicksburg, Mississippi
March 2, 2006

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

**TOWN OF MAYERSVILLE, MISSISSIPPI
 COMBINED STATEMENT OF CASH RECEIPTS
 AND DISBURSEMENTS (ALL FUNDS)
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005**

	<u>Governmental Funds</u>			Totals 2005 (memo only)
	<u>General</u>	<u>Special Revenue</u>	<u>Proprietary Funds</u>	
Revenue receipts:				
General property taxes	\$ 35,734	\$ -	\$ -	\$ 35,734
Federal grants	-	36,146	-	36,146
Federal pass-through grants	-	32,900	-	32,900
State grants	-	142,714	-	142,714
State shared revenues:				
Municipal aid	414	-	-	414
Sales tax	7,750	-	-	7,750
Gasoline tax	2,236	-	-	2,236
Other:				
Franchise tax	2,458	-	-	2,458
Privilege licenses	100	-	-	100
Charges for government services - Other	-	-	91,035	91,035
Rents and royalties	1,400	-	-	1,400
Total revenue receipts	<u>50,092</u>	<u>211,760</u>	<u>91,035</u>	<u>352,887</u>
Other receipts:				
Loans and transfers	12,988	-	-	12,988
Miscellaneous	1,559	-	-	1,559
Total other receipts	<u>14,547</u>	<u>-</u>	<u>-</u>	<u>14,547</u>
 Total Receipts	 64,639	 211,760	 91,035	 367,434
Cash balance - beginning of year	<u>17,173</u>	<u>32</u>	<u>21,464</u>	<u>38,669</u>
 TOTAL AMOUNT TO ACCOUNT FOR	 <u>\$ 81,812</u>	 <u>\$ 211,792</u>	 <u>\$ 112,499</u>	 <u>\$ 406,103</u>

Continued.

**TOWN OF MAYERSVILLE, MISSISSIPPI
 COMBINED STATEMENT OF CASH RECEIPTS
 AND DISBURSEMENTS (ALL FUNDS) - CONTINUED
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005**

	<u>Governmental Funds</u>			Totals 2005 (memo only)
	<u>General</u>	<u>Special Revenue</u>	<u>Proprietary Funds</u>	
Operating disbursements:				
General government (executive and financial)	\$ 66,205	\$ -	\$ -	\$ 66,205
Repairs and maintenance	1,508	7,180	-	8,688
Charges for services	-	-	70,334	70,334
Total operating disbursements	<u>67,713</u>	<u>7,180</u>	<u>70,334</u>	<u>145,227</u>
Other disbursements:				
Capital outlay	-	200,162	-	200,162
Loans and transfers	-	-	12,988	12,988
Transfers to other governments	13,307	-	-	13,307
Loans repaid	-	-	1,682	1,682
Interest	-	-	1,287	1,287
Miscellaneous	-	2,015	-	2,015
Total other disbursements	<u>13,307</u>	<u>202,177</u>	<u>15,957</u>	<u>231,441</u>
Total disbursements	81,020	209,357	86,291	376,668
Cash balance - end of year	<u>792</u>	<u>2,435</u>	<u>26,208</u>	<u>29,435</u>
TOTAL AMOUNT TO ACCOUNT FOR	<u>\$ 81,812</u>	<u>\$ 211,792</u>	<u>\$ 112,499</u>	<u>\$ 406,103</u>

See Accountant's Report.

SUPPLEMENTAL INFORMATION

**TOWN OF MAYERSVILLE, MISSISSIPPI
 SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005**

<u>Official</u>	<u>Name of Insurance Company</u>	<u>Amount</u>
<u>Town Clerk</u>		
Donna Stewart	Tri-Delta Insurance	\$50,000
<u>Mayor</u>		
Linda W. Short	Tri-Delta Insurance	\$50,000
<u>Police Chief</u>		
Willie Peterson	Clyde C. Scott Insurance	\$50,000
<u>Office Assistant</u>		
Shaterica Cartlidge	Tri-Delta Insurance	\$25,000
<u>Alderman</u>		
Annie Cartlidge	Clyde C. Scott Insurance	\$ 5,000
George Reynolds	Clyde C. Scott Insurance	\$ 5,000
Fannie White	Clyde C. Scott Insurance	\$ 5,000
Gayle Coleman	Clyde C. Scott Insurance	\$ 5,000
Linda Green	Clyde C. Scott Insurance	\$ 5,000

See Accountant's Report.

**TOWN OF MAYERSVILLE, MISSISSIPPI
SCHEDULE OF LONG-TERM DEBT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005**

DEFINITION AND PURPOSE

	September 30, 2004	Issued	Redeemed	September 30, 2005
General obligation bonds:				
None	\$ -	\$ -	\$ -	\$ -
Revenue bonds:				
None	-	-	-	-
Other long-term debt:				
GMAC	25,674	-	1,682	23,992
Total	\$ 25,674	\$ -	\$ 1,682	\$ 23,992

See Accountant's Report.

TOWN OF MAYERSVILLE, MISSISSIPPI

Agreed Upon Procedures

Year Ended September 30, 2005



WE BRING EXCELLENCE AND INNOVATION TO THE EQUATION

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED UPON PROCEDURES

Mayor and Alderpersons
Town of Mayersville and
Office of the State Auditor
Mayersville, 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 Mayersville, Mississippi, solely to assist the Office of the State Auditor in evaluating the Town of Mayersville, Mississippi's compliance with certain laws and regulations as of September 30, 2005, and for the year then ended. Management is responsible for the Town of Mayersville, 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 from the banks:

<u>Bank</u>	<u>Fund</u>	<u>Balance per General Ledger</u>
Bank of Anguilla	General Operating	\$ 591
Bank of Anguilla	Payroll	<u>201</u>
	Total General Fund	<u>\$ 792</u>
Bank of Anguilla	Special Revenue	\$ 17
Bank of Anguilla	General Operating	<u>2,418</u>
	Total Special Revenue Fund	<u>\$ 2,435</u>
Bank of Anguilla	Water/Sewer	<u>\$ 26,208</u>
	Total Proprietary Funds	<u>\$ 26,208</u>

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

Mayor and Alderpersons
Town of Mayersville and
Office of the State Auditor
Mayersville, Mississippi
March 2, 2006

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We also reviewed the interest rate of each cash account. Many were nominal or less than 1%. The accounts should be analyzed and higher rates negotiated with the bank where possible.

Two bank accounts were not included in the general ledger. The account activity in these accounts was added to the general ledger after year end as a result of this engagement.

2. There were no investments owned at September 30, 2005.
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; and
 - c. Traced distribution of taxes collected to proper funds.
 - d. Analyzed increase in taxes for most recent period for compliance with increase limitations of Sections 27-29-320 to 27-29-323, Miss. Code Ann. (1972).

Ad valorem tax collections for the retirement of general obligation debt were found to be sufficient for payment of current principal and interest in accordance with limitations imposed by §21-33-87 and §21-33-303, Miss. Code Ann. (1972).

A tax sale was not held in 2005.

Presently, there is very little detail captured in the general ledger related to property taxes. It is recommended that the general ledger chart of accounts be expanded to properly account for payment of current year taxes, prior year taxes, penalties and interest.

Mayor and Alderpersons
Town of Mayersville and
Office of the State Auditor
Mayersville, Mississippi
March 2, 2006

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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 were as follows:

<u>Payment Purpose</u>	<u>Receiving Fund</u>	<u>General Ledger Amount</u>
General Municipal Aid	General	\$ 414
Gasoline Tax	General	\$ 2,236
Homestead Exemption Reimbursement	General	\$ 1,130
Sales Tax Allocation	General	\$ 7,750
Other Aid-Emergency Mgt	Special Revenue	\$ 32,900
Other Aid-MDA	Special Revenue	\$ 142,714

The City was also allotted \$3,745 for fire protection. This money was not deposited to the Town's accounts, but provided to the County as they are providing fire service now.

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	17
Total dollar value of sample	\$ 220,374

Several of these transactions were not recorded in the general ledger as they were in accounts initially excluded from the general ledger. Additionally, the minutes refer to approval of the claims docket, but the claims docket was not made an official part of the minutes or signed by Town officials validating their approval.

Mayor and Alderpersons
Town of Mayersville and
Office of the State Auditor
Mayersville, Mississippi
March 2, 2006

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6. We have read the Municipal Compliance Questionnaire completed by the municipality. The completed survey or the procedures we performed indicated instances of noncompliance with state requirements in the areas of:
 - A claims docket is prepared, but not made an official part of the minutes, but instead maintained in a separate manila folder.
 - Budget to actual financial statements are not prepared, and therefore, not included in the minutes or provided to the Board for review.
 - Our review of the budget and the financial records indicate several unfavorable variances. The budget was not amended during the year to address these variances.
 - The grant money received and spent during 2005 was not included in the 04-05 budget.
 - Fixed assets are identified as town property with only a permanent marker notation. A list of town fixed assets does not exist.

7. The Town began using QuickBooks software during the FY2003. We noted that not all transactions, *including payroll*, were charged to a class (the equivalent of a fund). To properly complete a financial statement and budget to actual comparison, all transactions should be properly classified.

8. The Town received a \$2,000 grant from USDA. The expenses were not identified in QuickBooks as pertaining to this grant and supporting documenting for some expenses was not retained.

We were not engaged to, and did not; conduct 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. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of Town of Mayersville and Office of the State Auditor, State of Mississippi and is not intended to be and should not be used by anyone other than those specified parties.

May & Company

Vicksburg, Mississippi
March 2, 2006