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**TOWN OF PICKENS, MISSISSIPPI  
FINANCIAL STATEMENTS  
SEPTEMBER 30, 2003**

**TOWN OF PICKENS, MISSISSIPPI  
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SEPTEMBER 30, 2003**

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# Windham and Lacey, LLP

*Certified Public Accountants*

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110-F Airport Road  
 Pearl, MS 39208  
 (601)939-8676

Members:  
 American Institute of CPAs  
 Mississippi Society of CPAs

To the Mayor and the Board of aldermen  
 Town of Pickens, Mississippi

We have applied certain agreed-upon procedures, as discussed below, to the accounting records of the Town of Pickens, Mississippi, as of September 30, 2003, 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 Pickens, 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.

TOWN OF PICKENS  
 SCHEDULE OF BANK BALANCES  
 FOR YEAR ENDING SEPTEMBER 30, 2003

Bank	Fund	Balance per General Ledger
BankPlus	General	\$ 32,796
BankPlus	General/Fire	19,530
BankPlus	Trust/Unemployment	2,792
BankPlus	Dept of Housing & Rural Dev.	2,850
BankPlus	Payroll Clearing	0
BankPlus	Clearing	<u>0</u>
Total General Fund		<u><u>\$ 57,968</u></u>
BankPlus	Water/Sewer	\$ 68,463
BankPlus	Water/Sewer Deposits	<u>22,649</u>
Total Water/Sewer		<u><u>\$ 91,112</u></u>

2. We confirmed with the bank the certificates of deposit owned by the Town. All investment transactions were in compliance with Section 21-33-323, Miss. Code Ann. (1972).

TOWN OF PICKENS  
 SCHEDULE OF CERTIFICATES OF DEPOSIT  
 FYE 9-30-03

<u>Certificates of Deposit</u>	<u>Fund</u>	<u>Certificate Number</u>	<u>Principal (Cost)</u>
BankPlus	General	505224	\$ 12,000.00
BankPlus	General	508102	5,500.00
BankPlus	General	508996	5,300.00
BankPlus	General	506071	10,000.00
BankPlus	General	506960	15,000.00
BankPlus	General	501864	5,000.00
BankPlus	General	506381	10,000.00
BankPlus	General	505289	93,322.59
BankPlus	General	509660	29,051.69
BankPlus	Water/Sewer	511159	30,000.00
BankPlus	Water/Sewer	501455	25,000.00
BankPlus	Water/Sewer	505226	15,000.00
BankPlus	Water/Sewer	506961	20,000.00
BankPlus	Water/Sewer	501642	25,000.00
BankPlus	Water/Sewer	501644	25,000.00
BankPlus	Water/Sewer	501865	15,000.00
BankPlus	Water/Sewer	513550	11,620.10
			<u>\$ 351,794.38</u>

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 most recent period for comparison 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).

4. We obtained a statement of payments made by the Department of Finance and Administration to the municipality. Payments indicated were traced to deposit in the respective bank accounts and recorded in the general ledger without exception. Payments traced were as follows:

TOWN OF PICKENS  
 PAYMENTS MADE BY THE DEPT OF FINANCE & ADMINISTRATION  
 FYE 9-30-03

<u>Payment Purpose</u>	<u>Receiving Fund</u>	<u>General Ledger Amount</u>
General Municipal Aid	General	\$ 690.63
Nuclear Plant-Payments in Lieu	General	26,814.89
Sales Tax Allocation	General	87,170.85
Liquor Privilege Tax	General	900.00
Gasoline Tax	General	3,627.42
Homestead Exemption Reimbursement	General	5,582.93
Fire Protection Allocation	General	5,988.92
Public Safety Grant Fund	General	2,500.00
HOME Grant Funds	General	96,087.91

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	24
Total Dollar Value of Sample	\$ 8,460.90.

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

6. We have read the Municipal Compliance Questionnaire completed by the municipality. The following responses to the questionnaire indicate noncompliance with state requirements. (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, 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 Pickens, Mississippi, for the year ended September 30, 2003.

Windham & Lacey, LLP  
November 20, 2003

# Windham and Lacey, LLP

*Certified Public Accountants*

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Pearl, MS 39208  
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To the Mayor and the Board of Aldermen  
Town of Pickens, Mississippi

## Accountant's Compilation Report

We have compiled the accompanying combined statement of cash receipts and disbursements of Town of Pickens, Mississippi as of September 30, 2003, in accordance with Statement 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. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

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

Windham and Lacey, LLP  
November 20, 2003

TOWN OF PICKENS, MISSISSIPPI  
 COMBINED STATEMENT OF CASH RECEIPTS  
 AND DISBURSEMENTS (ALL FUNDS)  
 FOR FISCAL YEAR ENDED SEPTEMBER 30, 2003

	Governmental	Proprietary	Fiduciary	Totals (Memorandum Only)	
	<u>Fund Type</u>	<u>Fund Type</u>	<u>Fund Type</u>		
	General	Enterprise	Expendable Trust	2003	2002
<b>REVENUE RECEIPTS</b>					
General Property Taxes	\$ 120,594			120,594	116,528
License and Permits	23,708			23,708	24,467
Intergovernmental Revenues:					
Federal:					
Community Development Grant - Home Project	96,088			96,088	257,268
Community Development Grant - Drainage	0			0	46,707
Water Well Project	98,852			98,852	
General Municipal Aid:					
Municipal Revolving Fund	691			691	691
Law Enforcement Grants	2,500			2,500	2,000
State Shared Revenues:					
Sales Tax	87,171			87,171	91,301
Gasoline Tax	3,627			3,627	3,611
Alcoholic Beverage Tax	900			900	900
Fire Protection Allocation	5,989			5,989	5,644
Tax Loss 65 and Over	5,583			5,583	5,266
County Fire Protection	4,000			4,000	4,000
Fines and Forfeitures	27,435			27,435	62,384
Charges for Services:					
Water		142,693		142,693	136,888
Sewer		26,851		26,851	26,043
Garbage		55,784		55,784	55,282
Interest Income	2,637	2,000		4,637	9,296
Other Receipts	7,950	10,807	16	18,773	17,608
<b>Total Revenue Receipts</b>	<u>487,725</u>	<u>238,135</u>	<u>16</u>	<u>725,876</u>	<u>865,886</u>
<b>OTHER RECEIPTS</b>					
Insurance Proceeds				0	0
Loans and Transfers				0	0
Other Fire - Donation for Fire Call	20			20	300
Matured CD transferred to Cash	45,000			45,000	15,000
Prior year voided checks added to Cash	2,501			2,501	2,501
Land Sold	0			0	2,025
Customer Deposits - Refundable		2,760		2,760	2,551
<b>Total Other Receipts</b>	<u>47,521</u>	<u>2,760</u>	<u>0</u>	<u>50,281</u>	<u>22,377</u>
<b>Total Receipts</b>	<u>535,246</u>	<u>240,895</u>	<u>16</u>	<u>776,157</u>	<u>888,263</u>
Cash Balance Beginning Year	<u>72,814</u>	<u>98,699</u>	<u>2,775</u>	<u>174,288</u>	<u>129,071</u>
<b>Total Amount to Account For</b>	<u>\$ 608,060</u>	<u>339,594</u>	<u>2,791</u>	<u>950,445</u>	<u>1,017,334</u>

See accountant's report.

TOWN OF PICKENS, MISSISSIPPI  
 COMBINED STATEMENT OF CASH RECEIPTS  
 AND DISBURSEMENTS (ALL FUNDS)  
 FOR FISCAL YEAR ENDED SEPTEMBER 30, 2003

	Governmental <u>Fund Type</u>	Proprietary <u>Fund Type</u>	Fiduciary <u>Fund Type</u>	<u>Totals (Memorandum Only)</u>	
	General	Enterprise	Expendable Trust		
<b>OPERATING DISBURSEMENTS</b>					
General Government	\$ 94,109			94,109	88,945
Public Safety:					
Police	157,634			157,634	191,069
Fire	72,873			72,873	16,394
Streets	17,249			17,249	13,171
Care and Maintenance	417			417	1,149
Parks	1,143			1,143	0
Library	17,368			17,368	16,459
Other	0			0	576
Enterprises:					
Water and Sewer:					
Administrative and Billing		49,882		49,882	36,591
Power		22,296		22,296	19,760
Operations and Maintenance		106,535		106,535	84,421
Sanitation		40,337		40,337	43,519
Interest on Notes		1,367		1,367	1,090
Interest on Bonds		10,335		10,335	10,985
	<u>360,793</u>	<u>230,752</u>		<u>591,545</u>	<u>524,129</u>
<b>OTHER DISBURSEMENTS</b>					
Bonds Retired		10,000		10,000	10,000
Principal on Notes		7,680		7,680	4,942
Drainage Project - Expenditures	98,852	0		98,852	46,707
Home Rehabilitation Project Expenditures	93,238	0		93,238	257,268
	<u>192,090</u>	<u>17,680</u>		<u>209,770</u>	<u>318,917</u>
	<u>552,883</u>	<u>248,432</u>		<u>801,315</u>	<u>843,046</u>
Cash Balance End of Year	<u>55,177</u>	<u>91,162</u>	<u>2,791</u>	<u>149,130</u>	<u>174,288</u>
<b>TOTAL AMOUNT ACCOUNTED FOR</b>	<u><u>\$ 608,060</u></u>	<u><u>339,594</u></u>	<u><u>2,791</u></u>	<u><u>950,445</u></u>	<u><u>1,017,334</u></u>

See accountant's report.

TOWN OF PICKENS, MS  
 SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS  
 September 30, 2003

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Bond Amount</u>
Jonathan Moore	Mayor	USF&G	\$ 25,000.00
Larry Dennis	Alderman	USF&G	10,000.00
Rayfield Washington	Alderman	USF&G	10,000.00
Billy Anderson	Alderman	USF&G	10,000.00
David Johnson	Alderman	USF&G	10,000.00
Etta Greer	Alderman	USF&G	10,000.00
John Haynes	Municipal Court Clerk	USF&G	25,000.00
James Lee	Police Chief	USF&G	50,000.00
Karen Jackson	Town Clerk	USF&G	50,000.00
	Deputy Town Clerk	USF&G	10,000.00
	Police Officers	USF&G	25,000.00Each

TOWN OF PICKENS, MISSISSIPPI

Notes to Financial Statements  
For the Year Ended September 30, 2003

1. **SIGNIFICANT ACCOUNTING POLICIES**

The Town's financial statements have been prepared on the cash basis of accounting. Under that basis, revenues and related assets are recognized when received rather than when earned and expenses are recognized when paid rather than when the obligation is incurred.

2. **LONG-TERM DEBT**

Long-term debt of the Town is as follows:

**DEFINITION AND PURPOSE**

	Balance Outstanding <u>Sept. 30, 2002</u>		Transactions During Fiscal Year			Balance Outstanding <u>Sept. 30, 2003</u>
			<u>Issued</u>	<u>Redeemed</u>		
Sewer Project - general obligation bonds	\$ 164,000	\$	\$	10,000	\$	154,000
Note Payable - backhoe	\$ 35,758	\$	\$	7,680	\$	28,078