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**TOWN OF NEW HOULKA, MISSISSIPPI**  
P. O. BOX 416  
HOULKA, MISSISSIPPI 38850

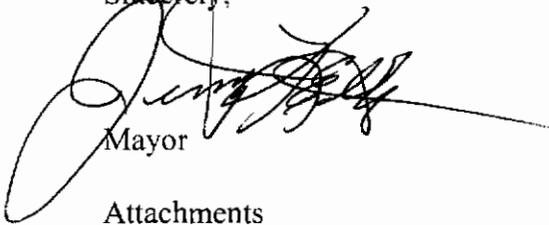
May 12, 2016

Office of the State Auditor  
P. O. Box 956  
Jackson, Mississippi 39205

Re: Annual Municipal Audit

Accompanying this letter is a copy of the Annual Compilation of the Town of New Houlika, Mississippi, for the fiscal year ended September 30, 2014. A separate management letter was not written to the town in connection with this audit.

Sincerely,



Mayor

Attachments

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**TOWN OF NEW HOULKA**  
**ANNUAL COMPILATION**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014**

**W. KEITH POUNDS, LTD**

Certified Public Accountant  
444 East Madison Street  
Houston, Mississippi 38851

Telephone 662-456-3334 Fax 662-456-4429

Board of Aldermen  
Town of New Houlka, Mississippi  
P.O. Box 192  
Houlka, Mississippi 38850

I have applied certain agreed-upon procedures, as discussed below, to the accounting records of the Town of New Houlka, Mississippi, as of September 30, 2014, 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 that the report is solely for the use of the governing body of the Town of New Houlka, Mississippi, and the Office of the State Auditor and should not be used for any other purposes. My procedures and findings are as follows:

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

<b>Bank</b>	<b>Fund</b>	<b>Balance per General Ledger</b>
Bank of Okolona	General	\$40,322.86
	Fire Department	12,655.73
	Clearing	4,400.68
<b>Total General Fund</b>		<b>\$57,379.27</b>
Bank of Okolona	Employment Golden Savings	1,815.28
<b>Total Special Reserve Fund</b>		<b>\$1,815.28</b>
Bank of Okolona	Waterworks and Sewer Revenue	\$11,840.81
	Public Funds, Water Meter Deposits	8,254.04
<b>Total Proprietary Fund</b>		<b>\$20,094.85</b>

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2. I 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).

Security	Fund	General Ledger Cost
Certificate of Deposit	Proprietary	\$0.00
Certificate of Deposit	Proprietary (Meter Deposits)	\$0.00
<b>Total</b>		<b>\$0.00</b>

Both CDs were closed and funds transferred 09/25/2014.

3. I 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 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 compliance with increased 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 the 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. I 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:

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<b>Payment Purpose</b>	<b>Receiving Fund</b>	<b>General Ledger Amount</b>
Fire Protection Allocation	General	\$3,411.52
General Municipal Aid	General	312.17
Gasoline Tax	General	1,750.97
TVA Payments in Lieu	General	7,209.37
Sales Tax Allocation	General	99,230.16
Homestead Exemption	General	6,679.12

5. I 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:

<b>Number of Sample Items</b>	<b>Dollar Value of Sample</b>
49	\$154,288.06

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

6. We selected a sample of collection of fines and forfeitures and verified that the municipal court clerk had settled daily with the municipal clerk. We also selected a sample of state-imposed court assessments collected and determined that the municipal clerk had settled monthly with the Department of Finance and Administration.

We found the municipalities to be non-compliant with the requirements of the above-mentioned sections.

I found no payments made to the Department of Finance in FY ending 09/30/14. Payments are not remitted monthly.

7. I have read the Municipal Compliance Questionnaire completed by the municipality. The following responses to the questionnaire indicate non-compliance with state requirements:

A. Have financial records been maintained in accordance with the chart of accounts prescribed by the State Auditor? No

**Finding:** The clerk made bank deposits and paid the town bills but did not maintain a set of books in accordance with Section 21-35-11.

B. Does the municipal clerk submit to the board a monthly report of expenditures against each budget item for the preceding month and fiscal year-to-date and the unexpended balance of each budget item? No

**Finding:** The clerk gave the board the warrants each month for approval but could not submit expenditures against budget items because the records were not maintained to make this possible.

Because the above procedures do not constitute an audit in accordance with generally accepted auditing standards, I 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 my attention that caused me to believe that the items specified in Paragraphs 1, 2, and 3 should be adjusted. Had I performed additional procedures or had I conducted an audit of the financial statements in accordance with generally accepted auditing standards, matters might have come to my attention that would have been reported to you. This report should not be associated with the financial statements of the Town of New Houlka, Mississippi, for the year ended September 30, 2014.



W. Keith Pounds  
Certified Public Accountant

May 5, 2016

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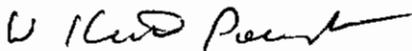
**ACCOUNTANT'S COMPILATION REPORT**

Honorable Mayor and Board of Alderman  
Town of New Houlka, Mississippi  
P. O. Box 192  
Houlka, Mississippi 38850

The accompanying Combined Statement of Revenues, Expenses, and Fund Balances (All Funds) – Cash Basis, Schedule of Long-Term Debt, and Schedule of Surety Bonds for town officials of the Town of New Houlka, Mississippi, for the year ended September 30, 2014, were compiled by me in accordance with Standards Established 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.

Our compilation is limited to presenting in the form prescribed by the Mississippi State Department of Audit information that is the representation of the town officials. We have not audited or reviewed the accompanying statements and, accordingly, do not express an opinion or any other form of assurance on them.

These statements are presented in accordance with the requirements of the Mississippi State Department of Audit and exclude the Statement of Assets, Liabilities and Equity – Cash Basis and substantially all of the disclosures ordinarily included in financial statements. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's Assets, Liabilities, Equity, Revenues and Expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.



W. Keith Pounds  
Certified Public Accountant

May 5, 2016

TOWN OF NEW HOULKA, MISSISSIPPI

COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS)  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	PROPRIETARY FUND	TOTALS (MEMORANDUM ONLY)	
						9/30/2014	9/30/2013
<b>REVENUE RECEIPTS:</b>							
General Property Taxes	85,261.89	0.00	0.00	0.00	0.00	85,261.89	76,447.36
Licenses and Permits	770.00	0.00	0.00	0.00	0.00	770.00	1,140.00
Franchise Tax on Utilities	10,864.29	0.00	0.00	0.00	0.00	10,864.29	10,668.27
TVA Housing	6,834.41	0.00	0.00	0.00	0.00	6,834.41	7,406.94
<b>INTERGOVERNMENTAL REVENUES:</b>							
State Shared Revenues:							
Sales Tax	99,230.16	0.00	0.00	0.00	0.00	99,230.16	97,344.35
Gasoline Tax	1,750.97	0.00	0.00	0.00	0.00	1,750.97	1,750.97
Fire Protection	3,411.52	0.00	0.00	0.00	0.00	3,411.52	3,336.38
Homestead Exemption	6,679.12	0.00	0.00	0.00	0.00	6,679.12	6,540.02
TVA Payments in Lieu of Taxes	7,209.37	0.00	0.00	0.00	0.00	7,209.37	8,936.89
General Municipal Aid	312.17	0.00	0.00	0.00	0.00	312.17	312.17
Law Enforcement Training Grant	0.00	0.00	0.00	0.00	0.00	0.00	3,000.00
CDBG Sewer Project Grant	0.00	0.00	189,450.36	0.00	0.00	189,450.36	237,886.64
<b>CHARGES FOR SERVICES:</b>							
Water and Sewer Revenue	0.00	0.00	0.00	0.00	371,001.50	371,001.50	349,837.53
Rentals	1,750.00	0.00	0.00	0.00	0.00	1,750.00	4,375.00
<b>FINES AND FORFEITS:</b>							
Fines	20,235.00	0.00	0.00	0.00	0.00	20,235.00	20,001.80
<b>OTHER RECEIPTS:</b>							
Interest Income	0.00	0.42	0.00	0.00	289.90	289.90	403.69
Meter Deposits	0.00	0.00	0.00	0.00	4,833.81	4,833.81	4,234.50
Transfers	218,226.61	0.00	50.00	0.00	4,603.27	222,879.88	32,190.59
Donations	5.00	0.00	0.00	0.00	0.00	5.00	4,293.27
Miscellaneous	0.00	0.00	0.00	0.00	0.00	0.00	1,275.00
Surplus Property	840.00	0.00	0.00	10,000.00	0.00	10,000.00	840.00
Loan Proceeds - Police Trucks	0.00	0.00	0.00	0.00	0.00	0.00	47,368.00
Insurance Claims	1,735.00	0.00	0.00	0.00	0.00	1,735.00	7,315.25
Reimbursed Expenses/Refunds	3,428.09	0.00	0.00	0.00	0.00	3,428.09	2,480.00
<b>TOTAL RECEIPTS</b>	467,703.60	0.00	189,500.36	10,000.00	380,728.48	1,047,932.44	929,384.62
Cash Balance - Beginning	12,698.27	1,815.28	42.54	176.66	8,742.23	23,474.98	28,153.80
Certificate of Deposit	0.00	0.00	0.00	0.00	54,213.97	54,213.97	73,821.43
<b>TOTAL AMOUNT TO ACCOUNT FOR</b>	480,401.87	1,815.28	189,542.90	10,176.66	443,684.68	1,125,621.39	1,031,359.85

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TOWN OF NEW HOULKA, MISSISSIPPI

COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS)  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	PROPRIETARY FUND	TOTALS (MEMORANDUM ONLY)	
						9/30/2014	9/30/2013
<b>OPERATING DISBURSEMENTS:</b>							
General Government (Executive and Financial)	133,472.93	0.00	0.00	0.00	0.00	133,472.93	73,294.46
Public Safety:							
Police	152,647.34	0.00	0.00	0.00	0.00	152,647.34	146,568.71
Fire	3,983.75	0.00	0.00	0.00	0.00	3,983.75	2,471.43
Highways and Streets	64,133.77	0.00	0.00	0.00	0.00	64,133.77	8,544.84
Library	0.00	0.00	0.00	0.00	0.00	0.00	2,748.10
Parks and Recreation	749.97	0.00	0.00	0.00	0.00	749.97	3,519.93
Utilities for Public Property	38,464.65	0.00	0.00	0.00	0.00	38,464.65	17,177.00
Water and Sewer Expense	0.00	0.00	0.00	0.00	168,388.29	168,388.29	304,556.87
Interest	1,214.10	0.00	0.00	0.00	21,342.75	22,556.85	25,841.36
<b>TOTAL OPERATING DISBURSEMENTS</b>	<b>394,666.51</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>189,731.04</b>	<b>584,397.55</b>	<b>584,722.70</b>
<b>OTHER DISBURSEMENTS:</b>							
MDA Payment	0.00	0.00	0.00	0.00	2,413.22	2,413.22	3,161.87
USDA Bond Repayment	0.00	0.00	0.00	0.00	15,781.57	15,781.57	24,448.54
Mahindra Tractor Repayment	0.00	0.00	0.00	0.00	0.00	0.00	2,507.79
Payments – Bank Building	0.00	0.00	0.00	0.00	7,547.31	7,547.31	7,213.25
Payment – Police Truck	9,062.82	0.00	0.00	0.00	0.00	9,062.82	5,880.52
Bank Charges	0.00	0.00	88.00	16.00	55.28	159.28	291.00
Capital Additions:							
Police Trucks (2)	0.00	0.00	0.00	0.00	0.00	0.00	47,368.00
Sewer Project	0.00	0.00	189,450.36	0.00	0.00	189,450.36	245,886.64
Storm Shelters	14,640.00	0.00	0.00	0.00	0.00	14,640.00	0.00
Transfers	4,653.27	0.00	4.54	10,160.66	208,061.41	222,879.88	32,190.59
<b>TOTAL OTHER DISBURSEMENTS</b>	<b>28,356.09</b>	<b>0.00</b>	<b>189,542.90</b>	<b>10,176.66</b>	<b>233,858.79</b>	<b>461,934.44</b>	<b>368,948.20</b>
<b>TOTAL DISBURSEMENTS</b>	<b>423,022.60</b>	<b>0.00</b>	<b>189,542.90</b>	<b>10,176.66</b>	<b>423,589.83</b>	<b>1,046,331.99</b>	<b>953,670.90</b>
Cash Balance - Ending	57,379.27	1,815.28	0.00	0.00	20,094.85	79,289.40	23,474.98
Certificate of Deposit	0.00	0.00	0.00	0.00	0.00	0.00	54,213.97
<b>TOTAL AMOUNT ACCOUNTED FOR</b>	<b>480,401.87</b>	<b>1,815.28</b>	<b>189,542.90</b>	<b>10,176.66</b>	<b>443,684.68</b>	<b>1,125,621.39</b>	<b>1,031,359.85</b>

**Town of New Houlka, Mississippi**  
**Notes to the Financial Statements**  
**September 30, 2014**

**Note A: Summary of Significant Accounting Policies**

General Information

The town operates under the Mayor – Board of Aldermen 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 the State Auditor.

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**TOWN OF NEW HOULKA, MISSISSIPPI**  
**SCHEDULE OF LONG-TERM & SHORT-TERM DEBT**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014**

DEFINITION AND PURPOSE	BALANCE OUTSTANDING OCTOBER 1, 2013	TRANSACTIONS DURING FISCAL YEAR		BALANCE OUTSTANDING SEPTEMBER 30, 2014
		ISSUED	REDEEMED	
<b>Long-Term Debt:</b>				
Water and Sewer Revenue Bonds:				
Rural Development	53,366.90	0.00	5,613.14	47,753.76
Rural Development	327,687.11	0.00	10,168.43	317,518.68
Total Revenue Bonds	381,054.01	0.00	15,781.57	365,272.44
<b>Other Long-Term Debt:</b>				
BancorpSouth - Police Trucks	41,487.48	0.00	9,062.82	32,424.66
BancorpSouth - Building	18,156.17	0.00	7,547.31	10,608.86
MDA Capital Improvement Loan	55,498.33	0.00	2,413.22	53,085.11
Mahindra Tractor	5,289.55	0.00	2,598.00	2,691.55
Total Other Long-Term Debt	120,431.53	0.00	21,621.35	98,810.18
<b>Total Debt:</b>	<b>501,485.54</b>	<b>0.00</b>	<b>37,402.92</b>	<b>464,082.62</b>

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**TOWN OF NEW HOULKA, MISSISSIPPI  
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICERS  
SEPTEMBER 30, 2014**

<b>NAME</b>	<b>POSITION</b>	<b>SURETY</b>	<b>BOND AMOUNT</b>
Jimmy Kelly	Mayor	Brierfield Insurance	\$50,000
Gay Williams	City Clerk	Traveler's	\$50,000
K.C. Gates	Alderman	MS Municipal Bond Program	\$5,000
Kimberly Murphree	Alderman	MS Municipal Bond Program	\$5,000
Beverly Davidson	Alderman	MS Municipal Bond Program	\$5,000
Johnny Butler	Alderman	MS Municipal Bond Program	\$5,000
David Wiggs	Alderman	MS Municipal Bond Program	\$5,000
Janie Tutor	Deputy Clerk	Traveler's	\$50,000
Ray Laney	Police Chief	Traveler's	\$50,000
Robert Galloway	Police Officer	Traveler's	\$50,000