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**TOWN OF POTTS CAMP, MISSISSIPPI
AGREED-UPON PROCEDURES
September 30, 2014**

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December 10, 2014

**Board of Aldermen
Town of Potts Camp
Potts Camp, Mississippi**

**Independent Accountant's Report
On Applying Agreed-Upon Procedures**

We have applied certain agreed-upon procedures, as discussed below, which were agreed to by and the responsibility of the Town of Potts Camp, Mississippi to the accounting records of the Town of Potts Camp, 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). This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of specified users of the report. It is understood the report is solely for the use of governing body of the Town of Potts Camp, Mississippi, and the Office of the State Auditor and should not be used for any other purposes. Consequently, we make no representation regarding the sufficiency of the procedures described below either for which this report has been requested or for any other purpose. Our procedures and findings are as follows:

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:

Bank	Fund	Balance per General Ledger
Bank of Holly Springs	General	\$ 36,296
Bank of Holly Springs	General	3,698
Bank of Holly Springs	General	3,931
Bank of Holly Springs	General	1,347
Bank of Holly Springs	General	1,250
		<u>\$ 46,522</u>
Bank of Holly Springs	Utility	5,715
Bank of Holly Springs	Utility	4,621
Bank of Holly Springs	Utility	19,509
Bank of Holly Springs	Utility	6,871
Bank of Holly Springs	Utility	111
Bank of Holly Springs	Utility	159
		<u>\$ 36,986</u>

2. There were no securities at September 30, 2014.

2. We performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:
 - a. Trace levies to the governing body minutes;
 - b. Traced distribution of taxes collected to proper funds; and
 - c. 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.

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. 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:

Payment Purpose	Receiving Fund	Ledger Amount
Fire protection	Fire	\$ 2,850
Municipal aid	General	261
Gas tax	General	1,463
Homestead exemption	General	6,109
TVA in lieu	General	6,524
Liquor privilege tax	General	900
Sales tax allocation	General	92,103
Environmental Quality grant	General	2,500

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), if applicable.

The sample consisted of the following:

Number of Sample Items	60
Total Dollar Value of Sample	\$ 105,486

We found the municipality's purchasing procedures to be in agreement with the requirements of the above-mentioned sections except as follows.

We did not find where two written bids or quotes were obtained for the purchase of an item \$5,000 - \$50,000.

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

We found the municipality to be in agreement with the requirements of the above-mentioned sections except as follows.

Several instances were found where the court clerk collected and receipted the money but the deposit was not by the next business day.

One instance was found where a deposit amount did not match the receipted amount by an immaterial difference.

7. 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 auditing standards generally accepted in the United States of America, 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 auditing standards generally accepted in the United States of America, 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 Potts Camp, Mississippi, for the year ended September 30, 2014.

Jackson and Creighton, P.A.

Jackson and Creighton, P.A.
Certified Public Accountants

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TOWN OF POTTS CAMP, MISSISSIPPI
FINANCIAL STATEMENTS
September 30, 2014

JACKSON and CREIGHTON, P.A.

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ACCOUNTANT'S COMPILATION REPORT

**To the Mayor and Board of Aldermen
Town of Potts Camp
Potts Camp, Mississippi**

We have compiled the accompanying Statement of Receipts and Disbursements – Governmental and Business-type Activities, Schedule of Long-Term Debt, and Schedule of Surety Bonds for Town Officials of the Town of Potts Camp, Mississippi, for the year ended September 30, 2014. We have not audited or reviewed the accompanying financial statements and supplementary schedules and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the cash basis of accounting. The financial statements have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Town officials are responsible for the preparation and fair presentation of the financial statements and supplementary schedules in accordance with the cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist town officials in presenting financial information in the form of financial statements and supplementary schedules without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements and supplementary schedules.

Town officials have 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 amounts that would be reported in the government-wide financial statements resulting from the cash basis transactions for the Town's governmental activities and business-type activities are not reasonably determinable.

The town officials have also 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 statements, 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.

Town officials also have 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 Section 21-35-31, Mississippi Code Annotated (1972), we have issued a report dated December 10, 2014, on the results of our agreed-upon procedures.



Jackson and Creighton, P.A.
November 24, 2014

TOWN OF POTTS CAMP, MISSISSIPPI
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
For the Fiscal Year Ended September 30, 2014

	Governmental Activities	Business-type Activities		
	General Fund	Water & Sewer Fund	Garbage Fund	Total
RECEIPTS				
Taxes				
General property taxes	\$ 76,830			\$ -
Licenses and permits				
Privilege licenses	1,230			
Franchise fees	1,462			
Building permits	339			
Intergovernmental revenues:				
General municipal aid	261			
State shared revenues:				
Sales taxes	92,103			
Alcoholic beverage licenses	900			
Gasoline tax	1,463			
Homestead exemption	6,109			
TVA in lieu of taxes	6,524			
Fire protection	2,850			
Environment Quality grant	2,500			
County shared revenue:				
Road taxes	25,139			
Motor vehicle privilege taxes	557			
Charges for services:				
Water utility		166,137		166,137
Garbage collection			23,971	23,971
Fines and bonds	5,775			
Interest income		249		249
Miscellaneous	1,470			
Total Receipts	<u>225,512</u>	<u>166,386</u>	<u>23,971</u>	<u>190,357</u>
DISBURSEMENTS				
General government				
Executive	54,831			
Financial	31,094			
Judicial	6,357			
Public safety				
Police	23,726			
Fire	974			
Culture and recreation				
Parks	201			
Public works				
Streets	77,225			
Enterprise				
Garbage			22,568	22,568
Water and Sewer		117,734		117,734
Capital Expenditures	22,947			-
Redemption of principal	10,000	30,253		30,253
Debt service interest	3,150	42,360		42,360
Total Disbursements	<u>230,505</u>	<u>190,347</u>	<u>22,568</u>	<u>212,915</u>
Excess (Deficiency) of receipts over disbursements	<u>(4,993)</u>	<u>(23,961)</u>	<u>1,403</u>	<u>(22,558)</u>
OTHER FINANCING SOURCES (USES)				
Transfers	7,503	(7,503)		(7,503)
Total other financing sources (uses)	<u>7,503</u>	<u>(7,503)</u>	<u>-</u>	<u>(7,503)</u>
Excess (Deficiency) of receipts and other financing sources over disbursements and other financing uses	2,510	(31,464)	1,403	(30,061)
CASH BASIS FUND BALANCE - BEGINNING OF YEAR	<u>44,012</u>	<u>63,829</u>	<u>3,218</u>	<u>67,047</u>
CASH BASIS FUND BALANCE - END OF YEAR	<u>\$ 46,522</u>	<u>\$ 32,365</u>	<u>\$ 4,621</u>	<u>\$ 36,988</u>

See accountant's compilation report.

**TOWN OF POTTS CAMP, MISSISSIPPI
SCHEDULE OF LONG-TERM DEBT
For the Fiscal Year Ended September 30, 2014**

Definition and purpose	Balance	Transactions		Balance
	Outstanding Oct. 1, 2013	During Fiscal Year		Outstanding Sept. 30, 2014
		Issued	Redeemed	
Revenue bonds:				
Berkadia, water system	\$ 49,227	\$ 2,020		\$ 51,247
Berkadia, water system	5,110		3,766	1,344
USDA - Rural Development, water system	9,511		2,158	7,353
USDA - Rural Development, water system	75,013		1,652	73,361
USDA - Rural Development, water system	174,358		4,997	169,361
USDA - Rural Development, water system	561,274		10,234	551,040
General Obligation bonds:				
Bank of Holly Springs, street bonds	45,000		10,000	35,000
Other notes:				
Bank of Potts Camp	15,168		9,466	5,702
TOTAL	\$ 934,661	\$ 2,020	\$ 42,273	\$ 894,408

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See accountant's compilation report.

**TOWN OF POTTS CAMP, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS
September 30, 2014**

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Bond Amount</u>
Mary Houston	Mayor	Travelers	\$ 54,000
Paula Mansel	City Clerk	Travelers	50,000
		Travelers	54,000
		Travelers	50,000
	Court Clerk	Travelers	50,000
Shelia Williams	Deputy Clerk	Travelers	50,000
Dennis Hopkins	Park Commissioner	Travelers	50,000
Ernest Cunningham	Municipal Judge	Travelers	50,000
Bill Rowland	Police Chief	Travelers	50,000
David Cook	Fire Chief	Travelers	25,000
Jimmie Collins	Alderman	MS Municipal Bond Program	25,000
Wanda Love	Alderman	MS Municipal Bond Program	25,000
Herbert Luther	Alderman	MS Municipal Bond Program	25,000
Dollean Porter	Alderman	MS Municipal Bond Program	25,000
Angela Williams	Alderman	MS Municipal Bond Program	25,000

See accountant's compilation report.

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**REPORT ON COMPLIANCE WITH STATE
LAWS AND REGULATIONS**

To the Mayor and the Board of Alderpersons
Town of Potts Camp, Mississippi

We have compiled the accompanying Statement of Receipts and Disbursements – Governmental and Business-type Activities, Schedule of Long-Term Debt, and Schedule of Surety Bonds for Town Officials of the Town of Potts Camp, Mississippi, for the year ended September 30, 2014, 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 accounting principles generally accepted in the United States of America.

We have performed procedures to test compliance with certain state laws and regulations as described by the Municipal Compliance Questionnaire that is prescribed by the office of the State Auditor. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Town's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to items tested, the results of those procedures and my compilation of the accompanying Statement of Receipts and Disbursements – Governmental and Business-type Activities, Schedule of Long-Term Debt, and Schedule of Surety Bonds for Town Officials of the Town of Potts Camp, Mississippi, for the year ended September 30, 2014 disclosed three instances of noncompliance with state laws and regulations, which are noted in Items 5 & 6 in the Independent Accountant's Report on Applying Agreed-Upon Procedures.

This report is intended solely for the information and use of management and is not intended to be and should not be used by anyone other than these specified parties.

Jackson and Creighton, P.A.

Jackson and Creighton, P.A.
December 10, 2014

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December 10, 2014

To the Mayor and Board of Aldermen
Town of Potts Camp
Potts Camp, MS 38633

In performing the agreed-upon procedures agreed to by and the responsibility of the Town of Potts Camp, Mississippi, to the accounting records of the Town of Potts Camp, Mississippi, as of September 30, 2014, and for the year then ended, as required by the Office of the State Auditor, we discovered issues related to the Town's compliance with state laws that we believe require management's attention.

We have already discussed these comments with the Town Clerk. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are as follows:

State Purchasing Laws

We noted that two written bids or quotes were not obtained for the purchase of the \$18,180 Ford F-150 truck as required by state purchasing laws.

We recommend that the Town's Board of Aldermen evaluate all disbursements for compliance with purchasing requirements.

Municipal Court Fines Receipts

The municipal court fines are not being deposited on a regular daily basis.

We recommend the municipal court fines, as well as all municipal receipts, be deposited on a daily basis.

Municipal Compliance Questionnaire

The municipal compliance questionnaire was not completed at the end of the municipality's fiscal year and entered into the official minutes of the governing authorities at their next regular meeting (October). This questionnaire has subsequently been completed and entered into the minutes.

We recommend that the Board's calendar include a reminder to prepare this questionnaire timely each fiscal year.

We wish to thank the Town Clerk for her support and assistance during our procedures.

This report is intended solely for the information and use of the Mayor and Board of Aldermen, management, and others within the Town and is not intended to be, and should not be, used by anyone other than these specified parties. Under Mississippi Statute, this report is distributed to the State Auditor as a public document.

Jackson and Creighton, P.A.
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