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**TOWN OF PICKENS, MISSISSIPPI
AGREED-UPON PROCEDURES**

SEPTEMBER 30, 2009

**TOWN OF PICKENS, MISSISSIPPI
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Windham and Lacey, PLLC

Certified Public Accountants

2708 Old Brandon Road
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Members:
 American Institute of CPAs
 Mississippi Society of CPAs

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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, 2009, 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 the specified users of the report. 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 purpose. 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 purpose.

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
BankPlus	General	\$ 191,861
BankPlus	General/Fire	24,122
BankPlus	Trust/Unemployment	2,835
BankPlus	Clearing	2,175
Total General Fund		\$ 220,993
BankPlus	Water/Sewer	\$ 120,610
BankPlus	Water/Sewer Deposits	29,320
Total Water/Sewer		\$ 149,930

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

<u>Certificates of Deposit</u>	<u>Certificate Number</u>	<u>Balance</u>
BankPlus	505289	\$ 93,322
BankPlus	509660	29,052
BankPlus	506960	15,000
BankPlus	501864	5,000
BankPlus	506381	10,000
BankPlus	505224	12,000
BankPlus	508102	5,500
BankPlus	508996	5,300
BankPlus	506071	10,000
BankPlus	511159	30,000
BankPlus	501455	25,000
BankPlus	505226	15,000
BankPlus	506961	20,000
BankPlus	501642	25,000
BankPlus	501644	25,000
BankPlus	501865	15,000
BankPlus	513550	11,620
Total		\$ <u>351,794</u>

3. We performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:
- Verified use of certified county assessment rolls and traced 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 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:

<u>Payment Purpose</u>	<u>Receiving Fund</u>	<u>General Ledger Amount</u>
General Municipal Aid	General	\$ 691
Other Aid in Municipalities	General	5,231
Gasoline Tax	General	3,643
Fire Protection Allocation	General	7,001
Sales Tax Allocation	General	110,264
Nuclear Plant - Payments in Lieu	General	23,033
Liquor Privilege Tax	General	900
Homestead Exemption Reimbursement	General	8,480
CDBG - Bridge Improvements	Special Revenue	155,195
		<u>\$ 314,438</u>

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	25
Total Dollar Value of Sample	\$ 173,969

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 completed survey indicated no instances of noncompliance with state requirements.
7. During the course of applying agreed-upon procedures, we found that the acting Police Chief was also the Municipal Court Clerk. Code Section 25-4-105 (4)(h), Miss. Code Ann. (1972), says that no public servant "may be employed by or receive compensation from an authority of the governmental entity other than the authority of the governmental entity of which the public servant is an officer or employee." Therefore, the acting Police Chief also employed as the Municipal Court Clerk is a violation of the above mentioned law.

Because the above procedures do not constitute an audit in accordance with generally accepted auditing standards 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 Pickens, Mississippi, for the year ended September 30, 2009.

Windham and Lacey, PLLC

Windham and Lacey, PLLC
December 21, 2009

**TOWN OF PICKENS, MISSISSIPPI
FINANCIAL STATEMENTS**

SEPTEMBER 30, 2009

Windham and Lacey, PLLC

Certified Public Accountants

2708 Old Brandon 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

Accountant's Compilation Report

We have compiled the accompanying Statement of Cash 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 Pickens, Mississippi, for the year ended September 30, 2009, 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 and supplementary schedules information that is the representation of town officials. We have not audited or reviewed the accompanying financial statements and supplementary schedules and, accordingly, do not express an opinion or any other form of assurance on them.

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, Miss. Code Ann. (1972), we have issued a report dated December 21, 2009, on the results of our agreed-upon procedures.

Windham and Lacey, PLLC

Windham and Lacey, PLLC
December 21, 2009

TOWN OF PICKENS
Statement of Cash Receipts and Disbursements
Governmental and Business-type Activities
For the Year Ended September 30, 2009

	Governmental Activities			Business-type
	Major Fund	Special Revenue Fund	Total	Major Fund
	General Fund			Water & Sewer Fund
RECEIPTS				
General property taxes	\$ 151,615		151,615	
License and permits	27,871		27,871	
Intergovernmental revenues:				
Federal:				
Community development block grant:				
Bridge improvements		155,195	155,195	
USDA grant	18,579		18,579	
General municipal aid:				
Municipal revolving fund	691		691	
Law enforcement grant	2,250		2,250	
State shared revenues:				
Sales taxes	110,264		110,264	
Gasoline tax	3,643		3,643	
Alcoholic beverage tax	900		900	
Fire protection allocation	7,001		7,001	
Tax loss 65 and over	8,480		8,480	
Fines and forfeits	66,967		66,967	
Charges for services:				
Water				142,192
Sewer				42,203
Garbage				79,002
Interest income	2,202		2,202	2,113
Other receipts	14,155		14,155	16,872
Total Receipts	<u>414,618</u>	<u>155,195</u>	<u>569,813</u>	<u>282,382</u>

See accompanying accountant's compilation report.

TOWN OF PICKENS
Statement of Cash Receipts and Disbursements
Governmental and Business-type Activities
For the Year Ended September 30, 2009

(Continued)

	Governmental Activities			Business-type
	Major Fund	Special Revenue Fund	Total	Major Fund
	General Fund			Water & Sewer Fund
DISBURSEMENTS				
General government	82,173		82,173	
Public safety:				
Court	31,419		31,419	
Police	176,992		176,992	
Fire	9,753		9,753	
Public works				
Streets	28,588		28,588	
Care and maintenance	1,057		1,057	
Parks	29		29	
Library	26,374		26,374	
Water, Sewer and Garbage:				
Personal services				145,754
Supplies				64,167
Utilities				29,871
Other services and charges				22,088
Total Disbursements	<u>356,385</u>	<u>0</u>	<u>356,385</u>	<u>261,880</u>
Excess of Receipts over (under) Disbursements	<u>58,233</u>	<u>155,195</u>	<u>213,428</u>	<u>20,502</u>
OTHER CASH SOURCES (USES)				
Capital outlay - building			0	
Capital outlay - equipment	(28,001)		(28,001)	(28,926)
Capital outlay - CDBG bridge improvements		(155,195)	(155,195)	
Meter refunds net of meter deposit collections				3,600
Principal paid on bonds, notes and leases				(14,000)
Interest paid on bonds, notes and leases				(5,655)
Total Other Cash Sources and (Uses)	<u>(28,001)</u>	<u>(155,195)</u>	<u>(183,196)</u>	<u>(44,981)</u>
Net Changes in Cash	30,232	0	30,232	(24,479)
Cash - Beginning	<u>375,935</u>	<u>0</u>	<u>375,935</u>	<u>341,079</u>
Cash - Ending	<u>\$ 406,167</u>	<u>0</u>	<u>406,167</u>	<u>316,600</u>

See accompanying accountant's compilation report.

TOWN OF PICKENS
 Schedule of Long-term Debt
 For the Fiscal Year Ended September 30, 2009

Definition And Purpose	Balance Outstanding Oct. 1, 2008	Transactions During Fiscal Year 2008-2009		Balance Outstanding Sept. 30, 2009
		Issued	Redeemed	
Sewer Project - general obligation bonds	\$ 94,000		14,000	80,000

See accompanying accountant's compilation report.

TOWN OF PICKENS
Schedule of Surety Bonds for Town Officials
September 30, 2009

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Bond Amount</u>
Joel Gill	Mayor	Travelers Casualty and Surety Co.	\$ 25,000
Billy Anderson	Alderman	Travelers Casualty and Surety Co.	25,000
Etta B. Greer	Alderman	Travelers Casualty and Surety Co.	25,000
David J. Johnson	Alderman	Travelers Casualty and Surety Co.	25,000
Gwendolyn Sample	Alderman	Travelers Casualty and Surety Co.	25,000
Rayfield Washington	Alderman	Travelers Casualty and Surety Co.	25,000
Karen W. Jackson	Town Clerk	Travelers Casualty and Surety Co.	50,000
Joe Davis	Police Chief	Travelers Casualty and Surety Co.	50,000
Felesa Edwards	Deputy Town Clerk	Travelers Casualty and Surety Co.	50,000
Karen W. Jackson	Municipal Court Clerk	Travelers Casualty and Surety Co.	50,000
Felesa Edwards	Deputy Court Clerk	Travelers Casualty and Surety Co.	50,000
	Police Officers	Travelers Casualty and Surety Co.	25,000 each (9)

See accompanying accountant's compilation report.