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

SEPTEMBER 30, 2010

**TOWN OF PICKENS, MISSISSIPPI
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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

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, 2010, 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	\$ 207,123
BankPlus	General/Fire	31,585
BankPlus	Fire Escrow Account	230
BankPlus	Trust/Unemployment	3,042
BankPlus	Clearing	2,176
Total General Fund		\$ 244,156
BankPlus	Water/Sewer	\$ 117,976
BankPlus	Water/Sewer Deposits	29,880
Total Water/Sewer		\$ 147,856

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	1124060898	\$ 93,322.59
BankPlus	1124060647	29,051.69
BankPlus	1124060629	15,000.00
BankPlus	1124060610	5,000.00
BankPlus	1124060656	10,000.00
BankPlus	1124060193	12,000.00
BankPlus	1124060335	5,500.00
BankPlus	1124060326	5,300.00
BankPlus	1124060344	10,000.00
BankPlus	1124060184	30,000.00
BankPlus	1124060120	25,000.00
BankPlus	1124060200	15,000.00
BankPlus	1124060059	20,000.00
BankPlus	1124060022	25,000.00
BankPlus	1124060031	25,000.00
BankPlus	1124060040	15,000.00
BankPlus	1124060905	11,620.10
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	\$ 688
Gasoline Tax	General	3,643
Fire Protection Allocation	General	7,216
Sales Tax Allocation	General	100,240
Nuclear Plant-Payments in Lieu	General	24,996
Liquor Privilege Tax	General	900
Homestead Exemption Reimbursement	General	8,118
CDBG - Chlorinator Grant	Special Revenue	<u>97,403</u>
		<u>\$ 243,204</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	\$ 132,179

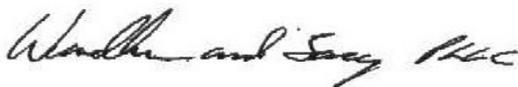
We found the municipality's purchasing procedures to be in agreement with the requirements of the abovementioned sections.

6. We selected a sample of collections of fines and forfeitures and verified that the municipal court clerk 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 municipal to be in agreement with the requirements of the above mentioned sections.

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 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, 2010.



Windham and Lacey, PLLC
January 24, 2011

**TOWN OF PICKENS, MISSISSIPPI
FINANCIAL STATEMENTS**

SEPTEMBER 30, 2010

Windham and Lacey, PLLC

Certified Public Accountants

2708 Old Brandon Road
Pearl, MS 39208
(601)939-8676

Members:
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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, Schedule of Surety Bonds for Town Officials and Schedule of Solid Waste Management Services of the Town of Pickens, Mississippi, for the year ended September 30, 2010, 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 in the United States of America.

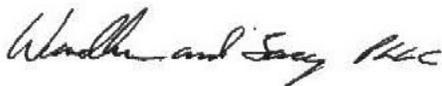
A compilation is limited to presenting in the form of financial statements and supplementary schedules information that is the representation of town officials. We have not audited or reviewed the accompanying financial statements and supplementary schedules and, accordingly, do not express an opinion 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 January 24, 2011, on the results of our agreed-upon procedures.



Windham and Lacey, PLLC
January 24, 2011

TOWN OF PICKENS
Statement of Cash Receipts and Disbursements
Governmental and Business-type Activities
For the Year Ended September 30, 2010

	Governmental Activities			Business-type
	Major Fund			Major Fund
	General Fund	Special Revenue Fund	Total	Water & Sewer Fund
RECEIPTS				
General property taxes	\$ 162,265		162,265	
License and permits	27,628		27,628	
Intergovernmental revenues:				
Federal:				
Community development block grant:				
Chlorinator		97,403	97,403	
General municipal aid:				
Municipal Revolving Fund	688		688	
State shared revenues:				
Sales taxes	100,240		100,240	
Gasoline tax	3,643		3,643	
Alcoholic beverage tax	900		900	
Fire Protection Allocation	7,216		7,216	
Tax Loss 65 and Over	8,118		8,118	
Fines and forfeits	55,449		55,449	
Charges for services:				
Water				166,044
Sewer				48,995
Garbage				95,976
Interest income	797		797	716
Other receipts	6,786		6,786	17,209
Total Receipts	<u>373,730</u>	<u>97,403</u>	<u>471,133</u>	<u>328,940</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, 2010

(Continued)

	Governmental Activities			Business-type
	Major Fund			Activities
	General Fund	Special Revenue Fund	Total	Major Fund Water & Sewer Fund
DISBURSEMENTS				
General government	\$ 78,506		78,506	
Public safety:				
Court	31,316		31,316	
Police	174,415		174,415	
Fire	4,713		4,713	
Public works				
Streets	27,720		27,720	
Care and maintenance	1,597		1,597	
Parks	257		257	
Library	28,012		28,012	
Water, Sewer and Garbage:				
Personal services				173,727
Supplies				84,058
Utilities				25,614
Other services and charges				26,779
Total Disbursements	<u>346,536</u>	<u>0</u>	<u>346,536</u>	<u>310,178</u>
Excess of Receipts over (under) Disbursements	<u>27,194</u>	<u>97,403</u>	<u>124,597</u>	<u>18,762</u>
OTHER CASH SOURCES (USES)				
Capital outlay equipment	(4,031)		(4,031)	(2,651)
Capital outlay - CDBG Chlorinator Grant		(97,403)	(97,403)	
Meter refunds net of meter deposit collections				560
Principal paid on bonds, notes and leases				(14,000)
Interest paid on bonds, notes and leases				(4,745)
Total Other Cash Sources and (Uses)	<u>(4,031)</u>	<u>(97,403)</u>	<u>(101,434)</u>	<u>(20,836)</u>
Net Changes in Cash	23,163	0	23,163	(2,074)
Cash - Beginning	<u>406,167</u>	<u>0</u>	<u>406,167</u>	<u>316,600</u>
Cash - Ending	<u>\$ 429,330</u>	<u>0</u>	<u>429,330</u>	<u>314,526</u>

See accompanying accountant's compilation report.

TOWN OF PICKENS
 Schedule of Long-term Debt
 For the Year Ended September 30, 2010

Definition And Purpose	Balance Outstanding Oct. 1, 2009	Transactions During Fiscal Year 2009-2010		Balance Outstanding Sept. 30, 2010
		Issued	Redeemed	
Sewer Project - general obligation bonds	\$ 80,000		14,000	66,000

See accompanying accountant's compilation report.

TOWN OF PICKENS
 Schedule of Surety Bonds for Town Officials
 September 30, 2010

<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
Felesa Edwards	Municipal Court Clerk	Travelers Casualty and Surety Co.	50,000
Joe Davis	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.

TOWN OF PICKENS
Schedule of Solid Waste Management Services
Full Cost Accounting
Summary of Costs Report
For the Year Ending September 30, 2010

Revenues	
Solid waste income	\$ 95,976
Interest earned	239
Total Revenues	<u>96,215</u>
Expenses	
Personnel services	70,916
Supplies	12,116
Contractual/other	19,793
Capital outlay	750
Total Expenses	<u>103,575</u>
Expense per user	<u>\$ 229</u>

Garbage and Rubbish collected by:

Town of Pickens
P.O. Box 297
Pickens, MS 39146

See accompanying accountant's compilation report.

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REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

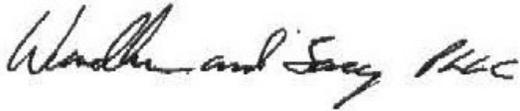
To the Mayor and the Board of Aldermen
Town of Pickens, Mississippi

We have compiled the accompanying Statement of Cash Receipts and Disbursements - Governmental and Business-type Activities, Schedule of Long-term Debt, Schedule of Fixed Assets, Schedule of Surety Bonds for Town Officials, and Schedule of Solid Waste Management Services of the Town of Pickens, Mississippi, for the year ended September 30, 2010, 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 in the United States of America.

We have performed procedures to test compliance with certain state laws and regulations as described in 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 the items tested, the results of those procedures and our compilation of the accompanying Statement of Cash Receipts and Disbursements -Governmental and Business-type Activities, Schedule of Long-term Debt, Schedule of Fixed Assets, Schedule of Surety Bonds for Town Officials and Schedule of Solid Waste Management Services of the Town of Pickens, Mississippi, for the year ended September 30, 2010 disclosed no instances of noncompliance with state laws and regulations.

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. However, this report is a matter of public record and its distribution is not limited.



Windham and Lacey, PLLC
January 24, 2011