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**SEP 27 2011**

**TOWN OF NEW HOULKA**

**ANNUAL COMPILATION**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010**

**W. KEITH POUNDS, LTD**

Certified Public Accountant

444 East Madison Street  
Houston, Mississippi 38851

Telephone 662-456-3334

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, 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). 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>
BancorpSouth	General	\$ 3,167.07
	Fire Department	4,564.53
	Christmas Parade Account	5,689.63
	Clearing Account	1,609.21
<b>Total General Fund</b>		<b>\$ 15,030.44</b>
BancorpSouth	Employment Golden Savings	\$ 1,759.08
<b>Total Special Revenue Fund</b>		<b>\$ 1,759.08</b>
BancorpSouth	Waterwell Project Account	4.34
<b>Total Capital Projects Fund</b>		<b>\$ 4.34</b>
BancorpSouth	Waterworks Bond Cushion Reserves	\$ 6,257.06
<b>Total Debt Service Fund</b>		<b>\$ 6,257.06</b>
BancorpSouth	Waterworks and Sewer Revenue	\$ 8,234.09
	Public Funds Water Meter Deposits	5,278.00
	Water Tank Maintenance	2,534.65
<b>Total Proprietary Fund</b>		<b>\$ 16,046.74</b>

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	\$ 92,455.17
Certificate of Deposit	Proprietary (Meter Deposits)	24,054.83
<b>Total</b>		<b>\$ 116,510.00</b>

3. I performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:
  - a. Verify 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 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).

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:

Payment Purpose	Receiving Fund	General Ledger Amount
Fire Protection Allocation	General	\$ 3,866.93
General Municipal Aid	General	368.51
Gasoline Tax	General	1,996.34
TVA Payments in Lieu	General	8,959.64
Sales Tax Allocation	General	103,075.62
Homestead Exemption	General	6,803.78
PERS Ser Cont Travel	General	520.00

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:

Number of Sample Items	Dollar Value of Sample
43	\$ 98,501.99

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

I 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, 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 times 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, 2010.



W. Keith Pounds  
Certified Public Accountant

July 20, 2011

**W. KEITH POUNDS, LTD**

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444 East Madison Street  
Houston, Mississippi 38851

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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, 2010, 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.

My 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. I 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

July 20, 2011

**TOWN OF NEW HOULKA, MISSISSIPPI**  
**COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010**

	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	PROPRIETARY FUND	TOTALS (MEMORANDUM ONLY)	
						9/30/2010	9/30/2009
<b>REVENUE RECEIPTS:</b>							
General Property Taxes	79,474.66	0.00	0.00	0.00	0.00	79,474.66	74,552.63
Penalties and Interest on Delinquent Taxes	157.14	0.00	0.00	0.00	0.00	157.14	160.48
Licenses and Permits	800.00	0.00	0.00	0.00	0.00	800.00	782.50
Rail Car Tax		0.00	0.00	0.00	0.00	0.00	628.21
Franchise Tax on Utilities	9,536.77	0.00	0.00	0.00	0.00	9,536.77	10,226.95
TVA Housing	4,598.11	0.00	0.00	0.00	0.00	4,598.11	5,178.87
<b>INTERGOVERNMENTAL REVENUES:</b>							
<u>Federal Revenue:</u>							
Rural Development Grant	0.00	0.00	0.00	0.00	46,875.00	46,875.00	0.00
<u>State Shared Revenues:</u>							
Sales Tax	103,075.62	0.00	0.00	0.00	0.00	103,075.62	99,681.08
Gasoline Tax	1,996.34	0.00	0.00	0.00	0.00	1,996.34	1,996.34
Fire Protection	3,866.93	0.00	0.00	0.00	0.00	3,866.93	3,751.74
Homestead Exemption	6,803.78	0.00	0.00	0.00	0.00	6,803.78	7,513.46
TVA Payments in Lieu of Taxes	8,959.64	0.00	0.00	0.00	0.00	8,959.64	8,220.19
General Municipal Aid	368.51	0.00	0.00	0.00	0.00	368.51	370.07
Public Safety	0.00	0.00	0.00	0.00	0.00	0.00	5,206.00
MDA SMLPC Grant	520.00	0.00	0.00	0.00	0.00	520.00	0.00
<u>County Revenue</u>							
Park Allocation	2,000.00	0.00	0.00	0.00	0.00	2,000.00	2,000.00
<b>CHARGES FOR SERVICES:</b>							
Water and Sewer Revenue	0.00	0.00	0.00	0.00	317,882.72	317,882.72	317,272.66
Rentals	3,995.00	0.00	0.00	0.00	0.00	3,995.00	5,270.00
<b>FINES AND FORFEITS:</b>							
Fines	10,651.50	0.00	0.00	0.00	0.00	10,651.50	9,659.63
<b>OTHER RECEIPTS:</b>							
Interest Income	220.65	3.75	13.04	16.53	1,504.71	1,758.68	7,968.63
Meter Deposits	0.00	0.00	0.00	0.00	1,210.00	1,210.00	1,900.00
BancorSouth-Police Car Financing	0.00	0.00	0.00	0.00	0.00	0.00	21,400.00
BancorSouth-Financing-Short Term Backhoe Fin	0.00	0.00	0.00	0.00	46,875.00	46,875.00	0.00
Surplus Sales	1,000.00	0.00	0.00	0.00	0.00	1,000.00	0.00
Transfers	28,150.03	0.00	0.00	14,075.00	32,070.82	74,295.85	63,215.43
Miscellaneous	1,344.57	0.00	0.00	0.00	0.00	1,344.57	1,240.80
<b>TOTAL RECEIPTS</b>	267,519.25	3.75	13.04	14,091.53	446,418.25	728,045.82	648,195.67
<b>Cash Balance - Beginning</b>	13,519.90	1,755.33	3,468.65	16,466.63	63,182.03	98,392.54	184,035.07
<b>Certificate of Deposit</b>	0.00	0.00	0.00	0.00	130,515.33	130,515.33	124,039.26
<b>TOTAL AMOUNT TO ACCOUNT FOR</b>	281,039.15	1,759.08	3,481.69	30,558.16	640,115.61	956,953.69	956,270.00

**TOWN OF NEW HOULKA, MISSISSIPPI**  
**COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010**

	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	PROPRIETARY FUND	TOTALS (MEMORANDUM ONLY)	
						9/30/2010	9/30/2009
<b>OPERATING DISBURSEMENTS:</b>							
General Government (Executive and Financial)	72,573.50	0.00	0.00	0.00	0.00	72,573.50	86,264.38
Public Safety:							
Police	120,715.40	0.00	0.00	0.00	0.00	120,715.40	109,235.68
Fire	2,007.64	0.00	0.00	0.00	0.00	2,007.64	2,394.82
Highways and Streets	25,409.23	0.00	0.00	0.00	0.00	25,409.23	35,278.53
Library	5,262.28	0.00	0.00	0.00	0.00	5,262.28	8,516.11
Parks and Recreation	4,868.18	0.00	0.00	0.00	0.00	4,868.18	3,164.42
Utilities for Public Property	19,208.53	0.00	0.00	0.00	0.00	19,208.53	14,693.05
Water and Sewer Expense	0.00	0.00	0.00	0.00	282,790.91	282,790.91	299,869.68
Interest	566.70	0.00	0.00	0.00	28,330.27	28,896.97	30,291.65
<b>TOTAL OPERATING DISBURSEMENTS</b>	<b>250,611.46</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>311,121.18</b>	<b>561,732.64</b>	<b>589,708.32</b>
<b>OTHER DISBURSEMENTS:</b>							
Bank/MDA Repayment	6,987.06	0.00	0.00	0.00	49,862.81	56,849.87	12,580.20
Bond Repayment	0.00	0.00	0.00	0.00	33,178.48	33,178.48	31,626.71
Capital Additions:							
Police Cars (2)	0.00	0.00	0.00	0.00	0.00	0.00	21,400.00
FM Alert System	0.00	0.00	0.00	0.00	0.00	0.00	2,615.00
Security Camera System	0.00	0.00	0.00	0.00	0.00	0.00	4,942.08
Buffer	0.00	0.00	0.00	0.00	0.00	0.00	754.39
Weed Eater	0.00	0.00	0.00	0.00	0.00	0.00	520.00
John Deere Backhoe	0.00	0.00	0.00	0.00	53,125.00	53,125.00	0.00
John Deere Zero Turn Mower	0.00	0.00	0.00	0.00	9,375.00	9,375.00	0.00
Four Ton Air Conditioning Unit	0.00	0.00	0.00	0.00	2,730.00	2,730.00	0.00
Cub Cadet Mower	0.00	0.00	0.00	0.00	1,649.00	1,649.00	0.00
Fire Department Equipment	8,410.19	0.00	0.00	0.00	46,517.40	8,410.19	0.00
Transfers	0.00	0.00	3,477.35	24,301.10	46,517.40	74,295.85	63,215.43
<b>TOTAL OTHER DISBURSEMENTS</b>	<b>15,397.25</b>	<b>0.00</b>	<b>3,477.35</b>	<b>24,301.10</b>	<b>196,437.69</b>	<b>239,613.39</b>	<b>137,653.81</b>
<b>TOTAL DISBURSEMENTS</b>	<b>266,008.71</b>	<b>0.00</b>	<b>3,477.35</b>	<b>24,301.10</b>	<b>507,558.87</b>	<b>801,346.03</b>	<b>727,362.13</b>
Cash Balance - Ending	15,030.44	1,759.08	4.34	6,257.06	16,046.74	39,097.66	98,392.54
Certificate of Deposit	0.00	0.00	0.00	0.00	116,510.00	116,510.00	130,515.33
<b>TOTAL AMOUNT ACCOUNTED FOR</b>	<b>281,039.15</b>	<b>1,759.08</b>	<b>3,481.69</b>	<b>30,558.16</b>	<b>640,115.61</b>	<b>956,953.69</b>	<b>956,270.00</b>

**TOWN OF NEW HOULKA, MISSISSIPPI**  
**SCHEDULE OF INVESTMENTS - ALL FUNDS**  
**SEPTEMBER 30, 2010**

<b>OWNERSHIP</b>	<b>TYPE OF INVESTMENT</b>	<b>INTEREST RATE</b>	<b>ACQUISITION DATE</b>	<b>MATURITY DATE</b>	<b>OTHER INFORMATION</b>	<b>INVESTMENT COST/VALUE</b>
Proprietary	Certificate of Deposit	1.4%	1/11/2010	12/11/2010	BancorpSouth	\$92,455.17
Proprietary	Certificate of Deposit	1.4%	12/7/2009	11/14/2010	BancorpSouth	\$24,054.83

**TOWN OF NEW HOULKA, MISSISSIPPI  
SCHEDULE OF LONG-TERM & SHORT-TERM DEBT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010**

DEFINITION AND PURPOSE	BALANCE OUTSTANDING OCTOBER 1, 2009	TRANSACTIONS DURING FISCAL YEAR		BALANCE OUTSTANDING SEPTEMBER 30, 2010
		ISSUED	REDEEMED	
<b>Long-Term Debt:</b>				
Water and Sewer Revenue Bonds:				
Rural Development	37,005.27	0.00	12,663.34	24,341.93
Rural Development	28,054.26	0.00	8,384.79	19,669.47
Rural Development	72,510.50	0.00	4,331.05	68,179.45
Rural Development	372,837.56	0.00	7,799.30	365,038.26
Total Revenue Bonds	510,407.59	0.00	33,178.48	477,229.11
Other Long-Term Debt:				
BancorSouth-Police Car	18,278.51	0.00	6,987.06	11,291.45
MDA Capital Improvement Loan	67,283.20	0.00	2,987.81	64,295.39
Total Other Long-Term Debt	85,561.71	0.00	9,974.87	75,586.84
<b>Total Debt:</b>	<b>595,969.30</b>	<b>0.00</b>	<b>43,153.35</b>	<b>552,815.95</b>

**TOWN OF NEW HOULKA, MISSISSIPPI  
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICERS  
SEPTEMBER 30, 2010**

<b>NAME</b>	<b>POSITION</b>	<b>SURETY</b>	<b>BOND AMOUNT</b>
Josephine Higginbotham	Mayor	Brierfield Insurance	\$ 50,000
Gay Williams	City Clerk	MS Municipal Bond Program	\$ 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

**Town of New Houlka, Mississippi**  
**Notes to the Financial Statements**  
**September 30, 2010**

**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.