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TOWN OF WALLS

9087 Nail Road
P.O. Box 35
Walls, Mississippi
38680



Office (662) 781-1282
Fax (662) 781-5444

Patti Denison, Mayor

Kathy Gordon, Town Clerk

Oct. 27, 2014

Mr. Thomas S. Chain
State Of Mississippi
Office Of The State Auditor
P.O.Box 956
Jackson, MS. 38680


Dear Mr. Chain,

Enclosed you will find our Municipality's Annual Financial Report
for the Fiscal Year Ending Sept. 30, 2013.

I apologize for the delay, but we did not get our completed until this
Month.

If you have any questions, please feel free to contact me.

Best Regards,


Kathy P. Gordon
Town Clerk
Town Of Walls, MS.

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TOWN OF WALLS, MISSISSIPPI
Financial Statement
For the Year Ended September 30, 2013

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WILLIAM P. BOYD, III
CERTIFIED PUBLIC ACCOUNTANT

TOWN OF WALLS, MISSISSIPPI

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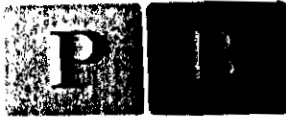
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WWILLIAMS - PEELLE - BEARD - PEELLE
CERTIFIED PUBLIC ACCOUNTANTSDORIS L. WILLIAMS
HEIDI M. PEELLE
REBECCA A. BEARD
LIZ SHERIDAN WILLET1000 NORTH GULF ROAD, SUITE 300
TERRYVILLE, MISSISSIPPI 39357
601.499.4440
601.499.4444**INDEPENDENT ACCOUNTANTS' COMPILATION REPORT****Honorable Mayor and Board of Aldermen
Town of Walls
Walls, Mississippi**

We have compiled the accompanying statement of cash receipts and disbursements of the Town of Walls, Mississippi for the year ended September 30, 2013, which collectively comprises the town's basic financial statement. We have not audited or reviewed the accompanying financial statement and, accordingly, do not express an opinion or provide any assurance about whether the financial statement is in accordance with the cash basis of accounting.

The management of the Town of Walls, Mississippi is responsible for the preparation and fair presentation of the financial statement 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 statement.

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 management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statement.

The Mayor and Alderman have elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the cash basis of accountancy. 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.

Management has 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 government-wide financial statements resulting from the cash basis transactions for the Town's governmental activities and business-type activities are not reasonably determinable.

Management has omitted the management's discussion and analysis information that is required to be presented for purposes of additional analysis. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

The supplementary information has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and accordingly, we do not express an opinion or provide any assurance on such supplementary information.

In accordance with the provisions of Section 21-35-31, Miss. Code Ann. (1972), we have issued a report dated September 17, 2014, on the results of our agreed-upon procedures.

Williams, Pitts & Beard, PLLC

Williams, Pitts & Beard, PLLC
Hernando, Mississippi
September 17, 2014

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TOWN OF WALLS, MISSISSIPPI
Statement of Cash Receipts and Disbursements
Governmental and Business-type Activities
For the Year Ended September 30, 2013
With Comparative Totals For 2012

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Totals</u> <u>(Memorandum Only)</u>	
	<u>General</u>	<u>Enterprise</u>	<u>2013</u>	<u>2012</u>
Revenue Receipts				
General property taxes	\$ 273,763	\$ -	\$ 273,763	\$ 238,013
Penalties and interest on delinquent taxes	-	-	-	-
Licenses and permits	35,721	-	35,721	40,430
Franchise fees - public utilities	22,642	-	22,642	22,492
Intergovernmental revenues				
General municipal aid	3,178	-	3,178	10,244
State shared revenues				
Sales tax	40,562	-	40,562	39,041
Charges for services				
Sewer charges	-	378,746	378,746	412,377
Fines and forfeits	152,788	-	152,788	67,301
Miscellaneous				
Interest	2,443	-	2,443	2,090
Miscellaneous	27,072	-	27,072	35,173
Total Revenue Receipts	558,169	378,746	936,915	867,161
Other Receipts				
Federal/state grants received	5,415	-	5,415	18,869
Loans	5,000	-	5,000	30,000
Total Receipts	568,584	378,746	947,330	916,030

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See independent accountants' compilation report.

TOWN OF WALLS, MISSISSIPPI
Statement of Cash Receipts and Disbursements
Governmental and Business-type Activities
For the Year Ended September 30, 2013
With Comparative Totals For 2012

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Totals</u> <u>(Memorandum Only)</u>	
	<u>General</u>	<u>Enterprise</u>	<u>2013</u>	<u>2012</u>
Disbursements				
General government	\$ 275,565	\$ -	\$ 275,565	\$ 216,828
Public safety	308,552	-	308,552	274,918
Enterprise				
Sanitation	15,000	158,994	173,994	172,718
Redemption of principal	31,800	-	31,800	20,012
Debt service interest	1,109	-	1,109	1,064
Total Disbursements	<u>632,026</u>	<u>158,994</u>	<u>791,020</u>	<u>685,540</u>
Excess (Deficiency) of receipts over disbursements	<u>(63,442)</u>	<u>219,752</u>	<u>156,310</u>	<u>230,490</u>
Other Financing Sources (Uses)				
Capital outlay	(926)	-	(926)	(913)
Proceeds from Loan	250		250	
Transfers	107,049	(107,049)	-	-
Total Other Financing Sources (Uses)	<u>106,373</u>	<u>(107,049)</u>	<u>(676)</u>	<u>(913)</u>
Excess (Deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>42,931</u>	<u>112,703</u>	<u>155,634</u>	<u>229,577</u>
Cash Basis Fund Balance				
Beginning of Year	<u>180,310</u>	<u>275,872</u>	<u>456,182</u>	<u>226,605</u>
Cash Basis Fund Balance				
End of Year	<u>\$ 223,241</u>	<u>\$ 388,575</u>	<u>\$ 611,816</u>	<u>\$ 456,182</u>

See independent accountants' compilation report.

SUPPLEMENTARY INFORMATION

TOWN OF WALLS, MISSISSIPPI
Schedule of Long-Term Debt
For the Year Ended September 30, 2013

	<u>Definition & Purpose</u>	<u>Balance</u>	<u>Transactions During Year</u>		<u>Balance</u>
		<u>Outstanding Oct. 1, 2012</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Outstanding Sept. 30, 2012</u>
First Security Bank	Line of Credit	31,773	250	31,800	223
Total		<u>\$ 31,773</u>	<u>\$ 250</u>	<u>\$ 31,800</u>	<u>\$ 223</u>

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TOWN OF WALLS, MISSISSIPPI
Schedule of Surety Bonds of Municipal Officials
September 30, 2013

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Amount</u>
Patricia Denison	Mayor	MS Municipal Bond Program	50,000
Ray Denison	Alderman	MS Municipal Bond Program	50,000
Jennifer Doyle	Alderman	MS Municipal Bond Program	50,000
Tammy Patrick	Alderman	MS Municipal Bond Program	50,000
Beverly Thomas	Alderman	MS Municipal Bond Program	50,000
Vicky Waddey	Alderman	MS Municipal Bond Program	50,000
Gary Boisseau	Chief of Police	Travelers	50,000
Betty Williams	City Clerk	Travelers	50,000
Betty Williams	Court Clerk	Travelers	50,000
Kathy Gordon	Deputy City Clerk	Old Republic Surety Company	50,000
Amie Carr	Deputy Court Clerk	Old Republic Surety Company	50,000
Policeman	Policeman	Travelers	25,000 each

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SPECIAL REPORTS



DANNY L. WILLIAMS | 2012 McINAVILLE ROAD, SUITE A
 JERRY W. PELES | HERRANDO, MISSISSIPPI 38632
 REBECCA A. BEARD | 662-429-1436
 KRISTOPHER A. WHITTEN | 662-429-4438 FAX

**SPECIAL REPORT ON AGREED-UPON
 PROCEDURES FOR SMALL TOWNS**

Honorable Mayor and Board of Aldermen
 Town of Walls
 Walls, Mississippi

We have applied certain agreed-upon procedures, as discussed below, to the accounting records of the Town of Walls, Mississippi, as of September 30, 2013, 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). Town of Wall's management is responsible for the company's accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. 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. It is understood the report is solely for the use of the governing body of the Town of Walls, Mississippi, and the Office of the State Auditor and should not be used for any other purposes. 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:

<u>Bank</u>	<u>Fund</u>	<u>Balance Per General Ledger</u>
First Security Bank	General	\$ 168,374
First Security Bank	Utility	388,475
First Security Bank	Escrow	54,867
		<u>\$ 611,716</u>

2. As of September 30, 2013, the Town held no investments, including certificates of deposits.
3. 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 governing body minutes;
 - b. Traced distribution of taxes collected to proper funds; and
 - c. Analyzed increase in taxes for most recent period for compliance with increase limitations of Section 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). Finding

Deposits relating to tax collections were not made in a timely manner. Taxes settled to the Town of Walls in August and September 2012 were held until November 2012 before a deposit was made to the bank.

Recommendation

The town should establish control procedures to ensure all funds are deposited in a timely manner.

Town's Response

Previous town clerk had misplaced the 2 settlements. They were not found until after she left and therefore deposited in November 2012 when they were found.

4. We obtained a statement of payments made by the Department of Finance and Administration to the municipality. Payments indicated were traced to deposits 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>Ledger Amount</u>
Sales Tax Allocation	General	\$ 40,562
Nuclear Plant	General	7,674
Fire Protection	General	6,193
Gasoline Tax	General	3,178
Homestead Exemption	General	231
Municipal Aid	General	15,088
		<u>\$ 72,926</u>

5. We selected a sample of purchases made by the municipality during the fiscal year. Each sample item was evaluated for proper approval and 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	25
Total dollar value of sample	\$89,136.75

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

Finding

We could not verify that 23 out of 25 checks in our test were not issued before board's approval. In addition, 2 Visa credit card charges totaling \$20.65 were not supported by receipts.

Recommendation

The Town should establish internal control procedures to ensure they issue checks after the board's approval, unless it is an emergency or for utilities.

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Town's Responses

When we got our new software in 2012, our system was not set up that way, with the help of WPB, it will be up that way beginning October 1, 2014.

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 municipality to be in agreement with the requirements of the above mentioned sections except as follows:

Finding

For the fiscal year ending September 30, 2013, amounts due to the State Department of Finance and Administration per the court cash journal was \$57,425.90. Amounts paid to the State were \$64,073.90, for an overage of \$6,648.00.

For the fiscal year ending September 30, 2013, amounts due to the municipal clerk per the court cash journal were \$143,446.90, amounts actually settled to the municipal clerk were \$152,748.30, for an overage of \$9,301.40.

Recommendation

The town should establish control procedures to ensure all funds settled by the court clerk to the state and the municipal clerk are calculated properly and reconciled to the monthly cash journal totals.

Town's Response

The court clerk has always done these manually...because our present software system doesn't support that. However, starting in Oct. 2014, we are switching to a new court software company that should eliminate this problem.

7. We have read the municipal compliance questionnaire completed by the municipality. The completed survey indicated no instance of noncompliance with state requirements.

Because the above procedures do not constitute an audit in accordance with generally accepted auditing standards, 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 that 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 generally accepted auditing standards, 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 Walls, Mississippi, for the year ended September 30, 2013.

Williams, Pitts & Beard, PLLC

Williams, Pitts & Beard, PLLC
Hernando, Mississippi
September 17, 2014

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