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TOWN OF NEW HOULKA, MISSISSIPPI

P. O. Box 416
Houlka, Mississippi 38850


June 22, 2017

Office of the State Auditor
P. O. Box 956
Jackson, MS 39205

Re: Annual Municipal Audit

Accompanying this letter is a copy of the Annual Compilation of the Town of New Houlka, Mississippi, for the fiscal year ended September 30, 2016. A separate management letter was not written to the town in connection with this audit.

Sincerely

A handwritten signature in black ink, appearing to be "Jimmy D. Kelly", written over the word "Sincerely".

Mayor

Enclosures



Town of New Houlka, Mississippi

Annual Compilation

For the Fiscal Year Ended September 30, 2016

W KEITH POUNDS LTD
444 EAST MADISON STREET
HOUSTON, MISSISSIPPI 38851

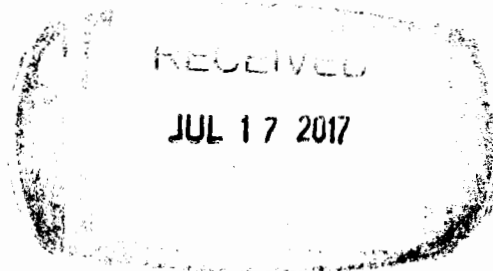
Telephone 662-456-3334
Fax 662-456-4229

Board of Aldermen
Town of New Houlka
P. O. Box 192
Houlka, MS 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, 2016, 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:

Bank	Fund	Balance per General Ledger
Bank of Okolona	General	\$ 18,950.89
	Fire Department	\$ 14,135.20
	Clearing	\$ 16,139.81
	Police Fund	\$ 2,078.22
	Police Appreciation Fund	\$ 1,368.10
Total General Fund		\$ 52,672.22
Bank of Okolona	Employment Golden Savings	\$ 1,815.28
Total Special Reserve Fund		\$ 1,815.38
Bank of Okolona	Waterworks & Sewer Revenue	\$ 53,773.89
	Public Funds, Water Meter Dep	\$ 17,307.45
Total Proprietary Fund		\$ 71,081.34



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).

The town held no Certificates of Deposits or other investments at 9-30-16.

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

Taxes are collected for city by the county tax assessor and remitted monthly to city according to county assessment tax rolls.

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	\$ 4,014.88
General Municipal Aid	General	\$ 312.17
Gasoline Tax	General	\$ 1,917.08
TVA Payments in Lieu	General	\$ 3,975.08
Sales Tax Allocation	General	\$94,666.61
Homestead Exemption	General	\$ 7,708.93

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
101	\$ 125,663.34

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

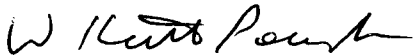
6. We selected a sample of collection of fines and forfeitures and verified that the municipal court clerk had settled daily with the municipal clerk. We also selected a sample of state-imposed court assessments collected and determined that the municipal clerk had settled monthly with the Department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

We found the municipalities to be in agreement with the requirements of the above-mentioned sections.

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7. I have read the Municipal Compliance Questionnaire completed by the municipality. The completed survey indicated no instances of non-compliance with state regulations.

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 or 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 items 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, 2016.



W. Keith Pounds
Certified Public Accountant

June 12, 2017

W. KEITH POUNDS, LTD

Certified Public Accountant

444 East Madison Street
Houston, Mississippi 38851

Telephone 662-456-3334

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, 2016, 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.

Our 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. We 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

June 12, 2017

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Town of New Houlka, Mississippi
Combined Statement of Cash Receipts and Disbursements (All Funds)
For the Fiscal Year Ended September 30, 2016

	GENERAL	SPECIAL REVENUE	PROPRIETARY FUND	TOTALS (MEMORANDUM ONLY)	
				9/30/2016	9/30/2015
REVENUE RECEIPTS:					
General Property Taxes	93,560.94	0.00		93,560.94	95,111.08
Licenses and Permits	891.00	0.00		891.00	1,000.00
Franchise Tax on Utilities	10,035.66	0.00		10,035.66	10,395.11
TVA Housing	5,767.16	0.00		5,767.16	6,895.25
INTERGOVERNMENTAL REVENUES:					
<u>State Shared Revenues:</u>					
Sales Tax	94,666.61	0.00		94,666.61	96,374.35
Gasoline Tax	1,917.08	0.00		1,917.08	1,917.11
Fire Protection	4,014.88	0.00		4,014.88	3,406.18
Homestead Exemption	7,708.93	0.00		7,708.93	7,496.52
TVA Payments in Lieu of Taxes	3,975.08	0.00		3,975.08	6,877.14
General Municipal Aid	312.17	0.00		312.17	312.17
Mississippi Storm Shelter Grant		0.00			12,540.00
CHARGES FOR SERVICES:					
Water and Sewer Revenue		0.00	400,319.39	400,319.39	385,480.97
Rentals	4,000.00	0.00		4,000.00	3,125.00
FINES AND FORFEITS:					
Fines	22,863.87	0.00		22,863.87	25,551.25
OTHER RECEIPTS:					
Interest Income	205.00	0.00		205.00	
Meter Deposits		0.00	1,975.00	1,975.00	3,516.29
Transfers	42,499.91	0.00		42,499.91	7,697.27
Surplus Property		0.00			36,100.00
Insurance Claims		0.00			5,893.74
Reimbursed Expenses/Refunds	735.04	0.00		735.04	109.25
Donations	6,714.70			6,714.70	
TOTAL RECEIPTS	299,868.03	0.00	402,294.39	702,162.42	709,798.68
Cash Balance - Beginning	39,503.37	1,815.28	84,026.66	125,345.31	79,289.40
Certificate of Deposit		0.00			
TOTAL AMOUNT TO ACCOUNT FOR	339,371.40	1,815.28	486,321.05	827,507.73	789,088.08

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Town of New Houlka, Mississippi
Combined Statement of Cash Receipts and Disbursements (All Funds)
For the Fiscal Year Ended September 30, 2016

	GENERAL	SPECIAL REVENUE	PROPRIETARY FUND	TOTALS (MEMORANDUM ONLY)	
				9/30/2016	9/30/2015
OPERATING DISBURSEMENTS:					
General Government (Executive and Financial)	84,437.61	0.00		84,437.61	106,625.14
<u>Public Safety:</u>					
Police	142,874.27	0.00		142,874.27	152,050.25
Fire	2,697.66	0.00		2,697.66	168.68
Highways and Streets	27,547.48	0.00		27,547.48	22,677.55
Library	2,248.00	0.00		2,248.00	6,019.21
Parks and Recreation	867.29	0.00		867.29	2,328.14
Utilities for Public Property	15,749.95	0.00		15,749.95	22,974.18
Water and Sewer Expense		0.00	332,793.60	332,793.60	278,572.37
Interest	606.29	0.00	18,935.32	19,541.61	21,173.45
TOTAL OPERATING DISBURSEMENTS	277,028.55	0.00	351,728.92	628,757.47	612,588.97
OTHER DISBURSEMENTS:					
MDA Payment		0.00	3,357.23	3,357.23	4,103.29
USDA Bond Repayment		0.00	17,653.65	17,653.65	16,691.03
Mahnindra Tractor Repayment		0.00			2,691.55
Payments – Bank Building		0.00			10,608.86
Payment – Police Trucks	9,670.63	0.00		9,670.63	9,361.80
Transfers			42,499.91	42,499.91	7,697.27
TOTAL OTHER DISBURSEMENTS	9,670.63	0.00	63,510.79	73,181.42	51,153.80
TOTAL DISBURSEMENTS	286,699.18	0.00	415,239.71	701,938.89	663,742.77
Cash Balance - Ending	52,672.22	1,815.28	71,081.34	125,568.84	125,345.31
TOTAL AMOUNT ACCOUNTED FOR	339,371.40	1,815.28	486,321.05	827,507.73	789,088.08

Town of New Houlka, Mississippi
Notes to the Financial Statements
September 30, 2016

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

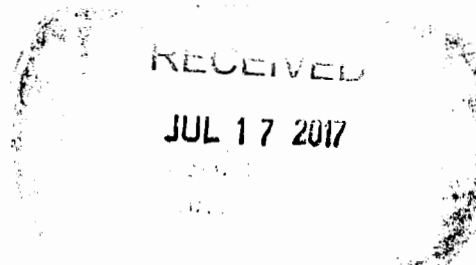
The accounts of the town are organized on the basis of funds, each of which is considered a separate accounting entity.

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.



Town of New Houlka, Mississippi
Schedule of Long-Term & Short-Term Debt
For the Fiscal Year Ended September 30, 2016

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DEFINITION & PURPOSE	BALANCE OUTSTANDING OCTOBER 1, 2015	TRANSACTIONS DURING FISCAL YEAR		BALANCE OUTSTANDING SEPTEMBER 30, 2016
		ISSUED	REDEEMED	
Long-Term Debt:				
Water and Sewer Revenue Bonds:				
Rural Development	\$ 41,764.69	0.00	\$ 6,390.16	\$ 35,374.53
Rural Development	\$ 306,816.72	0.00	\$ 11,263.49	\$295,553.23
Total Revenue Bonds	\$ 348,581.41	0.00	\$ 17,653.65	\$330,927.76
Other Long-Term Debt:				
Bancorp South-Police Trucks	\$ 23,062.86	0.00	\$ 9,670.63	\$ 13,392.23
MDA Capital Improvement Loan	\$ 48,981.82	0.00	\$ 3,357.23	\$ 45,624.59
Total Other Long-Term Debt	\$ 72,044.68	0.00	\$ 13,027.86	\$ 59,016.82
Total Debt:	\$ 420,626.09	0.00	\$ 30,681.51	\$389,944.58

Town of New Houlka, Mississippi
Schedule of Surety Bonds for Municipal Officers
September 30, 2016

NAME	POSITION	SURETY	BOND AMOUNT
Jimmy Kelly	Mayor	Brierfield Insurance	\$ 50,000
K. C. Gates	Alderman	MS Municipal Bond Program	\$ 5,000
Kimberly Murphree	Alderwoman	MS Municipal Bond Program	\$ 5,000
Beverly Davidson	Alderwoman	MS Municipal Bond Program	\$ 5,000
Dustin Eaton	Alderman	MS Municipal Bond Program	\$ 5,000
Bonnie Brown	Alderwoman	MS Municipal Bond Program	\$ 5,000
Janie Tutor	City Clerk	Traveler's	\$ 50,000
Ray Laney	Police Chief	Traveler's	\$ 50,000

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