

OFFICE OF THE STATE AUDITOR REPORT NOTE:

Section 7-7-211, Mississippi Code Annotated (1972) gives the Office of the State Auditor the authority to audit, with the exception of municipalities, any governmental entity in the state. In the case of municipalities, *Section 21-35-31, Mississippi Code Annotated (1972)* requires municipalities to obtain an annual audit performed by a private CPA firm and submit that audit report to the Office of the State Auditor. The Office of the State Auditor files these audit reports for review in case questions arise related to the municipality.

As a result, the following document was not prepared by the Office of the State Auditor. Instead, it was prepared by a private CPA firm and submitted to the Office of the State Auditor. The document was placed on this web page as it was submitted and no review of the report was performed by the Office of the State Auditor prior to finalization of the report. The Office of the State Auditor assumes no responsibility for its content or for any errors located in the document. Any questions of accuracy or authenticity concerning this document should be submitted to the CPA firm that prepared the document. The name and address of the CPA firm appears in the document.

**TOWN OF NEW HOULKA, MISSISSIPPI
HOUSTON, MISSISSIPPI**

**FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**



WATKINS, WARD and STAFFORD
Professional Limited Liability Company
Certified Public Accountants

James L. Stafford, CPA
Harry W. Stevens, CPA
S. Keith Winfield, CPA
William B. Staggers, CPA
Michael W. McCully, CPA
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Anita L. Goodrum, CPA
Ricky D. Allen, CPA
Jason D. Brooks, CPA
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Perry C. Rackley, Jr., CPA
Jerry L. Gammel, CPA
Michael C. Knox, CPA
Clifford P. Stewart, CPA
Edward A. Maxwell, CPA

Independent Accountants' Compilation Report

Honorable Mayor and Board of Aldermen
Town of New Houlka, Mississippi
P.O. Box 192
Houlka, Mississippi 38850

Management is responsible for the accompanying financial statements of the Town of New Houlka, Mississippi, which comprise the balance sheet as of September 30, 2021, and 2020, and the related statement of budget, income and equity, and supplemental data contained in schedules 1, 2, 3 and 4 for the years then ended, included in the accompanying prescribed form in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements included in the accompanying prescribed form nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the financial statements included in the accompanying prescribed form.

The prescribed form requires accounts receivable, accounts payable, and depreciation to be recorded. Management has informed us that the Town has not recorded accounts receivable, accounts payable, depreciation expense, or accumulated depreciation. Management has not determined the effect of this departure on the financial statements.

The financial statements and supplemental data included in the accompanying prescribed form and the supplemental data are intended to comply with the requirements of the United States Department of Agriculture and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of the managements of the Town of New Houlka, Mississippi and the United States Department of Agriculture and is not intended to be and should not be used by anyone other than these specified parties.

Houston, Mississippi
November 9, 2022

Watkins Ward and Stafford, PLLC

Form RD 442-3 (Rev. 3-97)	Name Town of New Houlka, Mississippi Address 201 Walker St New Houlka, MS 38850
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	09-30-2021 Month Day Year <i>Current Year</i>	09-30-2020 Month Day Year <i>Prior Year</i>
ASSETS		
CURRENT ASSETS		
1. Cash on hand in Banks	\$151,267.00	\$149,171.00
2. Time deposits and short-term investments	\$46,406.00	\$46,300.00
3. Accounts receivable		
4. Less: Allowance for doubtful accounts	()	()
5. Inventories		
6. Prepayments		
7. Interest Receivable		
8.		
9. Total Current Assets (Add 1 through 8)	\$197,673.00	\$195,471.00
FIXED ASSETS		
10. Land		
11. Buildings		
12. Furniture and equipment	\$2,331,764.00	\$2,286,547.00
13. Sewer System	\$2,986,894.00	\$2,098,303.00
14. Less: Accumulated depreciation	(\$0.00)	(\$0.00)
15. Net Total Fixed Assets (Add 10 through 14)	\$5,318,658.00	\$4,384,850.00
OTHER ASSETS		
16.		
17.		
18. Total Assets (Add 9, 15, 16 and 17)	\$5,516,331.00	\$4,580,321.00
LIABILITIES AND EQUITIES		
CURRENT LIABILITIES		
19. Accounts payable		
20. Notes payable		
21. Current portion of USDA note	\$35,640.00	\$35,640.00
22. Customer deposits		
23. Taxes payable		
24. Interest payable		
25. Meter Deposits	\$58,447.00	\$55,134.00
26. Notes Payable - Current Portion	\$7,531.00	\$14,060.00
27. Total Current Liabilities (Add 19 through 26)	\$101,618.00	\$104,834.00
LONG-TERM LIABILITIES		
28. Notes payable USDA	\$190,502.00	\$213,869.00
29. Notes Payable	\$22,677.00	\$30,536.00
30.		
31. Total Long-Term Liabilities (Add 28 through 30)	\$213,179.00	\$244,405.00
32. Total Liabilities (Add 27 and 31)	\$314,797.00	\$349,239.00
EQUITY		
33. Retained earnings	\$5,201,534.00	\$4,231,082.00
34. Memberships		
35. Total Equity (Add lines 33 and 34)	\$5,201,534.00	\$4,231,082.00
36. Total Liabilities and Equity (Add lines 32 and 35)	\$5,516,331.00	\$4,580,321.00

CERTIFIED CORRECT	Date	Appropriate Official (Signature)
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According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0570-0015. The time required to complete this information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

UNITED STATES DEPARTMENT OF AGRICULTURE
STATEMENT OF BUDGET, INCOME AND EQUITY

Schedule I

Name Town of New Houlka, Mississippi	201 Walker St Address New Houlka, MS 38850
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(1) <u>OPERATING INCOME</u>	PRIOR YEAR <u>Actual</u> (2)	ANNUAL BUDGET BEG <u>10-01-2020</u> END <u>09-30-2021</u> (3)	For the 12 Months Ended 09-30-2021		
			CURRENT YEAR		
			Actual Data		
			Current Quarter (4)	Year To Date (5)	
				Actual YTD (Over) Under Budget Col. 3 - 5 = 6 (6)	
1. <u>Water/Garbage</u>	333517	366000		337136	28864
2. <u>Sewer</u>	122838	150000		114274	35726
3. _____					0
4. _____					0
5. <u>Miscellaneous</u>					0
6. <u>Less: Allowances and Deductions</u>					0
7. <u>Total Operating Income</u> (Add lines 1 through 6)	456355	516000	0	451410	64590
<u>OPERATING EXPENSES</u>					
8. <u>Salary/Benefits</u>	126434	117000		112474	4526
9. <u>Repair/Supplies</u>	64529	57000		104557	-47557
10. <u>Utilities</u>	42267	32000		48175	-16175
11. <u>Garbage Coll.</u>	35661	35000		44844	-9844
12. <u>Gas/Oil</u>	4545	4000		6788	-2788
13. <u>Insurance</u>	10486	10000		11750	-1750
14. <u>Other Expenses</u>	42253	35200		27952	7248
15. <u>Interest</u>	14312	12300		13115	-815
16. <u>Depreciation</u>					0
17. <u>Total Operating Expense</u> (Add Lines 8 through 16)	340487	302500	0	369655	-67155
18. <u>NET OPERATING INCOME (LOSS)</u> (Line 7 less 17)	115868	213500	0	81755	131745
<u>NONOPERATING INCOME</u>					
19. <u>Interest Income</u>				106	-106
20. <u>Insurance Proc.</u>					0
21. <u>Total Nonoperating Income</u> (Add 19 and 20)	0	0	0	106	-106
22. <u>NET INCOME (LOSS)</u> (Add lines 18 and 21)	115868	213500	0	81861	131639
23. <u>Equity Beginning of Period</u>	3214305	4231082		4231082	0
24. <u>MDEQ Grant</u>	881809	660518		888591	-228073
25. <u>Rural Dev. Grant</u>	19100				0
26. <u>Equity End of Period</u> (Add lines 22 through 25)	4231082	5105100	0	5201534	-96434

Budget and Annual Report Approved by Governing Body

Quarterly Reports Certified Correct

Secretary	Date	Appropriate Official	Date
According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0015 and 0572-0137. The time required to complete this information collection is estimated to average 2-1/2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.			

See accompanying independent accountants' compilation report.

SUPPLEMENTAL DATAThe Following Data Should Be Supplied Where ApplicableCircle One1. ALL BORROWERS

a. Are deposited funds in institutions insured by the Federal Government?

b. Are you exempt from Federal Income Tax?

c. Are Local, State and Federal Taxes paid current?

d. Is corporate status in good standing with State?

e. List kinds and amounts of insurance and fidelity bond: Complete Only when submitting annual budget information:

<u>Insurance Coverage and Policy Number</u>	<u>Insurance Company and Address</u>	<u>Amount of Coverage</u>	<u>Expiration Date of Policy</u>
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Property Insurance Policy # <u>4A5-31-7423</u>	<u>Employers Mutual Casualty Company</u>	<u>3100108</u>	<u>04-17-2023</u>
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Liability Policy # _____	_____	_____	_____
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Fidelity Policy # _____	_____	_____	_____
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2. RECREATION AND GRAZING ASSOCIATION BORROWERS ONLYCurrent QuarterYear to Date

a. Number of Members	_____	_____
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3. WATER AND/OR SEWER UTILITY BORROWERS ONLY

a. Water purchased or produced (CU FT - GAL)	<u>390,972,600</u> gal.	_____ gal.
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b. Water sold (CU FT - GAL)	_____ gal.	_____ gal.
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c. Treated waste (CU FT - GAL)	_____ gal.	_____ gal.
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d. Number of users - water	<u>794</u>	_____
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e. Number of users - sewer	<u>316</u>	_____
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4. OTHER UTILITIES

a. Number of users	_____	_____
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b. Product purchased	_____	_____
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c. Product sold	_____	_____
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5. HEALTH CARE BORROWERS ONLY

a. Number of beds	_____	_____
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b. Patient days of care	_____	_____
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c. Percentage of occupancy	_____ %	_____ %
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d. Number of outpatient visits	_____	_____
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6. DISTRIBUTION OF ALL CASH AND INVESTMENTS*

Indicate balances in the following accounts:

	<u>Construction</u>	<u>Revenue</u>	<u>Debt Service</u>	<u>Operation & Maintenance</u>	<u>Reserve</u>	<u>All Others</u>	<u>Grand Total</u>
Cash	\$ _____	\$ _____	\$ _____	\$ <u>130618</u>	\$ _____	\$ _____	\$ <u>130618</u>
Savings	\$ _____	\$ _____	\$ _____	\$ _____	\$ <u>20649</u>	\$ <u>46406</u>	\$ <u>67055</u>
and Investments	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Total	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>130618</u>	\$ <u>20649</u>	\$ <u>46406</u>	\$ <u>197673</u>

7. AGE ACCOUNTS RECEIVABLE AS FOLLOWS:

	<u>Days</u>				<u>*Total</u>
	<u>0-30</u>	<u>31-60</u>	<u>61-90</u>	<u>91 and Older</u>	
Dollar Values	\$ _____	\$ _____	\$ _____	\$ _____	\$ <u>0</u>
Number of Accounts	_____	_____	_____	_____	<u>0</u>

*Totals must agree with those on Balance Sheet.

See accompanying independent accountants' compilation report.

SCHEDULE 2

OPERATING EXPENSES - OTHER

Town of New Houlka, Mississippi

201 Walker Street

New Houlka, MS 38850

September 30, 2021

United States Department of Agriculture
STATEMENT OF BUDGET, INCOME AND EQUITY

Form RD 442-2

Line 14, Operating Expenses - Other, Columns 2 and 5

	(2) PRIOR YEAR	(5) CURRENT YEAR
Water Computer Expense	71	221
Dues & Fees	2,970	3,877
Professional Services	26,460	10,784
Postage/Office/Billing	4,942	5,558
Travel	344	946
Training	1,638	2,763
Clothing Allowance	700	1,125
Miscellaneous	<u>5,128</u>	<u>2,678</u>
Total Other Expenses, Line 14	<u>\$ 42,253</u>	<u>\$ 27,952</u>

See accompanying independent accountants' compilation report.

SCHEDULE 3 **SCHEDULE OF RATES AND CHARGES**

Town of New Houlka, Mississippi

201 Walker St

New Houlka, MS 38850

September 30, 2021

Membership Fee/ Installation Fee	N/A
Refundable Meter Deposit (for owners)	\$ 50.00
Refundable Meter Deposit (for renters)	\$ 162.50
Reconnection Fee after Delinquency	\$ 50.00
Returned Check Fee	\$ 25.00
Late Fee	10% of balance due

WATER RATES

Minimum (residential & small commercial)	0-2000 gallons	\$ 20.00
Minimum (large commercial)	0-2000 gallons	\$ 21.00
All over (residential & small commercial)	3000 gallons	\$ 3.00 per 1000
All over (large commercial)	3000 gallons	\$ 6.50 per 1000

See accompanying independent accountants' compilation report.

SCHEDULE 4 **SCHEDULE OF RATES AND CHARGES**

Town of New Houlka, Mississippi
201 Walker St
New Houlka, MS 38850
September 30, 2021

NAME	ADDRESS	TELEPHONE NO.	POSITION	TERM EXPIRATION
Jimmy Kelly	500 Main St Houlka, MS 38850	662-448-0068	Mayor	9/30/2022
K.C. Gates	409 7th Ave Houlka, MS 38850	662-542-4068	Alderman	9/30/2022
Kimberly Murphree	403 Harrill St Houlka, MS 38850	662-542-3660	Alderwoman	9/30/2022
Dustin Eaton	420 Hwy 32 E Houlka, MS 38850	662-542-4321	Alderman	9/30/2022
Bonnie Brown	502 W Front St Houlka, MS 38850	662-542-3190	Alderwoman	9/30/2022
Phillip Smith	505 Main St Houlka, MS 38850	662-448-0301	Police Chief	Full Time Employee
Janie Tutor	410 CR 23 Houlka, MS 38850	662-542-6206	City Clerk	Full Time Employee
Deven Moore	197 CR 21 Houlka, MS 38850	662-419-9374	Deputy Clerk	Full Time Employee

See accompanying accountants' compilation report.