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**TOWN OF PICKENS, MISSISSIPPI  
FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2007**

**RECEIVED  
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STATE AUDITOR'S OFFICE**

**TOWN OF PICKENS, MISSISSIPPI  
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SEPTEMBER 30, 2007**

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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, 2007, 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.

### TOWN OF PICKENS SCHEDULE OF BANK BALANCES FOR YEAR ENDING SEPTEMBER 30, 2007

Bank	Fund	Balance per General Ledger
BankPlus	General	\$ 140,664
BankPlus	General/Fire	19,257
BankPlus	Trust/Unemployment	2,820
BankPlus	USDA Roof Grant	100
BankPlus	Clearing	2,000
Total General Fund		\$ 164,841
BankPlus	Water/Sewer	\$ 109,164
BankPlus	Water/Sewer Deposits	21,530
BankPlus	USDA Roof Grant	100
Total Water/Sewer		\$ 130,794

2. We confirmed with the bank the certificates of deposit owned by the Town. All investment 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	505289	\$ 93,323
BankPlus	509660	29,052
BankPlus	506960	15,000
BankPlus	501864	5,000
BankPlus	506381	10,000
BankPlus	505224	12,000
BankPlus	508102	5,500
BankPlus	508996	5,300
BankPlus	506071	10,000
BankPlus	511159	30,000
BankPlus	501455	25,000
BankPlus	505226	15,000
BankPlus	506961	20,000
BankPlus	501642	25,000
BankPlus	501644	25,000
BankPlus	501865	15,000
BankPlus	513550	<u>11,620</u>
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	\$ 691
Other Aid in Municipalities	General	2,940
Utility Relocation, Construction Fees	General	74,880
Gasoline Tax	General	3,643
Fire Protection Allocation	General	6,270
Emergency MGMT Funds City	General	8,565
Sales Tax Allocation	General	106,197
Nuclear Plant-Payments in Lieu	General	23,166
Liquor Privilege Tax	General	900
Homestead Exemption Reimbursement	General	<u>7,547</u>
		<u>\$ 234,800</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	\$ 200,657

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

6. 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, 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, 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, 2007.

Windham and Lacey, PLLC  
March 3, 2008

# Windham and Lacey, PLLC

*Certified Public Accountants*

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Pearl, MS 39208  
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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 combined statement of cash receipts and disbursements of Town of Pickens, Mississippi as of September 30, 2007, in accordance with Statement 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.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has 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 statement, 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.

*Windham and Lacey, PLLC*

Windham and Lacey, PLLC  
March 3, 2008

TOWN OF PICKENS  
 STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
 GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES  
 FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Governmental Activities	Business-type Activities
	Major Fund	Major Fund
	General Fund	Water & Sewer Fund
<b>RECEIPTS</b>		
General Property taxes	\$ 144,753	
License and permits	27,996	
Intergovernmental revenues:		
Federal:		
USDA grant	16,653	16,653
General municipal aid:		
Homeland security grant	1,142	
FEMA operating grant	8,565	
Municipal revolving fund	691	
Law enforcement grant	1,799	
State shared revenues:		
Sales taxes	106,197	
Gasoline tax	3,643	
Alcoholic beverage tax	900	
Fire protection allocation	6,270	
Tax loss 65 and over	7,547	
Fines and forfeits	45,881	
Charges for services:		
Water		146,581
Sewer		41,807
Garbage		63,269
Interest income	5,431	4,881
Other receipts	84,010	15,022
<b>Total Receipts</b>	<b>\$ 461,478</b>	<b>288,213</b>

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, 2007

	Governmental Activities <u>Major Fund</u>	Business-type Activities <u>Major Fund</u>
	General Fund	Water & Sewer Fund
DISBURSEMENTS		
General government	\$ 84,617	
Public safety:		
Court	23,691	
Police	164,420	
Fire	7,507	
Public works		
Streets	104,188	
Care and maintenance	647	
Parks	2,840	
Library	23,317	
Water, sewer and garbage:		
Personal services		134,424
Supplies		55,526
Utilities		26,378
Other services and charges		21,282
	<u>411,227</u>	<u>237,610</u>
 Total Disbursements		
	<u>411,227</u>	<u>237,610</u>
 Excess of Receipts over (under) Disbursements	 <u>50,251</u>	 <u>50,603</u>
OTHER CASH SOURCES (USES)		
Capital outlay	(32,625)	(53,044)
Meter refunds net of meter deposit collections		260
Principal paid on bonds, notes and leases		(15,246)
Interest paid on bonds, notes and leases		(8,147)
	<u>(32,625)</u>	<u>(76,177)</u>
 Total Other Cash Sources and (Uses)		
	<u>(32,625)</u>	<u>(76,177)</u>
 Net Changes in Cash	 17,626	 (25,574)
Cash – Beginning	<u>147,215</u>	<u>156,418</u>
Cash – Ending	<u>\$ 164,841</u>	<u>130,844</u>

See accompanying accountant's compilation report

TOWN OF PICKENS  
 SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS  
 SEPTEMBER 30, 2007

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Bond Amount</u>
Jonathan Moore	Mayor	Travelers Casualty and Surety Co.	\$ 25,000
Larry Dennis	Alderman	Travelers Casualty and Surety Co.	10,000
Joel L. Gill	Alderman	Travelers Casualty and Surety Co.	10,000
Billy Anderson	Alderman	Travelers Casualty and Surety Co.	10,000
David J. Johnson	Alderman	Travelers Casualty and Surety Co.	10,000
Etta B. Greer	Alderman	Travelers Casualty and Surety Co.	10,000
Karen W. Jackson	Town Clerk	Travelers Casualty and Surety Co.	50,000
John Haynes	Police Chief	Travelers Casualty and Surety Co.	50,000
Felesa Edwards	Deputy Town Clerk	Travelers Casualty and Surety Co.	10,000
Karen W. Jackson	Municipal Court Clerk	Travelers Casualty and Surety Co.	25,000
Steve Allen	Deputy Court Clerk	Travelers Casualty and Surety Co.	10,000
	Police Officers	Travelers Casualty and Surety Co.	25,000 each

TOWN OF PICKENS, MISSISSIPPI

Notes to Financial Statements  
For the Year Ended September 30, 2007

1. **SIGNIFICANT ACCOUNTING POLICIES.**

The Town's financial statements have been prepared on the cash basis of accounting. Under that basis, revenues and related assets are recognized when received rather than when earned and expenses are recognized when paid rather than when the obligation is incurred.

2. **LONG-TERM DEBT.**

Long-term debt of the Town is as follows:

DEFINITION AND PURPOSE:

	Balance Outstanding Oct. 1, 2006	Transactions During Fiscal Year		Balance Outstanding Sept. 30, 2007
		Issued	Redeemed	
Sewer Project - general obligation bonds	\$ 120,000		13,000	107,000
Note Payable - backhoe	\$ 2,246		2,246	0