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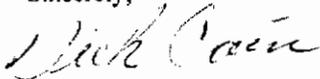
**Town of Ackerman
P O Box 394
Ackerman, Mississippi 39735**

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

Re: Annual Municipal Compilation

Accompanying this letter are two copies of the annual audit, one paper copy and one electronic copy, for the Town of Ackerman, Mississippi, for the fiscal year ended September 30, 2015. A separate management letter was not written to the town in connection with this annual audit.

Sincerely,

A handwritten signature in cursive script that reads "Dick Cain".

Dick Cain

**Town of Ackerman, Mississippi
Audited Financial Statements
Year Ended September, 30 2015**

RECEIVED

JAN 08 2016

*Dungan CPA Company
120 South Natchez Street
Kosciusko, Mississippi 39090
Telephone 662-289-9007 Fax 662-289-6644*

Town of Ackerman
Financial Statements
September 30, 2015

Table of Contents

Financial Statement

Independent Auditor's Report.....4
Combined Statement of Cash Receipts and Disbursements – All Fund Types.....7
Notes to Financial Statements.....10

Supplemental Information

Schedule 1 - Schedule of Investments.....14
Schedule 2 - Schedule of Capital Assets.....15
Schedule 3 - Schedule of Long-Term Debt.....16
Schedule 4 - Schedule of Surety Bonds for Municipal Officials.....17

Internal Control and Compliance

Report on Compliance and on Internal Control Over Financial
Reporting Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standard*.....19

Independent Auditor's Report on Compliance With
State Laws and Regulations.....22

Management Letter24

Schedule of Findings and Questioned Costs.....26

Appendix.....28

Town of Ackerman
Independent Auditor's Report



Dungan CPA, Co.
120 South Natchez Street
Kosciusko, MS 39090

Phone 662-289-9007
Fax 662-289-6644

INDEPENDENT AUDITOR'S REPORT RECEIVED

JAN 08 2016

Honorable Mayor and Board of Alderpersons
City of Ackerman
Ackerman, Mississippi

I have audited the Statement of Cash Receipts and Disbursements, of the Town of Ackerman, Mississippi, as of and for the year ended September 30, 2015, and the related notes to the financial statement, which collectively comprise the Town of Ackerman's basic financial statement as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Basis for Qualified Opinion on General Fund

As described in Note 1, the Town of Ackerman, Mississippi, prepared its financial statement on the cash receipts and disbursements basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Qualified Opinion

In my opinion, except for the effects the cash adjustments to the cash account balance as discussed in the previous paragraph, the financial statement referred to above present fairly, in all material respects, the cash receipts and

disbursements of the Town of Ackerman for the year ended September 30, 2015, on the basis of accounting described in Note 1.

Other Matters

My audit was conducted for the purpose of forming an opinion on the financial statement of the Town of Ackerman, Mississippi taken as a whole. Schedules 1-4, as required by the Mississippi Office of the State Auditor, are presented for the purposes of additional analysis and are not a required part of the audited financial statement. Such information has not been subjected to the auditing procedures applied in the audit of the Statement of Cash Receipts and Disbursements and, accordingly, I do not express an opinion or any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated December 9, 2015, on my consideration of the Town of Ackerman's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contract, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

Dungan CPA Company
December 9, 2015

FINANCIAL STATEMENTS

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Town of Ackerman, Mississippi
 Combined Statement of Cash Receipts and Disbursements
 Governmental and Business-type Activities
 For the Year End September 30, 2015

	All Funds
Receipts	
Taxes	
General Property Taxes	376,118
Licenses and Permits	
Privilege Licenses	4,056
Franchise Charges	50,396
Intergovernmental Revenues:	
Federal Receipts	
Federal Operating Grant	213,520
General Municipal Aid	
General Aid to Municipalities	
Other	
State Shared Revenues:	
Sales Tax	276,099
Gasoline Tax	
Homestead Exemption	34,273
State Fire Rebate and Fire Protection	11,716
Other State Shared Revenue	
Charges for Services:	
Water Utility	801,715
Fines and Forfeits	
	21,506
Miscellaneous Income	
	30,730
Interest Earned	
	2,990
Total Receipts	1,823,119
 Disbursements	
General Government	302,602
Public Safety-Police	270,513
Public Safety-Fire	26,586
Public Works-Street	153,807
Other Departments	53,202
Enterprise	
Water Utility	376,131
Redemption of Principal	110,244
Total Disbursements	1,293,085
 Other Sources (Disbursements)	
Capital Outlay	342,156
Transfers (In) Out Net	18,313
Total Other	360,469
Excess (Deficiency) of Receipts over Disbursements	169,565
Cash Basis Fund Balance - Beginning	2,315,037
Changes not affecting cash	(1,687)
Cash Basis Fund Balance - Ending	\$ 2,482,915

The Notes to the Financial Statement are an integral part of this Combined Statement of Cash Receipts and Disbursements

Town of Ackerman, Mississippi
Notes to the Financial Statement
September 30, 2015

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Town of Ackerman
Notes to the Financial Statement
September 30, 2015

Note 1 - Summary of significant accounting policies

General Information

The Town operates under the Mayor-Board of Alderman form of government and provides services as authorized by law. The Town's population in the year 2015 was 2,096. The accounting policies of the Town of Ackerman conform to the laws of Mississippi for a municipality with a population of less than 3,000. The following is a summary of the more significant policies.

Reporting Entity

The financial statement for the Town consists of all the funds of the Town. There are neither component units nor related organizations included in the statement as they do not fit the criteria for such inclusion.

Fund Accounting

The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. Funds are classified into categories as follows:

General Fund

The General Fund is the main operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue resources that are legally restricted to expenditures for specified purposes.

Proprietary Funds

Proprietary Funds are used to account for operations which are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of revenues earned, expenses incurred or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Basis of Accounting

The financial statement is prepared on a cash receipts and disbursements basis, as allowed 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. Cash receipts and disbursements is a basis of accounting other than generally accepted accounting principles.

Town of Ackerman
Notes to the Financial Statement
September 30, 2015

Note 1 - Summary of significant accounting policies (Continued)

Property Tax Revenues

The Town's Board, each year at a meeting in September, levies property taxes for the ensuing fiscal year which begins on October 1. Real property taxes become a lien on January 1 of the current year and personal property taxes become a lien on March 1 of the current year. Taxes on both real and personal property, however, are due on or before February 1 of the next succeeding year. Taxes on motor vehicles and mobile homes become a lien and are due in the month that coincides with the month of original purchase.

Memorandum Total

The total column is captioned "memorandum only" to indicate that it is presented only to facilitate analysis. Data in this column does not present the financial position of the Town in conformity with the cash basis of accounting. Neither is such data comparable to a consolidation. Inter-fund eliminations have not been made in the aggregation of this data.

Note 2 – 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.

Note 3 – Commitment and Contingencies

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance.

Grant monies received and disbursed by the Town are for specific purposes and are subject to audit and review by grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based on prior experience, the Town does not believe that such disallowances, if any, would have a material effect on the financial position of the Town.

Note 4 – Deposits with Financial Institutions and Investments

At September 30, 2015, the carrying amount (recorded on the Town's books) of the Town's cash deposits, including certificates of deposit, was \$2,482,925 and the bank balance was \$2,567,814.

The collateral for public entities' deposits in financial institutions are now held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5 Miss. Code Ann. (1972). Under this program, the Town's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against these deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Depository Insurance Corporation.

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Town of Ackerman
Notes to the Financial Statement
September 30, 2015

Note 5 – Subsequent Events

Events that occur after the financial statement date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the financial statement date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the financial statement date require disclosure in the accompanying notes. Management of Town of Ackerman evaluated the activity of the organization through the date the financial statements were available to be issued, and determined that no subsequent events have occurred that require disclosure in the notes to the financial statements.

SUPPLEMENTAL INFORMATION

**Town of Ackerman, Mississippi
 Schedule of Investments-All Funds
 Year Ended September 30, 2015**

Ownership	Type of Investment	Interest Rate	Acquisition Date	Maturity Date	Investment Value
General & Water	Certificate of Deposit	.65%			167,235
General & Water	Certificate of Deposit	.75%			251,900
General & Water	Certificate of Deposit	.60%			565,000
Total					974,135

**Town of Ackerman, Mississippi
 Schedule of Capital Assets
 Year Ended September 30, 2015**

Capital Assets	Beginning Balance	Increases	Decreases	Ending Balance
Equipment	1,431,722	75,801		1,507,523
Buildings	2,356,230			2,356,230
Infrastructure	189,945			189,945
Total	3,678,897	75,801		3,754,698

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**Town of Ackerman, Mississippi
 Schedule of Long Term Debt
 Year Ended September 30, 2015**

Loan	Balance Outstanding October 1, 2014	Issued	Redeemed	Balance Outstanding September 30, 2015
1999 GO Bonds	240,000		40,000	200,000
USDA Rural Development	435,664		10,206	425,458
CAP Loans	48,663		5,895	43,168
CAP Loan	131,631		20,782	110,849
Total	855,958		76,883	779,475

**Town of Ackerman, Mississippi
 Schedule of Surety Bonds for City Officials
 Year Ended September 30, 2015**

Name	Position	Surety	Bond Amount
Deborah T Boley	Town Clerk	Insurance Company	\$50,000
Patricia Ann Colvard	Clerical Asst.	Insurance Company	50,000
Tonya Woods	Clerical Asst.	Insurance Company	50,000
Richard Cain	Mayor	Insurance Company	50,000
Carl Phelps	Alderman	Insurance Company	50,000
John Shumaker	Alderman	Insurance Company	50,000
Tommy Curtis	Alderman	Insurance Company	50,000
George Rooks	Alderman	Insurance Company	50,000
Billy Ganann	Alderman	Insurance Company	50,000
Kevin Stark	Police Chief	Insurance Company	50,000
Lloyd Denning	Officer	Insurance Company	25,000
Jeremy Latham	Officer	Insurance Company	25,000
Lisa Coleman	Officer	Insurance Company	25,000
James Brooks	Officer	Insurance Company	25,000
Grady Ervin	Officer	Insurance Company	25,000
Justin Brown	Officer	Insurance Company	25,000

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Reports on Internal Control and Compliance



Dungan CPA, Co.
120 South Natchez Street
Kosciusko, MS 39090

Phone 662-289-9007
Fax 662-289-6644

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and Board of Alderpersons
Town of Ackerman
Ackerman, Mississippi

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States, the Statement of Cash Receipts and Disbursements of the Town of Ackerman, Mississippi as of and for the year ended September 30, 2015, and have issued my report thereon dated December 9, 2015. My report differed from the standard report because the Town of Ackerman prepared the statement on the cash basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles. I conducted my audit in accordance with auditing standards generally accepted in the United States of America applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statement, I considered the Town of Ackerman's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Ackerman's internal control.

My consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. There can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Ackerman's financial statement is free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Town of Ackerman's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Ackerman's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the Mayor, the Board of Alderpersons, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Dungan CPA Company
December 9, 2015

**Independent Auditor's Report
On Compliance with State Laws and Regulations**

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Dungan CPA, Co.
120 South Natchez Street
Kosciusko, MS 39090

Phone 662-289-9007
Fax 662-289-6644

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH STATE LAWS AND REGULATIONS**

Honorable Mayor and Board of Alderpersons
Town of Ackerman
Ackerman, Mississippi

I have audited the combined statement of cash receipts and disbursements (all funds) of the Town of Ackerman, Mississippi, for the year ended September 30, 2015, and have issued my report dated December 9, 2015. I have conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*.

As required by the state legal compliance audit program prescribed by the Office of the State Auditor, I have also performed procedures to test compliance with certain state laws and regulations. However, providing an opinion on compliance with state laws and regulations was not an objective of my audit, and accordingly, I do not express such an opinion.

The results of those procedures and my audit of the combined statement of cash receipts and disbursements disclosed no findings of material instance of noncompliance with State laws and regulations.

Dungan CPA Company
December 9, 2015

Management Report

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DUNGAN CPA COMPANY



Dungan CPA, Co.
120 South Natchez Street
Kosciusko, MS 39090

Phone 662-289-9007
Fax 662-289-6644

MANAGEMENT LETTER

Honorable Mayor Richard Cain
Town of Ackerman
Ackerman, Mississippi

In planning and performing my audit of the financial statement of the Town of Ackerman for the year ended September 30, 2015 (on which I have issued my report dated December 9, 2015), in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, I considered the Town's internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting.

I have also issued a separate report, dated December 9, 2015, on my consideration of the Town's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters which is included in this document. However, in connection with my audit, I identified, and included in the attached Appendix I, deficiencies related to the Town's internal control over financial reporting and other matters as of September 30, 2015, that I wish to bring to your attention. The definition of a deficiency is also set forth in the Attached Appendix II.

This report is intended solely for the information and use of the management of Town of Ackerman, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is also a matter of public record.

We wish to thank the staff and management of the Town of Ackerman for their cooperation and assistance during the course of the engagement.

Very truly yours,

Dungan CPA Company
December 9, 2015

Schedule of Findings and Questioned Costs



**Town of Ackerman, Mississippi
Schedule of Findings and Questioned Costs
Year Ended September 30, 2015**

Summary of Auditor's Results

Financial Statements:

- 1) Type of Auditors' report issued: Qualified
- 2) Internal control over financial reporting:
 - a) Material weakness(es) identified? No
 - b) Significant deficiency(ies) identified? None reported
- 3) Noncompliance material to financial statements noted? Nothing to report

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Appendix

Appendix I

Pursuant to my engagement letter I was engaged to audit the statement of cash receipts and disbursements. Therefore the balance sheet accounts, with the exception of cash, were not in the scope of my audit engagement.

Appendix II – Definitions

The definition of a deficiency that is established in Statements on Auditing Standards AU 325, *Communicating Internal Control Related Matters Identified in an Audit*, is as follows: A *deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when (a) a properly designed control does not operate as designed, or (b) the person performing the control does not possess the necessary authority or competence to perform the control effectively.