



The following document was not prepared by the Office of the State Auditor, but was prepared by and submitted to the Office of the State Auditor by a private CPA firm. The document was placed on this web page as it was submitted. 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 HICKORY FLAT

**P. O. BOX 479
HICKORY FLAT, MISSISSIPPI 38633**

February 9, 2017

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

RE: Annual Municipal Audit

Accompanying this letter are two copies of the special report and two copies of the annual compilation of the Town of Hickory Flat, Mississippi, for the fiscal year ended September 30, 2016. A separate management letter was not written to the town in connection with this compilation.

Sincerely yours,

Brenda Gray Mayor-Pro Temp

Allen Gray
Mayor

FINANCIAL REPORT

TOWN OF HICKORY FLAT, MISSISSIPPI

Hickory Flat, Mississippi

September 30, 2016

RECEIVED

FEB 21 2017

-oo0oo-

CONTENTS

	PAGE
Accountants' Compilation Report	3
Financial Statements:	
Statement of Cash Receipts and Disbursements Governmental and Business-Type Activities ...	5
Supplemental Information:	
Schedule of Investments	8
Schedule of Long Term Debt	9
Schedule of Surety Bonds	10
State Auditor Compliance:	
Report on Compliance with State Laws and Regulations	12
Independent Accountants' Report on Applying Agreed-Upon Procedures	13

-oo0oo-

RECEIVED
FEB 21 2017





CERTIFIED PUBLIC ACCOUNTANTS

805 Highway 348 · P.O. Box 150
New Albany, MS 38652
(662) 534-7681 · FAX (662) 534-7682
www.nmcpa.com

ACCOUNTANTS' COMPILATION REPORT

To the Mayor and the Board of Alderpersons
Town of Hickory Flat, Mississippi
Hickory Flat, Mississippi

Management is responsible for the accompanying statement of cash receipts and disbursements-governmental and business-type activities of the Town of Hickory Flat, Mississippi as of September 30, 2016. 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 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 these financial statements.

Management has elected to omit substantially all the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

The supplementary information contained on pages 7-9 is presented for purposes of additional analysis and is not a required part of the basic financial statements. 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, do not express an opinion or provide assurance on such supplementary information.

Town officials have 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 and accounting, require the presentation of government-wide financial statements. The amounts that would be reported in the government-wide financial statements resulting from the cash basis transactions for the Town's governmental activities and business-type activities are not reasonably determinable.

Town officials have also omitted Management's Discussion and Analysis and other required supplementary 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.



In accordance with the provisions of section 21-35-31, Mississippi Code Annotated (1972), we have issued a report dated November 15, 2016, on the results of our agreed upon procedures.

Nail McKinney PA

New Albany, Mississippi

November 15, 2016

TOWN OF HICKORY FLAT, MISSISSIPPI
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
For the year ended September 30, 2016
(SEE ACCOUNTANTS' COMPILATION REPORT)

	Governmental		Business-Type Activities		
	Activities				
	<u>General</u>	<u>Water & Sewer</u>	<u>Garbage</u>		
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Total</u>	
Receipts:					
General property taxes	29,574	\$ -	\$ -	\$ -	
Licenses and permits:					
Privilege licenses	543	-	-	-	
Franchise fees	1,981	-	-	-	
Intergovernmental revenues:					
State grants:					
General municipal aid	300	-	-	-	
Homestead exemption reimbursement	4,485	-	-	-	
Federal shared revenues:					
CDBG grants	-	281,343	-	281,343	
State shared revenues:					
Sales tax	69,414	-	-	-	
Gasoline tax	1,841	-	-	-	
Fire protection	3,855	-	-	-	
TVA in lieu of taxes	2,883	-	-	-	
County shared revenues:					
Road taxes	2,227	-	-	-	
Auto ad valorem	374	-	-	-	
Fire protection	14,536	-	-	-	
Charges for services:					
Water utility	-	96,182	-	96,182	
Garbage collection	-	-	33,154	33,154	
Other receipts:					
Fines and bonds	8,237	-	-	-	
Interest	3,660	997	-	997	
Miscellaneous	810	-	-	-	
Total receipts	<u>144,720</u>	<u>378,522</u>	<u>33,154</u>	<u>411,676</u>	
Disbursements:					
General government					
Executive	50,312	-	-	-	
Financial	26,532	-	-	-	
Judicial	6,780	-	-	-	



TOWN OF HICKORY FLAT, MISSISSIPPI
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES

For the year ended September 30, 2016

(SEE ACCOUNTANTS' COMPILATION REPORT)

	Governmental	Business-Type Activities		
	Activities			
	General	Water & Sewer	Garbage	
	Fund	Fund	Fund	Total
Public safety				
Police	23,355	-	-	-
Fire	11,269	-	-	-
Public works				
Streets	44,986	-	-	-
Enterprise				
Garbage	-	-	24,103	24,103
Water and Sewer	-	100,510	-	100,510
Capital expenditures	2,672	281,342	-	281,342
Total disbursements	<u>165,906</u>	<u>381,852</u>	<u>24,103</u>	<u>405,955</u>
Other financing sources (uses):				
Transfers in (out)	30,500	(30,500)	-	(30,500)
Total other financing sources (uses)	<u>\$ 30,500</u>	<u>\$ (30,500)</u>	<u>\$ -</u>	<u>\$ (30,500)</u>
Excess (Deficiency) of receipts and other financing sources over disbursements and other financing uses	9,314	(33,830)	9,051	(24,779)
Cash basis fund balance-beginning	600,915	85,936	125,500	211,436
Cash basis fund balance-ending	<u>\$ 610,229</u>	<u>\$ 52,106</u>	<u>\$ 134,551</u>	<u>\$ 186,657</u>



SUPPLEMENTARY INFORMATION



TOWN OF HICKORY FLAT, MISSISSIPPI
SCHEDULE OF INVESTMENTS
September 30, 2016

(SEE ACCOUNTANTS' COMPILATION REPORT)

<u>OWNERSHIP</u>	<u>TYPE OF INVESTMENT</u>	<u>INTEREST RATE</u>	<u>ACQUISITION DATE</u>	<u>MATURITY DATE</u>	<u>OTHER INFORMATION</u>	<u>INVESTMENT COST/VALUE</u>
General Fund	Certificate of Deposit	0.55%	3/13/2001	2/20/2017	Merchants and Farmers Bank	\$ 175,768
General Fund	Certificate of Deposit	0.75%	8/18/2005	2/2/2017	Merchants and Farmers Bank	156,345
General Fund	Certificate of Deposit	0.70%	3/5/2007	12/9/2016	Merchants and Farmers Bank	<u>71,247</u>
						<u>\$ 403,360</u>

RECEIVED
FEB 21 2017



**TOWN OF HICKORY FLAT, MISSISSIPPI
SCHEDULE OF LONG TERM DEBT
September 30, 2016**

(SEE ACCOUNTANTS' COMPILATION REPORT)

NO LONG TERM DEBT



TOWN OF HICKORY FLAT, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS
For the year ended September 30, 2016

(SEE ACCOUNTANTS' COMPILATION REPORT)

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Bond Amount</u>
Allen Gray	Mayor	Travelers	\$ 25,000
Christina Gray	Aldersperson	MS Municipal Bond Program	\$ 10,000
Carroll Taylor	Aldersperson	MS Municipal Bond Program	\$ 10,000
Brenda Gray	Aldersperson	MS Municipal Bond Program	\$ 10,000
David Thompson	Aldersperson	MS Municipal Bond Program	\$ 10,000
James W. Gray	Aldersperson	MS Municipal Bond Program	\$ 10,000
Stephaine Churchill	Municipal Clerk	Travelers	\$ 50,000
James T. Smith	Police Chief	Travelers	\$ 50,000
Bobby Dickerson	Police Officer	Travelers	\$ 25,000



STATE AUDITOR COMPLIANCE

RECEIVED

FEB 21 2017



REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

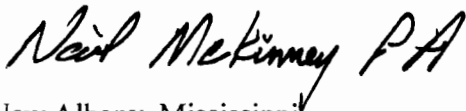
To the Mayor and the Board of Alderpersons
Town of Hickory Flat, Mississippi

We have compiled the accompanying statement of cash receipts and disbursements-governmental and business-type activities, schedule of investments, schedule of long term debt, and schedule of surety bonds for town officials of the Town of Hickory Flat, Mississippi, for the year ended September 30, 2016, in accordance with Statements 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 accounting principles generally accepted in the United States of America.

We have performed procedures to test compliance with certain state laws and regulations as described by the Municipal Compliance Questionnaire that is prescribed by the office of the State Auditor. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the town's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures and our compilation of the accompanying statement of cash receipts and disbursements-governmental and business-type activities, schedule of investments, schedule of long term debt, and schedule of surety bonds for town officials of the Town of Hickory Flat, Mississippi, for the year ended September 30, 2016, disclosed two instances of noncompliance with the state laws and regulations which are noted in items 5 and 6 in the Independent Accountants' Report on Applying Agreed-Upon Procedures.

This report is intended solely for the information and use of management 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.



New Albany, Mississippi
November 15, 2016

**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING
AGREED-UPON PROCEDURES**

Mayor and Board of Alderpersons
Town of Hickory Flat, Mississippi
Hickory Flat, Mississippi

We have performed the procedures enumerated below to the accounting records of the Town of Hickory Flat, 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). The procedures, which were agreed to by Town officials, were performed to assist the Town officials in evaluating the Town's compliance with specified requirements. 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 the specified users of the report. Consequently, we make no representations 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 Hickory Flat, 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:

Bank	Fund	Balance per General Ledger
Merchants and Farmers Bank	General	\$ 14,409
Merchants and Farmers Bank	General	10,962
Merchants and Farmers Bank	General	802
Merchants and Farmers Bank	General	59,567
Merchants and Farmers Bank	General	53,031
Merchants and Farmers Bank	General	51,814
Merchants and Farmers Bank	General	16,284
Merchants and Farmers Bank	General - CDs	403,360
		<u>\$ 610,229</u>

Bank	Fund	Balance per General Ledger
Merchants and Farmers Bank	Utility	\$ 4,488
Merchants and Farmers Bank	Utility	1,042
Merchants and Farmers Bank	Utility	134,435
Merchants and Farmers Bank	Utility	46,692
		<u>\$ 186,657</u>



2. We confirmed all investments as of the fiscal year end. All investment transactions during the year were examined for compliance with investments authorized by Section 21-33-323, Miss. Code Ann. (1972). The general fund held three certificates of deposit from Merchants and Farmers Bank with a general ledger cost of \$403,360.
3. We performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:
 - a. Traced levies to governing body of 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 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.

Ad valorem tax collections were found to be within the limitations of section 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:

Payment Purpose	Receiving Fund	Ledger Amount
Fire Protection	Fire Fund	\$ 3,855
Municipal Aid	General Fund	300
Gas Tax	General Fund	1,840
Homestead Exemption	General Fund	4,485
Law Enforcement	General Fund	637
CDBG Grant – Water Improvements	Water & Sewer Fund	281,343
Sales Tax Allocation	General Fund	69,414
		<u>\$ 361,874</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	75
Total Dollar Value of sample	\$ 45,387

We found the municipality to be in compliance with the requirements of the above-mentioned except as follows: we found six instances in the sample selected that the municipality failed to meet the purchasing procedures requirements of the above-mentioned sections due to the fact that the amounts paid were not properly authorized.

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 to determine 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: we found that in two instances the municipality failed to remit the state-imposed court assessments to the Department of Finance and Administration.

7. We have read the Municipal Compliance Questionnaire completed by the municipality. The completed survey indicated no instances of noncompliance with state requirements.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion, and, accordingly we do not express an opinion on the Town's compliance with specified requirements or 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 in accordance with generally accepted accounting 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 Hickory Flat, Mississippi, for the year ended September 30, 2016.

Nail McKinney PA
New Albany, Mississippi
November 15, 2016



FINANCIAL REPORT
TOWN OF HICKORY FLAT, MISSISSIPPI
GARBAGE FUND

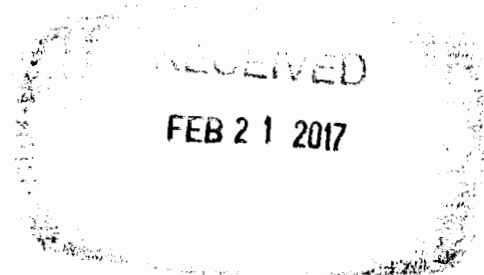
September 30, 2016

-oo0oo-

Table of Contents

	Page
Accountants' Compilation Report	3
Financial Statements:	
Balance Sheets.....	4
Statements of Revenues, Expenses, and Changes in Net Position	5

-oo0oo-





CERTIFIED PUBLIC ACCOUNTANTS

805 Highway 348 • P.O. Box 150
New Albany, MS 38652
(662) 534-7681 • FAX (662) 534-7682
www.nmcpa.com

Accountants' Compilation Report

Mayor and Board of Alderpersons
Town of Hickory Flat, Mississippi

Management is responsible for the accompanying financial statements of Hickory Flat Garbage Fund (an enterprise fund of the Town of Hickory Flat), which comprise the balance sheets as of September 30, 2016 and 2015, and the related statements of revenues, expenses, and changes in net position for the years then ended 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 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 these financial statements.

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and statement of cash flows were included in the financial statements, they might influence the user's conclusions about the System's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

The financial statements present only the Hickory Flat Garbage Fund and do not purport to, and do not present the financial position of the Town of Hickory Flat as of September 30, 2016 and 2015, or the changes in its financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads 'Nail McKinney PA'.

November 15, 2016
New Albany, Mississippi

Balance Sheets

**TOWN OF HICKORY FLAT, MISSISSIPPI
GARBAGE FUND**

September 30, 2016 and 2015

(SEE ACCOUNTANTS' COMPILATION REPORT)

Assets	2016	2015
Current Assets		
Due from Water and Sewer System	\$ 134,551	\$ 125,500
Total current assets	134,551	125,500
 Total assets	 \$ 134,551	 \$ 125,500
 Liabilities and Net Position		
Current Liabilities	\$ -	\$ -
 Net Position		
Unrestricted	134,551	125,500
	134,551	125,500
 Total liabilities and net position	 \$ 134,551	 \$ 125,500

FEB 21 2017

Statements of Revenues, Expenses, and Changes in Net Position

**TOWN OF HICKORY FLAT, MISSISSIPPI
GARBAGE FUND**

Years ended September 30, 2016 and 2015

(SEE ACCOUNTANTS' COMPILATION REPORT)

	<u>2016</u>	<u>2015</u>
Garbage Collection Fees	\$ 33,154	\$ 32,494
Operating expenses:		
Garbage collection costs	<u>24,103</u>	<u>24,103</u>
Total operating expenses	<u>24,103</u>	<u>24,103</u>
Operating income	<u>9,051</u>	<u>8,391</u>
Net income	<u>9,051</u>	<u>8,391</u>
Net position - beginning of year	<u>125,500</u>	<u>117,109</u>
Net position - ending	<u>\$ 134,551</u>	<u>\$ 125,500</u>

