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FINANCIAL REPORT
TOWN OF HICKORY FLAT, MISSISSIPPI

Hickory Flat, Mississippi

September 30, 2017

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CERTIFIED PUBLIC ACCOUNTANTS

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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, 2017. 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. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such 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 22, 2017, on the results of our agreed upon procedures.

Nail McKinney PA

New Albany, Mississippi
November 22, 2017

TOWN OF HICKORY FLAT, MISSISSIPPI
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
For the year ended September 30, 2017
(SEE ACCOUNTANTS' COMPILATION REPORT)

	Governmental Activities		Business-Type Activities		
	General	Total	Water & Sewer	Garbage	Total
	Fund		Fund	Fund	
Receipts:					
General property taxes	\$ 36,647	\$ 36,647	\$ -	\$ -	\$ -
Licenses and permits:					
Privilege licenses	586	586	-	-	-
Franchise fees	3,085	3,085	-	-	-
Intergovernmental revenues:					
State grants:					
General municipal aid	300	300	-	-	-
Homestead exemption reimbursement	4,582	4,582	-	-	-
Federal shared revenues:					
CDBG grants	764	764	206,249	-	206,249
State shared revenues:					
Sales tax	70,902	70,902	-	-	-
Gasoline tax	1,841	1,841	-	-	-
Fire protection	3,365	3,365	-	-	-
TVA in lieu of taxes	5,139	5,139	-	-	-
County shared revenues:					
Road taxes	1,854	1,854	-	-	-
Auto ad valorem	224	224	-	-	-
Fire protection	13,518	13,518	-	-	-
Charges for services:					
Water utility	-	-	103,268	-	103,268
Garbage collection	-	-	-	33,011	33,011
Other receipts:					
Fines and bonds	6,915	6,915	-	-	-
Interest	3,781	3,781	786	-	786
Miscellaneous	700	700	-	-	-
Total receipts	<u>154,203</u>	<u>154,203</u>	<u>310,303</u>	<u>33,011</u>	<u>343,314</u>
Disbursements:					
General government					
Executive	64,478	64,478	-	-	-
Financial	29,788	29,788	-	-	-
Judicial	7,087	7,087	-	-	-
Public safety					
Police	26,541	26,541	-	-	-
Fire	11,643	11,643	-	-	-
Public works					

TOWN OF HICKORY FLAT, MISSISSIPPI
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
For the year ended September 30, 2017
(SEE ACCOUNTANTS' COMPILATION REPORT)

	Governmental Activities		Business-Type Activities		
	General Fund	Total	Water & Sewer Fund	Garbage Fund	Total
Streets	54,597	54,597	-	-	-
Enterprise					
Garbage	-	-	-	24,103	24,103
Water and Sewer	-	-	108,307	-	108,307
Capital expenditures	17,701	17,701	208,750	-	208,750
Total disbursements	<u>211,835</u>	<u>211,835</u>	<u>317,057</u>	<u>24,103</u>	<u>341,160</u>
Other financing sources (uses):					
Transfers in (out)	73,500	73,500	(73,500)	-	(73,500)
Total other financing sources (uses)	<u>\$ 73,500</u>	<u>\$ 73,500</u>	<u>\$ (73,500)</u>	<u>\$ -</u>	<u>\$ (73,500)</u>
Excess (Deficiency) of receipts and other financing sources over disbursements and other financing uses	15,868	15,868	(80,254)	8,908	(71,346)
Cash basis fund balance-beginning	610,229	610,229	52,367	134,551	186,918
Cash basis fund balance-ending	<u>\$ 626,097</u>	<u>\$ 626,097</u>	<u>\$ (27,887)</u>	<u>\$ 143,459</u>	<u>\$ 115,572</u>

SUPPLEMENTARY INFORMATION

TOWN OF HICKORY FLAT, MISSISSIPPI
SCHEDULE OF INVESTMENTS
September 30, 2017

(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	2/19/2018	Merchants and Farmers Bank	\$ 176,733
General Fund	Certificate of Deposit	0.75%	8/18/2005	2/1/2018	Merchants and Farmers Bank	157,515
General Fund	Certificate of Deposit	0.65%	3/5/2007	1/9/2018	Merchants and Farmers Bank	<u>71,756</u>
						<u><u>\$ 406,004</u></u>

TOWN OF HICKORY FLAT, MISSISSIPPI
SCHEDULE OF LONG TERM DEBT
September 30, 2017

(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, 2017

(SEE ACCOUNTANTS' COMPILATION REPORT)

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Bond Amount</u>
Diana Grist	Mayor	Travelers	\$ 45,000
Christina Gray	Aldersperson	Travelers	\$ 25,000
Reba Joyce Wilkinson	Aldersperson	Travelers	\$ 25,000
Brenda Gray	Aldersperson	Travelers	\$ 25,000
David Thompson	Aldersperson	Travelers	\$ 25,000
Johnnie Allen Shelton	Aldersperson	Travelers	\$ 25,000
Diana Grist	Mayor	MS Municipal Bond Program	\$ 25,000
Christina Gray	Aldersperson	MS Municipal Bond Program	\$ 25,000
Reba Joyce Wilkinson	Aldersperson	MS Municipal Bond Program	\$ 25,000
Brenda Gray	Aldersperson	MS Municipal Bond Program	\$ 25,000
David Thompson	Aldersperson	MS Municipal Bond Program	\$ 25,000
Johnnie Allen Shelton	Aldersperson	MS Municipal Bond Program	\$ 25,000
Stephaine Churchill	Municipal Clerk	Travelers	\$ 70,000
James T. Smith	Police Chief	Travelers	\$ 50,000
Walter Christie	Police Officer	Travelers	\$ 25,000

STATE AUDITOR COMPLIANCE

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, 2017, 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, 2017, 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 22, 2017

**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, 2017, 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	\$ 21,530
Merchants and Farmers Bank	General	17,464
Merchants and Farmers Bank	General	1,303
Merchants and Farmers Bank	General	59,866
Merchants and Farmers Bank	General	53,296
Merchants and Farmers Bank	General	52,073
Merchants and Farmers Bank	General	14,561
Merchants and Farmers Bank	General - CDs	406,004
		<u>\$ 626,097</u>

Bank	Fund	Balance per General Ledger
Merchants and Farmers Bank	Utility	\$ 2,477
Merchants and Farmers Bank	Utility	1,048
Merchants and Farmers Bank	Utility	63,056
Merchants and Farmers Bank	Utility	48,730
		<u>\$ 115,311</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 \$406,004.
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	\$ 3,365
Municipal Aid	General Fund	300
TVA Payments in Lieu of Taxes	General Fund	5,139
Gas Tax	General Fund	1,841
Homestead Exemption	General Fund	4,582
Law Enforcement	General Fund	764
CDBG Grant – Water Improvements	Water & Sewer Fund	206,249
Sales Tax Allocation	General Fund	70,902
		<u>\$ 293,142</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	\$ 50,646

We found the municipality to be in compliance with the requirements of the above-mentioned except as follows: we found twenty-two 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, and one instance in the sample se-

lected where the municipality failed to obtain bids on purchases above \$5,000.00.

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 timely 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, 2017.



New Albany, Mississippi
November 22, 2017