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**TOWN OF HICKORY, MISSISSIPPI  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

**RECEIVED**  
OCT 05 2007  
STATE AUDITOR'S OFFICE

**TONY CHANCE & COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS  
514-A AIRPORT ROAD  
FOREST, MS 39074**

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**TOWN OF HICKORY  
ANNUAL FINANCIAL REPORT  
YEAR ENDED SEPTEMBER 30, 2006  
TABLE OF CONTENTS**

**REPORT OF CERTIFIED PUBLIC ACCOUNTANT  
ON THE FINANCIAL STATEMENTS**

**COMBINED STATEMENTS – OVERVIEW**

**PAGE**

Combined Statement of Cash Receipts and Disbursements (All Funds)	2-3
Notes to Financial Statements	4
Other Supplemental Data:	
Schedule of Investments	5
Schedule of Surety Bonds for Town Officials	6
Schedule of Long Term Debt	7

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CERTIFIED PUBLIC ACCOUNTANTS

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PUBLIC ACCOUNTANTS

Honorable Mayor and  
Members of the Board of Aldermen  
Town of Hickory, Mississippi

We have compiled the accompanying statements of cash receipts and disbursements of the Town of Hickory, Mississippi, as of September 30, 2006, included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form prescribed by the Mississippi State Department of Audit information that is the representation of the elected officials. We have not audited or reviewed the accompanying statements of cash receipts and disbursements and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements (including related disclosures) are presented in accordance with the requirements of the Mississippi State Department of Audit, which differs from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.



Forest, Mississippi  
July 27, 2007

**TOWN OF HICKORY**  
**COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS)**  
**Year Ended September 30, 2006**

	Governmental Fund Type		Proprietary Fund Type	Total	
	General	Special Revenue	Enterprise Funds	Memorandum Only	
				2006	2005
<b>Revenue Receipts:</b>					
General Property Taxes	\$ 23,614	\$ -	\$ -	\$ 23,614	\$ 19,037
Licenses & permits	1,042	-	-	1,042	938
Franchise Taxes on Utilities	11,579	-	-	11,579	11,946
Intergovernmental Revenues:					
Homestead Reimbursement	3,322	-	-	3,322	2,931
Emergency Repair Grant	-	-	-	-	3,000
Walking Track Grant	28,000	-	18,016	46,016	-
Emergency Management Grant	10,273	-	-	10,273	-
Homeland Security Grant	5,998	-	-	5,998	-
General Municipal Aid	260	-	-	260	260
State Shared Revenues:					
Sales Tax	54,105	-	-	54,105	49,321
Gasoline Tax	1,403	-	-	1,403	1,403
Motor Vehicle Tax	9,406	-	-	9,406	8,345
Road & Bridge Tax	6,859	-	-	6,859	10,294
Fire Protection	-	6,735	-	6,735	2,351
Rail Car Tax	1,168	-	-	1,168	1,167
Charges for Services:					
Water Utility	-	-	294,263	294,263	250,556
Fines and forfeits	-	10,879	-	10,879	7,715
Recreation	-	1,150	-	1,150	865
Donation	-	173	-	173	300
Insurance Proceeds	-	-	-	-	5,173
Rent	100	-	-	100	100
Interest Income	1,030	5	-	1,035	300
Miscellaneous	109	-	-	109	1,295
Total Receipts	<u>158,268</u>	<u>18,942</u>	<u>312,279</u>	<u>489,489</u>	<u>377,297</u>
<b>Other Receipts:</b>					
Proceeds from sale of equipment	-	6,480	-	6,480	-
Loan Proceeds	-	20,000	-	20,000	-
Transfers	16,629	-	5,422	22,051	8,500
Total Other Receipts	<u>16,629</u>	<u>26,480</u>	<u>5,422</u>	<u>48,531</u>	<u>8,500</u>
<b>Total Receipts</b>	<b>174,897</b>	<b>45,422</b>	<b>317,701</b>	<b>538,020</b>	<b>385,797</b>
<b>Cash Balance - Beginning of Year</b>	<b>7,266</b>	<b>15,571</b>	<b>47,991</b>	<b>70,828</b>	<b>176,922</b>
<b>TOTAL AMOUNT TO ACCOUNT FOR</b>	<b><u>\$ 182,163</u></b>	<b><u>\$ 60,993</u></b>	<b><u>\$ 365,692</u></b>	<b><u>\$ 608,848</u></b>	<b><u>\$ 562,719</u></b>

See accompanying notes and accountant's report.

**TOWN OF HICKORY**  
**COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS)**  
**Year Ended September 30, 2006**

	Governmental Fund Type		Proprietary Fund Type Enterprise Funds	Total Memorandum Only	
	General	Special Revenue		2006	2005
<b>Operating Disbursements:</b>					
General Government / Police Department	\$ 123,920	\$ 7,260	\$ -	\$ 131,180	\$ 148,243
Fire Department	-	485	-	485	8,242
Recreation Fund	-	1,313	-	1,313	3,161
Enterprises:					
Water Utility	-	-	221,837	221,837	269,745
Interest Expense	-	499	36,257	36,756	39,475
Total Operating Disbursements:	<u>123,920</u>	<u>9,557</u>	<u>258,094</u>	<u>391,571</u>	<u>468,866</u>
<b>Other Disbursements:</b>					
Transfers	5,422	1,629	15,000	22,051	8,500
Capital Outlay	5,998	25,679	13,529	45,206	-
Loan Repayment	4,352	9,652	-	14,004	-
Bonds Retired	-	-	17,743	17,743	14,525
Total Operating Disbursements	<u>15,772</u>	<u>36,960</u>	<u>46,272</u>	<u>99,004</u>	<u>23,025</u>
<b>Total Disbursements</b>	139,692	46,517	304,366	490,575	491,891
<b>Cash balance - end of year</b>	<u>42,471</u>	<u>14,476</u>	<u>61,326</u>	<u>118,273</u>	<u>70,828</u>
<b>TOTAL AMOUNTS ACCOUNTED FOR</b>	<u>\$ 182,163</u>	<u>\$ 60,993</u>	<u>\$ 365,692</u>	<u>\$ 608,848</u>	<u>\$ 562,719</u>

See accompanying notes and accountant's report.

**TOWN OF HICKORY**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2006**

**Note A) Summary of Significant Accounting Policies**

**General Information**

The Town of Hickory operates under a Mayor-Aldermen form of government and provides the following services as authorized by law.

**Reporting Entity**

The financial statement of the town consists of all the funds of the town.

**Fund Accounting**

The accounts of the town are organized on the basis of funds, each of which is considered a separate accounting entity.

**Basis of Accounting**

The financial statement is prepared on a cash receipts and disbursements basis, as prescribed by the Office of 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.

**Note B) 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.

**TOWN OF HICKORY  
 SCHEDULE OF INVESTMENTS - ALL FUNDS  
 Year Ended September 30, 2006**

<u>Ownership</u>	<u>Type of Investments</u>	<u>Interest Rate</u>	<u>Other Information</u>	<u>Investments Cost/Value</u>
General Fund	Certificate of Deposit	4.18%	Newton County Bank	\$15,325
General Fund	Certificate of Deposit	4.18%	Newton County Bank	<u>10,216</u>
				<u><u>\$25,541</u></u>

See accompanying notes and accountant's report.

**TOWN OF HICKORY**  
**SCHEDULE OF BONDS FOR TOWN OFFICIALS**  
**Year Ended September 30, 2006**

<u>Name</u>	<u>Position</u>	<u>Company</u>	<u>Bond</u>
Carolyn Burks	Alderwoman	Western Surety	\$ 25,000
Greg Hudnall	Alderman	Western Surety	25,000
Ken Morgan	Alderman	Western Surety	25,000
Roy White	Alderman	Western Surety	25,000
Tommy Nichols	Alderman	Western Surety	25,000
Joyce Johnson	Town Clerk	Western Surety	50,000
J. C. Walsh	Police Chief	Western Surety	50,000
Don Evan II	Policeman	Western Surety	25,000
Mark Spense	Policeman	Western Surety	25,000
Harold Clark	Policeman	Western Surety	25,000

See accompanying notes and accountant's report.

**TOWN OF HICKORY  
SCHEDULE OF LONG-TERM DEBT  
Year Ended September 30, 2006**

	Balance Outstanding 9/30/2005	Transactions During Fiscal Year		Balance Outstanding 9/30/2006
		Issued	Redeemed	
<b>Revenue Bonds</b>				
1990 Water and Sewer	\$ 534,449	\$ -	\$ 15,852	\$ 518,597
1995 Water and Sewer	61,380	-	1,350	60,030
1995 Water and Sewer	26,535	-	541	25,994
<b>Other Long-term Debt:</b>				
Water-tanker Truck	11,075	-	9,123	1,952
Police Car	-	20,000	529	19,471
<b>Totals</b>	<b>\$ 633,439</b>	<b>\$ 20,000</b>	<b>\$ 27,395</b>	<b>\$ 626,044</b>

See accompanying notes and accountant's report.

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

Honorable Mayor and Board of Aldermen  
Town of Hickory, Mississippi

We have audited the cash receipts and disbursements-all fund types of the Town of Hickory, Mississippi, for the year ended September 30, 2006, and have issued our report dated July 27, 2007. We have conducted our 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, we 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 our audit and, accordingly, we do not express such an opinion.

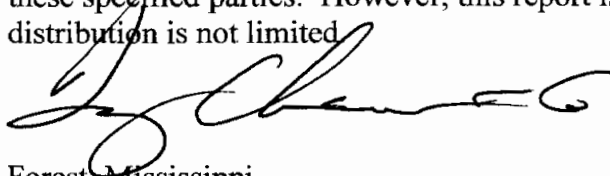
The results of those procedures and our compilation of the cash receipts and disbursements disclosed the following instances of noncompliance with state laws and regulations. Our findings and recommendations and your responses are as follows:

- 1) The related certification to the Municipal Compliance Questionnaire was not completed and was not entered into the municipality's official minutes. The Town will complete the related certification for the current year and all years to follow.
- 2) A claims docket is not kept, which is acceptable for a municipality with a population of less than 2,000.
- 3) Purchase orders are seldom used by the Town. The Town does not make many purchases during the year and persons having authority to purchase are limited.

The instances of noncompliance of the prior year have been corrected by management unless it is specifically stated otherwise in the findings and recommendations noted above.

The Office of the State Auditor or a public accounting firm will review, on a subsequent year's audit engagement, the findings in this report to ensure that corrective action has been taken.

This report is intended for the information of the Town's management and the Office of the State Auditor 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.

A handwritten signature in black ink, appearing to read "J. Chaves", is written over the end of the text block.

Forest, Mississippi  
July 27, 2007