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**TOWN OF HICKORY, MISSISSIPPI
FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

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

**TOWN OF HICKORY
ANNUAL FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2009
TABLE OF CONTENTS**

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

	<u>PAGE</u>
COMBINED STATEMENTS – OVERVIEW	
Combined Statement of Cash Receipts and Disbursements (All Funds)	2-3
Notes to Financial Statements	4
Other Supplemental Data:	
Schedule of Surety Bonds for Town Officials	5
Schedule of Long Term Debt	6

TONY CHANCE & COMPANY
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS
514-A AIRPORT ROAD
FOREST, MISSISSIPPI 39074
601 / 469-1414
FAX 601 / 469-0316

MEMBER
AMERICAN INSTITUTE
CERTIFIED PUBLIC ACCOUNTANTS

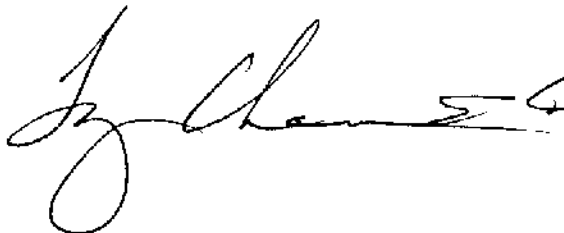
MEMBER
MISSISSIPPI SOCIETY OF CERTIFIED
PUBLIC ACCOUNTANTS

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, 2009, 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
May 20, 2010

TOWN OF HICKORY
COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS)
Year Ended September 30, 2009

	Governmental Fund Type		Proprietary Fund Type	Total	
	General	Special Revenue	Enterprise Funds	Memorandum Only	
				2009	2008
Revenue Receipts:					
General property taxes	\$ 24,380	\$ -	\$ -	\$ 24,380	\$ 23,896
Licenses and permits	527	-	-	527	603
Franchise taxes on utilities	15,692	-	-	15,692	15,824
Intergovernmental Revenues:					
Homestead reimbursement	3,196	-	-	3,196	3,527
Public facilities project grant	-	-	-	-	247,726
Public grant	5,345	-	-	5,345	4,083
General municipal aid	260	-	-	260	260
State Shared Revenues:					
Sales tax	43,152	-	-	43,152	49,115
Gasoline tax	1,403	-	-	1,403	1,403
Motor vehicle tax	9,268	-	-	9,268	8,585
Road and bridge tax	6,784	-	-	6,784	6,417
Fire protection	-	10,394	-	10,394	9,211
Rail car tax	1,542	-	-	1,542	1,348
Charges for Services:					
Water utility	-	-	351,587	351,587	338,255
Fines and forfeits	-	6,798	-	6,798	5,511
Recreation	-	40	-	40	203
Rent	1,100	-	-	1,100	100
Interest income	5	-	-	5	538
Miscellaneous	210	-	-	210	3,397
Total Receipts	112,864	17,232	351,587	481,683	720,012
Other Receipts:					
Proceeds from sale of equipment	-	-	-	-	8,500
Loan proceeds	-	-	15,377	15,377	20,010
Transfers in	7,215	-	12,612	19,827	6,803
Total Other Receipts	7,215	-	27,989	35,204	35,313
Total Receipts	120,079	17,232	379,576	516,887	755,325
Cash Balance - Beginning of Year	14,283	19,422	4,413	38,118	57,285
TOTAL AMOUNT TO ACCOUNT FOR	\$ 134,362	\$ 36,654	\$ 383,989	\$ 555,005	\$ 812,610

See accompanying notes and accountant's report.

TOWN OF HICKORY
COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS)
Year Ended September 30, 2009

	Governmental Fund Type		Proprietary Fund Type	Total	
	General	Special Revenue	Enterprise Funds	Memorandum Only	
				2009	2008
Operating Disbursements:					
General Government / Police Department	\$ 116,929	\$ 2,723	\$ -	\$ 119,652	\$ 132,811
Fire Department	-	13,944	-	13,944	4,728
Recreation Fund	-	2,382	-	2,382	1,522
Enterprises:					
Water utility	-	-	265,114	265,114	522,280
Interest expense	-	435	31,603	32,038	36,781
Total Operating Disbursements	<u>116,929</u>	<u>19,484</u>	<u>296,717</u>	<u>433,130</u>	<u>698,122</u>
Other Disbursements:					
Transfers out	11,112	1,500	7,215	19,827	6,803
Capital outlay	-	-	24,772	24,772	32,545
Loan repayment	-	4,024	21,960	25,984	17,054
Bonds Retired	-	-	24,826	24,826	19,968
Total Operating Disbursements	<u>11,112</u>	<u>5,524</u>	<u>78,773</u>	<u>95,409</u>	<u>76,370</u>
Total Disbursements	<u>128,041</u>	<u>25,008</u>	<u>375,490</u>	<u>528,539</u>	<u>774,492</u>
Cash balance - End of Year	<u>6,321</u>	<u>11,646</u>	<u>8,499</u>	<u>26,466</u>	<u>38,118</u>
TOTAL AMOUNTS ACCOUNTED FOR	<u>\$ 134,362</u>	<u>\$ 36,654</u>	<u>\$ 383,989</u>	<u>\$ 555,005</u>	<u>\$ 812,610</u>

See accompanying notes and accountant's report.

TOWN OF HICKORY
NOTES TO FINANCIAL STATEMENTS
September 30, 2009

Note A) Summary of Significant Accounting Policies

General Information

The Town of Hickory operates under a Mayor-Aldermen form of government and provides 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 BONDS FOR TOWN OFFICIALS
Year Ended September 30, 2009

<u>Name</u>	<u>Position</u>	<u>Company</u>	<u>Bond</u>
Donna Ferguson	Alderwoman	Western Surety	\$ 10,000
Greg Hudnall	Alderman	Western Surety	10,000
Ken Morgan	Alderman	Western Surety	10,000
Charles Guyse	Alderman	Western Surety	10,000
Billie Robinson	Alderman	Western Surety	10,000
Tommy Nichols	Mayor	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	5,000
Mark Spense	Policeman	Western Surety	5,000
Harold Clark	Policeman	Western Surety	5,000

See accompanying notes and accountant's report.

TOWN OF HICKORY
SCHEDULE OF LONG-TERM DEBT
Year Ended September 30, 2009

	Balance Outstanding 9/30/2008	Transactions During Fiscal Year		Balance Outstanding 9/30/2009
		Issued	Redeemed	
Revenue Bonds				
1990 Water and Sewer	\$ 483,900	\$ -	\$ 22,231	\$ 461,669
1995 Water and Sewer	57,114	-	1,843	55,271
1995 Water and Sewer	24,816	-	752	24,064
Total Revenue Bonds	\$ 565,830	\$ -	\$ 24,826	\$ 541,004
Other Long-term Debt:				
Bancorp South - Backhoe	-	15,377	3,435	11,942
Newton County Bank - Unsecured	40,058	-	12,073	27,985
Newton County Bank - Dump Truck	18,428		6,452	11,976
Newton County Bank - Police Car	11,902	-	4,024	7,878
Total Other Long-term Debt	\$ 70,388	\$ 15,377	\$ 25,984	\$ 59,781
Total Debt	\$ 636,218	\$ 15,377	\$ 50,810	\$ 600,785

See accompanying notes and accountant's report.

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Honorable Mayor and Board of Aldermen
 Town of Hickory, Mississippi

We have applied certain agreed upon procedures, as discussed below, to the accounting records of the Town of Hickory, Mississippi, as of September 30, 2009, and for the year then ended, as required by the Office of the State Auditor, under the provisions of Section 21-35-31, Mississippi Code Ann. (1972). It is understood that the report is solely for the use of the governing body of the Town of Hickory, 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 bank to balances in the respective general ledger accounts and obtained confirmation of the related balances from the bank:

<u>Bank</u>	<u>Fund</u>	<u>Balance Per</u> <u>General Ledger</u>
Newton County Bank	General	\$ 4,732
Newton County Bank	Water/Sewer Operations	8,499
Newton County Bank	Recreation	211
Newton County Bank	Fire Fund	10,433
Newton County Bank	Court Account	1,002
Newton County Bank	General Savings	1,590

2. There were no securities held for investment.

3. We performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:

- a. Verified use of certified county assessment rolls and traced levies to governing body minutes;
- b. Examined uncollected taxes for proper handling;
- c. Traced distribution of taxes collected to proper funds; and
- d. Analyzed increase in taxes for most recent period for completion 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, Mississippi Code Ann. (1972).

Ad valorem tax collections for the retirement of general obligation debt was found to be sufficient for payment of current principal and interest in accordance with limitations imposed by Sections 21-33-87 and 21-33-303, Mississippi 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 deposits 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>Balance Per General Ledger</u>
Sales Tax Allocation	General Fund	\$ 43,152
General Municipal Aid	General Fund	260
Gasoline Tax	General Fund	1,403
Homestead Reimbursement	General Fund	3,196
Public Grant	General Fund	5,345

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, Mississippi Code Ann. (1972), as applicable.

The sample consisted of the following:

Number of Sample Items	37
Dollar Value of Sample	\$ 21,312

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

6. We have read the Municipal Compliance Questionnaire completed by the municipality. The following responses to the questionnaire indicate non-compliance with State requirements:

- 1) 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.

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 that the items specified in paragraphs 1, 2 or 3 should be adjusted. Had we performed additional procedures or had we made an examination in accordance with generally accepted auditing 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, Mississippi, for the year ended September 30, 2009.

