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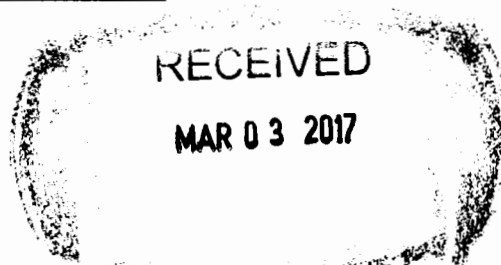
Ross & Betts, PLLC
Certified Public Accountants

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INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES

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



We have performed the procedures enumerated below, which were agreed to by the Office of the State Auditor, to the accounting records of the Town of Hickory, Mississippi, solely to assist the Office of the State Auditor to evaluate the Town of Hickory, Mississippi's compliance with certain laws and regulations as of September 30, 2015, and for the year then ended. 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 Office of the State Auditor, State of Mississippi. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. We reconciled cash on deposit with the following bank to balance 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 | \$ 9,052 |
| Newton County Bank | Water/Sewer Operations | 16,399 |
| Newton County Bank | Recreation | 795 |
| Newton County Bank | Fire Fund | 18,297 |
| Newton County Bank | Court Account | 6,863 |
| Newton County Bank | General Savings | 32,626 |

2. We physically examined securities held for investment. Securities held in trust were confirmed directly with respective trustees. All investment transactions during the year were examined for compliance with investments authorized by Section 21-33-323, Miss. Code Ann. (1972).

| <u>Bank</u> | <u>Fund</u> | <u>Balance Per General Ledger</u> |
|-------------|-------------|---------------------------------------|
| None | | |

3. We performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:
 - a. Examined uncollected taxes for proper handling, including tax sales;
 - b. Traced distribution of taxes collected to proper funds; and
 - c. 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).

There were no ad valorem tax collections for the retirement of General Obligation Debt.

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</u> | <u>Balance Per General Ledger</u> |
|-------------------------|------------------|---------------------------------------|
| Sales Tax Allocation | General Fund | \$ 69,621 |
| General Municipal Aid | General Fund | 264 |
| Gasoline Tax | General Fund | 1,636 |
| Homestead Reimbursement | General Fund | 2,889 |
| Fire Protection | General Fund | 2,884 |



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 | 42 |
| Dollar Value of Sample | \$ 75,188 |

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

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 and determined that the municipal clerk had settled as required with the Department of Finance and Administration.

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

7. We have read the Municipal Compliance Questionnaire completed by the municipality. The completed survey indicated instances of noncompliance with the state requirements.

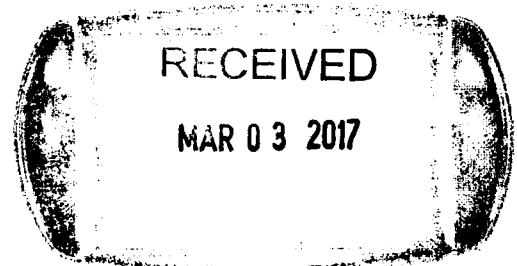
- a) The municipality did not publish an itemized report of all revenues, costs and expenses incurred by the municipality during the immediately preceding fiscal year in operating the garbage or rubbish collection or disposal system.

I was not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on management's compliance with laws and regulations. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of the Town of Hickory and the Office of the State Auditor, State of Mississippi and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purpose. However, this report is not intended to be and should not be used by anyone other than those specified parties.

Ross: Bates, R. R.

January 7, 2016



**TOWN OF HICKORY, MISSISSIPPI
COMPILED FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2015**

**ROSS & BETTS, PLLC
CERTIFIED PUBLIC ACCOUNTANTS
107A SOUTH BROOKS STREET
PELAHATCHIE, MS 39145**

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**TOWN OF HICKORY
YEAR ENDED SEPTEMBER 30, 2015
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FINANCIAL STATEMENTS

Ross & Betts, PLLC
Certified Public Accountants

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Shirell Stuart Betts
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ACCOUNTANT'S COMPILATION REPORT

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

We have compiled the accompanying statements of cash receipts and disbursements-governmental and business-type activities of the Town of Hickory, Mississippi, as of September 30, 2015. We have not audited or reviewed the accompanying financial statements and, accordingly do not express an opinion or provide any assurance about whether the financial statements are in accordance with the cash basis of accounting.

The management of the Town of Hickory, Mississippi, is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

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

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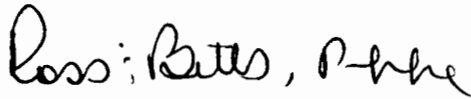
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The Mayor and Alderpersons have elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's cash receipts and disbursements. Accordingly, this financial statement is not designed for those who are not informed about such matters.

Management has omitted management's discussion and analysis 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The supplementary information contained in the Schedules 1 through 2 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 any assurance on such supplementary information.

In accordance with the provision of §21-35-31, Miss. Code Ann. (1972), I have issued a report dated January 7, 2016, on the results of our agreed-upon procedures.



January 7, 2016



TOWN OF HICKORY, MISSISSIPPI
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - ALL FUND TYPES
For the Ended September 30, 2015

| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | |
|----------------------------|--------------------------------|-----------------------------|---------------------------------|-------------------|
| | <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Water Fund</u> | <u>Total</u> |
| Receipts | | | | |
| General Property Taxes | \$ 35,598 | \$ - | \$ - | \$ 35,598 |
| Licenses and Permits | 517 | - | - | 517 |
| Motor vehicle tax | 12,061 | - | - | 12,061 |
| Rail car tax | - | - | - | - |
| Franchise Tax on Utilities | 13,519 | - | - | 13,519 |
| State Shared Revenues: | | | | |
| General Municipal Aid | 264 | - | - | 264 |
| Sales Tax | 69,621 | - | - | 69,621 |
| Gasoline Tax | 1,636 | - | - | 1,636 |
| Fire Protection | - | 7,814 | - | 7,814 |
| Homestead Exemption | 2,889 | - | - | 2,889 |
| JAG Grant | - | - | - | - |
| Charges for Services: | | | | |
| Water and Sewer | - | - | 343,863 | 343,863 |
| Fines and forfeits | - | 24,390 | - | 24,390 |
| Recreation | - | 327 | - | 327 |
| Rent | 1,000 | - | - | 1,000 |
| Interest Income | - | 6 | - | 6 |
| Miscellaneous | 33,073 | - | - | 33,073 |
| Total Receipts | <u>\$ 170,178</u> | <u>\$ 32,537</u> | <u>\$ 343,863</u> | <u>\$ 546,578</u> |

See accountant's compilation report.

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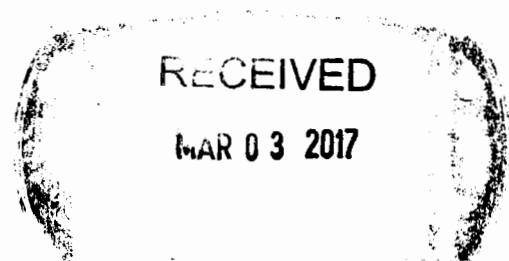
TOWN OF HICKORY, MISSISSIPPI
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - ALL FUND TYPES
For the Ended September 30, 2015

| | Governmental Activities | | Business-type Activities | |
|--|--------------------------------|------------------------------|---------------------------------|--------------------|
| | General Fund | Special Revenue Funds | Water Fund | Total |
| Disbursements | | | | |
| General Government | \$ 189,818 | \$ - | \$ - | \$ 189,818 |
| Public Safety | | | | |
| Police | - | 13,011 | - | 13,011 |
| Fire | - | 4,310 | - | 4,310 |
| Parks & Recreation | - | - | - | - |
| Enterprises: | | | | |
| Water and Sewer | - | - | 301,506 | 301,506 |
| Interest Expense | - | 451 | 23,643 | 24,094 |
| Total Disbursements | \$ 189,818 | \$ 17,772 | \$ 325,149 | \$ 532,739 |
| Excess (Deficiency) of Receipts Over Disbursements | \$ (19,640) | \$ 14,765 | \$ 18,714 | \$ 13,839 |
| Other Financing Sources (Uses) | | | | |
| Loan Repayment | - | (5,379) | - | (5,379) |
| Bonds Repayment | - | - | (30,357) | (30,357) |
| Capital Outlay | - | - | - | - |
| Transfers | (24,700) | (3,300) | 28,000 | - |
| Total Other Financing Sources (Uses) | \$ (24,700) | \$ (8,679) | \$ (2,357) | \$ (35,736) |
| Excess (Deficiency) of receipts and other financing sources over disbursements and other financing uses | \$ (44,340) | \$ 6,086 | \$ 16,357 | \$ (21,897) |
| Cash Basis Fund Balance - Beginning | \$ 86,018 | \$ 19,869 | \$ 42 | \$ 105,929 |
| Cash Basis Fund Balance - Ending | \$ 41,678 | \$ 25,955 | \$ 16,399 | \$ 84,032 |

See accountant's compilation report.



SUPPLEMENTAL INFORMATION





TOWN OF HICKORY
SCHEDULE OF BONDS FOR TOWN OFFICIALS
Year Ended September 30, 2015
Schedule 1

| <u>Name</u> | <u>Position</u> | <u>Company</u> | <u>Bond</u> |
|----------------------|-----------------|----------------|-------------|
| J. C. Wash | Mayor | Western Surety | \$ 50,000 |
| Joyce Johnson | Town Clerk | Western Surety | 50,000 |
| 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 | Alderwoman | Western Surety | 10,000 |
| Mark Spense | Police Chief | Western Surety | 50,000 |
| Robert Johnson | Policeman | Western Surety | 5,000 |
| Freddie Gentry | Policeman | Western Surety | 5,000 |
| John May | Policeman | Western Surety | 5,000 |
| Pete Pierman | Policeman | Western Surety | 5,000 |
| Ronnie Robinson | Policeman | Western Surety | 5,000 |
| Dustin McGee | Policeman | Western Surety | 5,000 |
| Dan Stevenson | Policeman | Western Surety | 5,000 |
| David Irby | Policeman | Western Surety | 5,000 |
| Christopher Ferguson | Policeman | Western Surety | 5,000 |

See accountant's compilation report.



TOWN OF HICKORY
SCHEDULE OF LONG-TERM DEBT
Year Ended September 30, 2015
Schedule 2

| | Balance Outstanding 9/30/2014 | Transactions During Fiscal Year | | Balance Outstanding 9/30/2015 |
|-----------------------|-------------------------------------|------------------------------------|------------------|-------------------------------------|
| | | Issued | Redeemed | |
| Revenue Bonds: | | | | |
| 1990 Water and Sewer | \$ 348,794 | \$ - | \$ 27,299 | \$ 321,495 |
| 1995 Water and Sewer | 46,165 | - | 2,148 | 44,017 |
| 1995 Water and Sewer | 20,273 | - | 910 | 19,363 |
| Total Revenue Bonds | <u>\$ 415,232</u> | <u>\$ -</u> | <u>\$ 30,357</u> | <u>\$ 384,875</u> |
| Other Long-term Debt: | | | | |
| Newton County Bank | | | | |
| 2014 Dodge Charger | <u>\$ 25,553</u> | <u>\$ -</u> | <u>\$ 5,379</u> | <u>\$ 20,174</u> |

See accountant's compilation report.

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