

OFFICE OF THE STATE AUDITOR REPORT NOTE:

Section 7-7-211, Mississippi Code Annotated (1972) gives the Office of the State Auditor the authority to audit, with the exception of municipalities, any governmental entity in the state. In the case of municipalities, *Section 21-35-31, Mississippi Code Annotated (1972)* requires municipalities to obtain an annual audit performed by a private CPA firm and submit that audit report to the Office of the State Auditor. The Office of the State Auditor files these audit reports for review in case questions arise related to the municipality.

As a result, the following document was not prepared by the Office of the State Auditor. Instead, it was prepared by a private CPA firm and submitted to the Office of the State Auditor. The document was placed on this web page as it was submitted and no review of the report was performed by the Office of the State Auditor prior to finalization of the report. 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, MISSISSIPPI

**SPECIAL REPORT OF AGREED-UPON PROCEDURES
FOR SMALL MUNICIPALITIES
AND
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES**

YEAR ENDED SEPTEMBER 30, 2022

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1927-2011

INDEPENDENT ACCOUNTANT'S SPECIAL REPORT ON AGREED-UPON PROCEDURES FOR SMALL MUNICIPALITIES (TOWNS)

Honorable Mayor and Board of Alderpersons
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, 2022, 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). It is understood 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. 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 banks 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>General Ledger Balance</u>
Bank First	General	\$ 222,791
Bank First	Water/Sewer Operations	20,093
Bank First	General - Recreation	7,952
Bank First	Special Revenue - Fire Fund	20,521
Bank First	General - Court Account	2,988
Bank First	General - Savings	40,383
Total Available Funds		<u>\$ 314,728</u>

2. The Town did not own any investments.

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 minutes;
 - b. Traced distribution of taxes collected to proper funds; and
 - c. Analyzed increase in taxes for most recent period for comparison 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. The Town of Hickory contracts with Newton County, Mississippi for the collection of all property taxes. The County allocates tax collections as to real, personal, and motor vehicle, mobile home current and prior in their office's judgment and reports this information in monthly settlements to the Town of Hickory.

Ad valorem tax collections were found to be within the limitations of Sections 27-39-320 to 27-39-323, 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>General Ledger Amount</u>
Sales Tax Allocation	General Fund	\$ 183,384
General Municipal Aid	General Fund	264
Gasoline Tax	General Fund	1,288
Homestead Exemption	General Fund	4,007
Utilities	General Fund	2,999
Use Tax	General Fund	48,875
Fire Protection	General Fund	5,157
CDBG	General Fund	16,750
MEMA Covid 19	General Fund	65,026
Total		<u>\$ 327,750</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, Mississippi Code Ann. (1972), as applicable.

The sample consisted of the following:

Number of Sample Items	14
Total Dollar Value of Sample	\$104,807

We found the municipality's purchasing procedures to be in agreement with the requirements of the above-mentioned sections, except for a purchase of a boat for the fire department for \$12,840, for which quotes were not obtained.

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 monthly with the Department of Finance and Administration, except as follows:

The October 2021 assessment was settled in December, 2021, and
February, 2022 was settled in May, 2022.

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

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. Had we performed additional procedures or had we conducted an audit of the financial statements 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, 2022.



Price & Co
Forest, Mississippi

January 11, 2023

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

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

Management is responsible for the accompanying statement of cash receipts and disbursements - Governmental and Business-type Activities of the Town of Hickory, Mississippi, for the year ended September 30, 2022, in accordance with the cash basis of accounting, and for determining that the cash basis of accounting is an acceptable financial reporting framework. 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 statement 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 this financial statement.

We draw attention to Note A of the financial statement, which describes the basis of accounting. The financial statement is prepared in accordance with the cash-basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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

Management has omitted the management's discussion and analysis and budgetary comparison that the cash-basis of accounting requires to be presented to supplement the basic financial statement. Such missing information, although not a part of the basic financial statement, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statement in an appropriate operational, economic, or historical context.

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, we do not express an opinion or provide any assurance on such supplementary information.

In accordance with the provisions of Section 21-35-31, Miss. Code Ann. (1972), we have issued a separate report dated January 11, 2023 on the results of the Office of State Auditor agreed-upon procedures.



Price & Co.
Forest, Mississippi

January 11, 2023

TOWN OF HICKORY, MISSISSIPPI
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS -
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
For the Year Ended September 30, 2022

	Governmental Activities		Business-Type Activities	Totals (Memorandum Only)	
	General Fund	Fire Protection Fund	Water Fund	2022	2021
RECEIPTS					
General Property Taxes	\$ 32,012	\$ -	\$ -	\$ 32,012	\$ 33,425
Penalties and Interest on Delinquent Taxes	157	-	-	157	153
Motor Vehicle Tax	12,610	-	-	12,610	10,717
Rail Car Tax	4,261	-	-	4,261	4,173
Licenses and Permits:					
Privilege Licenses	515	-	-	515	690
Franchise Charges - Utilities	17,006	-	-	17,006	15,049
Federal Grants	81,776	-	-	81,776	69,311
State Shared Revenues:					
General Municipal Aid	264	-	-	264	264
Sales Tax	183,384	-	-	183,384	155,982
Gasoline Tax	1,288	-	-	1,288	1,623
BP Settlement	-	-	-	-	35,000
Homestead Exemption	4,007	-	-	4,007	4,159
Use Tax	48,875	-	-	48,875	35,565
MEMA Covid	-	-	-	-	12,414
Corona - Local Law	-	-	-	-	10,000
Fire Rebate	5,157	-	-	5,157	-
County Shared Revenues:					
Road Taxes	10,658	-	-	10,658	10,565
Fire Protection	-	11,777	-	11,777	13,815
Charges for Services:					
Water and Sewer	-	-	382,768	382,768	361,932
Fines and Forfeits	5,108	-	-	5,108	6,696
Recreation	5,716	-	-	5,716	-
Rent	1,100	-	-	1,100	1,100
Interest Income	21	36	-	57	81
Donations	10,000	100	-	10,100	300
Asset Sales	548	-	-	548	-
Miscellaneous	-	-	-	-	4,698
Total Receipts	\$ 424,463	\$ 11,913	\$ 382,768	\$ 819,144	\$ 787,712

See accountant's compilation report.

TOWN OF HICKORY, MISSISSIPPI
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS -
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
For the Year Ended September 30, 2022

	Governmental Activities		Business-Type Activities	Totals	
	General Fund	Special Revenue Fund	Water Fund	(Memorandum Only)	
				2022	2021
DISBURSEMENTS					
General Government	\$ 302,704	\$ -	\$ -	\$ 302,704	\$ 266,094
Public Safety:					
Police	3,965	-	-	3,965	4,285
Fire	-	20,538	-	20,538	2,853
Parks and Recreation	5,633	-	-	5,633	8,833
Enterprise:					
Water and Sewer	-	-	296,014	296,014	302,953
Redemption of Principal	9,004	-	45,714	54,718	53,722
Interest Expense	1,130	-	8,286	9,416	11,441
Total Disbursements	322,436	20,538	350,014	692,988	650,181
Excess (Deficiency) of Receipts Over Disbursements	102,027	(8,625)	32,754	126,156	(650,181)
Other Cash Sources (Uses)					
Transfers	16,666	-	(16,666)	-	-
Capital Expenditures	(23,300)	-	(17,500)	(40,800)	(47,746)
Total Other Cash Sources (Uses)	(6,634)	-	(34,166)	(40,800)	(47,746)
Net Changes in Cash	95,393	(8,625)	(1,412)	85,356	89,785
Cash - Beginning	167,322	29,146	1,655	198,123	108,338
Prior Period Adjustment - Void Old Checks	11,399	-	20,050	31,449	-
Cash - Ending	\$ 274,114	\$ 20,521	\$ 20,293	\$ 314,928	\$ 198,123

See accountant's compilation report.

**TOWN OF HICKORY, MISSISSIPPI
SCHEDULE OF LONG-TERM DEBT
Year Ended September 30, 2022**

	Balance Outstanding 9/30/21	Transactions During Fiscal Year		Balance Outstanding 9/30/22
		Issued	Redeemed	
Revenue Bonds:				
1990 Water and Sewer	\$ 121,848	\$ -	\$ 41,301	\$ 80,547
1995 Water and Sewer	28,798	-	3,060	25,738
1995 Water and Sewer	<u>12,770</u>	<u>-</u>	<u>1,354</u>	<u>11,416</u>
Total Revenue Bonds	<u><u>\$ 163,416</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 45,715</u></u>	<u><u>\$ 117,701</u></u>
Other Long-term Debt:				
Bank First 2019 Dodge 1500	\$ 17,025	\$ -	\$ 5,658	\$ 11,367
Bank of Forest 2008 Mack GU8 Truck	<u>3,345</u>	<u>-</u>	<u>3,345</u>	<u>-</u>
Total Other Long-Term Debt	<u><u>\$ 20,370</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 9,003</u></u>	<u><u>\$ 11,367</u></u>

See accountant's compilation report.

TOWN OF HICKORY, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS
Year Ended September 30, 2022

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Bond</u>
Carolyn Burks	Mayor	Western Surety	\$ 50,000
Kimberly Walker	Town Clerk	Western Surety	50,000
Donna Ferguson	Alderwoman	Western Surety	10,000
Maggie Nichols	Alderwoman	Western Surety	10,000
Ken Morgan	Alderman	Western Surety	10,000
Charles Guyse	Alderman	Western Surety	10,000
Lori Gallaspy	Alderwoman	Western Surety	10,000
Pete Pierman	Police Chief	Western Surety	50,000
Robert Johnson	Assistant Chief	Western Surety	5,000
David Irby	Policeman	Western Surety	5,000
Michael Williams	Policeman	Western Surety	5,000

See accountant's compilation report.

TOWN OF HICKORY, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2022

Note A: Summary of Significant Accounting Policies

General Information

The town operates under the alderman/mayor 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 the cash-basis of accounting, as prescribed by the Office of the 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.