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TOWN OF BRAXTON
FINANCIAL REPORT
BRAXTON, MISSISSIPPI
YEAR ENDED SEPTEMBER 30, 2019

Judy A. Palmer CPA, LLC
Mendenhall, MS 39114

TOWN OF BRAXTON

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JUDY A. PALMER
CERTIFIED PUBLIC ACCOUNTANT

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Honorable Mayor and Board of Aldermen
Town of Braxton
Braxton, Mississippi

Management is responsible for the accompanying statement of cash receipts and disbursements – governmental and business type activities of the Town of Braxton, Mississippi for the year ended September 30, 2019 in accordance with the cash basis of accounting, and for determining that the cash basis of accounting is an acceptable financial reporting framework. I 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. I did not audit or review the statement of cash receipts and disbursements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. I do not express an opinion, a conclusion, nor provide any assurance on the statement of cash receipts and disbursements.

The statement of cash receipts and disbursements 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 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.

Management has elected to omit substantially all the disclosures ordinarily included in a financial statement 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 information that is required to be presented for purposes of additional analysis. Such 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.

The supplementary information contained in the Schedule of Investments, Schedule of Long-term Debt and the Schedule of Surety Bonds for Town Officials is presented in compliance with the requirements of the Mississippi Office of the State Auditor and is not a required part of the

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Town of Braxton
Independent Accountant's Compilation Report

basic financial statements. Such information is the responsibility of management. The supplementary information was subject to the compilation engagement. I have not audited nor reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on the information.

In accordance with the provisions of Section 21-35-31, Miss. Code Ann. (1972), I have issued a report dated October 4, 2021, on the results of my agreed-upon procedures.



Judy A. Palmer CPA, LLC
Mendenhall, Mississippi
October 4, 2021

TOWN OF BRAXTON, MISSISSIPPI
Statement of Cash Receipts and Disbursements
Governmental and Business-Type Activities
For the Year Ended September 30, 2019

| | Governmental Activities Major Fund General Fund | Business-type Activities Major Fund Water Fund |
|---------------------------------------|--|---|
| RECEIPTS | | |
| Taxes | | |
| General property taxes | \$ 14,035 | \$ - |
| Payment in lieu of taxes - Grand Gulf | 1,019 | - |
| Licenses and permits | | |
| Franchise charges - utilities | 3,266 | - |
| Privilege licenses | 75 | - |
| Intergovernmental revenues | | |
| State revenues | | |
| General municipal aid | 91 | - |
| Gasoline tax | 560 | - |
| Homestead exemption reimbursement | 1,176 | - |
| State shared revenues | | |
| Sales taxes | 15,883 | - |
| Fire Insurance Premium Tax | 1,080 | - |
| Charges for services | | |
| Water and Sewer | - | 114,144 |
| Interest earned | 2,510 | 4,494 |
| Miscellaneous revenues | 7,179 | - |
| Rent | 13,948 | - |
| | <hr/> | <hr/> |
| Total Receipts | \$ 60,822 | \$ 118,638 |

See Independent Accountant's Compilation Report.

TOWN OF BRAXTON, MISSISSIPPI
Statement of Cash Receipts and Disbursements
Governmental and Business-Type Activities
For the Year Ended September 30, 2019

| | Governmental Activities Major Fund General Fund | Business-type Activities Major Fund Water Fund |
|---|--|---|
| DISBURSEMENTS | | |
| General government | | |
| Executive | \$ 3,100 | \$ - |
| Financial | 20,713 | - |
| Other | 34,534 | - |
| Enterprises | | |
| Water and sewer | - | 82,838 |
| Capital Outlay | <u>3,961</u> | <u>10,800</u> |
| Total Disbursements | <u>62,308</u> | <u>93,638</u> |
| Excess (Deficiency) of Receipts over Disbursements | <u>(1,486)</u> | <u>25,000</u> |
| OTHER FINANCING SOURCES (USES) | | |
| Insurance proceeds | <u>11,550</u> | <u>2,412</u> |
| Total Other Financing Sources (Uses) | <u>11,550</u> | <u>2,412</u> |
| Excess (Deficiency) of Receipts and Other Financing Sources over Disbursements and Other Financing Uses | <u>10,064</u> | <u>27,412</u> |
| CASH BASIS FUND BALANCE - BEGINNING OF YEAR | <u>205,729</u> | <u>403,350</u> |
| CASH BASIS FUND BALANCE - END OF YEAR | <u>\$ 215,793</u> | <u>\$ 430,762</u> |

See Independent Accountant's Compilation Report.

SUPPLEMENTAL INFORMATION

TOWN OF BRAXTON
SCHEDULE OF INVESTMENTS
September 30, 2019

General Fund:

| | |
|---|-------------------|
| Certificate of Deposit 2.82%, Matures 03/06/22 | \$ <u>101,430</u> |
|---|-------------------|

Water Fund:

| | |
|---|---------|
| Certificate of Deposit 2.82%, Matures 03/06/22 | 101,430 |
|---|---------|

| | |
|---|---------|
| Certificate of Deposit 2.82%, Matures 03/06/22 | 101,430 |
|---|---------|

| | |
|---|----------------|
| Certificate of Deposit 2.82%, Matures 03/06/22 | <u>101,430</u> |
|---|----------------|

| | |
|------------------|----------------|
| Total Water Fund | <u>304,290</u> |
|------------------|----------------|

| | |
|--------------------------|---------------------------------|
| Total Investments | \$ <u><u>405,720</u></u> |
|--------------------------|---------------------------------|

TOWN OF BRAXTON
SCHEDULE OF LONG-TERM DEBT
For the Fiscal Year Ended September 30, 2019

The Town did not have any long-term debt at September 30, 2019.

TOWN OF BRAXTON
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS
SEPTEMBER 30, 2019

| <u>Name</u> | <u>Position</u> | <u>Surety</u> | <u>Bond Amount</u> |
|---|-----------------|---------------|--------------------|
| Pam Coward 10/01/18 to 12/14/18 | Town Clerk | Travelers | \$ 50,000 |
| Linda F. Bryant 12/14/18 to 05/17/19 | Town Clerk | Travelers | 50,000 |
| LeeAnna Frazier 06/03/19 to 09/30/19 | Town Clerk | Travelers | 50,000 |
| Kristen B. Ham | Deputy Clerk | Travelers | 50,000 |
| Rodney Barnett | Mayor | Travelers | 50,000 |
| Travis M. Broome | Alderman | Travelers | 10,000 |
| James D. Pardue 10/01/18 to 12/05/18 | Alderman | Travelers | 10,000 |
| Jeannie Rice | Alderman | Travelers | 10,000 |
| Thomas R. Rice 02/05/19 to 09/30/19 | Alderman | Travelers | 10,000 |
| Georgia Smith | Alderman | Travelers | 10,000 |
| Vance Smith | Alderman | Travelers | 10,000 |

See Independent Accountant's Compilation Report

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

To the Mayor and Board of Alderman
Town of Braxton, Mississippi

I 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 Braxton, Mississippi, for the year ended September 30, 2019, 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.

I have performed procedures to test compliance with certain state laws and regulations as described in the Municipal Compliance Questionnaire that is prescribed by the Office of the State Auditor. My 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, I do not express such an opinion.

With respect to the items tested, the results of those procedures and my 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 Braxton, Mississippi, for the year ended September 30, 2019, disclosed an instance of noncompliance with state laws and regulations which is included in the Independent Accountant's Report on Applying Agreed-Upon Procedures.

This report is intended solely for the information and use of the Town of Braxton, Mississippi'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.



Judy A. Palmer CPA, LLC
Mendenhall, Mississippi
October 4, 2021

JUDY A. PALMER
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INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES

Honorable Mayor and Board of Aldermen
Town of Braxton
Braxton, Mississippi

I have performed the procedures enumerated below on the accounting records of the Town of Braxton, Mississippi, for the year ended September 30, 2019. The Town of Braxton, Mississippi's management is responsible for the accounting records.

The Town of Braxton, Mississippi has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose as required by the Office of the State Auditor, under the provisions of Section 21-35-31, Miss. Code Ann. (1972). This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1. I 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 or otherwise verified these bank balances.

| <u>Bank</u> | <u>Fund/Type</u> | <u>Balance per General Ledger</u> |
|--------------|---------------------------------|---------------------------------------|
| Peoples Bank | General/Checking Accounts | \$ 114,363 |
| Peoples Bank | General/Certificates of Deposit | <u>101,430</u> |
| | Total General Fund | <u>\$ 215,793</u> |
| Peoples Bank | Water/Checking Accounts | \$ 105,260 |
| Peoples Bank | Water/Money Market Account | 21,212 |
| Peoples Bank | Water/Certificate of Deposits | <u>304,290</u> |
| | Total Water Fund | <u>\$ 430,762</u> |

Town of Braxton
Independent Accountant's Report on
Applying Agreed-Upon Procedures

2. I confirmed with the bank the Certificates of Deposits owned by the Town. All investment transactions during the year were in compliance with Section 21-33-323, Miss. Code Ann. (1972). The Town's Certificates of Deposits at year end are included in procedure 1 above.

3. I 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 compliance with increase limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

The distribution of taxes to funds were found to be in accordance with prescribed tax levies.

Ad valorem tax collections were found to be within the limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

4. I 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 | \$ 15,883 |
| Gasoline Tax | General | 560 |
| Homestead Exemption Reimbursement | General | 1,176 |
| General Municipal Aid | General | 91 |
| Fire Insurance Premium | General | 1,080 |
| Nuclear Plant – Payments in Lieu | General | <u>1,019</u> |
| | | <u>\$ 19,809</u> |

Town of Braxton
Independent Accountant's Report on
Applying Agreed-Upon Procedures

5. I selected a sample of purchases made by the municipality during the fiscal year. Each sample item was evaluated for proper approval and compliance with purchasing requirements set forth in Title 31, Chapter 7, Miss. Code Ann. (1972), if applicable.

The sample consisted of the following:

| | |
|------------------------------|-----------|
| Number of Sample Items | 14 |
| Total Dollar Value of Sample | \$ 29,398 |

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

6. The Town of Braxton, Mississippi does not have a court system in place, therefore the collection of fines and timely settlement to the State of Mississippi does not apply.
7. I have read the Municipal Compliance Questionnaire completed by the municipality. The following response to the questionnaire indicated noncompliance with state requirements:

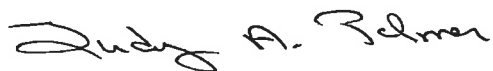
Section 25-1-53, Miss. Code Ann. (1972) prohibits nepotism. On June 4, 2019 the Mayor's daughter was employed as deputy clerk. The issue was resolved when the mayor resigned on November 5, 2019.

I was engaged by the Town of Braxton, Mississippi to perform this agreed-upon procedures engagement and conducted my engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. I was not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records of the Town of Braxton as of September 30, 2019. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

I am required to be independent of the Town of Braxton, Mississippi and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to the agreed-upon procedures engagement.

Town of Braxton
Independent Accountant's Report on
Applying Agreed-Upon Procedures

This report is intended solely for the information and use of the Town of Braxton, Mississippi and the Office of the State Auditor, State of Mississippi, and is not intended to be and should not be used by anyone other than the specified parties.

A handwritten signature in black ink that reads "Judy A. Palmer". The signature is written in a cursive style with a large, stylized initial "J".

Judy A. Palmer CPA, LLC
Mendenhall, Mississippi
October 4, 2021