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FINANCIAL STATEMENTS

Town of Tishomingo, Mississippi

For the Year Ended
September 30, 2019

TOWN OF TISHOMINGO, MISSISSIPPI
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September 30, 2019

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

Management is responsible for the accompanying statement of cash receipts and disbursements of the governmental activities and business-type activities of the Town of Tishomingo, Mississippi, as of and for the year ended September 30, 2019, and the related selected information in accordance with the cash receipts and disbursements 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 statement of cash receipts and disbursements 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 the statement of cash receipts and disbursements.

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

The supplementary information contained on pages 5 through 7 is presented for purposes of additional analysis and is not a required part of the basic financial statement. 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, do not express an opinion or provide any assurance on such supplementary information.

Management has elected to omit substantially all of the disclosures ordinarily included in a financial statement prepared in accordance with the cash receipts and disbursements 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 also omitted the management's discussion and analysis and other required supplementary 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 financial reporting for placing the basic financial statement in an appropriate operations, economic, or historical context.

In accordance with provisions of section 21-35-31, Mississippi Code Annotated (1972), we have issued a report dated January 7, 2021, on the results of our agreed upon procedures.

Franks, Franks, Wilemon & Hagood P.A.

Franks, Franks, Wilemon & Hagood, P. A.
Tupelo, Mississippi
January 7, 2021

TOWN OF TISHOMINGO, MISSISSIPPI
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS- ALL FUND TYPES
For the year ended September 30, 2019

	Governmental Activities		Business-Type Activities			Total Government-wide
	General	Special Revenue Fund	Water Fund	Gas Fund	Garbage Fund	
RECEIPTS						
Taxes						
General Property Taxes	\$ 41,803	\$ -	\$ -	\$ -	\$ -	41,803
TRHA In Lieu of Tax	381	-	-	-	-	381
Licenses and Permits						
Privilege licenses	2,619	-	-	-	-	2,619
Franchise Charges - Utilities	9,830	-	-	-	-	9,830
Intergovernmental Revenues:						
Federal Revenues:						
Grant Income	-	22,100	12,839	22,800	-	57,739
State Shared Revenues:						
General Municipal Aid	169	-	-	-	-	169
Sales Tax	166,277	-	-	-	-	166,277
Gasoline Tax	1,038	-	-	-	-	1,038
TVA In Lieu of Tax	3,812	-	-	-	-	3,812
Homestead Exemption Reimbursement	5,887	-	-	-	-	5,887
Law Enforcement Grant	687	-	-	-	-	687
Fire Protection	2,001	-	-	-	-	2,001
County Shared Revenues:						
County Road Use Tax	17,153	-	-	-	-	17,153
Charges for Services:						
Water System	-	-	129,108	-	-	129,108
Natural Gas	-	-	-	354,547	-	354,547
Garbage	-	-	-	-	30,442	30,442
Fines and Forfeits	6,512	-	-	-	-	6,512
Miscellaneous Receipts:						
Interest Earned	2,111	-	-	2,109	-	4,220
Rents	33,385	-	-	-	-	33,385
Other Income	4,407	-	-	-	-	4,407
Total Cash Receipts	\$ 298,072	\$ 22,100	\$ 141,947	\$ 379,456	\$ 30,442	\$ 872,017

TOWN OF TISHOMINGO, MISSISSIPPI
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - ALL FUND TYPES
For the year ended September 30, 2019

	Governmental Activities		Business-Type Activities			Total Government-wide
	General	Special Revenue Fund	Water Fund	Gas Fund	Garbage Fund	
DISBURSEMENTS						
General Government:						
Executive	\$ 91,682	\$ -	\$ -	\$ -	\$ -	\$ 91,682
Judicial	14,116	-	-	-	-	14,116
Public Safety:						
Police	127,504	29,535	-	-	-	157,039
Fire	5,600	-	-	-	-	5,600
Public Works:						
Street	23,558	8,465	-	-	-	32,023
Cemetery	-	-	-	-	-	-
Culture and Recreation:						
Park	961	-	-	-	-	961
Library	15,288	-	-	-	-	15,288
Clinic	2,287	-	-	-	-	2,287
Enterprise:						
Water	-	-	157,782	-	-	157,782
Gas	-	-	-	345,121	-	345,121
Garbage	-	-	-	-	22,771	22,771
Interest Expense	762	-	41	41	-	844
Principal Retirement	14,132	-	1,299	1,299	-	16,730
Total Cash Operating Disbursements	295,890	38,000	159,122	346,461	22,771	862,244
Excess (Deficiency) of receipts over disbursements	\$ 2,182	\$ (15,900)	\$ (17,175)	\$ 32,995	\$ 7,671	\$ 9,773

TOWN OF TISHOMINGO, MISSISSIPPI
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - ALL FUND TYPES
For the year ended September 30, 2019

	Governmental Activities		Business-Type Activities				Total
	General	Special Revenue Fund	Water Fund	Gas Fund	Garbage Fund	Government-wide	
OTHER FINANCING SOURCES (USES)							
Loan Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Transfers In	-	15,900	-	2,587	-	-	18,487
Transfers Out	(18,487)	-	-	-	-	-	(18,487)
Total Other Financing Sources (Uses)	(18,487)	15,900	-	2,587	-	-	-
Excess (Deficiency) of receipts and other financing sources over disbursements and other financing uses	(16,305)	-	(17,175)	35,582	7,671	9,773	9,773
CASH BASIS FUND BALANCE - BEGINNING OF YEAR	81,299	-	17,175	34,092	19,149	151,715	151,715
CASH BASIS FUND BALANCE - END OF YEAR	\$ 64,994	\$ -	\$ -	\$ 69,674	\$ 26,820	\$ 161,488	\$ 161,488

Town of Tishomingo, Mississippi
SELECTED INFORMATION-Substantially all disclosures required
by generally accepted accounting principles are not included
September 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Information

The Town operates under the mayor/board of aldermen form of government and provides services as authorized by law.

Reporting Entity

The financial statement of the Town includes 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 has been prepared on the cash receipts and disbursements basis, 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.

NOTE C - LONG-TERM DEBT

The annual requirements to amortize all debt outstanding as of September 30, 2019, including interest payments of \$950 are as follows:

<u>Fiscal Year Ended</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 14,482	\$ 448	\$ 14,929
2021	7,763	222	7,986
2022	5,655	150	5,805
2023	5,712	93	5,805
2024	<u>5,772</u>	<u>36</u>	<u>5,809</u>
	<u>\$ 39,384</u>	<u>\$ 950</u>	<u>\$ 40,334</u>

The Town does not maintain any debt service funds to service the above notes.

TOWN OF TISHOMINGO, MISSISSIPPI
SCHEDULE OF INVESTMENTS
September 30, 2019

GOVERNMENTAL FUND TYPES

The Town had no governmental fund investments at September 30, 2019

PROPRIETARY FUND TYPES

The Town had no proprietary fund investments at September 30, 2019

See accountants' compilation report.

TOWN OF TISHOMINGO, MISSISSIPPI
SCHEDULE OF CAPITAL ASSETS
September 30, 2019

GOVERNMENTAL FUND TYPES

The Town did not account for governmental fund capital assets at September 30, 2019

PROPRIETARY FUND TYPES

The Town did not account for proprietary fund capital assets at September 30, 2019

See accountants' compilation report.

TOWN OF TISHOMINGO, MISSISSIPPI
SCHEDULE OF LONG-TERM DEBT
For the year ended September 30, 2019

<u>DEFINITION AND PURPOSE</u>	<u>BALANCE OUTSTANDING September 30, 2018</u>	<u>TRANSACTIONS DURING FISCAL YEAR REDEEMED</u>	<u>TRANSACTIONS DURING FISCAL YEAR ISSUED</u>	<u>BALANCE OUTSTANDING September 30, 2019</u>
Notes Payable:				
CSB- Capital Lease (5014)	12,593	5,341	-	7,252
Tishomingo County- CAP Loan	34,221	5,942	-	28,279
CSB- Capital Lease (4871)	<u>9,300</u>	<u>5,447</u>	<u>-</u>	<u>3,853</u>
 TOTAL	 \$ <u>56,114</u>	 \$ <u>16,730</u>	 \$ <u>-</u>	 \$ <u>39,384</u>

See accountants' compilation report.

TOWN OF TISHOMINGO, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS
September 30, 2019

<u>Name</u>	<u>Position</u>	<u>Company</u>	<u>Bond</u>
James Tennyson	Mayor	Travelers Casualty & Surety	\$ 50,000
Kimberly Daily	City Clerk	Travelers Casualty & Surety	\$ 50,000
Shirley Turner	Utility Clerk	Western Surety Company	\$ 50,000
Michael Kemp	Police Chief	Western Surety Company	\$ 50,000
Anne Taylor	Alderwoman	Travelers Casualty & Surety	\$ 25,000
Barbara Oaks	Alderwoman	Travelers Casualty & Surety	\$ 25,000
Hal Southward	Alderman	Travelers Casualty & Surety	\$ 25,000
Anthony Stone	Alderman	Travelers Casualty & Surety	\$ 25,000
Gary Harlan	Alderman	Travelers Casualty & Surety	\$ 25,000
Jack Lomenick	Police Officer	Travelers Casualty & Surety	\$ 25,000
Jamie Reynolds	Police Officer	Travelers Casualty & Surety	\$ 25,000
Gregory Harstad	Police Officer	Travelers Casualty & Surety	\$ 25,000
Terry Jackson	Peace Officer	Western Surety Company	\$ 25,000
Albert Duckett	Police Officer	Travelers Casualty & Surety	\$ 25,000
Donovan Cain	Police Officer	Travelers Casualty & Surety	\$ 25,000
Adam Hall	Police Officer	Travelers Casualty & Surety	\$ 25,000

See accountants' compilation report.

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ACCOUNTANTS' REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

Honorable Mayor and Board of Alderman
Town of Tishomingo, Mississippi

We have compiled the accompanying statement of cash receipts and disbursements – all fund types of the Town of Tishomingo, Mississippi, for the year ended September 30, 2019, and have issued our report thereon dated January 7, 2021. We conducted our compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

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 engagement 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 material instances of noncompliance with state laws and regulations.

1. The Town is not in compliance with Part V Item 15 of the Municipal Audit and Accounting Guide, as the Town does not maintain a complete fixed asset ledger as required by guidelines established by the Office of the State Auditor.

The Office of the State Auditor or a public accounting firm will review, on a subsequent year's 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.

Franks, Franks, Wilemon & Hagood P.A.

FRANKS, FRANKS, WILEMON & HAGOOD, P.A.
Tupelo, Mississippi
January 7, 2021

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Honorable Mayor and Board of Aldermen
Town of Tishomingo, 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 Tishomingo, Mississippi as of September 30, 2019, and for the year ended, as required by the Office of the State Auditor, under the provisions of Section 21-35-31, Miss. Code Ann. (1972). The Town of Tishomingo's management is responsible for the Town's accounting records. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequentially, we make no representations 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 banks:

<u>Bank</u>	<u>Fund</u>	<u>Balance Per General Ledger</u>
BancorpSouth Bank	General Fund	\$ 35,373
BancorpSouth Bank	General Fund	26,143
BancorpSouth Bank	General Fund	566
BancorpSouth Bank	General Fund	1,309
BancorpSouth Bank	General Fund	1,603
Total General Fund		\$ <u>64,994</u>
BancorpSouth Bank	Special Revenue Fund	-
Total Special Revenue Fund		\$ <u>-</u>
BancorpSouth Bank	Proprietary Fund	\$ 69,674
BancorpSouth Bank	Proprietary Fund	26,820
Total Proprietary Fund		\$ <u>96,494</u>

2. We performed the following procedures with respect to taxes on real and personal property 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 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.

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

3. We obtained a statement of payments made by the Mississippi Department of Finance and Administration to the municipality. Payments indicated were traced to deposit in the respective bank accounts and recorded in the general ledger with no exceptions. Payments traced were as follows:

<u>Purpose</u>	<u>Receiving Fund</u>	<u>Amount</u>
Sales Tax Allocation	General Fund	\$ 166,277
Homestead Exemption	General Fund	5,887
Law Enforcement Grant	General Fund	687
Gasoline Tax	General Fund	1,038
TVA In Lieu	General Fund	3,812
Municipal Aid	General Fund	169
Fire Protection Allocation	General Fund	2,001
CDBG Grant	Water Fund	12,839

4. We 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	15
Total Dollar Value of Sample	\$ 84,616

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

5. 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.
6. We have read the Municipal Compliance Questionnaire completed by the Town. The following responses to the questionnaire indicate the following noncompliance with state requirements:

The Town is not in compliance with Part V Item 15 of the Municipal Audit and Accounting Guide, as the Town does not maintain a complete fixed asset ledger as required by guidelines established by the Office of the State Auditor.

This agreed upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were 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. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the governing body of the Town of Tishomingo, Mississippi, and the Office of the State Auditor and is not intended to be and should not be used by anyone other than those specified parties. This report should not be associated with the financial statements of the Town of Tishomingo, Mississippi, for the year ended September 30, 2019.

Franks, Franks, Wilemon & Hagood P.A.

Franks, Franks, Wilemon & Hagood, P.A.
Tupelo, Mississippi
January 7, 2021