



The following document was not prepared by the Office of the State Auditor, but was prepared by and submitted to the Office of the State Auditor by a private CPA firm. The document was placed on this web page as it was submitted. 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.

FINANCIAL STATEMENTS

Town of Tremont, Mississippi

For the Year Ended
September 30, 2019

TOWN OF TREMONT, MISSISSIPPI
TABLE OF CONTENTS
September 30, 2019

Accountants' Compilation Report	1
Statement of Cash Receipts and Disbursements - All Fund Types.....	2
Selected Information	4
Schedule of Investments	5
Schedule of Surety Bonds for Town Officials.....	6
Schedule of Long-Term Debt	7
Accountants' Report on Compliance with State Laws and Regulations.....	8
Independent Accountants' Report on Applying Agreed-Upon Procedures	9

P.O. Box 731
Tupelo, MS 38802
(662) 844-5226

P.O. Box 355
Fulton, MS 38843
(662) 862-4967



Partners
Gary Franks, CPA
Bryon Wilemon, CPA
Jonathan Hagood, CPA
Michael Little, CPA
Rudolph Franks, CPA (1933-2019)

Honorable Mayor and Board of Aldermen
Town of Tremont
Tremont, 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 Tremont, Mississippi, as of and for the year ended September 30, 2019, in accordance with the cash receipts and disbursements basis of accounting. 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 October 28, 2020, on the results of our agreed upon procedures.

Franks, Franks, Wilemon & Hagood P.A.

Franks, Franks, Wilemon & Hagood, P. A.
Fulton, Mississippi
October 28, 2020

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

	Governmental Activities	Business- Type Activities	Total
	General	Water & Gas Fund	Government-wide
<u>CASH RECEIPTS</u>			
Franchise Tax on Utilities	\$ 7,662	\$ -	\$ 7,662
Intergovernmental Revenues:			
State Shared Revenues:			
General Municipal Aid	232	-	232
Sales Tax	25,450	-	25,450
Gasoline Tax	1,424	-	1,424
TVA In Lieu of Tax	3,435	-	3,435
Fire Protection	2,744	-	2,744
Charges for Services:			
Water System	-	125,354	125,354
Natural Gas	-	124,905	124,905
Miscellaneous Receipts:			
Interest Income	28	-	28
Donations	927	-	927
Other Income	1,075	-	1,075
Total Cash Receipts	<u>42,977</u>	<u>250,259</u>	<u>293,236</u>
<u>CASH OPERATING DISBURSEMENTS</u>			
General Administration and Finance	22,456	-	22,456
Public Safety: Police	10,200	-	10,200
Enterprise: Water	-	135,190	135,190
Enterprise: Gas	-	63,835	63,835
Farmer's Home Administration Loan:			
Principal	-	17,477	17,477
Interest	-	25,155	25,155
Total Cash Operating Disbursements	<u>32,656</u>	<u>241,657</u>	<u>274,313</u>
Excess (Deficiency) of receipts over disbursements	\$ <u>10,321</u>	\$ <u>8,602</u>	\$ <u>18,923</u>

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

	Governmental Activities	Business- Type Activities	
	General	Water Fund	Total Government-wide
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in (out)	\$ (6,272)	\$ 6,272	\$ -
Total Other Financing Sources (Uses)	<u>(6,272)</u>	<u>6,272</u>	<u>-</u>
Excess (Deficiency) of receipts and other financing sources over disbursements and other financing uses	4,049	14,874	18,923
CASH BASIS FUND BALANCE - BEGINNING OF YEAR	<u>45,042</u>	<u>97,277</u>	<u>142,319</u>
CASH BASIS FUND BALANCE - END OF YEAR	\$ <u>49,091</u>	\$ <u>112,151</u>	\$ <u>161,242</u>

See accountants' compilation report

Town of Tremont, 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 \$268,749 are as follows:

<u>Fiscal Year Ended</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 18,844	\$ 23,789	\$ 42,633
2021	19,779	22,854	42,633
2022	20,763	21,870	42,633
2023	21,795	20,838	42,633
2024	22,878	19,755	42,633
2025-2029	132,616	80,549	213,165
2030-2034	169,016	44,149	213,165
2035-2038	<u>90,134</u>	<u>34,945</u>	<u>125,079</u>
	<u>\$ 495,825</u>	<u>\$ 268,749</u>	<u>\$ 764,574</u>

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

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

GOVERNMENTAL FUND TYPES

General Fund - Certificate of Deposit	\$ <u>15,374</u>
Total Governmental Fund Types	\$ <u><u>15,374</u></u>

PROPRIETARY FUND TYPES

Certificate of Deposit	\$ <u>20,000</u>
Total Proprietary Fund Types	\$ <u><u>20,000</u></u>

See accountants' compilation report.

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

<u>Name</u>	<u>Position</u>	<u>Company</u>	<u>Bond</u>
Robert Whitehead Sr.	Mayor	Scott Municipal Insurance	\$ 50,000
Beth Garrison	City Clerk	Fulton Insurance	\$ 50,000
Ricky Roberts	Water Department Supervisor	Fulton Insurance	\$ 50,000
Tony Terry	Policeman	Fulton Insurance	\$ 50,000
Holly Ford	Alderman	Scott Municipal Insurance	\$ 25,000
James Cox	Alderman	Scott Municipal Insurance	\$ 25,000
Greg Davis	Alderman	Scott Municipal Insurance	\$ 25,000
Cindy Rhoades	Alderman	Scott Municipal Insurance	\$ 25,000
Rebecca Northington	Alderman	Scott Municipal Insurance	\$ 25,000

See accountants' compilation report.

TOWN OF TREMONT, 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:				
Farmer's Home Administration	\$ 33,233	\$ 1,339	\$ -	\$ 31,894
Farmer's Home Administration	<u>480,069</u>	<u>16,138</u>	<u>-</u>	<u>463,931</u>
TOTAL	<u>\$ 513,302</u>	<u>\$ 17,477</u>	<u>\$ -</u>	<u>\$ 495,825</u>

See accountants' compilation report.

P.O. Box 731
Tupelo, MS 38802
(662) 844-5226

P.O. Box 355
Fulton, MS 38843
(662) 862-4967



FRANKS | FRANKS | WILEMON | HAGOOD

www.ffwhcpa.com

Partners

Gary Franks, CPA

Bryon Wilemon, CPA

Jonathan Hagood, CPA

Michael Little, CPA

Rudolph Franks, CPA (1933-2019)

**ACCOUNTANTS' REPORT
ON COMPLIANCE WITH STATE LAWS AND REGULATIONS**

Honorable Mayor and Board of Alderman
Town of Tremont, Mississippi

We have compiled the accompanying statement of cash receipts and disbursements – all fund types of the Town of Tremont, Mississippi, for the year ended September 30, 2019, and have issued our report thereon dated October 28, 2020. 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 Section 7-7-211 of the Municipal Audit and Accounting Guide, as the fixed assets are not properly accounted for. The Town does not maintain a fixed asset inventory listing, take a fixed asset inventory, or tag fixed assets.

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.
Fulton, Mississippi
October 28, 2020

P.O. Box 731
Tupelo, MS 38802
(662) 844-5226

P.O. Box 355
Fulton, MS 38843
(662) 862-4967



FRANKS | FRANKS | WILEMON | HAGOOD

www.ffwhcpa.com

Partners
Gary Franks, CPA
Bryon Wilemon, CPA
Jonathan Hagood, CPA
Michael Little, CPA

Rudolph Franks, CPA (1933-2019)

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Honorable Mayor and Board of Aldermen
Town of Tremont, 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 Tremont, 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 Tremont's management is responsible for the Town's accounting records. 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 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. It is understood the report is solely for the use of the governing body of the Town of Tremont, 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 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>
Trustmark National Bank	General Fund	\$ 3,805
Trustmark National Bank	General Fund	29,887
Trustmark National Bank	General Fund	25
Trustmark National Bank	General Fund	<u>15,374</u>
Total General Fund		\$ <u>49,091</u>
Trustmark National Bank	Proprietary Fund	\$ 34,772
Trustmark National Bank	Proprietary Fund	57,379
Trustmark National Bank	Proprietary Fund	<u>20,000</u>
Total Proprietary Fund		\$ <u>112,151</u>

2. The Town of Tremont did not levy any real or personal property taxes during the fiscal year.

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. Payments traced were as follows:

<u>Purpose</u>	<u>Receiving Fund</u>	<u>Amount</u>
Sales Tax Allocation	General Fund	\$ 25,450
Gasoline Tax	General Fund	1,424
TVA In Lieu	General Fund	3,435
Municipal Aid	General Fund	232
Fire Protection Allocation	General Fund	2,744

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	25
Dollar Value of Sample	\$ 5,091

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

5. 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 Section 21-17-5 of the Municipal Audit and Accounting Guide, as the fixed assets are not properly accounted for. The Town does not maintain a fixed asset inventory listing, take a fixed asset inventory, or tag fixed assets.

We were 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, we do not express such an opinion. Had we performed additional procedures, other 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 Tremont, Mississippi, for the year ended September 30, 2019.

Franks, Franks, Wilemon & Hagood P.A.

Franks, Franks, Wilemon & Hagood, P.A.
Fulton, Mississippi
October 28, 2020