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FINANCIAL STATEMENTS

Town of Tremont, Mississippi

For the Year Ended  
September 30, 2020

**TOWN OF TREMONT, MISSISSIPPI**  
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September 30, 2020

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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, 2020, 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 18, 2021, on the results of our agreed upon procedures.

*Franks, Franks, Wilemon & Hagood P.A.*

Franks, Franks, Wilemon & Hagood, P. A.  
Fulton, Mississippi  
October 18, 2021

**TOWN OF TREMONT, MISSISSIPPI**  
**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS- ALL FUND TYPES**  
For the year ended September 30, 2020

	Governmental Activities	Business- Type Activities	
	General	Water & Gas Fund	Total Government-wide
<b><u>CASH RECEIPTS</u></b>			
Franchise Tax on Utilities	\$ 6,399	\$ -	\$ 6,399
Intergovernmental Revenues:			
State Shared Revenues:			
General Municipal Aid	233	-	233
Sales Tax	26,535	-	26,535
Gasoline Tax	1,424	-	1,424
TVA In Lieu of Tax	3,812	-	3,812
Fire Protection	2,805	-	2,805
Modernization Use Tax	19,981	-	19,981
Grant Income	12,092	-	-
Charges for Services:			
Water System	-	139,572	139,572
Natural Gas	-	131,411	131,411
Miscellaneous Receipts:			
Interest Income	16	-	16
Donations	954	-	954
Other Income	3,378	-	3,378
Total Cash Receipts	<u>77,629</u>	<u>270,983</u>	<u>348,612</u>
<b><u>CASH OPERATING DISBURSEMENTS</u></b>			
General Administration and Finance	36,022	-	36,022
Public Safety: Police	12,858	-	12,858
Public Works	-	-	-
Enterprise: Water	-	126,516	126,516
Enterprise: Gas	-	56,478	56,478
Farmer's Home Administration Loan:			
Principal	-	18,491	18,491
Interest	-	24,142	24,142
Total Cash Operating Disbursements	<u>48,880</u>	<u>225,627</u>	<u>274,507</u>
Excess (Deficiency) of receipts over disbursements	\$ <u>28,749</u>	\$ <u>45,356</u>	\$ <u>74,105</u>

**TOWN OF TREMONT, MISSISSIPPI**  
**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - ALL FUND TYPES**  
For the year ended September 30, 2020

	Governmental Activities	Business- Type Activities	
	General	Water Fund	Total Government-wide
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Transfers in (out)	\$ (1,401)	\$ 1,401	\$ -
Total Other Financing Sources (Uses)	<u>(1,401)</u>	<u>1,401</u>	<u>-</u>
Excess (Deficiency) of receipts and other financing sources over disbursements and other financing uses	27,348	46,757	74,105
CASH BASIS FUND BALANCE - BEGINNING OF YEAR	<u>49,091</u>	<u>112,151</u>	<u>161,242</u>
CASH BASIS FUND BALANCE - END OF YEAR	\$ <u><u>76,439</u></u>	\$ <u><u>158,908</u></u>	\$ <u><u>235,347</u></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, 2020

**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, 2020, including interest payments of \$247,427 are as follows:

<u>Fiscal Year Ended</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	24,014	18,619	42,633
2026-2030	139,207	73,958	213,165
2036-2040	176,316	36,849	213,165
2041-2045	<u>52,582</u>	<u>32,684</u>	<u>85,266</u>
	<u>\$ 477,334</u>	<u>\$ 247,427</u>	<u>\$ 724,761</u>

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



**TOWN OF TREMONT, MISSISSIPPI**  
**SCHEDULE OF INVESTMENTS**  
September 30, 2020

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, 2020

<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, 2020

<u>DEFINITION AND PURPOSE</u>	<u>BALANCE OUTSTANDING September 30, 2019</u>	<u>TRANSACTIONS DURING FISCAL YEAR REDEEMED</u>	<u>TRANSACTIONS DURING FISCAL YEAR ISSUED</u>	<u>BALANCE OUTSTANDING September 30, 2020</u>
Notes Payable:				
Farmer's Home Administration	\$ 31,894	\$ 1,367	\$ -	\$ 30,527
Farmer's Home Administration	<u>463,931</u>	<u>17,124</u>	<u>-</u>	<u>446,807</u>
TOTAL	<u>\$ 495,825</u>	<u>\$ 18,491</u>	<u>\$ -</u>	<u>\$ 477,334</u>

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## 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, 2020, and have issued our report thereon dated October 18, 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 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 18, 2021

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## 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, 2020, 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	\$ 28,242
Trustmark National Bank	General Fund	32,798
Trustmark National Bank	General Fund	25
Trustmark National Bank	General Fund	<u>15,374</u>
Total General Fund		\$ <u>76,439</u>
Trustmark National Bank	Proprietary Fund	\$ 60,327
Trustmark National Bank	Proprietary Fund	78,581
Trustmark National Bank	Proprietary Fund	<u>20,000</u>
Total Proprietary Fund		\$ <u>158,908</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	\$ 26,535
Gasoline Tax	General Fund	1,424
TVA In Lieu	General Fund	3,812
Municipal Aid	General Fund	233
Fire Protection Allocation	General Fund	2,805
Modernization Use Tax	General Fund	19,981
MEMA Grant	General Fund	12,092

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	\$ <u>10,443.39</u>

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, 2020.

*Franks, Franks, Wilemon & Hagood P.A.*

Franks, Franks, Wilemon & Hagood, P.A.  
Fulton, Mississippi  
October 18, 2021