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FINANCIAL STATEMENTS

Town of Tremont, Mississippi

**For the Year Ended
September 30, 2010**

TOWN OF TREMONT, MISSISSIPPI
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September 30, 2010

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**FRANKS,
FRANKS &
JARRELL, P.A.**

CERTIFIED PUBLIC ACCOUNTANTS

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MARK THORNTON

OFFICES LOCATED IN

TUPELO & FULTON

MEMBERS OF THE

AICPA, MSCPA & PCPS

ACCOUNTANTS' REPORT ON AGREED-UPON PROCEDURES

Honorable Mayor and Board of Aldermen
Town of Tremont, Mississippi

We have applied certain agreed-upon procedures, as discussed below, to the accounting records of the Town of Tremont, Mississippi, as of September 30, 2010, 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 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	\$ 3,550
Trustmark National Bank	General Fund	14,110
Trustmark National Bank	General Fund	25
Trustmark National Bank	General Fund	<u>15,222</u>
Total General Fund		<u>\$ 32,907</u>
Trustmark National Bank	Proprietary Fund	\$ 10,493
Trustmark National Bank	Proprietary Fund	<u>39,914</u>
Total Proprietary Fund		<u>\$ 50,407</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 with no exceptions. Payments traced were as follows:

<u>Purpose</u>	<u>Receiving Fund</u>	<u>Amount</u>
Sales Tax Allocation	General Fund	\$ 22,310
Gasoline Tax	General Fund	1,074
TVA In Lieu	General Fund	5,502
Municipal Aid	General Fund	202
Fire Protection Allocation	General Fund	2,124
MDA Grant	Proprietary Fund	93,028

4. We selected a sample of purchases made by the municipality during the fiscal year. Each sample item was evaluated for compliance with requirements set forth in Title 31 Chapter 7, Miss. Code Ann. (1972), as applicable.

The sample consisted of the following:

Number of Sample Items	40
Dollar Value of Sample	\$ 18,141

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

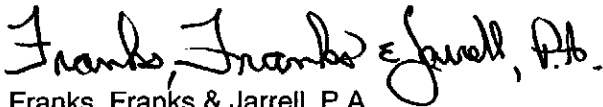
However, we noted five of the forty cash disbursements sampled did not have proper documentation supporting the disbursement.

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 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 quarterly report from the State Treasurer's office as of September 30, 2010 did not reflect all accounts of the Town. One bank account of the Town was not reflected on the State Treasurer's report at September 30, 2010. This could result in the Town's deposits not being properly and adequately collateralized by securities or instruments (Sections 27-105-5 and 27-105-6 – Municipal Audit and Accounting Guide).

Because the above procedures do not constitute an audit conducted 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. In connection with the procedures referred to above, no matters came to our attention that caused us to believe that the items specified in the proceeding paragraphs should be adjusted. 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 Tremont, Mississippi, for the year ended September 30, 2010.



Franks, Franks & Jarrell, P.A.
December 3, 2010



ACCOUNTANTS' COMPILATION REPORT

**FRANKS,
FRANKS &
JARRELL, P.A.**

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

CERTIFIED PUBLIC ACCOUNTANTS

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, 2010, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

POST OFFICE BOX 355

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A compilation is limited to presenting in the form of financial statements information that is the representation of the Town's officials. We have not audited or reviewed the accompanying statement of cash receipts and disbursements - all fund types and, accordingly, do not express an opinion or any other form of assurance on it.

SHAREHOLDERS:

RUDOLPH F. FRANKS

GARY M. FRANKS

P. GREG JARRELL

BRYON WILEMON

The Town's policy is to prepare its financial statements on the basis of cash receipts and disbursements; consequently, certain revenue is recognized when received rather than when measurable and available, and certain expenditures are recognized when paid rather than when the obligation is incurred. Accordingly, the statement of cash receipts and disbursements - all fund types is not intended to present results of operations, in conformity with generally accepted accounting principles.

The Town's management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's cash receipts and disbursements. Accordingly, this financial statement is not designed for those who are not informed about such matters.

JEREMY BISHOP

JONATHAN HAGOOD

MICHAEL LITTLE

MARK THORNTON

The supplementary information contained on pages 6 through 8 is presented for purposes of additional analysis and has been compiled by us from information that is the representation of the officials of the Town of Tremont, Mississippi, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on such supplementary information.

Franks, Franks & Jarrell, P.A.

Franks, Franks & Jarrell, P. A.
December 3, 2010

OFFICES LOCATED IN

TUPELO & FULTON

MEMBERS OF THE

AICPA, MSCPA & PCPS

TOWN OF TREMONT, MISSISSIPPI
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - ALL FUND TYPES
For the year ended September 30, 2010

	Governmental Funds	Proprietary Fund	Totals (Memorandum Only)
<u>CASH RECEIPTS</u>			
Franchise Tax on Utilities	\$ 7,338	\$ -	\$ 7,338
Intergovernmental Revenues:			
Sales Tax	22,310	-	22,310
Gasoline Tax	1,074	-	1,074
General Municipal Aid	202	-	202
TVA Tax - State	5,502	-	5,502
Fire Protection	2,124	-	2,124
MDA Grant	-	93,028	93,028
Charges for Services:			
Water System	-	111,678	111,678
Natural Gas	-	101,279	101,279
Other Receipts:			
Interest Income	247	-	247
Other Income	2,174	1,316	3,490
Total Cash Receipts	40,971	307,301	348,272
Cash Balance - Beginning of Year	34,574	43,063	77,637
TOTAL AMOUNT TO ACCOUNT FOR	\$ 75,545	\$ 350,364	\$ 425,909
<u>CASH OPERATING DISBURSEMENTS</u>			
General Administration and Finance	\$ 39,510	\$ -	\$ 39,510
Public Safety: Police	2,617	-	2,617
Culture and Recreation: Park	330	-	330
Enterprise: Water	-	191,190	191,190
Enterprise: Gas	-	53,916	53,916
Total Cash Operating Disbursements	42,457	245,106	287,563
Other Disbursements:			
Loans Repaid:			
Farmer's Home Administration:			
Principal	-	9,498	9,498
Interest	-	42,854	42,854
Capital Outlay	2,680	-	2,680
Transfers	(2,499)	2,499	-
Total Other Cash Disbursements	181	54,851	55,032
Total Cash Disbursements	42,638	299,957	342,595
Cash Balance - End of Year	32,907	50,407	83,314
TOTAL AMOUNT ACCOUNTED FOR	\$ 75,545	\$ 350,364	\$ 425,909

See accompanying selected information and accountants' compilation report

Town of Tremont, Mississippi
 SELECTED INFORMATION-Substantially all disclosures required
 by generally accepted accounting principles are not included
 September 30, 2010

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, 2010, including interest payments of \$438,844 are as follows:

<u>Fiscal Year Ended</u> <u>September 30,</u>	<u>USDA Rural</u> <u>Development</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 20,877	\$ 30,354	\$ 51,231
2012	21,467	29,302	50,769
2013	16,524	28,288	44,812
2014	15,032	27,601	42,633
2015	15,869	26,763	42,632
2016-2020	92,239	120,923	213,162
2021-2025	118,233	94,928	213,161
2026-2030	151,536	61,625	213,161
2031-2035	159,836	17,307	177,143
2036-2040	<u>22,316</u>	<u>1,753</u>	<u>24,069</u>
	<u>\$ 633,929</u>	<u>\$ 438,844</u>	<u>\$ 1,072,773</u>

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

TOWN OF TREMONT, MISSISSIPPI
SCHEDULE OF INVESTMENTS
September 30, 2010

GOVERNMENTAL FUND TYPES

General Fund - Certificate of Deposit	\$ <u>15,222</u>
Total Governmental Fund Types	\$ <u><u>15,222</u></u>

PROPRIETARY FUND TYPES

Certificate of Deposit	\$ <u>-</u>
Total Proprietary Fund Types	\$ <u><u>-</u></u>

See accountants' compilation report.

TOWN OF TREMONT, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS
September 30, 2010

<u>Name</u>	<u>Position</u>	<u>Company</u>	<u>Bond</u>
Glyn Robinson	Mayor	Scott Municipal Insurance	\$ 25,000
Windy Abbott	City Clerk	Fulton Insurance	\$ 50,000
Steve Thrasher	Policeman	Fulton Insurance	\$ 50,000
Ricky Roberts	Water Department Supervisor	Fulton Insurance	\$ 20,000
Robert McCrory, Jr.	Alderman	Scott Municipal Insurance	\$ 10,000
James Cox	Alderman	Scott Municipal Insurance	\$ 10,000
Pamela Dines	Alderman	Scott Municipal Insurance	\$ 10,000
Frankie Keaton	Alderman	Scott Municipal Insurance	\$ 10,000
Everett Cody	Alderman	Scott Municipal Insurance	\$ 10,000

See accountants' compilation report.

TOWN OF TREMONT, MISSISSIPPI
SCHEDULE OF LONG-TERM DEBT
For the year ended September 30, 2010

<u>DEFINITION AND PURPOSE</u>	<u>BALANCE OUTSTANDING September 30, 2009</u>	<u>TRANSACTIONS DURING FISCAL YEAR REDEEMED</u>	<u>TRANSACTIONS DURING FISCAL YEAR ISSUED</u>	<u>BALANCE OUTSTANDING September 30, 2010</u>
Notes Payable:				
Farmer's Home Administration	\$ 24,428	\$ 7,076	\$ -	\$ 17,352
Farmer's Home Administration	1,971	1,520	-	451
Farmer's Home Administration	43,030	902	-	42,128
Farmer's Home Administration	<u>573,998</u>	<u>-</u>	<u>-</u>	<u>573,998</u>
TOTAL	<u>\$ 643,427</u>	<u>\$ 9,498</u>	<u>\$ -</u>	<u>\$ 633,929</u>

See accountants' compilation report.