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TOWN OF VARDAMAN  
PO BOX 194  
VARDAMAN, MS 38878

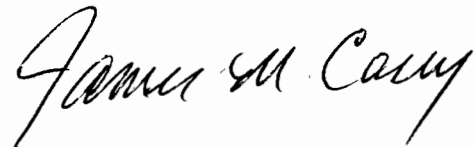
January 8, 2020

Office of the State Auditor  
P. O. Box 956  
Jackson, MS 39205

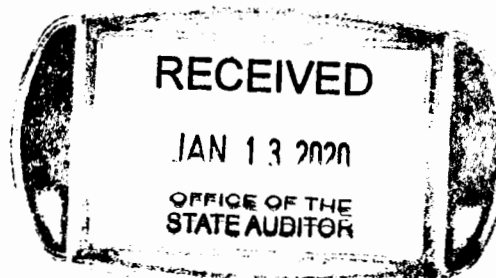
Re: Municipal Audit

Accompanying this letter is <sup>2 COPIES</sup> ~~1 copy~~ of the annual compilation of the Town of Vardaman, Mississippi, for the fiscal year ended September 30, 2019. A separate management letter was not written to the town in connection with this compilation.

Sincerely,



James M. Casey, Mayor  
TOWN OF VARDAMAN, MS



**TOWN OF VARDAMAN, MISSISSIPPI**

**VARDAMAN, MISSISSIPPI**

**38878**

**FINANCIAL STATEMENTS**

FISCAL YEAR ENDING SEPTEMBER 30, 2019

ROBERT L INMON  
PUBLIC ACCOUNTANT



# INMON TAX SERVICE

ROBERT L. INMON, E. A.  
115 NORTH MAIN STREET  
VARDAMAN, MS 38878

Honorable Mayor & Board of Aldermen  
Town of Vardaman  
Vardaman, Mississippi 38878

I have compiled the accompanying Combined Statement of Cash Receipts and Disbursements, Governmental and Business-type Activities of the Town of Vardaman, Mississippi, for the year ended September 30, 2019. I have not audited or reviewed the accompanying Combined Statement of Cash Receipts and Disbursements, Governmental and Business-type Activities and, accordingly do not express an opinion or any other form of assurance on it. A compilation is limited to presenting in the form of financial statements the representation of management.

The Town's policy is to prepare its financial statement 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, Governmental and Business-type Activities is not intended to present results of operations, in conformity with generally accepted accounting principles.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements. If the omitted disclosures were included, 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.

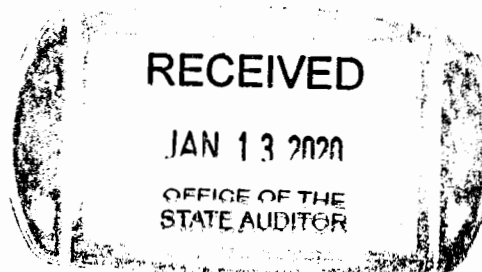
The supplementary information contained in Schedules 1 through 3 is presented for purposes of additional analysis and has been compiled by me from information that is the representation of management of the Town of Vardaman, Mississippi without audit or review. Accordingly, I do not express an opinion or any other form of assurance on such supplementary information.

I am not independent with respect to the Town of Vardaman, Mississippi.



Robert L. Inmon  
Public Accountant

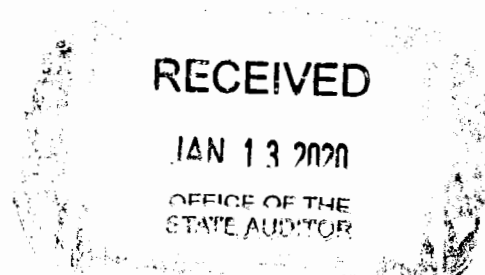
January 3, 2020



**TOWN OF VARDAMAN, MISSISSIPPI**  
**STATEMENT OF CASH RECEIPTS & DISBURSEMENTS (ALL FUNDS)**  
**GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES**  
**For the Year Ended September 30, 2019**

|                              | GOVERNMENTAL ACTIVITIES |                     |                 | BUSINESS-<br>TYPE ACTIVITIES | TOTALS                         |              |
|------------------------------|-------------------------|---------------------|-----------------|------------------------------|--------------------------------|--------------|
|                              | GENERAL<br>FUNDS        | CAPITAL<br>PROJECTS | DEBT<br>SERVICE | WATER<br>FUND                | (Memorandum Only)<br>9/30/2019 | 9/30/2018    |
| <b>RECEIPTS</b>              |                         |                     |                 |                              |                                |              |
| General Property Taxes       |                         |                     |                 |                              |                                |              |
| Real & Personal              | 109,097.97              |                     | 9,626.29        |                              | 118,724.26                     | 121,969.39   |
| Automobiles                  | 26,970.47               |                     | 2,379.73        |                              | 29,350.20                      | 30,239.96    |
| Penalties & Int - Delinq Tax | 3,169.42                |                     | 279.66          |                              | 3,449.08                       | 4,476.53     |
| Licenses & Permits           | 1,716.00                |                     |                 |                              | 1,716.00                       | 592.50       |
| Utility Franchise Charges    | 21,302.53               |                     |                 |                              | 21,302.53                      | 21,499.37    |
| Intergovernmental Receipts   |                         |                     |                 |                              |                                |              |
| Federal Sources              |                         |                     |                 |                              |                                |              |
| Federal Grants               | 0.00                    |                     |                 | 25,647.50                    | 25,647.50                      | 0.00         |
| State Grants                 |                         |                     |                 |                              |                                |              |
| General Municipal Aid        | 656.26                  |                     |                 |                              | 656.26                         | 656.26       |
| Law Enforcement Assistance   | 26,100.00               |                     |                 |                              | 26,100.00                      | 6,771.44     |
| State Emergency Mgt Funds    | 0.00                    |                     |                 | 0.00                         | 0.00                           | 84,252.81    |
| State Wildlife Grant         | 0.00                    |                     |                 |                              | 0.00                           | 0.00         |
| State Shared Revenue         |                         |                     |                 |                              |                                |              |
| Sales Tax                    | 133,321.20              |                     |                 |                              | 133,321.20                     | 132,866.79   |
| Gasoline tax                 | 3,948.00                |                     |                 |                              | 3,948.00                       | 3,948.00     |
| Fire Insurance Premium Tax   | 7,767.20                |                     |                 |                              | 7,767.20                       | 7,512.10     |
| Homestead Exemption Reimb.   | 16,226.74               |                     | 1,431.77        |                              | 17,658.51                      | 18,214.14    |
| TVA Payments In Lieu of Tax  | 13,665.81               |                     |                 |                              | 13,665.81                      | 12,524.46    |
| County Grants & Shared Rec.  |                         |                     |                 |                              |                                |              |
| Road Taxes                   | 19,218.84               |                     |                 |                              | 19,218.84                      | 18,728.51    |
| County Fire Reimbursements   | 20,423.29               |                     |                 |                              | 20,423.29                      | 16,125.82    |
| Charges for Services         |                         |                     |                 |                              |                                |              |
| Garbage Collection Charges   | 83,345.99               |                     |                 |                              | 83,345.99                      | 84,404.26    |
| Fines & Forfeits             | 11,650.75               |                     |                 |                              | 11,650.75                      | 18,108.83    |
| Miscellaneous                |                         |                     |                 |                              |                                |              |
| Interest Earnings            | 1,658.13                |                     | 197.97          | 725.35                       | 2,581.45                       | 160.90       |
| Other Miscellaneous          | 17,384.01               |                     |                 | 29,634.47                    | 47,018.48                      | 49,043.91    |
| Enterprise Account           |                         |                     |                 |                              |                                |              |
| Metered Water Sales          |                         |                     |                 | 227,759.80                   | 227,759.80                     | 233,492.12   |
| Sewer Charges                |                         |                     |                 | 113,788.26                   | 113,788.26                     | 117,412.38   |
| TOTAL RECEIPTS               | 517,622.61              | 0.00                | 13,915.42       | 397,555.38                   | 929,093.41                     | 983,000.48   |
| <b>OTHER RECEIPTS</b>        |                         |                     |                 |                              |                                |              |
| Sale of Surplus Property     | 5,364.65                |                     |                 |                              | 5,364.65                       | 1,500.00     |
| Short Term Loans             | 18,148.93               |                     |                 |                              | 18,148.93                      | 0.00         |
| Sale of Buildings            | 30,200.00               |                     |                 |                              | 30,200.00                      | 0.00         |
| Transfers                    | 40,050.41               |                     | 8,643.14        |                              | 48,693.55                      | 57,975.46    |
| TOTAL OTHER RECEIPTS         | 93,763.99               | 0.00                | 8,643.14        | 0.00                         | 102,407.13                     | 59,475.46    |
| TOTAL CASH RECEIPTS          | 611,386.60              | 0.00                | 22,558.56       | 397,555.38                   | 1,031,500.54                   | 1,042,475.94 |
| Cash Balance, Oct 1, 2018    | 115,909.79              | 0.00                | 29,860.65       | 50,140.92                    | 195,911.36                     | 131,047.22   |
| TOTAL AMOUNT TO ACCOUNT FOR  | 727,296.39              | 0.00                | 52,419.21       | 447,696.30                   | 1,227,411.90                   | 1,173,523.16 |

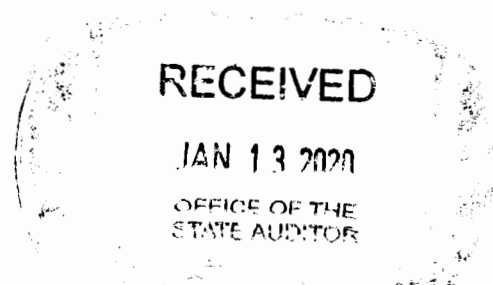
SEE ACCOMPANYING ACCOUNTANT'S COMPILATION REPORT



**TOWN OF VARDAMAN, MISSISSIPPI**  
**STATEMENT OF CASH RECEIPTS & DISBURSEMENTS (ALL FUNDS)**  
**GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES**  
**For the Year Ended September 30, 2019**

|   | GOVERNMENTAL FUND TYPES |                     |                  | BUSINESS-<br>TYPE ACTIVITIES | TOTALS                         |                     |
|---|-------------------------|---------------------|------------------|------------------------------|--------------------------------|---------------------|
|   | GENERAL<br>FUNDS        | CAPITAL<br>PROJECTS | DEBT<br>SERVICE  | WATER<br>FUND                | (Memorandum Only)<br>9/30/2019 | 9/30/2018           |
| <b>DISBURSEMENTS</b>                          |                         |                     |                  |                              |                                |                     |
| General Government<br>(Executive & Financial) | 165,951.29              |                     |                  |                              | 165,951.29                     | 149,544.68          |
| Public Safety:                                |                         |                     |                  |                              |                                |                     |
| Police  | 148,959.18              |                     |                  |                              | 148,959.18                     | 154,892.89          |
| Fire  | 16,746.04               |                     |                  |                              | 16,746.04                      | 17,338.80           |
| Highways & Streets                            |                         |                     |                  |                              |                                |                     |
| Repairs & Maintenance                         | 31,285.95               |                     |                  |                              | 31,285.95                      | 58,339.88           |
| Sanitation                                    | 74,424.10               |                     |                  | 34,115.38                    | 108,539.48                     | 113,863.75          |
| Culture & Recreation:                         |                         |                     |                  |                              |                                |                     |
| Parks   | 39,430.56               |                     |                  |                              | 39,430.56                      | 25,883.30           |
| Library                                       | 31,730.34               |                     |                  |                              | 31,730.34                      | 27,779.16           |
| Enterprise:                                   |                         |                     |                  |                              |                                |                     |
| Water & Sewer Utility                         |                         |                     |                  | 246,409.84                   | 246,409.84                     | 239,546.42          |
| Interest Paid                                 |                         |                     |                  |                              |                                |                     |
| Notes   | 993.09                  |                     | 15,902.82        | 278.61                       | 17,174.52                      | 11,080.39           |
| <b>TOTAL OPERATING DISBURSEMENTS</b>          | <b>509,520.55</b>       | <b>0.00</b>         | <b>15,902.82</b> | <b>280,803.83</b>            | <b>806,227.20</b>              | <b>798,269.27</b>   |
| <b>OTHER DISBURSEMENTS</b>                    |                         |                     |                  |                              |                                |                     |
| Note Principal                                | 19,854.30               |                     | 12,397.59        | 6,008.07                     | 38,259.96                      | 36,721.61           |
| Bank Loans repaid                             |                         |                     |                  | 0.00                         | 0.00                           | 0.00                |
| Capital Outlays                               | 50,772.13               |                     |                  | 27,806.74                    | 78,578.87                      | 78,667.78           |
| Transfers                                     |                         |                     |                  | 48,693.55                    | 48,693.55                      | 64,253.14           |
| Short Term Investments                        |                         |                     |                  |                              |                                |                     |
| <b>TOTAL OTHER DISBURSEMENTS</b>              | <b>70,626.43</b>        | <b>0.00</b>         | <b>12,397.59</b> | <b>82,508.36</b>             | <b>165,532.38</b>              | <b>179,642.53</b>   |
| <b>TOTAL CASH DISBURSEMENTS</b>               | <b>580,146.98</b>       | <b>0.00</b>         | <b>28,300.41</b> | <b>363,312.19</b>            | <b>971,759.58</b>              | <b>977,911.80</b>   |
| Cash Balance, SEPT 30, 2019                   | 147,149.41              | 0.00                | 24,118.80        | 84,384.11                    | 255,652.32                     | 195,911.36          |
| <b>TOTAL AMOUNT ACCOUNTED FOR</b>             | <b>727,296.39</b>       | <b>0.00</b>         | <b>52,419.21</b> | <b>447,696.30</b>            | <b>1,227,411.90</b>            | <b>1,173,823.16</b> |

SEE ACCOMPANYING ACCOUNTANT'S COMPILATION REPORT



**TOWN OF VARDAMAN, MISSISSIPPI**  
**SCHEDULE OF RECONCILIATION OF TAX ASSESSMENTS**  
**TO FUND COLLECTIONS**  
**SEPTEMBER 30, 2019**

Tax assessments were found to be mathematically correct and in agreement with collections as follows:

| Assessed Valuation & Millage:           | ASSESSMENT |             | AMT TAX           |
|---|------------|-------------|-------------------|
| Realty                                  | 3,242,397  |             |                   |
| Personal - Other than Auto              | 447,015    |             |                   |
| Public Utilities                        | 96,750     |             |                   |
| Personal - Auto (From County)           | 832,872    |             |                   |
| Total Municipal @37 Mills               | 4,619,034  | 171,003.25  |                   |
| Less Homestead Exemption Allowed        |            | (21,384.09) |                   |
| <b>Total Tax Due</b>                    |            |             | <b>149,619.16</b> |
| Collections Adjustments:                |            |             |                   |
| <b>Add:</b> Homestead Reimbursement     |            | 17658.51    |                   |
| Prior Year Tax Collections              |            | 0.00        |                   |
| Penalties & Interest                    |            | 3449.08     |                   |
| In Lieu Taxes - TVA                     |            | 13665.81    |                   |
|   |            | 34773.40    |                   |
| <b>Less:</b> Tax Collector's Commission |            | (1544.70)   | <b>33,228.70</b>  |
| <b>TOTAL TO BE ACCOUNTED FOR</b>        |            |             | <b>182,847.86</b> |

|                           | Taxes<br>Pen & Interest | Homestead<br>Reimb. | TOTAL      |
|---------------------------|-------------------------|---------------------|------------|
| <b>Credits:</b>           |                         |                     |            |
| Collections Allocated to: |                         |                     |            |
| General Fund              | 124,237.07              | 12,885.94           | 137,123.01 |
| Fire Protection Fund      | 4,095.21                | 477.25              | 4,572.46   |
| Library Fund              | 16,380.94               | 1,909.03            | 18,289.97  |
| Bond & Interest Fund      | 12,285.68               | 1,431.77            | 13,717.45  |
| Park & Cemetery Fund      | 8,190.45                | 954.52              | 9,144.97   |
| Totals                    | 165,189.35              | 17,658.51           | 182,847.86 |

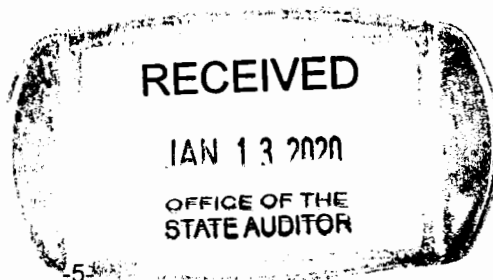
Balance Represented By:  
 Unpaid Realty Taxes  
 Unpaid Personal Taxes  
 Unaccounted for Difference

0.00  
 0.00  
 0.00

**TOTAL ACCOUNTED FOR**

**182,847.86**

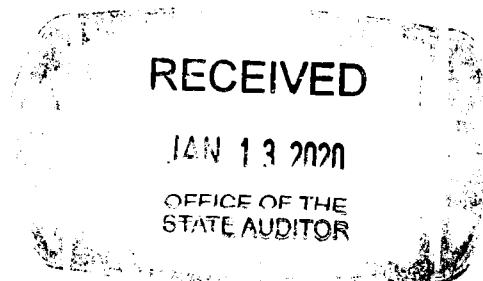
See Accompanying Accountants Compilation Report



**TOWN OF VARDAMAN, MISSISSIPPI  
SCHEDULE OF LONG-TERM DEBT  
YEAR ENDED SEPTEMBER 30, 2019**

| DEFINITION & PURPOSE  | BALANCE<br>OCT 1, 2018 | TRANSACTIONS DURING YEAR |           | BALANCE<br>SEP 30, 2019 |
|---|------------------------|--------------------------|-----------|-------------------------|
|   |                        | ISSUED                   | REDEEMED  |                         |
| GENERAL OBLIGATION BONDS  |                        |                          |           |                         |
| General Issues  | 0.00                   | 0.00                     | 0.00      | 0.00                    |
| School Bonds  | 0.00                   | 0.00                     | 0.00      | 0.00                    |
| Revenue Bonds   |                        |                          |           |                         |
| 4/19/77 G.O. Revenue Bonds,<br>5% Callable & Noncallable<br>Original Issue   \$123,000.00 | 0.00                   | 0.00                     | 0.00      | 0.00                    |
| TOTAL BONDS   | 0.00                   | 0.00                     | 0.00      | 0.00                    |
| OFFICIAL LONG TERM DEBT   |                        |                          |           |                         |
| 4/07/2006 USDA Rural<br>Dev. Waterline Construction<br>Original Issue   \$343,000.00      | 277,198.67             | 0.00                     | 4,155.72  | 273,042.95              |
| 2/04/2009 State of Mississippi<br>Capital Improvement Loan                                | 3,324.61               | 0.00                     | 3,324.61  | 0.00                    |
| 4/19/2007 State of Mississippi<br>Capital Improvement Loan                                | 14,706.63              | 0.00                     | 8,241.87  | 6,464.76                |
| 11/18/2016 Three Rivers Planning<br>Capital Improvement Loan                              | 19,373.32              | 0.00                     | 8,815.44  | 10,557.88               |
| TOTAL LONG TERM DEBT  | 314,603.23             | 0.00                     | 24,537.64 | 290,065.59              |
| TOTAL BONDS & LONG TERM DEBT  | 314,603.23             | 0.00                     | 24,537.64 | 290,065.59              |

See accompanying Notes to Financial Statements.





**TOWN OF VARDAMAN, MISSISSIPPI  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED SEPTEMBER 30, 2019**

**Note A: Summary of Significant Accounting Policies**

**General Information**

The town operated under the Mayor-Alderman form of government and provides services as authorized by law.

**Reporting Entity**

The financial statement of the town consists of 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 is prepared on a 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: Contingent Liability - Litigation**

No outstanding contingent liabilities as of 09/30/2019

See accompanying Notes to Financial Statements.

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**JAN 13 2020**

**OFFICE OF THE  
STATE AUDITOR**

# INMON TAX SERVICE

PO BOX 72

VARDAMAN, MS 38878

## SPECIAL REPORT ON AGREED- UPON PROCEDURES FOR SMALL MUNICIPALITIES

Honorable Mayor & Board of Aldermen  
Town of Vardaman  
Vardaman, Mississippi 38878

We have applied certain agreed-upon procedures, as discussed below, to the accounting records of the Town of Vardaman, Mississippi as of September 30, 2019, 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 that the report is solely for the use of the Governing Body of the Town of Vardaman, 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.

| Bank              | Fund                     | General Ledger Balance |
|-------------------|--------------------------|------------------------|
| Bancorpsouth Bank | General                  | 84,810.45              |
| Bancorpsouth Bank | Fire Protection          | 31,739.47              |
| Bancorpsouth Bank | Cemetery Revenue         | 11,771.90              |
| Bancorpsouth Bank | Police Department        | 4,757.97               |
| Bancorpsouth Bank | Library                  | 6,884.90               |
| Bancorpsouth Bank | Park Beautification Fund | 7,184.72               |
|                   | Total General Funds      | 147,149.41             |
| Bancorpsouth Bank | Utility Funds            | 84,384.11              |
| Bancorpsouth Bank | Capital Projects         | 0.00                   |
| Bancorpsouth Bank | Debt Service Fund        | 24,118.80              |
|                   | TOTALS - ALL FUNDS       | 255,652.32             |
|                   |                          | =====                  |

2. We physically examined securities held for investment. Securities held in trust were confirmed directly with respective trustees. All investment transactions during the year were examined for compliance with investments authorized by Section 21-33-323 of the Mississippi Code Ann. (1972).

| <u>Security</u> | <u>Fund</u> | <u>General Ledger Cost</u> |
|-----------------|-------------|----------------------------|
| BancorpSouth    | None        | 0.00                       |

3. We 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 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).

Ad valorem tax collections for the retirement of general obligation debt was found to be sufficient for payment of current principal and interest in accordance with limitations imposed by Sections 21-33-87 and 21-33-303, Miss. Code Ann. (1972).

4. We obtained a statement of payments made by the 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 without exception. Payments traced were as follows:

| <u>Payment Purpose</u>         | <u>Receiving Fund</u> | <u>General Ledger Amt</u> |
|--------------------------------|-----------------------|---------------------------|
| Sales Tax Allocation           | General Fund          | 133,321.20                |
| Fire Protection                | General Fund          | 7,767.20                  |
| Gasoline Tax                   | General Fund          | 3,948.00                  |
| Homestead Exempt. Reimb.       | General Fund          | 16,226.74                 |
| Homestead Exempt. Reimb.       | Debt Service Fund     | 1,431.77                  |
| General Municipal Aid          | General Fund          | 656.26                    |
| TVA Payments in Lieu of Taxes  | General Fund          | 13,655.81                 |
| Other Aid - State Grants/Sewer | General Fund          | 25,810.00                 |

5. We selected a sample of purchases made by the municipality during the fiscal year

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 JAN 13 2020  
 OFFICE OF THE  
 STATE AUDITOR

Each sample item was evaluated for proper approval and compliance with purchasing 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 | 36        |
| Dollar value of sample | 36,793.28 |

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


6. 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 court clerk had settled monthly with the Department of Finance and Administration.

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

7. We have read the Municipal Compliance Questionnaire completed by the municipality. The completed survey indicated no instances of noncompliance with state requirements.

Because the above procedures do not constitute an audit 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 paragraphs 1, 2, and 3 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 Vardaman, Mississippi, for the year ended September 30, 2019.

INMON TAX SERVICE

  
Robert L. Inmon

January 3, 2020