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WINDHAM & LACEY, PLLC
Certified Public Accountants

TOWN OF PRENTISS, MISSISSIPPI

**AUDITED FINANCIAL STATEMENTS
and
SPECIAL REPORTS**

SEPTEMBER 30, 2020

TOWN OF PRENTISS

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TOWN OF PRENTISS

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the Board of Aldermen
Town of Prentiss, Mississippi

Report on the Financial Statements

We have audited the accompanying financial statements of the Town of Prentiss, Mississippi, for the year ended September 30, 2020, and the related notes to the financial statements, which are the responsibility of management, as listed on the table of contents.

FINANCIAL SECTION

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and presentation of the financial statements in accordance with the rules of cash receipts and disbursements; this includes the design, implementation and maintenance of internal control systems to the preparation and fair presentation of financial statements. Management is also responsible for the design, implementation, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards of the American Institute of Certified Public Accountants, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making these assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements. The auditor designs audit procedures that are appropriate in the circumstances on the basis of the auditor's assessment of the effectiveness of the entity's internal control. Accordingly, the auditor's procedures include testing the design and operating effectiveness of accounting policies used with the reporting period, and assessing the controls made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the Board of Aldermen
Town of Prentiss, Mississippi

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Prentiss, Mississippi, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements on the basis of cash receipts and disbursements; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Prentiss, Mississippi, as of September 30, 2020, and the respective changes in cash basis financial position thereof for the year then ended in accordance with the basis of accounting described in Note 1.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedules be presented to supplement the basic financial statements. Such 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 statements in appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Omission of Required Supplementary Information

The Town of Prentiss, Mississippi, has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. 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 the financial reporting for placing the basic financial statements in appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Required Supplementary Information

The Schedule of Changes in Long-term Debt, the Schedule of Investments, the Schedule of Surety Bonds for Municipal Officials and Employees, and the Schedule of Capital Assets for the Town of Prentiss, Mississippi, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Requirements Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 7, 2021, on our consideration of the Town of Prentiss, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Prentiss, Mississippi's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Prentiss, Mississippi's internal control over financial reporting and compliance.

Emphasis of Matter

As discussed in Note 1, the Town of Prentiss, Mississippi prepares its financial statements on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

A handwritten signature in black ink, appearing to read "Windham and Lacey, PLLC".

Windham and Lacey, PLLC
May 7, 2021

TOWN OF PRENTISS
Statement of Activities and Net Position - Cash Basis
As of and for the Year Ended September 30, 2020

	Cash Disbursements	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position		
		Fees, Fines & Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs							
Governmental Activities:							
General government	\$ 349,179	3,747	2,198		(343,234)		(343,234)
Public safety	720,349	31,677	7,395	150,000	(531,277)		(531,277)
Public works	432,579	87,040		115,215	(230,324)		(230,324)
Culture and recreation	32,091				(32,091)		(32,091)
Interest on long-term debt	3,176				(3,176)		(3,176)
Total Governmental Activities	<u>1,537,374</u>	<u>122,464</u>	<u>9,593</u>	<u>265,215</u>	<u>(1,140,102)</u>	<u>0</u>	<u>(1,140,102)</u>
Business-type Activities:							
Water/Sewer	535,374	332,015	0			(203,359)	(203,359)
Total Business-type Activities	<u>535,374</u>	<u>332,015</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(203,359)</u>	<u>(203,359)</u>
Total Government	<u>\$ 2,072,748</u>	<u>454,479</u>	<u>9,593</u>	<u>265,215</u>	<u>(1,140,102)</u>	<u>(203,359)</u>	<u>(1,343,461)</u>
General Receipts							
Taxes:							
Property taxes					\$ 442,539		442,539
Road & bridge privilege taxes					41,896		41,896
Sales tax					368,036		368,036
Homestead exemption reimbursement					23,621		23,621
Franchise taxes					56,702		56,702
Modernization tax					27,136		27,136
Grants and contributions not restricted to specific programs					19,270	188,921	208,191
Unrestricted investment income					176	854	1,030
Miscellaneous					2,073		2,073
Total General Receipts					<u>981,449</u>	<u>189,775</u>	<u>1,171,224</u>
Change in Net Position					(158,653)	(13,584)	(172,237)
Net Position - Beginning					<u>247,522</u>	<u>169,062</u>	<u>416,584</u>
Net Position - Ending					<u>\$ 88,869</u>	<u>155,478</u>	<u>244,347</u>

(Continued)

TOWN OF PRENTISS
Statement of Activities and Net Position - Cash Basis
As of and for the Year Ended September 30, 2020

ASSETS

Cash and cash equivalents
 Restricted cash

\$ 143,593
 100,754

Total Assets

\$ 244,347

NET POSITION

Restricted:

Restricted for capital projects
 Restricted for court bonds and restitution
 Restricted for library
 Restricted for municipal fire
 Restricted for police seizures
 Restricted for debt service
 Restricted for water meter deposits
 Unrestricted

\$ 28,837
 6,164
 2,679
 6,847
 1,357
 54,870
 143,593

Total Net Position

\$ 244,347

The notes to the financial statements are an integral part of this statement.

TOWN OF PRENTISS
Statement of Cash Basis Assets and Fund Balances and
Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental and Business-type Funds
As of and for the Year Ended September 30, 2020

	Governmental Activities			Business-type Activities	
	Major Fund		Non-Major Funds	Water/Sewer Fund	Total
	General Fund	Infrastructure Phase I Funds			
RECEIPTS					
Ad valorem taxes	\$ 428,068		14,471		442,539
Road and bridge tax	41,896				41,896
License and permits	3,747				3,747
Franchise taxes on utilities	56,702				56,702
Grand Gulf payments in lieu of tax	14,070				14,070
Intergovernmental revenues:					
Federal revenues:					
Airport grant					
CDBG grant					
State shared revenues:			106,263	188,921	188,921
Sales taxes					
Homestead exemption reimbursement	368,036				368,036
Alcoholic beverage tax	23,621				23,621
General municipal aid	1,350				1,350
Gasoline tax	539				539
Other grant	3,311				3,311
Modernization tax		150,000			150,000
Local shared revenues:		27,136			27,136
Aid from county	2,198		8,952		11,150
Fire insurance rebate			7,395		7,395
Charges for services:					
Garbage	87,040				87,040
Water and sewer utility					
Fines and forfeits	31,177		500		31,677
Interest income	67	82	27		176
Miscellaneous revenue	2,073				2,073
Total Receipts	1,063,895	177,218	137,608	521,790	1,378,721

(Continued)

TOWN OF PRENTISS

**Statement of Cash Basis Assets and Fund Balances and
Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental and Business-type Funds
As of and for the Year Ended September 30, 2020**

	Governmental Activities				Business-type Activities	
	Major Fund			Total	Major Fund	
	General Fund	Infrastructure Phase I Funds	Non-Major Funds		Water/Sewer Fund	Total
DISBURSEMENTS						
General government	349,179			349,179		
Public safety	599,532		83,607	683,139		
Public works	162,526			162,526		
Culture and recreation	14,291		17,800	32,091		
Water and sewer utility:						
Personal services					206,445	206,445
Supplies					75,097	75,097
Utilities					52,601	52,601
Other services and charges					12,311	12,311
Total Disbursements	1,125,528	0	101,407	1,226,935	346,454	346,454
Excess of Receipts Over (Under) Disbursements	(61,633)	177,218	36,201	151,786	175,336	175,336
OTHER CASH SOURCES (USES)						
Capital outlay - equipment	(1,159)	(150,763)	(16,814)	(168,736)	(188,920)	(188,920)
Capital outlay - airport improvements			(118,131)	(118,131)		
Principal paid on bonds and notes	(20,396)			(20,396)		
Interest paid on bonds and notes	(3,176)			(3,176)		
Total Other Cash Sources and (Uses)	(24,731)	(150,763)	(134,945)	(310,439)	(188,920)	(188,920)
Excess (Deficiency) of Receipts and Other Cash Sources Over Disbursements and Other Cash Uses	(86,364)	26,455	(98,744)	(158,653)	(13,584)	(13,584)
CASH BASIS FUND BALANCE - Beginning of Year	134,638	0	112,884	247,522	169,062	169,062
CASH BASIS FUND BALANCE - End of Year	\$ 48,274	26,455	14,140	88,869	155,478	155,478

(Continued)

TOWN OF PRENTISS
Statement of Cash Basis Assets and Fund Balances and
Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental and Business-type Funds
As of and for the Year Ended September 30, 2020

	Governmental Activities			Business-type Activities	
	Major Fund			Major Fund	
	General Fund	Infrastructure Phase I Funds	Non-Major Funds	Water/Sewer Fund	Total
CASH BASIS ASSETS - End of Year					
Cash and cash equivalents	\$ 40,578	26,455	6,420	100,455	100,455
Restricted cash	7,696		13,265	54,870	54,870
Total Cash Basis Assets	\$ 48,274	26,455	19,685	155,325	155,325
CASH BASIS FUND BALANCES - End of Year					
Restricted:					
Restricted for capital projects		26,455	2,382		28,837
Restricted for court bonds and restitution	\$ 6,164				6,164
Restricted for library			2,679		2,679
Restricted for police seizures			6,847		6,847
Restricted for debt service			1,357		1,357
Restricted for meter deposits				54,870	54,870
Committed:					
Committed for town and county interlocal	1,532				1,532
Committed for streets			6,420		6,420
Unassigned	40,578		(5,545)	100,608	100,608
Total Cash Basis Fund Balances	\$ 48,274	26,455	14,140	155,478	155,478

The notes to the financial statements are an integral part of this statement.

TOWN OF PRENTISS

Notes to Financial Statements For the Year Ended September 30, 2020

(1) Summary of Significant Accounting Policies.

A. Financial Reporting Entity.

The Town of Prentiss, Mississippi, (the Town) was incorporated March 3, 1903. The Town operates under an alderman/mayor form of government and provides all of the rights and privileges provided by statute for municipalities.

The financial statements of the Town have been prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

B. Government-wide and Fund Financial Statements.

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Changes in Net Position) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Town combines the Statement of Activities and Statement of Net Position.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct disbursements* are those that are clearly identifiable with a specific function or segment. *Program receipts* include (1) receipts from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program receipts are reported instead as *general receipts*.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation.

The government-wide financial statements are reported using the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when collected and expenditures are recorded when cash is spent.

Governmental fund financial statements are reported using the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recognized as soon as they are collected. Expenditures generally are recorded when cash is spent.

The Town reports the following major Governmental Funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *infrastructure phase I* fund accounts for the capital projects of street improvements.

The Town reports the following major proprietary fund:

The *water and sewer fund* accounts for the activities of the water and sewer system.

TOWN OF PRENTISS

Notes to Financial Statements For the Year Ended September 30, 2020

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program receipts* include (1) receipts from customers or applicants for goods, services or privileges provided, (2) operating grants and contributions and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general receipts* rather than as program receipts.

D. Assets and Net Position or Fund Balance.

1. *Cash and Investments.*

The government's cash and cash equivalents are considered to be cash on hand or invested in certificates of deposit.

2. *Net Position.*

Restricted net position - Consists of cash with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or law through constitutional provisions or enabling legislation.

Unrestricted net position - All other net position not meeting the definition of "restricted".

3. *Fund Balances.*

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the Town classifies governmental fund balances as follows:

Restricted - Includes fund balance amounts that are constrained for specific purposes which are internally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority and does not lapse at year-end.

Unassigned - Includes positive fund balance with the General Fund which has not been classified within the abovementioned categories and negative fund balances in other governmental funds.

The Town uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the Town would first use committed, then assigned, and lastly, unassigned amounts of unrestricted fund balance when expenditures are made.

TOWN OF PRENTISS

Notes to Financial Statements For the Year Ended September 30, 2020

(2) Cash and Cash Equivalents.

At year-end, the Town's carrying amount of deposits was \$224,347 and the bank balance was \$224,030. The collateral for public entities' deposits in financial institutions are held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Depository Insurance Corporation.

Custodial Credit Risk - Deposits and Investments: Custodial credit risk is defined as the risk that, in the event of a failure of a financial institution, the Town will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Town does not have a formal policy for custodial credit risk. However, the Mississippi State Treasury manages the risk on behalf of the Town. Deposits above FDIC coverage are collateralized by the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on the behalf of the Town. As of September 30, 2020, none of the Town's bank balance of \$224,030 was exposed to custodial risk.

Interest Rate Risk: The Town does not have a formal investment policy that limits investments maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk: State law limits investments to those prescribed in Sections 27-105-33(d) and 27-105-33(e), Miss. Code Ann. (1972). The Town does not have a formal investment policy that would further limit its investment choices or one that addresses credit risk.

(3) Defined Benefit Pension Plan.

Plan Description: The Town of Prentiss contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to Public Employees' Retirement System, PERS Building, at 429 Mississippi Street, Jackson, MS 39201-1005 or by calling (601) 359-3589 or 1-800-444-PERS.

Funding Policy: PERS members are required to contribute 9.00% of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The current rate is 17.40% of annual covered payroll. The contribution requirements of PERS' members are established and may be amended only by the State of Mississippi Legislature. The Town's contributions to PERS for the years ended September 30, 2020, 2019 and 2018 were \$93,664, \$89,132 and \$90,072, respectively, which is equal to the required contributions for each year.

(4) Subsequent Events.

Events that occur after the Statement of Net Cash Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Cash Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management of the City evaluated the activity of the City through May 7, 2021, and determined that no subsequent event has occurred requiring disclosure in the notes to the financial statements.

TOWN OF PRENTISS

TOWN OF PRENTISS
Budgetary Comparison Schedule -
Budget and Actual
General Fund - UNAUDITED
For the Year Ended September 30, 2019

		Original Budget	Final Budget	Actual	Variance
					(Favorable/Unfavorable)
REVENUE					
General property taxes	15	\$4,000,000	\$4,000,000	\$4,000,000	\$0
Road and bridge tax	15	\$1,000,000	\$1,000,000	\$1,000,000	\$0
Licenses and permits	15	\$1,000,000	\$1,000,000	\$1,000,000	\$0
Franchise taxes on utilities	15	\$1,000,000	\$1,000,000	\$1,000,000	\$0
Grand Gulf payments in lieu of tax	15	\$1,000,000	\$1,000,000	\$1,000,000	\$0
General municipal and	15	\$1,000,000	\$1,000,000	\$1,000,000	\$0
Sales taxes	15	\$1,000,000	\$1,000,000	\$1,000,000	\$0
Work-related activities	15	\$1,000,000	\$1,000,000	\$1,000,000	\$0
Gaming tax	15	\$1,000,000	\$1,000,000	\$1,000,000	\$0
Alcoholic beverage tax	15	\$1,000,000	\$1,000,000	\$1,000,000	\$0
Aid from county	15	\$1,000,000	\$1,000,000	\$1,000,000	\$0
Garbage	15	\$1,000,000	\$1,000,000	\$1,000,000	\$0
Fines and forfeits	15	\$1,000,000	\$1,000,000	\$1,000,000	\$0
Interest income	15	\$1,000,000	\$1,000,000	\$1,000,000	\$0
Miscellaneous revenue	15	\$1,000,000	\$1,000,000	\$1,000,000	\$0
Total Revenue		\$10,000,000	\$10,000,000	\$10,000,000	\$0

REQUIRED SUPPLEMENTARY INFORMATION

EXPENDITURES					
General government	15	\$1,000,000	\$1,000,000	\$1,000,000	\$0
Public safety	15	\$1,000,000	\$1,000,000	\$1,000,000	\$0
Public works	15	\$1,000,000	\$1,000,000	\$1,000,000	\$0
Culture and recreation	15	\$1,000,000	\$1,000,000	\$1,000,000	\$0
Economic development	15	\$1,000,000	\$1,000,000	\$1,000,000	\$0
Total Expenditures		\$5,000,000	\$5,000,000	\$5,000,000	\$0
Excess of Revenue					
Over (Under) Expenditures		\$5,000,000	\$5,000,000	\$5,000,000	\$0

OTHER CASH SOURCES (USES)

Capital outlay	15	\$1,000,000	\$1,000,000	\$1,000,000	\$0
Loan payments principal	15	\$1,000,000	\$1,000,000	\$1,000,000	\$0
Interest expense	15	\$1,000,000	\$1,000,000	\$1,000,000	\$0
Total Other Cash Sources and Uses		\$3,000,000	\$3,000,000	\$3,000,000	\$0
Net Change in Cash and Cash Equivalents		\$3,000,000	\$3,000,000	\$3,000,000	\$0
Cash and Cash Equivalents - Beginning		\$1,000,000	\$1,000,000	\$1,000,000	\$0
Cash and Cash Equivalents - Ending		\$4,000,000	\$4,000,000	\$4,000,000	\$0

The accompanying notes to the financial statements are an integral part of these financial statements.

TOWN OF PRENTISS
Budgetary Comparison Schedule -
Budget and Actual
General Fund - UNAUDITED
For the Year Ended September 30, 2020

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUE				
General property taxes	\$ 360,000	360,000	428,068	68,068
Road and bridge tax	60,000	60,000	41,896	(18,104)
License and permits	3,250	3,250	3,747	497
Franchise taxes on utilities	50,000	50,000	56,702	6,702
Grand Gulf payments in lieu of tax	14,000	14,000	14,070	70
General municipal aid	3,000	3,000	539	(2,461)
Sales taxes	390,000	390,000	368,036	(21,964)
Homestead exemption			23,621	23,621
Gasoline tax	1,500	1,500	3,311	1,811
Alcoholic beverage tax	1,800	1,800	1,350	(450)
Aid from county	13,500	13,500	2,198	(11,302)
Garbage	90,000	90,000	87,040	(2,960)
Fines and forfeits	30,000	30,000	31,177	1,177
Interest income	500	500	67	(433)
Miscellaneous revenue	11,300	11,300	2,073	(9,227)
Total Revenue	<u>1,028,850</u>	<u>1,028,850</u>	<u>1,063,895</u>	<u>35,045</u>
EXPENDITURES				
General government	245,200	245,200	349,179	(103,979)
Public safety	649,050	649,050	599,532	49,518
Public works	144,200	144,200	162,526	(18,326)
Culture and recreation	16,700	16,700	14,291	2,409
Economic development	8,500	8,500		8,500
Total Expenditures	<u>1,063,650</u>	<u>1,063,650</u>	<u>1,125,528</u>	<u>(61,878)</u>
Excess of Revenue Over (Under) Expenditures	<u>(34,800)</u>	<u>(34,800)</u>	<u>(61,633)</u>	<u>(26,833)</u>
OTHER CASH SOURCES (USES)				
Capital outlay			(1,159)	(1,159)
Loan payment principal			(20,396)	(20,396)
Interest expense			(3,176)	(3,176)
Total Other Cash Sources and Uses	<u>0</u>	<u>0</u>	<u>(24,731)</u>	<u>(24,731)</u>
Net Change in Cash Basis Fund Balance	<u>(34,800)</u>	<u>(34,800)</u>	<u>(86,364)</u>	<u>(51,564)</u>
Cash Basis Fund Balances - Beginning	<u>(56,750)</u>	<u>(56,750)</u>	<u>134,638</u>	<u>0</u>
Cash Basis Fund Balances - Ending	<u>\$ (91,550)</u>	<u>(91,550)</u>	<u>48,274</u>	<u>(51,564)</u>

The accompanying notes to the required supplementary information are an integral part of this schedule.

TOWN OF PRENTISS

**Notes to the Required Supplementary Information
For the Year Ended September 30, 2020
UNAUDITED**

A. Budgetary Information.

Generally, in the month of August, prior to the ensuing fiscal year beginning each October 1, the Board of Aldermen of the Town, using historical and anticipated fiscal data, prepares an original budget for the General Fund for said fiscal year. The completed budget for the fiscal year includes every source of revenue, each general item of expenditure, and the unencumbered cash and investment balances. When during the fiscal year it appears to the Board of Aldermen that budgetary estimates will not be met, it may make revisions to the budget.

The Town's budget is prepared on the cash basis of accounting. All appropriations lapse at year-end, and there are no encumbrances to budget because state law does not require that funds be available when goods or services are ordered, only when payment is made.

B. Basis of Presentation.

The Budgetary Comparison Schedule - Budget and Actual (Non-GAAP Basis) presents the original adopted budget, the final adopted budget, actual amounts on a budgetary (Non-GAAP) basis and variances between the final budget and the actual amounts. The schedule is presented for the General Fund.

C. Budget Reconciliation.

As discussed in Note 1, the financial statements are prepared on the basis of cash receipts and disbursements which is the same as the basis used for budget preparation.

TOWN OF PRENTISS

TOWN OF PRENTISS

Schedule of Changes to Long-term Debt - TOWN OF PRENTISS

For the Year Ending September 30, 2020

Definition and Purpose	Balance Outstanding 9/30/19	Transactions During Fiscal Year		Balance Outstanding 9/30/20
		Issued	Retired	
CRBG loan - Prentiss Charge	\$1,000,000			\$1,000,000
Regional promissory note	25,000	8,000		33,000
Payroll - CAP loan	151,000	17,000		168,000
Total	\$1,276,000	\$25,000		\$1,301,000

OTHER REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF PRENTISS
Schedule of Changes in Long-term Debt - UNAUDITED
For the Year Ended September 30, 2020

<u>Definition and Purpose</u>	<u>Balance Outstanding Oct. 1, 2019</u>	<u>Transactions During Fiscal Year</u>		<u>Balance Outstanding Sept. 30, 2020</u>
		<u>Issued</u>	<u>Redeemed</u>	
CDBG loan - Prentiss Complex	\$ 457,000			457,000
Regions promissory note	26,653		8,299	18,354
Fire truck - CAP loan	123,896		12,097	111,799
Total	<u>\$ 607,549</u>	<u>0</u>	<u>20,396</u>	<u>587,153</u>

TOWN OF PRENTISS

Schedule of Investments - All Funds - UNAUDITED

September 30, 2020

			<u>Balance</u>
Water and Sewer Fund:			
.05% Certificate of Deposit, dated September 20, 2020, due 90 days after date (Allocated*)		\$	100,455
Total Water and Sewer Fund investments			<u>100,455</u>
Total All Funds		\$	<u>100,455</u>

William Davis	Mayor	Old Republic Bank	\$	25,000
Rudy McNease	At-Large	Old Republic Bank	\$	25,000
Charles A. Duncan	Mayor	Old Republic Bank	\$	25,000
Dana Jones	Principal Clerk	Old Republic Bank	\$	25,000
Justin B. Griffith	Office Clerk/Property Manager	Old Republic Bank	\$	25,000
Kathy A. Johnson	Deputy Municipal Clerk	Old Republic Bank	\$	25,000
Thomas Hill	Municipal Court Clerk	Old Republic Bank	\$	25,000
Joseph W. Bullock	Police Chief	Old Republic Bank	\$	25,000
Charles L. Lupton	Police Officer	Old Republic Bank	\$	25,000
Chad Edwards	Police Officer	Old Republic Bank	\$	25,000
Richard Edwards	Police Officer	Old Republic Bank	\$	25,000
Clark Pratt	Fire Dispatcher	Old Republic Bank	\$	25,000
Robert Wayne Shaw	Fire Dispatcher	Old Republic Bank	\$	25,000
Joseph Stephens	Fire Dispatcher	Old Republic Bank	\$	25,000

TOWN OF PRENTISS**Schedule of Surety Bonds for Municipal Officials and Employees - UNAUDITED****September 30, 2020**

<u>Name</u>	<u>Position</u>	<u>Surety Company</u>	<u>Coverage</u>
Levi McRaney	Alderman	Old Republic Surety Company	\$ 25,000
Hal Speights	Alderman	Old Republic Surety Company	\$ 25,000
Willard Davis	Alderman	Old Republic Surety Company	\$ 25,000
Randy Stamps	Alderman	Old Republic Surety Company	\$ 25,000
Rudy McNease	Alderman	Old Republic Surety Company	\$ 25,000
Charles A. Dumas	Mayor	Old Republic Surety Company	\$ 25,000
Dana Jones	Municipal Clerk	Western Surety Company	\$ 50,000
Juanita B. Griffith	Office Clerk/Deputy Municipal Clerk	Western Surety Company	\$ 50,000
Kathy A. Johnson	Deputy Municipal Court Clerk	Western Surety Company	\$ 50,000
Theresa Hall	Municipal Court Clerk	Western Surety Company	\$ 50,000
Joseph W. Bullock	Police Chief	Western Surety Company	\$ 50,000
Casandra Lumpkin	Police Officer	Western Surety Company	\$ 50,000
Chad Breazeale	Police Officer	Western Surety Company	\$ 50,000
Richard Browning	Police Officer	Western Surety Company	\$ 50,000
Chuck Pruitt	Fire Dispatcher	Western Surety Company	\$ 50,000
Robert Wayne Bass	Fire Dispatcher - Chief	Western Surety Company	\$ 50,000
Joseph Stephens	Fire Dispatcher	Western Surety Company	\$ 50,000

TOWN OF PRENTISS
Schedule of Capital Assets - UNAUDITED
For the Year Ended September 30, 2020

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Ending Balance</u>
Governmental Activities:			
Capital Assets:			
Land	\$ 63,000		63,000
Construction in progress	223,680	268,894	492,574
Buildings	1,470,157		1,470,157
Improvements other than buildings	208,098		208,098
Machinery, equipment, and vehicles	919,158	17,973	937,131
Total Governmental Activities Capital Assets	<u>\$ 2,884,093</u>	<u>286,867</u>	<u>3,170,960</u>
Business-type Activities:			
Capital Assets:			
Land	\$ 17,000		17,000
Construction in progress	0	188,920	188,920
Buildings	179,805		179,805
Machinery, equipment, and vehicles	218,372		218,372
Water tanks, treatment plants, and lines	4,989,026		4,989,026
Total Business-type Activities Capital Assets	<u>\$ 5,404,203</u>	<u>188,920</u>	<u>5,593,123</u>

* Finished projects transferred

TOWN OF PRENTISS

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2020-2021
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS REQUIRED BY AN AUDITOR OF THE
BASIC FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH SINGLE AUDITING STANDARDS

Honorable Mayor and
Members of the Board of Aldermen
Town of Prentiss, Mississippi

We have audited, in accordance with auditing standards generally accepted in the United States of America, the internal control over financial reporting and the aggregate financial statements of the Town of Prentiss, Mississippi, for the year ended September 30, 2020, and the related notes to the financial statements, and we have issued our report thereon dated May 12, 2021.

SPECIAL REPORTS

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Prentiss, Mississippi's internal control over financial reporting (internal control) to determine the nature, timing, and extent of our procedures in the circumstances for the purpose of expressing our opinions on the financial statements, and we have issued our opinion on the effectiveness of the Town's internal control. As required by the standards, we have also expressed an opinion on the effectiveness of the Town's internal control.

A deficiency in internal control exists when the design or implementation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section, and was not designed to identify all deficiencies in internal control that might be considered weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, a material weakness may exist that we were unable to identify.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor and
Members of the Board of Aldermen
Town of Prentiss, Mississippi

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Prentiss, Mississippi, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated May 7, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Prentiss, Mississippi's internal control over financial reporting (internal control) to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

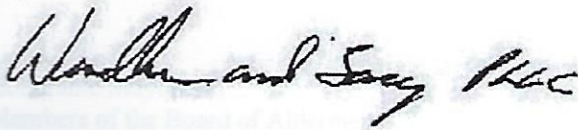
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Prentiss, Mississippi's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.



Windham and Lacey, PLLC
May 7, 2021

Windham and Lacey, PLLC

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

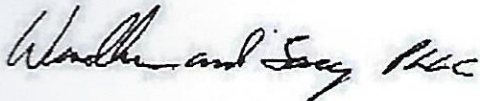
Honorable Mayor and
Members of the Board of Aldermen
Town of Prentiss, Mississippi

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Prentiss, Mississippi, as of and for the year ended September 30, 2020, and have issued our report thereon dated May 7, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the procedures prescribed by the Office of the State Auditor, and accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

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. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Town's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures and our audit of the basic financial statements disclosed no instances of noncompliance with state laws and regulations.

This report is intended solely for the information and use of 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.



Windham and Lacey, PLLC
May 7, 2021

TOWN OF PRENTISS

Schedule of Findings and Responses
For the Year Ended on December 31, 2022

Section 1: Summary of Auditor's Reports

Financial Statements

1. Type of audit: a report issued under paragraph 200 of the standards of the Institute of Chartered Accountants of Ontario (ICAO) - *Unaudited*
2. Internal control over financial reporting:
 - a. Management's assessment: *Not applicable*
 - b. Significance: *Not applicable* as there is no assessment to be made of the work of management.
3. Management's assessment for the purpose of the audit: *Not applicable*

Section 2: Financial Statement Findings

The results of our audit did not identify any findings that we consider to be material to the financial statements reported by Government Accounting Standards.

SCHEDULE OF FINDINGS AND RESPONSES

TOWN OF PRENTISS

Schedule of Findings and Responses For the Year Ended September 30, 2020

Section 1: Summary of Auditor's Results

Financial Statements:

- | | | |
|----|--|---------------|
| 1. | Type of auditor's report issued on the primary government financial statements: | Unmodified |
| 2. | Internal control over financial reporting: | |
| a. | Material weaknesses identified? | No |
| b. | Significant deficiencies identified that are not considered to be material weaknesses? | None Reported |
| 3. | Noncompliance material to the financial statements? | No |

Section 2: Financial Statement Findings

The results of our tests did not disclose any findings related to the financial statements that are required to be reported by *Government Auditing Standards*.