

## OFFICE OF THE STATE AUDITOR REPORT NOTE:

*Section 7-7-211, Mississippi Code Annotated (1972)* gives the Office of the State Auditor the authority to audit, with the exception of municipalities, any governmental entity in the state. In the case of municipalities, *Section 21-35-31, Mississippi Code Annotated (1972)* requires municipalities to obtain an annual audit performed by a private CPA firm and submit that audit report to the Office of the State Auditor. The Office of the State Auditor files these audit reports for review in case questions arise related to the municipality.

As a result, the following document was not prepared by the Office of the State Auditor. Instead, it was prepared by a private CPA firm and submitted to the Office of the State Auditor. The document was placed on this web page as it was submitted and no review of the report was performed by the Office of the State Auditor prior to finalization of the report. The Office of the State Auditor assumes no responsibility for its content or for any errors located in the document. Any questions of accuracy or authenticity concerning this document should be submitted to the CPA firm that prepared the document. The name and address of the CPA firm appears in the document.

**TOWN OF RENOVA, MISSISSIPPI**

**Special Report on Agreed-Upon Procedures  
For Small Municipalities**

**and**

**Statement of Cash Receipts and Disbursements  
Governmental and Business-Type Activities  
and Supplementary Information**

**For the Fiscal Year Ended September 30, 2020**

**TOWN OF RENOVA, MISSISSIPPI**  
**Financial Statements**  
**For the Fiscal Year Ended September 30, 2020**

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**TABLE OF CONTENTS**

	<u>Page(s)</u>
Special Report on Agreed Upon Procedures for Small Municipalities	1 - 3
Independent Accountants' Report on the Statement of Cash Receipts and Disbursements -- Governmental and Business-type Activities	4
Statement of Cash Receipts and Disbursements -- Governmental and Business-type Activities	5 - 6
Selected Notes to the Financial Statements	7
<b>Supplementary Information</b>	
Schedule of Investments - All Funds	8
Schedule of Capital Assets	9
Schedule of Long-term Debt	10
Schedule of Surety Bonds for Municipal Officials	11

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## Special Report on Agreed-Upon Procedures for Small Municipalities

Governing Body  
Town of Renova, Mississippi

We have applied certain agreed-upon procedures, as discussed below, to the accounting records of the Town of Renova, Mississippi, as of September 30, 2020, 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 Renova, Mississippi, and the Office of the State Auditor and should not be used for any other purposes.

The Town of Renova has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting the user to determine the Town's compliance with certain specified laws and regulations. This report may not be suitable for any other purpose. The procedures performed may not address all of the items of interest to a user of this report and may not meet the needs of all users of this report, and as such are responsible for determining whether the procedures performed are appropriate for their 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>
Cleveland State Bank	General	\$ 252,328.49
Cleveland State Bank	Special Revenue	7,847.04
Cleveland State Bank	Proprietary Fund	181,559.78

2. We physically examined securities held for investment. All investment transactions during the year were examined for compliance with investments authorized by Section 21-33-323, MS Code Ann. (1972).

<u>Security</u>	<u>Fund</u>	<u>Ledger Cost</u>
CD-Cleveland State Bank	Proprietary Fund	\$ 38,379.59

3. We performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:
  - a. Trace 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 completion with increase limitations of Sections 27-93-320 to 27-29-323 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 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>Ledger Amount</u>
Fire Protection	General	\$ 4,029.93
Municipal Aid	General	333.12
Gasoline Tax	General	1,920.50
Homestead Exemption	General	8,528.03
Nuclear Plant	General	3,030.24
Sales Tax	General	56,940.14
Other Aid	General	24,481.15
Dept of Health	General	2,125.00
		<u>\$ 101,388.11</u>

5. 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	29
Total Dollar Value of Sample	\$165,386.27

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

6. We have read the Municipal Compliance Questionnaire completed by the municipality. The following responses to the questionnaire indicate noncompliance with state requirements. The completed survey indicated no instances of noncompliance with state requirements.

We were engaged by the Town of Renova to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We were not engaged and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively on the applicable subject matter. Accordingly, we do not express such an opinion.

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 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 statement of the Town of Renova, Mississippi, for the year ended September 30, 2020.

We are required to be independent of the Town of Renova and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

*Edmondson, Burchfield, Hardy & Associates, PA*  
Cleveland, Mississippi

January 16, 2022

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**Independent Accountants' Compilation Report on the Statement of Cash Receipts and Disbursements  
Governmental and Business-Type Activities**

Governing Board  
Town of Renova, Mississippi

Management is responsible for the accompanying Statement of Cash Receipts and Disbursements of the Town of Renova, Mississippi, for the year ended September 30, 2020. 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 financial statements 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 these financial statements.

The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the government's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

*Supplementary Information*

The accompanying supplementary information presented on pages 8 to 11 is presented for purposes of additional analysis and is not a required part of the financial statements. The information is the representation of management. The information was subject to our compilation engagement, but we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on such information.

*Edmondson, Burchfield, Hardy & Associates, PA*  
Cleveland, Mississippi

January 16, 2022

**Town of Renova, Mississippi**  
**Statement of Cash Receipts and Disbursements**  
**Governmental and Business-Type Activities**  
**For the fiscal year ended September 30, 2020**

	Governmental Activities			Business-Type Activities Proprietary Fund	Total All Activities Fiscal Year 2020
	Major Fund	Special	Total		
	General Fund	Revenue Fund	Governmental Funds		
<b>RECEIPTS</b>					
Taxes:					
General property taxes	\$ 131,866.03	\$ -	\$ 131,866.03	\$ -	\$ 131,866.03
Penalties and interest on delinquent taxes	3,159.77	-	3,159.77	-	3,159.77
Licenses and permits:					
Privilege licenses	746.58	-	746.58	-	746.58
Franchise charges-utilities	8,927.50	-	8,927.50	-	8,927.50
Permits	375.00	-	375.00	-	375.00
Intergovernmental revenues:					
General municipal aid	333.12	-	333.12	-	333.12
State shared revenue:					
Sales taxes	56,940.14	-	56,940.14	-	56,940.14
Gasoline tax	1,920.50	-	1,920.50	-	1,920.50
Fire insurance premium distribution	4,029.93	-	4,029.93	-	4,029.93
Nuclear plant	3,030.24	-	3,030.24	-	3,030.24
Homestead exemption reimbursement	8,528.03	-	8,528.03	-	8,528.03
Health fund	2,125.00	-	2,125.00	-	2,125.00
Other aid	24,481.15	-	24,481.15	-	24,481.15
Charges for services:					
Sanitation	-	-	-	29,398.85	29,398.85
Water utility	-	-	-	272,978.00	272,978.00
Other receipts:					
Interest	204.31	19.54	223.85	146.44	370.29
Miscellaneous receipts	2,225.00	-	2,225.00	3,787.51	6,012.51
Total receipts	<u>\$ 248,892.30</u>	<u>\$ 19.54</u>	<u>\$ 248,911.84</u>	<u>\$ 306,310.80</u>	<u>\$ 555,222.64</u>
<b>DISBURSEMENTS</b>					
General government					
Executive	18,158.75	-	18,158.75	-	18,158.75
Legislative	13,680.00	-	13,680.00	-	13,680.00
Financial	48,494.87	-	48,494.87	-	48,494.87
Public Works	34,133.88	-	34,133.88	-	34,133.88
Other	5,035.98	-	5,035.98	-	5,035.98
Public safety					
Fire	4,029.93	-	4,029.93	-	4,029.93
Culture and recreation	300.00	-	300.00	-	300.00
Charges for services:					
Sanitation	-	-	-	27,161.40	27,161.40
Water utility	-	-	-	206,637.47	206,637.47
Redemption of principal	7,775.21	-	7,775.21	-	7,775.21
Debt service interest	3,645.79	-	3,645.79	-	3,645.79
Non-departmental	15,956.36	-	15,956.36	-	15,956.36
Total Disbursements	<u>151,210.77</u>	<u>-</u>	<u>151,210.77</u>	<u>233,798.87</u>	<u>385,009.64</u>
<b>Excess (Deficiency) of receipts over disbursements</b>	<u>97,681.53</u>	<u>19.54</u>	<u>97,701.07</u>	<u>72,511.93</u>	<u>170,213.00</u>

See accountants' compilation report and selected notes to the financial statements.



Town of Renova, Mississippi  
Statement of Cash Receipts and Disbursements  
Governmental and Business-Type Activities  
For the year ended September 30, 2020

	Governmental Activities			Business-Type Activities Proprietary Fund	Total All Activities Fiscal Year 2020
	Major Fund	Special	Total		
	General Fund	Revenue Fund	Governmental Funds		
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In (out)	5,711.00	-	5,711.00	(5,711.00)	(5,711.00)
Total other financing sources (uses)	5,711.00	-	5,711.00	(5,711.00)	(5,711.00)
<b>Excess (Deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	103,392.53	19.54	103,412.07	66,800.93	164,502.00
<b>CASH BASIS FUND BALANCE-Beginning of Year</b>	152,105.22	7,828.34	159,933.56	152,881.04	312,814.60
<b>CASH BASIS FUND BALANCE-End of Year</b>	\$ 255,497.75	\$ 7,847.88	\$ 263,345.63	\$ 219,681.97	\$ 477,316.60

See accountants' compilation report and selected notes to the financial statements.

**Town of Renova, Mississippi**  
**Notes to the Financial Statements**  
**September 30, 2020**

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

**General Information**

The Town operates under the Code Charter 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.

**Town of Renova, Mississippi**  
**Schedule of Investments - All Funds**  
**September 30, 2020**

<u>Ownership</u>	<u>Type of Investment</u>	<u>Interest Rate</u>	<u>Acquisition Date</u>	<u>Maturity Date</u>	<u>Other Information</u>	<u>Investment Cost/Value</u>
Enterprise Fund	Certificate of Deposit	0.45%	5/28/2020	5/27/2021	-	\$ 38,379.59

Town of Renova, Mississippi  
Schedule of Capital Assets  
For the Fiscal Year Ended September 30, 2020

Governmental activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets:				
Land	\$ 44,000.00	\$ -	\$ -	\$ 44,000.00
Buildings	324,076.11	-	-	324,076.11
Machinery & equipment	153,157.89	-	-	153,157.89
<b>Total governmental activities capital assets</b>	<b>\$ 521,234.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 521,234.00</b>
Business-type activities:				
Capital assets:				
Land	\$ -	\$ -	\$ -	\$ -
Buildings	-	-	-	-
Machinery & equipment	2,431,114.59	-	-	2,431,114.59
<b>Total business-type activites capital assets</b>	<b>\$ 2,431,114.59</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,431,114.59</b>

**Town of Renova, Mississippi**  
**Schedule of Long-Term Debt**  
**For the Fiscal Year Ended September 30, 2020**

Definition and Purpose	Balance	Transactions during the Fiscal Year		Balance
	Outstanding October 1, 2019	Increases	Decreases	Outstanding September 30, 2020
<b>General Obligation Bonds:</b>				
Rural Development Bonds #97-04	\$ 94,696.38	\$ -	7,775.21	\$ 86,921.17
<b>Revenue Bonds:</b>	-	-	-	-
<b>Other Long-term Debt</b>	-	-	-	-
<b>Total</b>	<u>\$ 94,696.38</u>	<u>\$ -</u>	<u>\$ 7,775.21</u>	<u>\$ 86,921.17</u>

**Town of Renova, Mississippi**  
**Schedule of Surety Bonds for Municipal Officials**  
**September 30, 2020**

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<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Bond Amount</u>
Harvey L Green	Mayor	Ohio Casualty	\$ 50,000.00
Pamela Martin	Town Clerk	Ohio Casualty	\$ 50,000.00
Marcia Barnes	Secretary	Ohio Casualty	\$ 50,000.00
Ruby Towers	Substitute	Ohio Casualty	\$ 50,000.00
Desiree Phillips	Substitute	Ohio Casualty	\$ 50,000.00
Tony G Anderson	Alderman	Ohio Casualty	\$ 50,000.00
Jacinta Brown	Alderman	Ohio Casualty	\$ 50,000.00
Lenora Payne	Alderman	Ohio Casualty	\$ 50,000.00
Milton Hunt	Alderman	Ohio Casualty	\$ 50,000.00
Joseph White III	Alderman	Ohio Casualty	\$ 50,000.00