

## 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 SUMMIT, MISSISSIPPI**

**FINANCIAL STATEMENT AND  
SUPPLEMENTARY INFORMATION  
AND  
INDEPENDENT AUDITOR'S REPORT**

**SEPTEMBER 30, 2020**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Honorable Mayor and Board of Councilpersons  
Town of Summit  
Summit, Mississippi

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

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the cash basis of accounting described in Note 1, this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for 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 error or fraud.

### **Auditor's Responsibility**

Our responsibility is to express opinions on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, 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 statement 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 statement.

**Auditor's Responsibility - continued:**

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

**Opinions**

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the governmental activities, business-type activities, each major fund, and the remaining fund information of the Town of Summit, Mississippi for the year ended September 30, 2020, in accordance with the basis of accounting as described in Note 1.

**Basis of Accounting**

We draw attention to Note 1 of the financial statement, which describes the basis of accounting. This financial statement is 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. Our opinions are not modified with respect to that matter.

**Other Matters***Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statement of the Town of Summit, Mississippi. The schedules included in the supplementary information section, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the financial statement. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statement and, accordingly, we do not express an opinion or provide any assurance on them.

*Haddox Reid Eubank Betts PLLC*

Jackson, Mississippi  
February 25, 2022

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**TOWN OF SUMMIT, MISSISSIPPI**

**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

<b>GOVERNMENTAL ACTIVITIES</b>			
	<b>General</b>	<b>Other</b>	
	<b>Fund</b>	<b>Nonmajor</b>	<b>Total</b>
		<b>Funds</b>	
<b>RECEIPTS:</b>			
Taxes - Ad valorem	\$ 373,678	41,305	414,983
Penalties and interest on delinquent taxes	6,292	-	6,292
Franchise fees	50,807	-	50,807
Licenses and permits	12,680	-	12,680
Intergovernmental receipts:			
Sales tax	528,595	-	528,595
Capital grants	16,379	10,286	26,665
Operating grants	2,621	-	2,621
Other intergovernmental receipts	143,204	10,339	153,543
Charges for services:			
Sanitation	136,098	-	136,098
Public works	-	37,239	37,239
Water and sewer	-	-	-
Capital improvement fees	-	-	-
Fines and forfeits	8,306	-	8,306
Interest	1,713	520	2,233
Other	598	-	598
Total receipts	<u>1,280,971</u>	<u>99,689</u>	<u>1,380,660</u>
<b>DISBURSEMENTS:</b>			
General government	280,007	-	280,007
Public safety	488,833	-	488,833
Court	38,027	-	38,027
Sanitation	127,567	-	127,567
Public works	200,946	24,682	225,628
Enterprise:			
Water and sewer	-	-	-

The accompanying notes are an integral part of this statement.

<b>BUSINESS-TYPE ACTIVITIES</b>	
<b>Water &amp; Sewer Fund</b>	<b>Total</b>
-	-
-	-
-	-
-	-
421,188	421,188
-	-
-	-
-	-
630,173	630,173
83,778	83,778
-	-
3,453	3,453
2,790	2,790
<u>1,141,382</u>	<u>1,141,382</u>
-	-
-	-
-	-
-	-
-	-
1,208,771	1,208,771



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**TOWN OF SUMMIT, MISSISSIPPI**

**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES - CONTINUED:  
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	<b>GOVERNMENTAL ACTIVITIES</b>		
	<b>General Fund</b>	<b>Other Nonmajor Funds</b>	<b>Total</b>
<b>DISBURSEMENTS - CONTINUED:</b>			
Debt service:			
Principal	\$ 62,745	31,513	94,258
Interest and other fiscal charges	<u>2,885</u>	<u>15,877</u>	<u>18,762</u>
Total disbursements	<u>1,201,010</u>	<u>72,072</u>	<u>1,273,082</u>
Excess (deficiency) of receipts over (under) disbursements	<u>79,961</u>	<u>27,617</u>	<u>107,578</u>
<b>OTHER CASH SOURCE (USES):</b>			
Interfund loans and transfers	(75,766)	(8,903)	(84,669)
Loan proceeds	39,275	-	39,275
Proceeds from sale of equipment	<u>25,678</u>	<u>-</u>	<u>25,678</u>
Total other cash sources (uses)	<u>(10,813)</u>	<u>(8,903)</u>	<u>(19,716)</u>
Excess of receipts and other cash sources over disbursements and other cash uses	69,148	18,714	87,862
<b>CASH BASIS FUND BALANCE -</b>			
Beginning of year	<u>1,103,989</u>	<u>166,567</u>	<u>1,270,556</u>
<b>CASH BASIS FUND BALANCE -</b>			
End of year	\$ <u>1,173,137</u>	<u>185,281</u>	<u>1,358,418</u>

The accompanying notes are an integral part of this statement.

**BUSINESS-TYPE  
ACTIVITIES**

<b>Water &amp; Sewer Fund</b>	<b>Total</b>
331,247	331,247
<u>37,035</u>	<u>37,035</u>
<u>1,577,053</u>	<u>1,577,053</u>
<u>(435,671)</u>	<u>(435,671)</u>
84,669	84,669
393,722	393,722
<u>-</u>	<u>-</u>
<u>478,391</u>	<u>478,391</u>
42,720	42,720
<u>1,023,563</u>	<u>1,023,563</u>
<u><u>1,066,283</u></u>	<u><u>1,066,283</u></u>

**TOWN OF SUMMIT, MISSISSIPPI**

**NOTES TO FINANCIAL STATEMENT  
SEPTEMBER 30, 2020**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Town of Summit, Mississippi (the Town) was incorporated in 1858. The Town operates under a Mayor-Board of Councilpersons form of government and provides all of the rights and privileges provided by statute for municipalities.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The financial statement is reported using the basis of cash receipts and disbursements, as permitted by the Mississippi Office of the State Auditor, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The cash basis of accounting differs from GAAP primarily because revenues (cash receipts) are recognized when received rather than when earned and expenditures or expenses (cash disbursements) are recognized when paid rather than when incurred.

**Governmental Activities**

The Town reports the following major governmental funds:

The **General Fund** is the government's primary operating fund. It accounts for all the financial resources and the legally authorized activities of the Town except those required to be accounted for in other specialized funds.

Additionally, the Town reports the following fund types:

**Special Revenue Funds** are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

**Debt Service Funds** are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt.

**Business-Type Activities**

The Town reports the following major proprietary fund:

The **Water and Sewer Fund** accounts for the activities of providing water and sewer services to citizens of the Town.

When both restricted and unrestricted cash is available for use, it is the Town's policy to use restricted cash first, then unrestricted cash as it is needed.

**TOWN OF SUMMIT, MISSISSIPPI**

**NOTES TO FINANCIAL STATEMENT  
SEPTEMBER 30, 2020**

**NOTE 2 - CASH AND CERTIFICATES OF DEPOSIT**

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

Cash and certificates of deposit are comprised of the following at September 30, 2020:

	<b>Unrestricted Cash and Certificates of Deposit</b>	<b>Restricted Cash and Certificates of Deposit</b>	<b><u>Total</u></b>
<b>Governmental activities:</b>			
General Fund	\$ 1,168,732	4,405	1,173,137
Special Fire Fund	-	81,541	81,541
Debt Service Fund	-	42,022	42,022
Cemetery Fund	-	40,145	40,145
Greenlawn Cemetery Fund	-	13,183	13,183
Police Seizure Fund	-	8,390	8,390
Total governmental activities	<u>1,168,732</u>	<u>189,686</u>	<u>1,358,418</u>
<b>Business-type activities:</b>			
Water and Sewer Fund	<u>890,516</u>	<u>175,767</u>	<u>1,066,283</u>
Total business-type activities	<u>890,516</u>	<u>175,767</u>	<u>1,066,283</u>
<b>Government-wide total</b>	<b>\$ <u>2,059,248</u></b>	<b><u>365,453</u></b>	<b><u>2,424,701</u></b>

Deposits at September 30, 2020 are summarized as follows:

	<b><u>Reported Amount</u></b>	<b><u>Bank Balance</u></b>
Cash	\$ 2,166,417	2,189,496
Certificates of deposit	<u>258,284</u>	<u>258,284</u>
Total deposits	<b>\$ <u>2,424,701</u></b>	<b><u>2,447,780</u></b>

**TOWN OF SUMMIT, MISSISSIPPI**

**NOTES TO FINANCIAL STATEMENT  
SEPTEMBER 30, 2020**

**NOTE 2 - CASH AND CERTIFICATES OF DEPOSIT - CONTINUED:**

The difference of \$23,079 was principally due to outstanding checks exceeding the deposits in transit. Of the bank balance, \$361,562 was covered by Federal depository insurance.

*Custodial Credit Risk-Deposits.* 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 Treasurer manages the risk on behalf of the Town. As of September 30, 2020, \$2,086,218 of the Town's bank balance of \$2,447,780 was exposed to custodial credit risk as follows:

Collateralized by the state public funds guaranty pool	\$ <u>2,086,218</u>
--	---------------------

*Interest Rate Risk.* The Town does not have a formal investment policy that limits investment 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.

*Custodial Credit Risk - Investments.* Custodial credit risk is defined as the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a formal investment policy that addresses custodial risk. However, the Mississippi State Treasurer manages the risk on behalf of the Town. Deposits above FDIC coverage are collateralized by the pledging financial institutions trust department or agent in the name of the Mississippi State Treasurer on behalf of the Town. The Town had no investments as of September 30, 2020.

*Concentration of Credit Risk.* Disclosure of investments by amount and issuer for any issuer that represents five percent or more of total investments is required. This requirement does not apply to investments issued or explicitly guaranteed by the U.S. government, investments in mutual funds and external investment pools, and other pooled investments. As of September 30, 2020, the Town had no investments.

Following is a list of the Town's eligible investments options, which in accordance with state statute are limited to the investment of funds in excess of sums required for immediate expenditure or current obligations:

**TOWN OF SUMMIT, MISSISSIPPI**

**NOTES TO FINANCIAL STATEMENT  
SEPTEMBER 30, 2020**

**NOTE 2 - CASH AND CERTIFICATES OF DEPOSIT - CONTINUED:**

Certificates of deposit with municipal depositories approved annually by the Mississippi State Treasurer, bonds or direct obligations of the:

- United States of America
- State of Mississippi
- County or Municipality of Mississippi
- School Districts

Mississippi statute allows the investment of funds received from the sale of bonds, notes, or certificates of indebtedness which are not immediately required for disbursement for the purpose issued, in direct obligations issued by or guaranteed in full by the United States of America, or in certificates of deposit with approved municipal depositories.

**NOTE 3 - DEBT SERVICE**

As of September 30, 2020, annual debt service requirements of governmental and business-type activities to maturity are as follows:

<b>Fiscal Year Ended</b> <b><u>September 30,</u></b>	<b><u>Governmental</u></b> <b><u>Activities</u></b>		<b><u>Business-Type</u></b> <b><u>Activities</u></b>	
	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>
2021	\$ 41,757	14,591	109,362	43,104
2022	30,326	13,204	107,713	36,386
2023	27,752	12,031	128,587	32,616
2024	25,000	11,006	104,863	29,848
2025	25,000	10,006	107,509	27,203
2026-2030	155,000	32,181	577,617	93,562
2031-2035	70,000	3,128	385,131	34,197
2036-2040	-	-	59,439	9,921
2041-2042	-	-	14,545	464
	<b>\$ <u>374,835</u></b>	<b><u>96,147</u></b>	<b><u>1,594,766</u></b>	<b><u>307,301</u></b>

**NOTE 4 - PROPERTY TAX**

Property taxes for fiscal year 2020 were levied in September 2019 on the assessed valuation of property located in the Town of Summit, Mississippi as of the preceding January 1, the lien date. The Town levies property taxes annually based upon assessed valuations. Real property,

**TOWN OF SUMMIT, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENT**  
**SEPTEMBER 30, 2020**

**NOTE 4 - PROPERTY TAX - CONTINUED:**

personal property and automobile ad valorem taxes and certain road taxes are collected by the Pike County tax collector and disbursed to the Town. Current collections of taxes for the year ended September 30, 2020 were approximately 99% of the total tax levy.

The tax rate levied by the Town for fiscal year 2020 was set at 39.35 mills. The Town allocated the property tax per \$100 of assessed value for the year as follows:

General Fund	\$ 3.600
Debt Service Fund	<u>0.335</u>
	\$ <u>3.935</u>

**NOTE 5 - DEFINED BENEFIT PENSION PLAN**

**General information about the Pension Plan**

Plan Description

The Town of Summit, Mississippi contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost sharing, multiple-employer defined benefit pension plan (the 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, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling (601) 359-3589 or 1-800-444-PERS, or by visiting online at [www.pers.ms.gov](http://www.pers.ms.gov).

Benefits Provided

Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi (the State), state universities, community and junior colleges, teachers and employees of the public school districts. For those persons employed by political subdivisions and instrumentalities of the State, membership is contingent upon approval of the entity's participation in PERS by the PERS' Board of Trustees. If approved, membership for the entity's employees is a condition of employment and eligibility is granted to those who qualify upon hiring. Members and employers are statutorily required to contribute certain percentages of salaries and wages as specified by the Board of Trustees. A member who terminates employment from all covered employers and who is not eligible to receive monthly retirement benefits may request a full refund of his or her accumulated



**TOWN OF SUMMIT, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENT**  
**SEPTEMBER 30, 2020**

**NOTE 5 - DEFINED BENEFIT PENSION PLAN - CONTINUED:**

**General information about the Pension Plan - continued:**

*Benefits Provided - continued:*

member contributions plus interest. Upon withdrawal of contributions, a member forfeits service credit represented by those contributions. Participating members who are vested and retire at or after age 60 or those who retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011), are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.0 percent of their average compensation for each year of creditable service up to and including 30 years (25 years for those who became members of PERS before July 1, 2011), plus 2.5 percent for each additional year of creditable service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age that the member is below 65, whichever is less. Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service. A member may elect a reduced retirement allowance payable for life with the provisions that, after death, a beneficiary receives benefits for life or for a specified number of years. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. In the event of death prior to retirement of any member whose spouse and/or children are not entitled to a retirement allowance, the deceased member's accumulated contributions and interest are paid to the designated beneficiary. A Cost-of-Living Adjustment (COLA) payment is made to eligible retirees and beneficiaries. The COLA is equal to 3.0 percent of the annual retirement allowance for each full fiscal year of retirement up to the year in which the retired member reaches age 60 (55 for those who became members of PERS before July 1, 2011), with 3.0 percent compounded for each fiscal year thereafter.

For the year ended September 30, 2020, the Town's total payroll for all employees was \$636,651. Total covered payroll was \$515,944. Covered payroll refers to all compensation paid by the Town to active employees covered by the Plan.

*Contributions*

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 Town's contribution rate increased effective July 1, 2019 from 15.75% to 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 of Summit, Mississippi's contribution to PERS for the years ended September 30, 2020, 2019, and 2018 were \$89,774, \$80,976, and \$72,368, respectively, equal to the required contributions for each year.

**TOWN OF SUMMIT, MISSISSIPPI**

**NOTES TO FINANCIAL STATEMENT  
SEPTEMBER 30, 2020**

**NOTE 6 - INTERFUND LOANS AND TRANSFERS**

Interfund loans and transfers during the year were as follows:

<u>Type</u>	<u>To</u>	<u>From</u>	<u>Amount</u>
Interfund Loan	General Fund	Debt Service Fund	\$ 2,781
Interfund Transfer	Water & Sewer Fund	General Fund	84,669

The above interfund loans are necessary to move funds collected in one fund to another fund in accordance with the Town's annual budget.

**NOTE 7 - CONTINGENCIES**

Federal Grants

In the normal course of operations, the Town receives grant funds from various Federal and state agencies. The grant programs are subject to audit by the agents of the granting authority, the purpose of which is to ensure compliance with the conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

COVID-19

On March 11, 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic, which continues to spread throughout the world and in the United States. The Town is aware of the changes in both its daily operations and the operation of commercial business located in the Town as a result of COVID-19 but is uncertain of the impacts of these changes on its future financial operations. The ultimate potential impact cannot be estimated as this time.

**NOTE 8 - RISK MANAGEMENT**

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town carries commercial insurance for risks of loss other than workers' compensation. Settled claims resulting from these commercially covered risks have not exceeded commercial coverage in any of the past three fiscal years.

**TOWN OF SUMMIT, MISSISSIPPI**

**NOTES TO FINANCIAL STATEMENT  
SEPTEMBER 30, 2020**

**NOTE 8 - RISK MANAGEMENT - CONTINUED:**

Risk of loss related to workers' compensation for injuries to Town employees is covered through the Mississippi Municipal Workers' Compensation Group, a public entity risk pool. The pool was formed on March 28, 1989, by the Mississippi Nonprofit Corporation Act, pursuant to Section 71-3-75, Mississippi Code Annotated (1972), to provide public entities within the State of Mississippi workers' compensation and employers' liability coverage. The Town pays premiums to the pool quarterly for its workers' compensation insurance coverage based on total payroll. The participation agreement provides that the pool will be self-sustaining through member premiums. If total claims during a year were to deplete the trust account, then the pool members would be required to pay for the deficiencies. The Town has not had an additional assessment for losses.

The Town is a member of the Mississippi Municipal Liability Plan, a public entity risk pool. The Mississippi Municipal Liability Plan covers liability claims against its members and is funded through member contributions. The Town has not had an additional assessment for excess losses.

**NOTE 9 - SUBSEQUENT EVENTS**

The Town had no subsequent events of a material nature requiring adjustment to or disclosure in the accompanying financial statement through February 25, 2022, the date the financial statement was approved by Town's management and thereby available to be released.

**SUPPLEMENTAL INFORMATION**

**SCHEDULE I****TOWN OF SUMMIT, MISSISSIPPI****SCHEDULE OF INVESTMENTS - ALL FUNDS  
AS OF SEPTEMBER 30, 2020**

	<b><u>Deposit Amount</u></b>
Certificate of Deposit with First Bank Maturing 11/11/21, Rate 0.15%	\$ 100,000
Certificate of Deposit with Regions Bank Maturing 1/15/22, Rate 0.05%	83,506
Certificate of Deposit with First Bank Maturing 11/1/2021, Rate 0.15%	48,000
Certificate of Deposit with State Bank Maturing 4/19/2022, Rate 0.50%	26,190
Certificate of Deposit with Regions Bank Maturing 1/10/22, Rate 1.17%	<u>588</u>
<b>Total</b>	\$ <u>258,284</u>
<b>Fund Recap:</b>	
General Fund	\$ 183,506
Cemetery Fund	26,778
Water and Sewer Fund	<u>48,000</u>
<b>Total</b>	\$ <u>258,284</u>

**TOWN OF SUMMIT, MISSISSIPPI****SCHEDULE OF LONG-TERM DEBT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

	<b>Balance Outstanding October 1, 2019</b>	<b>Issued</b>	<b>Redeemed</b>	<b>Balance Outstanding September 30, 2020</b>
Freight Rail Service Project Revolving Loan Program - 04-352-RR-01	\$ 10,806	-	(6,513)	4,293
\$251,000 Combined Water and Sewer System Revenue Bonds Series 2006	201,676	-	(7,891)	193,785
\$525,000 General Obligation Bonds Series 2011	375,000	-	(25,000)	350,000
Mississippi Department of Economic & Community Development Capital Improvement Loan - 10-352-CP-01	245,575	-	(17,922)	227,653
Water Pollution Control Revolving Loan Program - MDEQ - SRF C280-753-02	1,013,814	-	(57,445)	956,369
Capital Lease - BancorpSouth	49,818	-	(7,315)	42,503
Capital Lease - Kubota	-	39,275	(39,275)	-
Capital Lease - BancorpSouth	18,054	-	(4,878)	13,176
Capital Lease - Ford Motor Credit	10,653	-	(6,970)	3,683
Capital Lease - Ford Motor Credit	10,653	-	(6,970)	3,683
First Bank Line of Credit	13,690	221,866	(235,556)	-
First Bank Loan - 4073466	-	171,856	(1,115)	170,741
First Bank Demand Loan	<u>12,370</u>	<u>-</u>	<u>(8,655)</u>	<u>3,715</u>
<b>Total</b>	<b>\$ <u>1,962,109</u></b>	<b><u>432,997</u></b>	<b><u>(425,505)</u></b>	<b><u>1,969,601</u></b>

**TOWN OF SUMMIT, MISSISSIPPI****SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS  
AS OF SEPTEMBER 30, 2020**

<b><u>Name</u></b>	<b><u>Position</u></b>	<b><u>Surety</u></b>	<b><u>Bond Amount</u></b>
Percy B. Robinson	Mayor	Travelers	\$50,000
Isaac Shaw Jr.	Councilperson	Travelers	50,000
Joe Lewis	Councilperson	Travelers	50,000
Pauline Monley	Councilperson	Travelers	50,000
Lester Jones	Councilperson	Travelers	50,000
James Cotton	Chief of Police	Travelers	50,000
Deborah Price	Town Clerk	Travelers	50,000
Suzzone Perkins	Court Clerk	Travelers	50,000
Latunja Lewis	Deputy Town Clerk	Travelers	50,000

**SCHEDULE IV****TOWN OF SUMMIT, MISSISSIPPI****SCHEDULE OF CAPITAL ASSETS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

	<b>Beginning Balance October 1, 2019</b>	<b>Additions</b>	<b>Retirements/ Reclass</b>	<b>Ending Balance September 30, 2020</b>
<b>GOVERNMENTAL ACTIVITIES:</b>				
Capital assets:				
Land	\$ 19,550	-	-	19,550
Building and improvements	3,656,963	9,248	-	3,666,211
Vehicles and machinery	1,884,543	39,275	(39,275)	1,884,543
Infrastructure	<u>2,458,066</u>	<u>-</u>	<u>-</u>	<u>2,458,066</u>
Total governmental activities capital assets	\$ <u>8,019,122</u>	<u>48,523</u>	<u>(39,275)</u>	<u>8,028,370</u>
<b>BUSINESS-TYPE ACTIVITIES:</b>				
Capital assets:				
Land	\$ 2,200	-	-	2,200
Building	173,207	-	-	173,207
Vehicles and machinery	1,229,117	-	-	1,229,117
Water distribution system	6,186,895	516,241	-	6,703,136
Construction in progress	<u>144,745</u>	<u>-</u>	<u>(144,745)</u>	<u>-</u>
Total business-type activities capital assets	\$ <u>7,736,164</u>	<u>516,241</u>	<u>(144,745)</u>	<u>8,107,660</u>



**STATE COMPLIANCE SECTION**

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

To the Honorable Mayor and Board of Councilpersons  
Town of Summit, Mississippi

We have audited the financial statement of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Summit, Mississippi as of and for the year ended September 30, 2020, and have issued our report thereon dated February 25, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

As required by the state legal compliance audit program prescribed by the Mississippi Office of the State Auditor, we have also performed procedures to test compliance with certain state laws and regulations. However, providing an opinion on compliance with state laws and regulations was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of those procedures and our audit of the financial statement of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information disclosed the following instances of noncompliance with state laws and regulations. Our findings and the Town's responses are as follows:

**2020-001 - Disbursements in excess of budget**

**Criteria**

Per Section 21-35-15, Miss. Code Ann. (1972), expenditures shall not exceed budget estimates, measured at the lowest level adopted in the budget, except for capital outlay, election expenses, and payment of emergency warrants.

**Cause**

There were no procedures in place to ensure that the expenditures did not exceed the legally adopted budget.

**2020-001 - Disbursements in excess of budget - continued:**

Effect

The Town's actual disbursements exceeded its budgeted disbursements for the following items:

General Fund:

General Government-Personnel Services	\$ 6,662
Public Safety-Personnel Services	26,135
Public Works-Supplies	548
Public Works-Other Services & Charges	101,867

Water and Sewer Fund:

Personnel Services	9,798
Other Services & Charges	48,567

Recommendation

Management and those charged with governance should establish controls necessary to effectively monitor expenditures to ensure that the Town does not spend more than budgeted amounts.

View of Responsible Officials and Planned Corrective Action

The Town agrees with the finding and will establish controls to closely monitor disbursements to prevent future budget violations.

**2020-002 - Budget not prepared for Debt Service**

Criteria

Per Section 21-35-9, Miss. Code Ann. (1972), the budget as finally determined, in addition to setting out separately each item for which any appropriation of expenditures is authorized to be expended and the fund out of which the same is to be paid, shall set out the total amount appropriated and authorized to be expended from each fund, the cash balance in the fund at the close of the present preceding fiscal year, the working cash balance necessary for the next fiscal year, the estimated amount, if any, which will accrue to the fund from sources other than taxation for the current fiscal year, and the amount necessary to be raised for each fund by tax levy during the current fiscal year.

Cause

There were no procedures in place to ensure that a budget was adopted for each fund.

Effect

The Town did not adopt a budget to be approved by the Board of Councilpersons for the debt service fund for fiscal year 2020.

**2020-002 - Budget not prepared for Debt Service - continued:**

Recommendation

Management and those charged with governance should establish controls necessary to ensure that the Town adopts a budget for the debt service fund that is approved by the Board of Councilpersons.

View of Responsible Officials and Planned Corrective Action

The Town agrees with the finding and will establish controls to closely monitor disbursements to prevent future budget violations.

This report is intended for the information of the Town of Summit, Mississippi's management, Honorable Mayor and Board of Councilpersons, and the Mississippi 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.

*Huddex Reid Eubank Beth PLLC*

Jackson, Mississippi  
February 25, 2022