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TOWN OF INVERNESS, MISSISSIPPI

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The Honorable Mayor and Board of Aldermen
Town of Inverness, Mississippi

Management is responsible for 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 Inverness, Mississippi as of September 30, 2019, and the related notes to the financial statement in accordance with the cash basis of accounting, and for determining that the cash basis of accounting is an acceptable financial reporting framework. 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 statement of cash receipts and disbursements 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 the statement of cash receipts and disbursements.

We draw attention to Note 1 of the financial statement, which describes the basis of accounting. The statement of cash receipts and disbursements is prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The Statement of Cash Receipts and Disbursements (All Funds) and related notes to financial statement are intended to comply with the requirements of the Mississippi Office of the State Auditor and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

Management has omitted the management's discussion and analysis, budgetary comparison information, and the schedules related to the net pension liability that accounting principles generally accepted in the United States of America require 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 financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. However, under the cash basis of accounting, this information is not required and as such, is not presented.

The supplementary information contained on pages 12 through 15 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

In accordance with the provisions of Code Section 21-3 5-31, Miss. Code Ann. (1972), we have issued a report dated March 6, 2021 on the results of our agreed-upon procedures.



Cunningham CPAs, PLLC
Belzoni, Mississippi
March 6, 2021

TOWN OF INVERNESS, MISSISSIPPI

**Statement of Cash Receipts and Disbursements (All Funds)
For the Year Ended September 30, 2019**

	Governmental Activities										Fiduciary Funds	Total (Memorandum Only)
	Major Funds					Business-type Activities						
	General Fund	Fire Fund	Rental Property Fund	Emergency Water and Sewer Fund	Debt Service Fund	Construction Fund	Total Governmental Activities	Public Utilities Fund	Clearing Fund			
REVENUE RECEIPTS:												
Taxes												
General property taxes	\$ 276,827	\$ 4,319	\$ -	\$ 4,317	\$ 17,212	\$ -	\$ 302,675	\$ -	\$ -	\$ -	\$ 302,675	\$ 5,442
Penalties & interest on delinquent taxes	5,442	-	-	-	-	-	5,442	-	-	-	-	-
Licenses and permits												
Privilege licenses	1,214	-	-	-	-	-	1,214	-	-	-	-	1,214
Franchise charges - utilities	28,202	-	-	-	-	-	28,202	-	-	-	-	28,202
Intergovernmental revenues:												
State grants:												
Fire grant	-	307,886	-	-	-	-	307,886	-	-	-	-	307,886
General municipal aid	508	-	-	-	-	-	508	-	-	-	-	508
Homestead reimbursement	19,473	299	-	300	1,199	-	21,271	-	-	-	-	21,271
State shared revenues:												
Sales taxes	54,207	-	-	-	-	-	54,207	-	-	-	-	54,207
Liquor privilege tax	-	-	-	-	-	-	-	-	-	-	-	-
Fire protection	-	6,014	-	-	-	-	6,014	-	-	-	-	6,014
Gasoline taxes	2,993	-	-	-	-	-	2,993	-	-	-	-	2,993
In lieu taxes-Grand Gulf	6,486	-	-	-	-	-	6,486	-	-	-	-	6,486
County shared revenues:												
Road & bridge taxes	15,054	-	-	-	-	-	15,054	-	-	-	-	15,054
Rural fire protection	-	4,574	-	-	-	-	4,574	-	-	-	-	4,574
Donation of new fire station	-	25,000	-	-	-	-	25,000	-	-	-	-	25,000
Charges for services:												
Garbage fees	-	-	-	-	-	-	-	71,115	-	-	-	71,115
Water and sewer charges	-	-	-	-	-	-	-	207,790	-	-	-	207,790
Police fines, assessments, fees, etc.	1,944	-	-	-	-	-	1,944	-	-	-	-	1,944
Other revenues:												
Interest income	158	1,948	137	376	-	-	2,619	480	-	-	-	3,099
Leases/Rentals	3,000	-	10,200	-	-	-	13,200	-	-	-	-	13,200
Miscellaneous	6,931	6	1	-	-	-	6,938	2,640	-	-	-	9,578
TOTAL RECEIPTS	422,439	350,046	10,338	4,993	18,411	-	806,227	282,025	-	-	-	1,088,252

See the accompanying notes and accountant's compilation report

TOWN OF INVERNESS, MISSISSIPPI

**Statement of Cash Receipts and Disbursements (All Funds)
For the Year Ended September 30, 2019**

	Governmental Activities							Business-type Activities Major Fund	Fiduciary Funds	Total (Memorandum Only)
	Major Funds									
	General Fund	Fire Fund	Rental Property Fund	Emergency Water and Sewer Fund	Debt Service Fund	Construction Fund	Total Governmental Activities			
DISBURSEMENTS:										
General government:										
Executive	18,734	-	-	-	-	-	18,734	-	-	18,734
Financial	116,190	-	-	-	-	-	116,190	-	-	116,190
Other	45,883	-	1,814	-	-	-	47,697	-	-	47,697
Public safety:										
Police	231,436	-	-	-	-	-	231,436	-	-	231,436
Fire	2,734	22,031	-	-	-	-	24,765	-	-	24,765
Public works:										
Street department	32,269	-	-	-	-	-	32,269	-	-	32,269
Culture & recreation	18,301	-	-	-	-	-	18,301	-	-	18,301
Enterprise services:										
Water and sewer	-	-	-	-	-	-	-	185,436	-	185,436
Sanitation	-	-	-	-	-	-	-	59,184	-	59,184
Construction of fire station	-	323,728	-	-	-	-	323,728	-	-	323,728
Redemption of principal	-	-	-	-	15,000	-	15,000	-	-	15,000
Interest on bonds	-	-	-	-	9,860	-	9,860	-	-	9,860
Total Disbursements	465,547	345,759	1,814	-	24,860	-	837,980	244,620	-	1,082,600
Excess (Deficiency) of receipts over disbursements	(43,108)	4,287	8,524	4,993	(6,449)	-	(31,753)	37,405	-	5,652
OTHER FINANCING SOURCES (USES):										
Interfund transfers	56,825	8,663	(29,976)	-	-	-	35,512	(50,755)	15,243	-
Loan proceeds	16,950	-	-	-	-	-	16,950	-	-	16,950
Other financing sources (uses)	12,074	-	-	-	-	-	12,074	578	1	12,653
Total other financing sources (uses)	85,849	8,663	(29,976)	-	-	-	64,536	(50,177)	15,244	29,603
Excess (Deficiency) of receipts and other financing sources over disbursements and other financing uses	42,741	12,950	(21,452)	4,993	(6,449)	-	32,783	(12,772)	15,244	35,255
CASH BASIS FUND BALANCE- BEGINNING OF YEAR	35,401	62,734	66,837	38,926	18,125	978	223,001	178,447	(2,621)	398,827
CASH BASIS FUND BALANCE- END OF YEAR	\$ 78,142	\$ 75,684	\$ 45,385	\$ 43,919	\$ 11,676	\$ 978	\$ 255,784	\$ 165,675	\$ 12,623	\$ 434,082

See the accompanying notes and accountant's compilation report

TOWN OF INVERNESS, MISSISSIPPI

Notes to Financial Statement For the Year Ended September 30, 2019

1) Summary of Significant Accounting Policies.

A. Financial Reporting Entity.

The Town of Inverness operates under a Mayor and Board of Alderman form of government providing services authorized by its charter.

The Town of Inverness's financial statements includes all funds, boards and commissions over which the Town exercises oversight responsibility. Oversight responsibility was determined on the basis of the Town's ability to significantly influence operations, select the governing authority and participate in fiscal management as well as the entity's financial dependence on the Town. The criteria for including entities and funds in the Town's financial statements are in agreement with the Governmental Accounting Standards Board (GASB) Statement No. 1, Section 2100, Authoritative Status of Pronouncements. The Town of Inverness's major operations include public welfare and social services, road and bridge maintenance and general administrative services. In addition, a water and sewer system is operated by the Town.

B. Basis of Accounting.

The financial statements are presented on a cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). This basis of accounting involves the reporting of only cash and cash equivalents and the changes therein resulting from cash inflows (cash receipts) and cash outflows (cash disbursements) reported in the period in which they occurred.

This cash basis of accounting differs from GAAP primarily because revenues (cash receipts) are recognized when received in cash rather than when earned and susceptible to accrual, and expenditures or expenses (cash disbursements) are recognized when paid rather than when incurred or subject to accrual.

C. 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.

D. Fund Accounting.

The accounts of the Town of Inverness are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped into generic fund types and broad fund categories as follows:

TOWN OF INVERNESS, MISSISSIPPI

Notes to Financial Statement For the Year Ended September 30, 2019

GOVERNMENTAL FUNDS

General Fund - The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted for specific expenditure purposes.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

PROPRIETARY FUNDS

Enterprise Funds - Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs and expenses of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

FIDUCIARY FUNDS

Trust and Agency Funds - Trust and Agency Funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations and/or other funds. These include Agency Funds.

E. Cash and Investments

The Town's cash and other deposits are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The Town deposits excess funds in the financial institutions selected by the Board of Aldermen. State statutes specify how these depositories are to be selected.

Investments

The Town invests its excess funds in certificates of deposit. For accounting purposes, certificates of deposit are classified as investments if they have an original maturity greater than three months when acquired. Investments for the Town are reported at fair market value.

F. Property Taxes.

Property taxes are attached as an enforceable lien on property as of January 1. Taxes are levied on October 1 and are due and payable at that time. All unpaid taxes levied October 1 become delinquent after February 1 of the following year.

TOWN OF INVERNESS, MISSISSIPPI

Notes to Financial Statement For the Year Ended September 30, 2019

G. Estimates.

The preparation of financial statements in conformity with the cash basis of accounting requires management to make estimates and assumptions that affect the reported amount of receipts and disbursements during the reporting period. Actual results could differ from those estimates.

(2) Cash and Investments

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 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.

Cash and interest bearing deposits at September 30, 2019, consist of:

Cash in bank	\$ 272,319
Certificates of deposit	161,763
Total	<u>\$ 434,082</u>

Custodial Credit Risk - Deposits. Custodial credit risk is defined as the risk that, in the event of the 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 deposit policy for custodial credit risk. However, the Mississippi State Treasurer manages that 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 behalf of the Town.

TOWN OF INVERNESS, MISSISSIPPI

Notes to Financial Statement For the Year Ended September 30, 2019

(3) General Long-term Debt.

The following is a summary of changes in general long-term debt:

	Balance 9/30/18	Additions	Reductions	Balance 9/30/19	Due Within One Year
<u>Governmental Activities</u>					
A. General obligation bonds payable	\$ 197,000	\$ -	\$ (15,000)	\$ 182,000	\$ 15,000
B. Police car loan	-	16,950	-	16,950	5,411
Total Governmental Activities	\$ 197,000	\$ 16,950	\$ (15,000)	\$ 198,950	\$ 20,411

A. General obligation bonds payable.

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Capital improvements issue, Series 2014	3.25%	5/1/2014	4/1/2029	\$ 250,000	\$ 182,000
Total				\$ 250,000	\$ 182,000

General Obligation Bonds, Series 2014

Year Ending September 30	Principal	Interest	Total
2020	15,000	5,915	\$ 20,915
2021	16,000	5,428	21,428
2022	16,000	4,908	20,908
2023	17,000	4,388	21,388
2024	18,000	3,835	21,835
2025	18,000	3,250	21,250
2026	19,000	2,665	21,665
2027	20,000	1,048	21,048
2028	21,000	1,398	22,398
2029	22,000	715	22,715
Total	\$ 182,000	\$ 33,550	\$ 215,550

This debt will be retired from the debt service fund.

TOWN OF INVERNESS, MISSISSIPPI

Notes to Financial Statement For the Year Ended September 30, 2019

B. Police Car Loan

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Dodge Charger	4.50%	9/1/2019	9/1/2022	\$ 16,950	\$ 16,950
Total				<u>\$ 16,950</u>	<u>\$ 16,950</u>

Year Ending September 30	Principal	Interest	Total
2020	\$ 5,411	\$ 763	\$ 6,174
2021	5,655	519	6,174
2022	5,884	290	6,174
Total	<u>\$ 16,950</u>	<u>\$ 1,572</u>	<u>\$ 18,522</u>

This debt will be retired from the general fund.

(4) Defined Benefit Pension Plan.

Public Employees' Retirement System

Plan Description. The Town 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 report may be obtained by writing to Public Employees' Retirement System of Mississippi, PERS Building, 429 Mississippi Street, Jackson, MS 39201 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 and employers are established and may be amended only by the State of Mississippi Legislature. The Town's contributions to PERS for the fiscal years ending September 30, 2019, 2018 and 2017 were \$52,333, \$50,888 and \$48,717, respectively.

TOWN OF INVERNESS, MISSISSIPPI

**Notes to Financial Statement
For the Year Ended September 30, 2019**

(5) Tax Millage Rates

The Town Aldermen approved the following millage rates in amounts necessary to generate taxes needed for general operations and for debt service on general obligation bonded indebtedness. Comparative rates for the preceding year are also included.

Tax Years:	2018	2017
General fund	65	63
Volunteer fire department fund	1	1
Emergency water and sewer	1	1
Debt service	4	4
Total millage	71	69

(6) Contingencies.

Grants - The Town of Inverness has received grants for specific purposes that are subject to audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable state regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a grantor audit may become a liability to the Town.

(7) Subsequent Events

Events that occur after the financial statement 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 financial statement date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the financial statement date require disclosure in the accompanying notes. Management of the Town of Inverness evaluated the activity of the Town through March 6, 2021 (the date the financial statements were available to be issued), and determined that no subsequent events have occurred requiring disclosure in the notes to the financial statements.

TOWN OF INVERNESS, MISSISSIPPI

SUPPLEMENTAL INFORMATION

TOWN OF INVERNESS, MISSISSIPPI

Reconciliation of Tax Assessments to Fund Collections For the Year Ended September 30, 2019

<u>Assessed Valuation and Millage</u>	<u>Assessed Value</u>	<u>Mills</u>	<u>Total Taxes Due</u>
Realty	\$ 3,342,127		
Personal - other than auto	257,731		
Auto and mobile homes (from county)	1,136,915		
Utilities	268,985		
Total	5,005,758		
Less: Special homestead	(643,416)		
Total	4,362,342	71.00	\$ 309,726
<u>Collections/adjustments:</u>			
Plus: Municipal homestead reimbursement			21,271
Penalties & interest			3,850
Deduct: County tax collector's commissions			(4,026)
			<u>\$ 330,821</u>
<u>Collection Credit to Funds:</u>			
	<u>Taxes</u>	<u>Homestead Reimbursement</u>	<u>Total</u>
Municipal general fund	\$ 282,269	\$ 19,473	\$ 301,742
Volunteer fire department fund	4,319	299	4,618
Emergency water and sewer fund	4,317	300	4,617
Debt service fund	17,212	1,199	18,411
Total	308,117	21,271	329,388
Balance represented by:			
Unpaid property taxes			584
Unaccounted for			849
Total Accounted For			<u><u>\$ 330,821</u></u>

Ad valorem tax collections were found to be within the limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972), as follows:

Actual Collections:

2017 Tax	\$ 301,509
10% increase	30,151
Exempt property	-
	<u><u>\$ 331,660</u></u>

Actual Collections:

2018 Tax	\$ 290,905
Homestead reimbursement	20,072
Under limitation	20,683
	<u><u>\$ 331,660</u></u>

See accountant's compilation report

TOWN OF INVERNESS, MISSISSIPPI

**Schedule of Long-Term Debt
For the Year Ended September 30, 2019**

	Balance Outstanding 10/1/2018	Transactions During Fiscal Year	Balance Outstanding 9/30/2019
		Issued Redeemed	
	\$ 197,000	\$ - \$ 15,000	\$ 182,000
	-	16,950 -	16,950
	\$ 197,000	\$ 16,950 \$ 15,000	\$ 198,950

Governmental Activities:

\$250,000, 2014 Public Improvement Bonds; original issue date of May 1, 2014. Interest is fixed at 3.25%.

The bonds shall mature and become due between April 1, 2015 and April 1, 2029.

\$16,950, Dodge Charger Loan; original issue date of September 1, 2019. Interest is fixed at 4.5%, with final maturity date of September 1, 2022

Total Governmental Activities

See accountant's compilation report

TOWN OF INVERNESS, MISSISSIPPI

**Schedule of Investments - All Funds
September 30, 2019**

<u>Ownership</u>	<u>Type of Investment</u>	<u>Interest Rate</u>	<u>Acquisition Date</u>	<u>Maturity Date</u>	<u>Investment Cost/Value</u>
General Fund	Certificate of Deposit	0.50%	10/6/2018	10/6/2019	\$ 23,752
Public Utility Fund	Certificate of Deposit	0.50%	10/16/2018	10/16/2019	69,714
Post Office Fund	Certificate of Deposit	0.50%	10/19/2018	10/19/2019	22,028
Fire Fund	Certificate of Deposit	0.50%	10/25/2018	10/25/2019	20,924
Emergency Water and Sewer Fund	Certificate of Deposit	0.50%	10/28/2018	10/28/2019	<u>25,345</u>
					<u><u>\$ 161,763</u></u>

See accountant's compilation report

TOWN OF INVERNESS, MISSISSIPPI

**Schedule of Surety Bonds of Municipal Officials
For the Year Ended September 30, 2019**

Adrian Gooden	Police Chief	St. Paul Travelers	\$	50,000
Position Bond	Police Officers	St. Paul Travelers	\$	25,000
Patricia Lockett	Town Clerk	St. Paul Travelers	\$	50,000
Patricia Lockett	Deputy Court Clerk	St. Paul Travelers	\$	50,000
Shericka Walker	Deputy Town Clerk	St. Paul Travelers	\$	50,000
Shericka Walker	Court Clerk	St. Paul Travelers	\$	50,000
Chris Steed	Alderman	St. Paul Travelers	\$	50,000
John Fleet Ammons	Alderman	St. Paul Travelers	\$	50,000
Ira Stuckey	Alderman	St. Paul Travelers	\$	50,000
Henry Sibley	Alderman	St. Paul Travelers	\$	50,000
Will Jacobs III	Alderman	St. Paul Travelers	\$	50,000

See accountant's compilation report

TOWN OF INVERNESS

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

CUNNINGHAM CPAs, PLLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Honorable Mayor and Board of Aldermen
Town of Inverness, Mississippi

We have performed the procedures enumerated below, which were agreed to by the Town of Inverness, Mississippi, as required by the Office of the State Auditor, State of Mississippi, to the accounting records of the Town of Inverness, Mississippi, to evaluate the Town of Inverness, Mississippi's compliance with certain laws and regulations as of September 30, 2019 and for the year then ended. The Town of Inverness, Mississippi is responsible for the accounting records and for compliance with those certain laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Town of Inverness, Mississippi and the Office of the State Auditor, State of Mississippi. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are below:

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>
Planters Bank	General Fund	\$ 54,390
Planters Bank	Public Utilities Fund	95,961
Planters Bank	Fire Fund	54,760
Planters Bank	Emergency Water & Sewer Fund	18,574
Planters Bank	Construction Fund	978
Planters Bank	Debt Service Fund	11,676
Planters Bank	Post Office Fund	23,357
Planters Bank	Clearing Fund	<u>12,623</u>
Total all funds		<u>\$ 272,319</u>

2. We confirmed with financial institutions all investments, including certificates of deposit, owned by the City at September 30, 2019. All investment transactions during the year were examined for compliance with investments authorized by Section 21-33-323, Miss. Code Ann. (1972). Investment balances were as follows:

<u>Bank</u>	<u>Fund</u>	<u>Balance per General Ledger</u>
Planters Bank	General Fund	\$ 23,752
Planters Bank	Public Utilities Fund	69,714
Planters Bank	Post Office Fund	22,028
Planters Bank	Fire Fund	20,924
Planters Bank	Emergency Water and Sewer Fund	<u>25,345</u>
Total all funds		<u>\$ 161,763</u>

3. We performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:
- Traced levies to the governing body minutes;
 - Traced distribution of taxes collected to proper funds; and
 - Analyzed increase in taxes for most recent period for compliance with the increase limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

The distribution of taxes to funds was found to be in accordance with prescribed tax levies as noted in the minutes of the governing body.

Ad valorem tax collections were found to be within limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

4. We obtained a statement of payments made by the Department of Finance and Administration to the municipality. Payments indicated were traced to deposits 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 allocation	Fire Fund	\$ 6,014
General municipal aid	General Fund	508
Gasoline tax	General Fund	2,993
Homestead exemption reimbursement	General Fund	19,473
	Fire Fund	299
	Emergency water and sewer fund	300
	Debt Service Fund	1,199
Payments in lieu of tax - nuclear power plant	General Fund	6,486
Sales tax allocation	General Fund	54,207
Total		<u>\$ 91,479</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), as applicable.

The sample consisted of the following:

Number of Sample Items	9
Total Dollar Value of Sample	\$365,817

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

6. We selected a sample of collection of fines and forfeitures and verified that the municipal court clerk had settled daily with the municipal clerk. We also selected a sample of state-imposed court assessments collected and determined that the municipal clerk has settled monthly with the Department of Finance and Administration.
7. We have read the Municipal Compliance Questionnaire completed by the municipality. The following responses to the questionnaire indicate noncompliance with state requirements:
- Fixed assets are not properly tagged and accounted for.

We were not engaged to, and did not perform a review or examination, the objective of which would be the expression of an opinion on management's compliance with laws and regulations. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is evaluation of the Town of Inverness, Mississippi's compliance with certain laws and regulations as set forth by the Office of State Auditor, State of Mississippi. This report is intended solely for the use of the Town of Inverness, Mississippi and the Office of State Auditor, State of Mississippi and is not suitable and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

A handwritten signature in dark ink that reads "Cunningham CPAs". The signature is written in a cursive, flowing style.

CUNNINGHAM CPAs, PLLC
Belzoni, Mississippi

March 6, 2021