

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.

CITY OF BELZONI

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDING SEPTEMBER 30, 2020

CUNNINGHAM CPAs, PLLC
Certified Public Accountants

CITY OF BELZONI, MISSISSIPPI

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CUNNINGHAM CPAs, PLLC
Certified Public Accountants & Consultants

202 Church Street
Belzoni, Mississippi 39038
Office: (662) 247-2416
Fax: (662) 247-2420

10 South Bancroft Street
Fairhope, Alabama 36532
Office: (251) 929-7778
Fax: (251) 929-7779

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council
City of Belzoni, Mississippi

We have audited the accompanying cash basis financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Belzoni, Mississippi, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's 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 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 statements 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 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 applicable to financial audits contained in *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 opinions.

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, the aggregate discretely

presented component units, each major fund, and the aggregate remaining fund information of the City of Belzoni, Mississippi for the year ended September 30, 2020; the respective changes in cash-basis financial position; and, when applicable, cash flows thereof for the year then ended in conformity with the basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. 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. Our opinions are not modified with respect to this matter.

Other Matters

Other Supplemental information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, the Schedule of the City's Proportionate Share of the Net Pension Liability, and the Schedule of City Contributions 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 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2022, on our consideration of the City of Belzoni, 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 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 City of Belzoni, Mississippi's internal control over financial reporting and compliance.



Cunningham CPAs, PLLC
Belzoni, Mississippi
March 11, 2022

CITY OF BELZONI, MISSISSIPPI
Statement of Activities and Net Position - Cash Basis
As of and for the Year Ended September 30, 2020

Functions/Programs	Program cash receipts			Net (Disbursements) Receipts and Changes in Net Position			Component Units	
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Total
					Governmental Activities	Business-type Activities		
Governmental Activities:								
General government	\$ 479,219 \$	135,740 \$	1,115 \$	-	\$ (342,364) \$	- \$	(342,364) \$	
Culture and recreation	16,500	-	-	-	(16,500)	-	(16,500)	
Public safety	799,228	11,682	46,049	-	(741,497)	-	(741,497)	
Public works	320,720	-	-	36,342	(284,378)	-	(284,378)	
Interest on long-term debt	10,753	-	-	-	(10,753)	-	(10,753)	
Total Governmental Activities	1,626,420	147,422	47,164	36,342	(1,395,492)	-	(1,395,492)	
Business-type activities:								
Water, sewer and sanitation	1,351,493	1,348,719	-	-	-	(2,774)	(2,774)	
Interest on long-term debt	15,964	-	-	-	-	(15,964)	(15,964)	
Total Business-type Activities	1,367,457	1,348,719	-	-	-	(18,738)	(18,738)	
Total Primary Government	\$ 2,993,877 \$	\$ 1,496,141 \$	\$ 47,164 \$	\$ 36,342	(1,395,492)	(18,738)	(1,414,230)	
Component Units:								
Belzoni park commission	\$ 1,389 \$	- \$	- \$	-	-	-	(1,389)	
Belzoni municipal airport	223,426	16,553	-	260,289	-	-	53,416	
Total Component Units	\$ 224,815 \$	\$ 16,553 \$	\$ - \$	\$ 260,289	-	-	52,027	
General Receipts:								
Taxes:								
Ad valorem taxes					919,444	-	919,444	
Road district taxes					25,026	-	25,026	
Sales taxes					398,395	-	398,395	
Franchise taxes					60,333	-	60,333	
Gasoline taxes					6,844	-	6,844	
State and county shared receipts					58,139	-	58,139	
Unrestricted investment earnings					2,510	2,593	5,103	
Other general receipts					(316)	248,110	247,794	
Transfers and other interfund transactions					77,923	(61,612)	16,311	
Total General Receipts					1,548,298	189,091	1,737,389	
Change in Net Position					152,806	170,353	323,159	
Net Position - Beginning					276,161	397,591	673,752	
Net Position - Ending					\$ 428,967 \$	\$ 567,944 \$	\$ 996,911 \$	

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

(continued)

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

(continued)

CITY OF BELZONI, MISSISSIPPI

Statement of Activities and Net Position - Cash Basis (continued)

As of and for the Year Ended September 30, 2020

	Primary Government			Component
	Governmental Activities	Business-type Activities	Total	Units
ASSETS				
Cash and deposits	\$ 428,967	\$ 567,944	\$ 996,911	\$ 129,245
Total Assets	<u>\$ 428,967</u>	<u>\$ 567,944</u>	<u>\$ 996,911</u>	<u>\$ 129,245</u>
NET Position				
Restricted - Expendable:				
Fire protection	\$ 84,939	\$ -	\$ 84,939	\$ -
Debt service	24	-	24	-
Grants and special projects	17	-	17	129,245
Customer deposits	-	179,687	179,687	-
Unrestricted	343,987	388,257	732,244	-
Total Net Position	<u>\$ 428,967</u>	<u>\$ 567,944</u>	<u>\$ 996,911</u>	<u>\$ 129,245</u>

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

CITY OF BELZONI, MISSISSIPPI

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

	<u>Major Fund</u>		<u>Other</u>	
	<u>General</u>		<u>Governmental</u>	
	<u>Fund</u>		<u>Funds</u>	<u>Total</u>
RECEIPTS:				
Taxes				
General property taxes	\$ 856,155	\$ -		\$ 856,155
Penalties & interest on delinquent taxes	18,556	-		18,556
Licenses and permits				
Privilege licenses	8,165	-		8,165
Franchise charges - utilities	60,333	-		60,333
Intergovernmental revenues:				
State grants and shared revenues:				
General municipal aid	1,115	-		1,115
Homestead reimbursement	44,733	-		44,733
MEMA grant	36,342	-		36,342
Sales taxes	398,395	-		398,395
Fire protection	13,484	-		13,484
Alcoholic beverage licenses	1,800	-		1,800
Gasoline taxes	6,844	-		6,844
In lieu taxes-Grand Gulf	18,996	-		18,996
Law enforcement assistance	7,515	-		7,515
Modernization use tax	35,879	-		35,879
Tax forfeitures	1,464	-		1,464
County shared revenues:				
Road district taxes	25,026	-		25,026
Rural fire protection	25,050	-		25,050
Police fines, assessments, fees, etc.	11,682	-		11,682
Other revenues:				
Interest income	2,435	75		2,510
Rents	127,575	-		127,575
Miscellaneous	3,921	-		3,921
TOTAL RECEIPTS	<u>1,705,465</u>	<u>75</u>		<u>1,705,540</u>
DISBURSEMENTS:				
General government:				
Executive	78,832	-		78,832
Financial	146,401	-		146,401
Other	123,986	-		123,986
Public safety:				
Police	498,403	-		498,403
Fire	247,125	-		247,125
Inspections	7,828	-		7,828
Public works:				
Street department	313,024	-		313,024
Culture & recreation	16,500	-		16,500
Redemption of principal	53,568	130,000		183,568
Interest on debt	5,463	5,290		10,753
Total Disbursements	<u>1,491,130</u>	<u>135,290</u>		<u>1,626,420</u>
Excess (Deficiency) of receipts over disbursements	<u>214,335</u>	<u>(135,215)</u>		<u>79,120</u>

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

CITY OF BELZONI, MISSISSIPPI

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

	<u>Major Fund</u>		
	<u>General</u>	<u>Other</u>	
	<u>Fund</u>	<u>Governmental</u>	<u>Total</u>
		<u>Funds</u>	
OTHER FINANCING SOURCES (USES):			
Transfers	(55,177)	133,100	77,923
Other financing sources (uses)	(4,237)	-	(4,237)
Total other financing sources (uses)	<u>(59,414)</u>	<u>133,100</u>	<u>73,686</u>
 Excess (Deficiency) of receipts and other financing sources over disbursements and other financing uses	 154,921	 (2,115)	 152,806
 CASH BASIS FUND BALANCE- BEGINNING OF YEAR	 <u>240,280</u>	 <u>35,881</u>	 <u>276,161</u>
 CASH BASIS FUND BALANCE- END OF YEAR	 <u>\$ 395,201</u>	 <u>\$ 33,766</u>	 <u>\$ 428,967</u>
 CASH BASIS ASSETS - END OF YEAR			
Cash and deposits	\$ 395,201	\$ 33,766	\$ 428,967
Total Cash Basis Assets	<u>\$ 395,201</u>	<u>\$ 33,766</u>	<u>\$ 428,967</u>
 CASH BASIS FUND BALANCES - END OF YEAR			
Restricted for:			
Fire protection	\$ 84,939	\$ -	\$ 84,939
Debt service	-	24	24
Grants	-	17	17
Assigned for:			
Capital improvements	-	3,584	3,584
Economic development	-	30,141	30,141
Unassigned	310,262	-	310,262
Total Fund Balances	<u>\$ 395,201</u>	<u>\$ 33,766</u>	<u>\$ 428,967</u>

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

CITY OF BELZONI, MISSISSIPPI

**Statement of Cash-Basis Net Position and Cash Receipts, Disbursements,
and Changes in Cash-Basis Fund Net Position - Proprietary Fund
As of and for the Year Ended September 30, 2020**

	<u>Enterprise Fund</u>
Operating Receipts:	
Charges for services:	
Garbage fees	\$ 271,116
Water and sewer charges	1,077,603
Total Operating Receipts	<u>1,348,719</u>
Operating Disbursements:	
Water and sewer	738,937
Sanitation	493,497
Total Operating Disbursements	<u>1,232,434</u>
Excess (Deficiency) of Operating Receipts Over Operating Disbursements	<u>116,285</u>
Nonoperating Receipts (Disbursements):	
Interest income	2,593
Miscellaneous income	3,537
Loan proceeds	174,535
Insurance loss recoveries	70,038
Redemption of principal	(119,059)
Interest on bonds	(15,964)
Total Nonoperating Disbursements	<u>115,680</u>
Excess (Deficiency) of Total Receipts Over Total Disbursements Before Transfers and Interfund Loans	231,965
Interfund loans	<u>(61,612)</u>
Change in Net Position	170,353
CASH BASIS NET POSITION- BEGINNING OF YEAR	<u>397,591</u>
CASH BASIS NET POSITION- END OF YEAR	<u><u>\$ 567,944</u></u>
CASH BASIS ASSETS - END OF YEAR	
Cash	\$ 567,944
Total Cash Basis Assets	<u><u>\$ 567,944</u></u>
CASH BASIS NET POSITION - END OF YEAR	
Restricted for:	
Customer deposits	\$ 179,687
Unassigned	388,257
Total Net Position	<u><u>\$ 567,944</u></u>

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

CITY OF BELZONI, MISSISSIPPI

**Statement of Fiduciary Net Position and Changes in Fiduciary Net Position - Cash Basis
As of and for the Year Ended September 30, 2020**

OTHER FINANCING SOURCES (USES):

Transfers and other interfund transactions	\$ (12,417)
Other financing sources (uses)	<u>(3,184)</u>

Excess (Deficiency) of other financing sources over other financing uses	(15,601)
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CASH BASIS NET POSITION - BEGINNING OF YEAR	<u>186,247</u>
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CASH BASIS NET POSITION - END OF YEAR	<u><u>\$ 170,646</u></u>
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CASH BASIS ASSETS - END OF YEAR

Cash and cash equivalents	<u><u>\$ 170,646</u></u>
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The notes to the financial statements are an integral part of this statement.

CITY OF BELZONI, MISSISSIPPI

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

(1) Summary of Significant Accounting Policies.

As discussed further in Note 1.B, these financial statements are presented on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. These cash basis financial statements generally meet the presentation and disclosure requirements applicable to GAAP, in substance, but are limited to the elements presented in the financial statements and the constraints of the measurement and recognition criteria of the cash basis of accounting.

A. Financial Reporting Entity.

The City of Belzoni operates under a Mayor-Board of Aldermen form of government and provides all of the rights and privileges provided by statute for municipalities.

The City of Belzoni's financial statements include all funds of the primary government and its component units which have significant operational or financial relationships with the City.

The City of Belzoni'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 City.

DISCRETELY PRESENTED COMPONENT UNITS

The City's two component units include a municipal airport and a park commission.

Municipal Airport - The Belzoni Municipal Airport's Board is appointed by the Mayor and Aldermen of the City of Belzoni. Activities include payments associated with maintaining the airport, including utilities, maintenance, and insurance, and the collection of rents for the use of airport facilities. Also included are federal and state airport improvement grant proceeds and related disbursements.

Park Commission - The Mayor and Aldermen appoint commissioners to oversee the City's parks. The City additionally provides funding as needed to support park and recreational activities.

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.

CITY OF BELZONI, MISSISSIPPI

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

C. Government-wide and Fund Financial Statements.

Government-wide Financial Statements -- The Statement of Net Position and Statement of Activities display information about the reporting government as a whole within the limitations of the cash basis of accounting. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed, in whole or part, by fees charged to external parties for goods or services.

Fund Financial Statements - Separate financial statements are provided for governmental, proprietary, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental and proprietary funds are reported in separate columns in the fund financial statements. All remaining governmental and proprietary funds are aggregated and reported as other governmental or proprietary funds.

The City reports the following major Governmental Funds:

General Fund- This 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 City reports the following major Proprietary fund:

Enterprise Fund -- This fund accounts for the activities of garbage collection and providing water and sewer services to its customers.

Additionally, the City reports the following fund types:

GOVERNMENTAL FUNDS

Special Revenue Funds - Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Capital Projects Funds - Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Debt Service Funds - Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

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.

CITY OF BELZONI, MISSISSIPPI

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

FIDUCIARY FUNDS

Agency Funds - Agency Funds are used to report resources held by the City in a purely custodial capacity (assets equal liabilities) and do not involve measurement of results of operations.

D. Measurement Focus and Financial Statement Presentation.

The government-wide financial statements, both governmental and business-like activities are presented using the economic resources measurement focus, within the limitations of the cash basis of accounting as previously defined.

The fund financial statements are reported using the current financial resources measurement focus or the economic resources measurement focus, as applied to the cash basis of accounting.

Amounts reported as program receipts included (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.

Proprietary funds distinguish operating receipts and disbursements from nonoperating items. Operating receipts and disbursements generally result from providing services in connection with a proprietary fund's principal ongoing operations. All receipts and disbursements not meeting this definition are reported as nonoperating receipts and disbursements.

As permitted by generally accepted accounting principles, the City of Belzoni has elected to apply only applicable FASB Statements and Interpretations issued on or before November 30, 1989 that do not contradict GASB pronouncements in its accounting and reporting practices for its proprietary operations.

E. Cash and Cash Equivalents.

The City's cash and cash equivalents 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 City deposits excess funds in the financial institutions selected by the Board of Aldermen. State statutes specify how these depositories are to be selected.

F. Use of Estimates

The preparation of financial statements on the cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of cash receipts and disbursements during the current period. Actual results could differ from those estimates.

CITY OF BELZONI, MISSISSIPPI

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

G. Net Position/Fund Balance Classifications

Government-Wide Statements

Net position is reported in the following categories:

1. Restricted net position results when constraints placed on net position use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.
2. Unrestricted net position consists of net position not meeting the definition of the above category. Unrestricted net position often has constraints on resources imposed by management which can be removed or modified.

Fund Financial Statements

Governmental Funds:

Fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Governmental fund balance is classified as restricted, assigned or unassigned. Following are descriptions of fund classifications used by the City:

Restricted fund balance includes amounts that have constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.

Assigned fund balance includes amounts that are constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. For governmental funds, other than the general fund, this is the residual amount within the fund that is not restricted or committed. Assignments of fund balance are created by the Aldermen, Mayor and/or City Clerk pursuant to authorization by the policy adopted by the City.

Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it may be necessary to report a negative unassigned fund balance.

Proprietary Funds:

The proprietary funds are classified in the same manner as the government-wide financial statements, as described above.

When an expenditure/expense is incurred for purposes for which both restricted and unrestricted (assigned or unassigned) resources are available, it is the City's general policy to use restricted

CITY OF BELZONI, MISSISSIPPI

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

resources first. When expenditures/expenses are incurred for purposes for which unrestricted (assigned and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the City's general policy to spend assigned resources first and then unassigned amounts.

(2) Cash and Deposits.

Cash and other deposits at September 30, 2020, consist of:

Cash in bank (checking and savings accounts)	\$ 1,244,383
Certificates of deposit	52,356
Cash on hand (change fund)	63
Total	<u>\$ 1,296,802</u>

The collateral pledged for the City's 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 Deposit Insurance Corporation.

Custodial Credit Risk - Deposits. Custodial credit risk is defined as the risk that, in the event of the failure of a financial institution, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City does not have a deposit policy for custodial credit risk. However, the Mississippi State Treasurer manages that risk on behalf of the City. 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 City.

For accounting purposes, the total cash and other deposits listed above includes \$129,245 of cash reported by the component units of the City of Belzoni and \$170,646 reported by the fiduciary funds of the City of Belzoni.

CITY OF BELZONI, MISSISSIPPI

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

(3) General Long-term Debt.

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

	Balance 9/30/19	Additions	Reductions	Balance 9/30/20	Due Within One Year
<u>Governmental Activities:</u>					
A. General obligation bonds payable	\$ 130,000	\$ -	\$ (130,000)	\$ -	\$ -
B. Notes payable - fire truck	117,470	-	(18,747)	98,723	19,633
C. Capital lease - police cars	27,125	-	(27,125)	-	-
D. Notes payable - Mahindra Tractor	40,045	-	(7,696)	32,349	7,500
Total	314,640	-	(183,568)	131,072	27,133
<u>Business-Type Activities</u>					
E. Notes payable - meters	140,212	-	(35,488)	104,724	36,706
F. Notes payable - garbage truck	-	174,535	-	174,535	32,784
G. Revolving fund loans payable	649,639	-	(83,571)	566,068	85,174
Total	789,851	174,535	(119,059)	845,327	154,664
Total All Activities	\$ 1,104,491	\$ 174,535	\$ (302,627)	\$ 976,399	\$ 181,797

A. General obligation bonds payable.

This debt was retired during the year.

B. Notes payable – fire truck

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
1. Guaranty Bank & Trust - Fire truck note payable	2.99% - 3.20%	6/11/2015	6/15/2025	\$190,344	\$ 98,723
Total				<u>\$190,344</u>	<u>\$ 98,723</u>

CITY OF BELZONI, MISSISSIPPI

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

The following is a schedule by years of the total payments due on this debt:

Year Ending September 30	Principal	Interest	Total
2021	\$ 19,633	\$ 2,723	\$ 22,356
2022	20,237	2,119	22,356
2023	20,859	1,497	22,356
2024	21,498	858	22,356
2025	16,496	257	16,753
Total notes payable - garbage truck	<u>\$ 98,723</u>	<u>\$ 7,454</u>	<u>\$ 106,177</u>

This debt will be retired from the general fund.

C. Capital lease -- police cars

This debt was retired during the year.

D. Notes payable -- Mahindra tractor

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Guaranty Bank and Trust					
Mahindra tractor loan	4.95%	5/31/2019	2/15/2024	\$ 40,045	\$ 39,249
Total				<u>\$ 40,045</u>	<u>\$ 39,249</u>

The following is a schedule by years of the total payments due on this debt:

Year Ending September 30	Principal	Interest	Total
2021	\$ 7,500	\$ 1,628	\$ 9,128
2022	7,881	1,247	9,128
2023	8,276	852	9,128
2024	8,692	436	9,128
Total notes payable - meters	<u>\$ 32,349</u>	<u>\$ 4,163</u>	<u>\$ 36,512</u>

This debt will be retired from the general fund.

CITY OF BELZONI, MISSISSIPPI

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

E. Notes payable - meters

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Guaranty Bank and Trust					
radio meter loan	3.30%	6/4/2013	7/1/2023	\$ 336,320	\$ 104,724
Total				<u>\$ 336,320</u>	<u>\$ 104,724</u>

The following is a schedule by years of the total payments due on this debt:

Year Ending September 30	Principal	Interest	Total
2021	\$ 36,706	\$ 3,019	\$ 39,725
2022	37,953	1,775	39,728
2023	30,065	499	30,564
Total notes payable - meters	<u>\$ 104,724</u>	<u>\$ 5,293</u>	<u>\$ 110,017</u>

This debt will be retired from the enterprise fund.

F. Notes payable – garbage truck

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
Guaranty Bank and Trust					
garbage truck	3.20%	9/23/2020	9/15/2025	\$ 174,535	\$ 174,535
Total				<u>\$ 174,535</u>	<u>\$ 174,535</u>

The following is a schedule by years of the total payments due on this debt:

Year Ending September 30	Principal	Interest	Total
2021	\$ 32,784	\$ 5,051	\$ 37,835
2022	33,737	4,098	37,835
2023	34,846	2,989	37,835
2024	35,990	1,845	37,835
2025	37,178	656	37,834
Total notes payable - meters	<u>\$ 174,535</u>	<u>\$ 14,639</u>	<u>\$ 189,174</u>

This debt will be retired from the enterprise fund.

CITY OF BELZONI, MISSISSIPPI

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

G. Revolving fund loans payable

Revolving fund loans currently outstanding are as follows:

Description	Interest Rate	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
SRF loan number SRF-C280856020	1.75%	1/20/2002	5/1/2023	\$ 481,659	\$ 75,40
SRF loan number SRF-C280856030	2.00%	3/27/2006	10/27/2025	522,286	155,24
SRF loan number SRF-C280134012	1.95%	10/27/2009	1/1/2031	197,916	199,99
SRF loan number SRF-C270001022	1.95%	10/19/2010	6/12/2032	210,663	135,42
Total				<u>\$ 1,412,524</u>	<u>\$ 566,06</u>

The following is a schedule by years of the total payments due on this debt:

Year Ending September 30	Principal	Interest	Total
2021	\$ 85,174	\$ 10,225	\$ 95,399
2022	86,806	8,593	95,399
2023	78,795	6,948	85,743
2024	60,802	5,633	66,435
2025	62,013	4,422	66,435
Thereafter	192,478	11,370	203,848
Total revolving fund loans payable	<u>\$ 566,068</u>	<u>\$ 47,191</u>	<u>\$ 613,259</u>

This debt is retired by reductions from monthly sales tax reimbursements to the City. The enterprise fund reimburses the general fund for this debt service annually.

(4) Defined Benefit Pension Plan.

Plan Description. The City 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. Plan provisions and the Board of Trustees' authority to determine contribution rates are established by Miss. Code Ann. Section 25-11-1 et seq., (1972, as amended) and may be amended only by the 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.

Benefits provided. Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi, state universities, community and junior colleges, and

CITY OF BELZONI, MISSISSIPPI

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

teachers and employees of the public school districts. For those persons employed by political subdivisions and instrumentalities of the State of Mississippi, 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. 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. 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. 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. Plan provisions are established and may be amended only by the State of Mississippi Legislature.

Contributions. PERS members are required to contribute 9.00% of their annual covered salary, and the City is required to contribute at an actuarially determined rate. The employer's rate as of September 30, 2020 was 17.40% of annual covered payroll. Plan provisions and the Board of Trustees' authority to determine contribution rates are established by Section 25-11-1 of the Mississippi Code of 1972, as amended, and may be amended only by the Mississippi Legislature. The City's contributions to PERS for the fiscal years ending September 30, 2020, 2019 and 2018 were \$176,655, \$174,162 and \$161,590, respectively.

(5) Contingencies

Federal Grants – The City has received federal 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 the grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowances resulting from the grantor audit may become a liability of the City.

Litigation – The City is party to legal proceedings, many of which occur in the normal course of governmental operations. It is not possible at the present time to estimate the outcome or liability, if any, of the City with respect to the various proceedings. However, the City management believes that ultimate liability resulting from these lawsuits will not have a material adverse effect on the financial condition of the City.

(6) Claims and Judgments.

Risk Management:

The City is a member of the Mississippi Municipal Workers' Compensation Group (MMWCG). The group is a risk-sharing pool; such a pool is frequently referred to as a self-insurance pool. MMWCG covers risks of loss arising from injuries to the City's employees. The Mississippi Workers'

CITY OF BELZONI, MISSISSIPPI

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

Compensation Commission requires that an indemnity agreement be executed by each member in a workers' compensation self-insurance pool for the purpose of jointly and severally binding the pool and each of the employers comprising the group to meet the workers' compensation obligations of each member. Each member of the MMWCG contributes quarterly to a fund held in trust. The funds in the trust account are used to pay any claim up to \$500,000. For a claim exceeding \$500,000, MMWCG has insurance which will pay the excess up to the statutory amount required by the Mississippi Workers' Compensation Commission Act. 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 City has not had an additional assessment for excess losses incurred by the pool.

The City is a member of the Mississippi Municipal Liability Plan (MMLP). This is a risk-sharing pool; such a pool is frequently referred to as self-insurance pool. MMLP covers liability claims against the City. Each member of the MMLP contributes to a fund held in a trust account. The funds held in the trust account are used to pay claims of \$500,000 for torts and \$1,000,000 on federal claims. The City has not had an additional assessment for excess losses.

(7) Property Tax Revenues.

State statutes exist under which the Board of Alderman may levy property taxes. The selection of authorities is made based on the objectives and responsibilities of the City. Restrictions associated with property tax levies vary with the statutory authority. The amount of increase in certain property taxes is limited by state law. Generally, this restriction provides that these tax levies shall produce no more than 110% of the amount which resulted from the assessments of the previous year.

The Board of Aldermen, each year at a meeting in September, levies property taxes for the ensuing fiscal year which begins on October 1. Real property taxes become a lien on January 1 of the current year, and personal property taxes become a lien on March 1 of the current year. Taxes on motor vehicles and mobile homes become a lien and are due in the month that coincides with the month of original purchase. For fiscal year 2020, general operating mills were 97.

(8) 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 City of Belzoni evaluated the activity of the City through March 11, 2022 (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.

CITY OF BELZONI, MISSISSIPPI

SUPPLEMENTAL INFORMATION

CITY OF BELZONI, MISSISSIPPI

Reconciliation of Tax Assessments to Fund Collections For the Year Ended September 30, 2020

<u>Assessed Valuation and Millage</u>	<u>Assessed Value</u>	<u>Mills</u>	<u>Total Taxes Due</u>
Realty	\$ 7,140,953		
Personal - other than auto	1,074,200		
Auto and mobile homes (from county)	606,899		
Utilities	1,290,649		
Total	10,112,701		
Less: Special homestead	(1,410,662)		
Total	8,702,039	97.0	\$ 844,098
<u>Collections/adjustments:</u>			
Plus: Municipal homestead reimbursement			44,733
Prior year tax collections			90,728
Penalties & interest			18,556
Deduct: County tax collector's commissions			(6,273)
Total To Account For			<u>\$ 991,842</u>
<u>Collection Credit to Funds:</u>			
	<u>Taxes</u>	<u>Homestead Reimbursement</u>	<u>Total</u>
Municipal General Fund	\$ 874,711	\$ 44,733	\$ 919,444
Balance represented by:			
Unpaid property taxes			74,984
Unaccounted for			(2,586)
Total Accounted For			<u>\$ 991,842</u>

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

Actual Collections:

2018 Tax	\$ 713,517
10% increase	71,352
Exempt property	-
	<u>\$ 784,869</u>

Actual Collections:

2019 Tax	\$ 874,711
Homestead reimbursement	44,733
Over limitation	(134,575)
	<u>\$ 784,869</u>

CITY OF BELZONI, MISSISSIPPI

**Schedule of Investments - All Funds
September 30, 2020**

Ownership	Type of Investment	Interest Rate	Acquisition Date	Maturity Date	Other Information	Investment Cost/Value
Fire Fund	Certificate of Deposit	1.15%	7/15/2020	1/15/2021	Guaranty Bank & Trust	<u>\$ 52,356</u>

CITY OF BELZONI, MISSISSIPPI

**Schedule of Surety Bonds of Municipal Officials
For the Year Ended September 30, 2020**

<u>Name</u>	<u>Position</u>	<u>Bond*</u>
Joe L Jackson	Mayor	\$ 50,000
Michael Rydell Starks	Alderman	\$ 50,000
Derrick Lemark Hooker	Alderman	\$ 50,000
Marvin Jones	Alderman	\$ 50,000
W.T. McCormick Jr	Alderman	\$ 50,000
Shonda Latrice Hooker	Alderman	\$ 50,000
Position Bond	City Clerk	\$ 50,000
Position Bond	3 Assistant Clerks	\$ 50,000
Position Bond	Police Chief	\$ 50,000
Position Bond	Court Clerk	\$ 50,000
Position Bond	Deputy Court Clerk	\$ 50,000

* All positions are covered by Travelers Casualty and Surety Co.

CITY OF BELZONI, MISSISSIPPI

REPORTS ON INTERNAL CONTROL AND COMPLIANCE AND OTHER MATTERS

CUNNINGHAM CPAs, PLLC
Certified Public Accountants & Consultants

202 Church Street
Belzoni, Mississippi 39038
Office: (662) 247-2416
Fax: (662) 247-2420

10 South Bancroft Street
Fairhope, Alabama 36532
Office: (251) 929-7778
Fax: (251) 929-7779

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

The Honorable Mayor and Board of Aldermen
City of Belzoni, Mississippi

We have audited, in accordance with the 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 cash basis financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Belzoni, Mississippi, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Belzoni, Mississippi's basic financial statements, and have issued our report thereon dated March 11, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Belzoni, Mississippi's internal control over financial reporting (internal control) to determine the audit 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 City of Belzoni, Mississippi's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Belzoni, Mississippi's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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 a 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. We consider the deficiencies below to be material weaknesses (2020-01 and 2020-02):

2020-01 Finding

Condition: The City does not have procedures in place to produce the financial statements, related notes, and other supplemental information. The City has historically relied on its auditor to perform these tasks.

Criteria: The City is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note (1).

Cause: The City does not have internal controls in place relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Effect: The lack of the City's preparation of the financial statements increases the risk of inadequate information being reported.

Recommendation: We recommend that the City develop a set of year-end procedures to ensure that the financial statements are prepared as prescribed by the Office of the Mississippi State Auditor and as required by the Governmental Accounting Standards Board.

City's Response: The City will, to the extent possible, put procedures in place to produce financial statements that are prepared as prescribed by the Office of the Mississippi State Auditor and as required by Governmental Accounting Standards Board.

2020-02 Finding

Condition: The City does not maintain an adequate capital asset subsidiary ledger that properly tracks capital asset activity.

Criteria: The City is responsible for the design, implementation, and maintenance of internal control relevant to the accounting for capital assets.

Cause: The City has not implemented a system to properly track and account for its capital assets.

Effect: By not having a system in place to properly account for capital assets, there is an increased risk of misappropriation of assets and the potential for material misstatement within the City's financial statements.

Recommendation: We recommend that the City work with its software provider to develop and maintain an adequate capital asset subsidiary ledger.

City's Response: We are in the process of completing a capital asset subsidiary ledger.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Belzoni, Mississippi's financial statements are free from 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*.

However, we did note certain immaterial instances of noncompliance with state laws and regulations that we reported to management of the City in a separate letter dated March 11, 2022, which is included in this report

City of Belzoni, Mississippi's Response to the Findings

City of Belzoni, Mississippi's responses to the findings identified in our audit are described above. The City of Belzoni, Mississippi's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Cunningham CPAs, PLLC
Belzoni, Mississippi
March 11, 2022

CITY OF BELZONI, MISSISSIPPI

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

CUNNINGHAM CPAs, PLLC
Certified Public Accountants & Consultants

202 Church Street
Belzoni, Mississippi 39038
Office: (662) 247-2416
Fax: (662) 247-2420

10 South Bancroft Street
Fairhope, Alabama 36532
Office: (251) 929-7778
Fax: (251) 929-7779

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

The Honorable Mayor and Board of Aldermen
City of Belzoni, Mississippi

We have audited the basic cash basis financial statements of the City of Belzoni as of and for the year ended September 30, 2020, and have issued our report dated March 11, 2022. We have conducted our audit 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*.

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. 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 our procedures and our audit of the cash basis financial statement disclosed the following instances of noncompliance with state laws and regulations. Our findings and recommendations and your responses are as follows:

1. Finding

The *Municipal Audit and Accounting Guide* requires that annual physical inventories of property and equipment be conducted and compared to subsidiary records and that assets be "tagged" and that the "tag" numbers be cross-referenced to a subsidiary ledger of property and equipment. While the City has begun tagging its assets, it is not fully complying with this requirement. This finding was also noted in the prior year's audit report.

Recommendation

We recommend that annual physical inventories be conducted, that assets are tagged and cross-referenced to subsidiary records, and that evidence of the annual physical count be kept on file.

City's Response

We will conduct annual physical inventories of all assets and ensure that assets are tagged and cross-referenced to subsidiary records. We will maintain files on these inventory counts. We are in the process of developing a system to properly record and track capital assets.

2. Finding

Depositories were not commissioned for periods covering fiscal year 2020 as required by law.

Recommendation

We recommend that the City select depositories every two years as required by law.

City's Response

We will advertise for and select depositories every two years as required by law.

3. Finding

According to 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.

While the total expenditures of the City of Belzoni were approximately \$72,000 below the adopted budget for all funds combined, during our testing, we did note actual expenses exceeded the original adopted budget for some departments and funds, individually. There were also instances where the purpose level within a department or fund were exceeded but the overall department or fund budget was not exceeded.

Recommendation

We recommend that the City take greater care in following the specific budget related state laws and regulations as outlined in the Municipal Accounting Guide.

City's Response

In the future, we will ensure that we follow all the budget related laws and regulations as described in the Municipal Accounting Guide.

4. Finding

During our testing of ad valorem tax collections, we noted the City increased general fund tax millage by 20 mills. This consisted of an overall 4 mill increase plus moving 16 mills that had previously been set for debt service to the general fund. This resulted in the City collecting general fund ad valorem tax in excess of the 10% allowed increase. Based on our calculations, we estimate the City collected approximately \$135,000 in excess general fund ad valorem tax. As such, the City will need to escrow these taxes and reduce future ad valorem tax requests accordingly.

Recommendation

We recommend that the City follow Miss. Code Ann. (1972) Sections 27-39-320 through 27-29-323 and limit ad valorem tax growth in a given tax year and escrow any excess collections.

City's Response

We will follow Miss. Code Ann. (1972) Sections 27-39-320 through 27-29-323 and limit ad valorem tax growth to 10% in a given tax year and escrow these excess collections.

The City of Belzoni's responses to our findings included in this report were not audited and, accordingly, we express no opinion on them.

The Office of State Auditor or a public accounting firm will review, on a subsequent year's audit engagement, the findings in this report to ensure that corrective action has been taken.

Other than the findings mentioned above, the City complied with state laws and regulations for the items tested. For those items not tested, nothing came to our attention that would lead us to believe that the City had not complied with state laws and regulations other than those laws and regulations for which we noted violations in our testing referred to above.

This report is intended for the information of the City's 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.

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

Cunningham CPAs, PLLC
Belzoni, Mississippi
March 11, 2022

