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DAVID SMITH  
MAYOR

PATRICIA S. LOCKETT  
CLERK

LATRECE HILL  
COURT CLERK

## TOWN OF INVERNESS

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ALDERMEN:

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WILL JACOBS, III

July 30, 2018

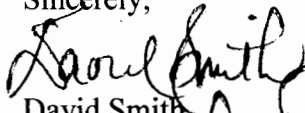
Office of the State Auditor  
P.O. Box 956  
Jackson, MS 39205

Re: Annual Municipal Compilation Report

Department of Technical Assistance

Accompanying are two copies of the annual compilation of the Town of Inverness, Mississippi, for the fiscal year ended September 30, 2017 . In connection with this compilation, a separate management letter was written to the town. Enclosed you will find two copies of t his management letter along with the compilation reports.

Sincerely,

  
David Smith  
Mayor

AUG 01 2018

**TOWN OF INVERNESS, MISSISSIPPI**

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# CUNNINGHAM CPAs, PLLC

Certified Public Accountants & Consultants

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Belzoni, Mississippi 39038  
Office: (662) 247-2416  
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10 South Bancroft Street  
Fairhope, Alabama 36532  
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## Accountant's Compilation Report

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, 2017, 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.

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 16 is presented for purposes of additional analysis and has been compiled by us from information that is the representation of management of the Town of Inverness, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on such supplementary information.

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.

In accordance with the provisions of Code Section 21-3 5-31, Miss. Code Ann. ( 1972), we have issued a report dated July 13, 2018 on the results of our agreed-upon procedures.

  
Cunningham CPAs, PLLC  
Belzoni, Mississippi  
July 13, 2018

TOWN OF INVERNESS, MISSISSIPPI

Statement of Cash Receipts and Disbursements (All Funds)  
For the Year Ended September 30, 2017

	Governmental Activities						Business-type	Fiduciary		
	Major Funds						Activities	Funds		
	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	Total (Memorandum Only)
<b>REVENUE RECEIPTS:</b>										
Taxes										
General property taxes	\$ 268,816	\$ 4,325	\$ -	\$ 4,056	\$ 17,100	\$ -	\$ 294,297	\$ -	\$ -	\$ 294,297
Penalties & interest on delinquent taxes	6,049	-	-	-	-	-	6,049	-	-	6,049
Licenses and permits										
Privilege licenses	1,021	-	-	-	-	-	1,021	-	-	1,021
Franchise charges - utilities	26,159	-	-	-	-	-	26,159	-	-	26,159
Intergovernmental revenues:										
State grants:										
Miss. emergency management	5,463	-	-	-	-	-	5,463	-	-	5,463
General municipal aid	508	-	-	-	-	-	508	-	-	508
Homestead reimbursement	18,873	299	-	299	1,199	-	20,670	-	-	20,670
State shared revenues:										
Sales taxes	64,459	-	-	-	-	-	64,459	-	-	64,459
Liquor privilege tax	1,800	-	-	-	-	-	1,800	-	-	1,800
Fire protection	-	5,706	-	-	-	-	5,706	-	-	5,706
Gasoline taxes	2,993	-	-	-	-	-	2,993	-	-	2,993
In lieu taxes-Grand Gulf	6,828	-	-	-	-	-	6,828	-	-	6,828
County shared revenues:										
Road & bridge taxes	12,254	-	-	-	-	-	12,254	-	-	12,254
Charges for services:										
Garbage fees	-	-	-	-	-	-	-	69,891	-	69,891
Water and sewer charges	-	-	-	-	-	-	-	177,079	-	177,079
Police fines, assessments, fees, etc.	6,460	-	-	-	-	-	6,460	-	-	6,460
Other revenues:										
Interest income	352	105	156	106	50	-	769	409	-	1,178
Leases/Rentals	3,625	-	9,533	-	-	-	13,158	-	-	13,158
Miscellaneous	1,281	-	-	-	2	-	1,283	9,829	-	11,112
<b>TOTAL RECEIPTS</b>	<b>426,941</b>	<b>10,435</b>	<b>9,689</b>	<b>4,461</b>	<b>18,351</b>	<b>-</b>	<b>469,877</b>	<b>257,208</b>	<b>-</b>	<b>727,085</b>

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TOWN OF INVERNESS, MISSISSIPPI

Statement of Cash Receipts and Disbursements (All Funds)  
For the Year Ended September 30, 2017

	Governmental Activities						Business-type	Fiduciary	Total (Memorandum Only)	
	Major Funds						Activities	Funds		
	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
<b>DISBURSEMENTS:</b>										
General government:										
Executive	19,281	-	-	-	-	19,281	-	-	19,281	
Financial	109,646	-	-	-	-	109,646	-	-	109,646	
Other	59,188	-	-	-	-	59,188	-	-	59,188	
Public safety:										
Police	218,680	-	-	-	-	218,680	-	-	218,680	
Fire	1,800	15,520	-	-	-	17,320	-	-	17,320	
Public works:										
Street department	28,844	-	-	-	-	28,844	-	-	28,844	
Culture & recreation	18,587	-	1,831	-	-	20,418	-	-	20,418	
Enterprise services:										
Water and sewer	-	-	-	-	-	-	190,000	-	190,000	
Sanitation	-	-	-	-	-	-	59,120	-	59,120	
Redemption of principal	5,650	-	-	-	14,000	19,650	5,745	-	25,395	
Interest on bonds	230	-	-	-	11,014	11,244	173	-	11,417	
<b>Total Disbursements</b>	<b>461,906</b>	<b>15,520</b>	<b>1,831</b>	<b>-</b>	<b>25,014</b>	<b>504,271</b>	<b>255,038</b>	<b>-</b>	<b>759,309</b>	
Excess (Deficiency) of receipts over disbursements	(34,965)	(5,085)	7,858	4,461	(6,663)	(34,394)	2,170	-	(32,224)	
<b>OTHER FINANCING SOURCES (USES):</b>										
Interfund transfers	4,292	6,535	-	-	-	10,827	-	(10,827)	-	
Other financing sources (uses)	-	-	-	-	-	-	524	1,961	2,485	
<b>Total other financing sources (uses)</b>	<b>4,292</b>	<b>6,535</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,827</b>	<b>524</b>	<b>(8,866)</b>	<b>2,485</b>	
Excess (Deficiency) of receipts and other financing sources over disbursements and other financing uses	(30,673)	1,450	7,858	4,461	(6,663)	(23,567)	2,694	(8,866)	(29,739)	
<b>CASH BASIS FUND BALANCE- BEGINNING OF YEAR</b>	<b>111,741</b>	<b>38,217</b>	<b>50,541</b>	<b>29,748</b>	<b>24,199</b>	<b>978</b>	<b>255,424</b>	<b>174,205</b>	<b>10,788</b>	<b>440,417</b>
<b>CASH BASIS FUND BALANCE- END OF YEAR</b>	<b>\$ 81,068</b>	<b>\$ 39,667</b>	<b>\$ 58,399</b>	<b>\$ 34,209</b>	<b>\$ 17,536</b>	<b>\$ 978</b>	<b>\$ 231,857</b>	<b>\$ 176,899</b>	<b>\$ 1,922</b>	<b>\$ 410,678</b>

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# TOWN OF INVERNESS, MISSISSIPPI

## Notes to Financial Statement For the Year Ended September 30, 2017

### 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:

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# TOWN OF INVERNESS, MISSISSIPPI

## Notes to Financial Statement For the Year Ended September 30, 2017

### 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, 2017**

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 investments at September 30, 2017, consist of:

Cash in bank	\$ 200,576
Certificates of deposit	210,102
Total	<u>\$ 410,678</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 institutions trust department or agent in the name of the Mississippi State Treasurer on behalf of the Town.

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Certificates of deposits type of investments of \$210,102 are valued using quoted market prices (Level 1 inputs).

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**TOWN OF INVERNESS, MISSISSIPPI**

**Notes to Financial Statement  
For the Year Ended September 30, 2017**

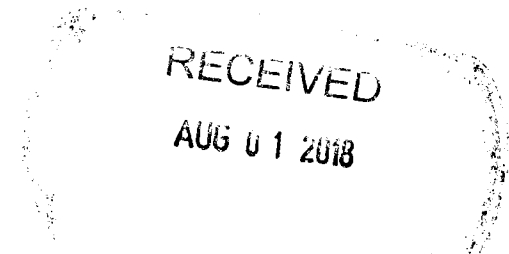
**(3) General Long-term Debt.**

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

	<u>Balance 9/30/16</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 9/30/17</u>	<u>Due Within One Year</u>
<u>Governmental Activities</u>					
A. General obligation bonds payable	\$ 225,000	\$ -	\$ (14,000)	\$ 211,000	\$ 14,000
B. Obligations under capital leases	11,300	-	(5,650)	5,650	5,650
Total Governmental Activities	<u>236,300</u>	<u>-</u>	<u>(19,650)</u>	<u>216,650</u>	<u>19,650</u>
<u>Business-Type Activities</u>					
C. Obligations under capital leases	5,745	-	(5,745)	-	-
Total Business-Type Activities	<u>5,745</u>	<u>-</u>	<u>(5,745)</u>	<u>-</u>	<u>-</u>
Total All Activities	<u>\$ 242,045</u>	<u>\$ -</u>	<u>\$ (25,395)</u>	<u>\$ 216,650</u>	<u>\$ 19,650</u>

A. General obligation bonds payable.

<u>Description</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
Capital improvements issue, Series 2014	3.25%	5/1/2014	4/1/2029	\$ 250,000	\$ 211,000
Total				<u>\$ 250,000</u>	<u>\$ 211,000</u>



**TOWN OF INVERNESS, MISSISSIPPI**

**Notes to Financial Statement  
For the Year Ended September 30, 2017**

General Obligation Bonds, Series 2014

Year Ending <u>September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 14,000	\$ 6,858	\$ 20,858
2019	15,000	6,403	21,403
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	<u>\$ 211,000</u>	<u>\$ 46,811</u>	<u>\$ 257,811</u>

This debt will be retired from the debt service fund.

B. Obligations under capital leases

<u>Description</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
1. Police - Dodge Charger	2.50%	2/10/2016	3/1/2018	\$ 16,950	\$ 5,650
Total				<u>\$ 16,950</u>	<u>\$ 5,650</u>

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

Year Ending <u>September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 5,650	\$ 230	\$ 5,880
Total obligation under capital lease	<u>\$ 5,650</u>	<u>\$ 230</u>	<u>\$ 5,880</u>

This debt will be retired from the general fund.

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**TOWN OF INVERNESS, MISSISSIPPI**

**Notes to Financial Statement  
For the Year Ended September 30, 2017**

C. Obligations under capital leases

This debt was retired during the year.

**(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 15.75% 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, 2017, 2016 and 2015 were \$48,717, \$45,500 and \$46,385, respectively.

**(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.

<b>Tax Years:</b>	<u>2016</u>	<u>2015</u>
General fund	63	60
Volunteer fire department fund	1	1
Emergency water and sewer	1	-
Debt service	<u>4</u>	<u>8</u>
Total millage	<u><u>69</u></u>	<u><u>69</u></u>

**TOWN OF INVERNESS, MISSISSIPPI**

**Notes to Financial Statement  
For the Year Ended September 30, 2017**

**(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 July 13, 2018 (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**

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**TOWN OF INVERNESS, MISSISSIPPI**

**Reconciliation of Tax Assessments to Fund Collections  
For the Year Ended September 30, 2017**

<u>Assessed Valuation and Millage</u>	<u>Assessed Value</u>	<u>Mills</u>	<u>Total Taxes Due</u>
Realty	\$ 3,328,802		
Personal - other than auto	276,707		
Auto and mobile homes (from county)	225,605		
Utilities	1,041,739		
Total	<u>4,872,853</u>		
Less: Special homestead	<u>(603,410)</u>		
Total	4,269,443	69.00	\$ 294,592

**Collections/adjustments:**

Plus: Municipal homestead reimbursement	20,670
Prior year tax collections, net of redemptions	4,785
Penalties & interest	6,049
Deduct: County tax collector's commissions	<u>(3,591)</u>
	<u>\$ 322,505</u>

<u>Collection Credit to Funds:</u>	<u>Taxes</u>	<u>Homestead Reimbursement</u>	<u>Total</u>
Municipal general fund	\$ 274,865	\$ 18,873	\$ 293,738
Volunteer fire department fund	4,325	299	4,624
Emergency water and sewer fund	4,056	299	4,355
Debt service fund	17,100	1,199	18,299
Total	<u>300,346</u>	<u>20,670</u>	<u>321,016</u>
Balance represented by:			
Unpaid property taxes			1,468
Unaccounted for			<u>21</u>
<b>Total Accounted For</b>			<u>\$ 322,505</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:

<u>Actual Collections:</u>		<u>Actual Collections:</u>	
2015 Tax	\$ 273,039	2016 Tax	\$ 283,246
10% increase	27,304	Homestead reimbursement	19,471
Exempt property	4,135	Under limitation	1,761
	<u>\$ 304,478</u>		<u>\$ 304,478</u>

See accountant's compilation report

TOWN OF INVERNESS, MISSISSIPPI

Schedule of Long-Term Debt  
For the Year Ended September 30, 2017

	Balance	Transactions		Balance
	Outstanding 10/1/2016	During Fiscal Year		Outstanding 9/30/2017
		Issued	Redeemed	
<b><u>Governmental Activities:</u></b>				
\$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, 2019.	225,000	-	14,000	211,000
<b><u>Obligations under capital leases:</u></b>				
\$16,950 capital lease for Dodge Charger Police Car; original issue date of February 10, 2016. Interest is fixed at 2.5% and is payable annually beginning in fiscal year 2016 with final payment due in fiscal year 2018.	11,300	-	5,650	5,650
Total Governmental Activities	236,300	-	19,650	216,650
<b><u>Business-Type Activities:</u></b>				
<b><u>Obligations under capital leases:</u></b>				
\$40,000 capital lease for a sewer machine; original issue date of May 1, 2012. Interest is fixed at 3.5% and is payable annually beginning in fiscal year 2012 with final payment due in fiscal year 2017.	5,745	-	5,745	-
Total Business-Type Activities	5,745	-	5,745	-
Total For All Activities	\$ 242,045	\$ -	\$ 25,395	\$ 216,650

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**TOWN OF INVERNESS, MISSISSIPPI**

**Schedule of Investments - All Funds  
September 30, 2017**

<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	0.35%	10/6/2016	10/6/2017	\$ 23,542
Public Utility Fund	Certificate of Deposit	0.35%	10/16/2016	10/16/2017	118,865
Post Office Fund	Certificate of Deposit	0.35%	10/19/2016	10/19/2017	21,834
Volunteer Fire Fund	Certificate of Deposit	0.35%	10/25/2016	10/25/2017	20,746
Emergency Water and Sewer Fund	Certificate of Deposit	0.35%	10/28/2016	10/28/2017	<u>25,115</u>
					<u>\$ 210,102</u>

See accountant's compilation report

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**TOWN OF INVERNESS, MISSISSIPPI**

**Schedule of Surety Bonds of Municipal Officials  
For the Year Ended September 30, 2017**

Albert Carter	Deputy Court Clerk	St. Paul Travelers	\$	50,000
Albert Carter	Police Chief	St. Paul Travelers	\$	50,000
Position Bond	Police Officers	St. Paul Travelers	\$	25,000
Patricia Lockett	Deputy Court Clerk	St. Paul Travelers	\$	50,000
Patricia Lockett	Town Clerk	St. Paul Travelers	\$	50,000
Latrece Hill	Deputy Town Clerk	St. Paul Travelers	\$	50,000
Latrece Hill	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

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**TOWN OF INVERNESS**

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES**

# CUNNINGHAM CPAs, PLLC

Certified Public Accountants & Consultants

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10 South Bancroft Street  
Fairhope, Alabama 36532  
Office: (251) 929-7778  
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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, 2017 and for the year then ended. 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	\$ 57,526
Planters Bank	Public Utilities Fund	58,034
Planters Bank	Fire Fund	18,921
Planters Bank	Emergency Water & Sewer Fund	9,094
Planters Bank	Construction Fund	978
Planters Bank	Debt Service Fund	17,536
Planters Bank	Post Office Fund	36,565
Planters Bank	Clearing Fund	<u>1,922</u>
Total all funds		<u>\$ 200,576</u>

2. We confirmed with financial institutions all investments, including certificates of deposit, owned by the City at September 30, 2017. 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	\$ 23,542
Planters Bank	Public Utilities Fund	118,865
Planters Bank	Post Office Fund	21,834
Planters Bank	Fire Fund	20,746
Planters Bank	Emergency Water and Sewer Fund	<u>25,115</u>
Total all funds		<u>\$ 210,102</u>

3. We performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:
- a. Traced levies to the governing body minutes;
  - b. Traced distribution of taxes collected to proper funds; and
  - c. 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.

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

Ad valorem tax collections for the retirement of general obligation debt was found to be sufficient for the payment of current principal and interest in accordance with limitations imposed by Sections 21-33-87 and 21-33-303, Miss. Code Ann. (1972).

4. We obtained a statement of payments made by the Department of Finance and Administration to the municipality. Payments 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	\$ 5,706
General municipal aid	General Fund	508
Gasoline tax	General Fund	2,993
Homestead exemption reimbursement	General Fund	18,873
	Fire Fund	299
	Emergency water and sewer fund	299
	Debt Service Fund	1,199
Payments in lieu of tax - nuclear power plant	General Fund	6,828
Liquor privilege tax	General Fund	1,800
Sales tax allocation	General Fund	64,459
Miss. emergency management	General Fund	5,463
Total		<u>\$ 108,427</u>

5. We selected a sample 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	6
Total Dollar Value of Sample	\$62,596

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 had not 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:
- a. Fixed assets are not properly tagged and accounted for.

We were not engaged to, and did not perform an audit, 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 my attention that would have been reported to you.

This report is intended solely for the use of the Town of Inverness, Mississippi and the Office of State Auditor, State of Mississippi 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. However, this report is a matter of public record and its distribution is not limited.

Handwritten signature in black ink, appearing to read "Cunningham CPAs".

CUNNINGHAM CPAs, PLLC  
Belzoni, Mississippi

July 13, 2018

