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**CITY OF LELAND, MISSISSIPPI**  
**AUDITED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2019**

CITY OF LELAND, MISSISSIPPI  
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September 30, 2019

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**BROWN, EWING & CO.**  
— P.A. —  
**CERTIFIED PUBLIC ACCOUNTANTS**

**INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor Kenny Thomas  
and Honorable Members of the Board of Alderman  
City of Leland, Mississippi

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Leland, Mississippi, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City of Leland, Mississippi'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 accounting principles generally accepted in the United States of America; this includes 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 fraud or error.

**Auditor's Responsibility**

Our responsibility is to express opinions 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 financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Leland, Mississippi, as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matters**

As explained in Note 10, 16, and 17 to the financial statements, in 2015, the City adopted new accounting guidance, Government Accounting Standards Board (GASB) Statement Number 68, *Accounting and Financial Reporting for Pensions-an amendment of GASB Statement Number 27*.

## **Other Matters**

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-9 and 16-19 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Other Information**

Our audit was conducted for the purpose of forming an opinions on the financial statements that collectively comprise the City of Leland, Mississippi's, basic financial statements. The introductory section, combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2020, on our consideration of the City of Leland, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the City of Leland, Mississippi's internal control over financial reporting and compliance.

*Brown, Eg & Co.*

Ridgeland, Mississippi  
December 22, 2020



CITY OF LELAND, MISSISSIPPI  
Management's Discussion and Analysis  
September 30, 2019

## INTRODUCTION

The discussion and analysis of the City of Leland, Mississippi's annual financial performance provides an overall narrative review of the City's financial activities for the year ended September 30, 2019. The intent of this discussion and analysis is to look at the City's performance as a whole; we encourage readers to consider the information presented here in conjunction with additional information that we have furnished.

## FINANCIAL HIGHLIGHTS

The assets of the City of Leland, Mississippi exceeded its liabilities at the close of the most recent fiscal year by \$2,610,332 (*net position*). Of this amount, \$2,853,601 (*unrestricted net assets*) is not available to be used to meet the City's ongoing obligations to citizens and creditors due to a deficit.

The City's total net position increased by \$1,365,151. This increase is due primarily to a decrease in expenditures.

As of close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$5,719,910, an increase of \$426,052 in comparison with the prior year. Approximately \$150,042 of this total amount is not *available for spending* at the City's discretion (*Unrestricted fund balance*).

At the end of the current fiscal year, unassigned fund balance (deficit) for the general fund was \$150,042, or 4.95% of total general fund expenditures.

The City's total debt had a net decrease of \$109,475, or 1.77% during the current fiscal year. The key factor in this decrease was due to the retirement of debt.

## OVERVIEW OF FINANCIAL STATEMENTS

The discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

## GOVERNMENT - WIDE FINANCIAL STATEMENTS

The government-wide financial statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The City reports all revenues and expenses regardless of when cash is received or paid. Furthermore, the government-wide statements include all of the City's assets (including infrastructure acquired after July 1, 1980) and all of the City's liabilities (including long-term debt).

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The government-wide financial statements are divided into two categories, which are described as follows:

- ♦ **Governmental Activities** - Expenses incurred in connection with providing basic services including public safety, culture, recreation, public works, and general administration are reported as governmental activities. The governmental activities are financed by taxes, license and permit fees, intergovernmental sources, and utility franchise arrangements.
- ♦ **Business - Type Activities** - Expenses associated with providing utility services are recovered through fees paid by the customers that utilize these services. These activities are operated in a manner similar to commercial enterprises. Accordingly, activities associated with these services are reported as business type activities.

#### FUND FINANCIAL STATEMENTS

Fund financial statements provide detailed information regarding the City's most significant activities and are not intended to provide information for the City as a whole. Funds are accounting devices that are used to account for specific sources of funds. The City has three types of funds that are described as follows:

- ♦ **Governmental Funds** - These funds are used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, the governmental funds use a modified accrual basis of accounting that provides a short-term view of the City's finances. Assets reported by governmental funds are limited to amounts that are available for current needs. In addition, liabilities are limited to amounts that are expected to be paid from currently available assets.
- ♦ **Proprietary Fund** - These funds are used to account for activities that function in a manner similar to commercial enterprises. Proprietary fund financial statements typically provide a more detail presentation of the information reported in the business-type activities portion of the government-wide financial statements.
- ♦ **Fiduciary Funds** - are used to account for resources held for the benefit of parties outside the City government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accrual basis of accounting is used for fiduciary funds.

CITY OF LELAND, MISSISSIPPI  
Management's Discussion and Analysis  
September 30, 2019

**NET POSITION**

A condensed version of the government-wide Statement of Net Position is presented as follows:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<u>Assets:</u>						
Current and other assets	\$ 5,903,077	\$ 6,188,759	\$ 10,803,160	\$ 10,055,731	\$ 16,706,237	\$ 16,244,490
Capital assets	<u>1,080,828</u>	<u>690,214</u>	<u>4,822,465</u>	<u>3,595,824</u>	<u>5,903,293</u>	<u>4,286,038</u>
Total Assets	<u>6,983,905</u>	<u>6,878,973</u>	<u>15,625,625</u>	<u>13,651,555</u>	<u>22,609,530</u>	<u>20,530,528</u>
Deferred outflow of resources	<u>221,905</u>	<u>347,977</u>	<u>65,083</u>	<u>57,765</u>	<u>286,988</u>	<u>405,742</u>
<u>Liabilities:</u>						
Current and other liabilities	\$ 182,976	\$ 894,901	13,447,310	11,886,061	\$ 13,630,286	\$ 12,780,962
Long-term liabilities	<u>4,411,355</u>	<u>4,387,142</u>	<u>1,779,313</u>	<u>1,913,001</u>	<u>6,190,668</u>	<u>6,300,143</u>
Total Liabilities	<u>4,594,331</u>	<u>5,282,043</u>	<u>15,226,623</u>	<u>13,799,062</u>	<u>19,820,954</u>	<u>19,081,105</u>
Deferred inflow of resources	<u>391,261</u>	<u>512,923</u>	<u>73,971</u>	<u>97,061</u>	<u>465,232</u>	<u>609,984</u>
<u>Net Position:</u>						
Invested in capital assets (net)	\$ 894,011	\$ (374,503)	4,388,727	2,888,961	\$ 5,282,738	\$ 2,514,458
Restricted	181,195	(72,707)	-	-	181,195	(72,707)
Unrestricted	<u>1,145,012</u>	<u>1,879,194</u>	<u>(3,998,613)</u>	<u>(3,075,764)</u>	<u>(2,853,601)</u>	<u>(1,196,570)</u>
Total Net Position	<u>\$ 2,220,218</u>	<u>\$ 1,431,984</u>	<u>\$ 390,114</u>	<u>\$ (186,803)</u>	<u>\$ 2,610,332</u>	<u>\$ 1,245,181</u>

As the presentation appearing above demonstrates, a large portion of the City's net position, 202.38%, is invested in capital assets. Net assets invested in capital assets consist of land, buildings, equipment, and any infrastructure acquired after September 30, 2019 less any debt used to acquire assets that remains outstanding. The City uses these capital assets to provide services to its citizens; consequently, these amounts are not available for future spending.

An additional portion of the net assets, (5.84)%, represent resources that are subject to restrictions that are imposed by agreements with the City's bondholders or requirements imposed by various revenue sources. The remaining unrestricted net assets, 96.54% are not available to be used to meet the City's ongoing obligations to citizens and creditors.

The following are significant current year transactions that have had an impact on the Statement of Net Position.

- ◆ Increase in total current assets in the amount of \$461,747.
- ◆ Increase in net capital assets in the amount of \$1,617,254.
- ◆ Increase in current liabilities in the amount of \$849,324.
- ◆ Net decrease in long-term liabilities in the amount of \$109,475.

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Management's Discussion and Analysis  
September 30, 2019

**CHANGES IN NET POSITION**

A condensed version of the government-wide Statement of Changes in Net Position is presented as follows:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues:						
Program Revenue:						
Charges for services	\$ 469,246	\$ 478,100	\$ 3,935,121	\$ 4,327,855	\$ 4,404,367	\$ 4,805,955
Operating grants and contributions	41,947	147,755	-	-	41,947	147,755
Capital grants and contributions	361,600	-	1,238,241	-	1,599,841	-
General Revenue:						
Property taxes	1,114,840	1,115,800	-	-	1,114,840	1,115,800
Sales taxes	556,124	534,795	-	-	556,124	534,795
Franchise taxes	52,058	46,087	-	-	52,058	46,087
Licenses and permits	15,717	5,706	-	-	15,717	5,706
Interest earnings	6,272	4,161	8,192	4,881	14,464	9,042
Fines and forfeits	111,479	45,101	-	-	111,479	45,101
Grants and contributions not restricted	105,305	14,966	-	-	105,305	14,966
Other	62,574	33,311	334,112	38,017	396,686	71,328
Total Revenue	<u>2,897,162</u>	<u>2,425,782</u>	<u>5,515,666</u>	<u>4,370,753</u>	<u>8,412,828</u>	<u>6,796,535</u>
Program Expenses:						
General Government						
Finance & administrative	831,709	813,996	-	-	831,709	813,996
Public safety	1,688,513	1,361,691	-	-	1,688,513	1,361,691
Public works	577,947	534,724	-	-	577,947	534,724
Community development	-	105,425	-	-	-	105,425
Parks and recreation	127,986	112,341	-	-	127,986	112,341
Sanitation	504,230	479,671	-	-	504,230	479,671
Interest on long-term debt	30,387	28,753	-	-	30,387	28,753
Sewer improvement	-	-	70,917	63,542	70,917	63,542
Electricity	-	-	2,155,281	2,344,323	2,155,281	2,344,323
Water/sewer	-	-	848,736	447,266	848,736	447,266
Total Expenses	<u>3,760,772</u>	<u>3,436,601</u>	<u>3,074,934</u>	<u>2,855,131</u>	<u>6,835,706</u>	<u>6,291,732</u>
Increase (decrease) in Net Assets	(863,610)	(1,010,819)	2,440,732	1,515,622	1,577,122	504,803
Before Transfers and Special Items	<u>1,850,543</u>	<u>1,190,649</u>	<u>(1,850,543)</u>	<u>(1,190,649)</u>	-	-
Change in Net Position	986,933	179,830	590,189	324,973	1,577,122	504,803
Prior Period Adjustment	(198,699)	-	(12,917)	-	(211,616)	-
Net Position Beginning	<u>4,228,803</u>	<u>4,048,973</u>	<u>3,941</u>	<u>(321,032)</u>	<u>4,232,744</u>	<u>3,727,941</u>
Net Position Ending	<u>\$ 5,017,037</u>	<u>\$ 4,228,803</u>	<u>\$ 581,213</u>	<u>\$ 3,941</u>	<u>\$ 5,598,250</u>	<u>\$ 4,232,744</u>

CITY OF LELAND, MISSISSIPPI  
Management's Discussion and Analysis  
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The following are significant current year transactions that have had an impact on the Statement of Activities:

**Governmental activities.** Governmental activities increased the City's net position by \$788,234, accounting for 18.64% of the total growth in the City's net position. Key elements of this increase are as follows:

- ♦ Sales tax revenue increase by \$21,329, or 3.99 % during the year.
- ♦ Fines and forfeits revenue increased by \$66,378, or 443.53% during the year.
- ♦ Capital grants and contributions increased by \$361,600 or 100% during the year.
- ♦ Grants and contributions not restricted increased by \$90,339 or 603.63% during the year.

**Business-type activities.** Business-type activities increased the City's net position by \$577,272, accounting for 14,647.86% of the increase in the City's net position. Key elements of this increase are as follows:

- ♦ Capital grants and contributions for the business-type activities decreased by \$1,238,241, or 100.00% during the year.
- ♦ Operating expenses for the business-type activities decreased by \$219,803, or 4.50% during the year.

## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate with finance-related legal requirements.

**Governmental Funds** - The focus of the City's governmental funds is to provide information on current inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

The City's governmental funds reported combined fund balances of \$5,719,910, which represents an increase of \$426,052 in comparison to the previous balance. In addition, the City's general fund, which is not available for spending at the City's discretion, reported a deficit fund balance of \$146,718.

**Proprietary Funds** - are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses a proprietary fund to account for the water and sewer, solid waste, and electric funds. Fund financial statements for the proprietary fund provide the same type of information as the government-wide financial statements, only in more detail.

**Fiduciary Funds** - are used to account for resources held for the benefit of parties outside the City government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accrual basis of accounting is used for fiduciary funds.

CITY OF LELAND, MISSISSIPPI  
Management's Discussion and Analysis  
September 30, 2019

**GENERAL FUND BUDGET HIGHLIGHTS**

The City's general fund is required to adopt a budget. The budget is amended as necessary and appropriations increased as a result of the rising cost described in the preceding section.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets** - As of September 30, 2019, the City's total capital assets were \$11,851,295. This includes land, buildings, furniture and equipment, mobile equipment, and infrastructure. There were no net increases before depreciation for the current year.

Total accumulated depreciation as of September 30, 2019 was \$5,948,002, including \$389,070, of depreciation expense for the year. The balance in total net capital assets was \$5,903,293 at year-end. Additional information on the City's capital assets can be found in Note 6 of this report.

**Debt Administration** - As of September 30, 2019, the City had \$2,152,957 in long-term debt outstanding. This includes notes payable and compensated absences payable. Of this debt, \$446,441 is due within one year.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the funds it receives. If you have questions about this report or need additional financial information, please contact the City of Leland at P. O. Drawer 271, Leland, Mississippi 38756.

CITY OF LELAND, MISSISSIPPI  
Statement of Net Position  
For the Year Ended September 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 214,906	950,538	\$ 1,165,444
Certificate of deposits	410,455	45,220	455,675
Investments	329,244	509,469	838,713
Accounts receivable, net	151,256	683,647	834,903
Other receivables	15,824	-	15,824
Intergovernmental receivables	46,275	-	46,275
Inventories	-	120,236	120,236
Due from other funds	4,674,681	8,192,185	12,866,866
Restricted Assets:			
Cash and cash equivalents	60,436	301,865	362,301
Capital Assets:			
Land	132,702	-	132,702
Buildings	28,216	-	28,216
Automotive and equipment	919,910	222,611	1,142,521
Infrastructure	-	2,637,616	2,637,616
Construction in progress	-	1,962,238	1,962,238
Total Assets before Deferred Outflow Resources	<u>6,983,905</u>	<u>15,625,625</u>	<u>22,609,530</u>
Deferred Outflow of Resources			
Deferred outflows - pensions	<u>221,905</u>	<u>65,083</u>	<u>286,988</u>
Total Deferred Outflow of Resources	<u>221,905</u>	<u>65,083</u>	<u>286,988</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>7,205,810</u></b>	<b><u>15,690,708</u></b>	<b>\$ <u>22,896,518</u></b>
<b>LIABILITIES</b>			
Accounts payable, general	\$ 171,816	286,348	\$ 458,164
Payroll taxes payable	10,860	-	10,860
Customer's deposits	-	294,396	294,396
Due to other funds	300	12,866,566	12,866,866
Noncurrent liabilities:			
Due within one year	291,862	154,579	446,441
Due in more than one year	716,215	990,302	1,706,517
Net pension liability	<u>3,403,278</u>	<u>634,432</u>	<u>4,037,710</u>
Total Liabilities	<u>4,594,331</u>	<u>15,226,623</u>	<u>19,820,954</u>
Deferred Inflow of Resources			
Pensions	<u>391,261</u>	<u>73,971</u>	<u>465,232</u>
Total Deferred Inflow of Resources	<u>391,261</u>	<u>73,971</u>	<u>465,232</u>
Net Position:			
Investment in capital assets, net of related debt	894,011	4,388,727	5,282,738
Restricted for:			
Debt service	(150,042)	-	(150,042)
Other purposes	331,237	-	331,237
Unrestricted	<u>1,145,012</u>	<u>(3,998,613)</u>	<u>(2,853,601)</u>
Total Net Position	<u>2,220,218</u>	<u>390,114</u>	<u>2,610,332</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ <u>7,205,810</u></b>	<b><u>15,690,708</u></b>	<b>\$ <u>22,896,518</u></b>

The Accompanying Notes are an integral part of these Financial Statements.

CITY OF LELAND, MISSISSIPPI  
Statement of Activities  
For the Year Ended September 30, 2019

	Expenses	Program Revenues		Net (Expenses) Revenues Changes in Net Assets		Business- Type Activities	Total
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities		
<b>Primary Government:</b>							
Governmental activities:							
General government	\$ 831,709	-	15,000	-	(816,709)	-	\$ (816,709)
Public safety	1,688,513	-	26,947	81,600	(1,579,966)	-	(1,579,966)
Public works	577,947	-	-	280,000	(297,947)	-	(297,947)
Parks and recreation	127,986	7,861	-	-	(120,125)	-	(120,125)
Sanitation	504,230	461,385	-	-	(42,845)	-	(42,845)
Community development	-	-	-	-	-	-	-
Interest on long-term debt	30,387	-	-	-	-	-	-
Total governmental activities	<u>3,760,772</u>	<u>469,246</u>	<u>41,947</u>	<u>361,600</u>	<u>(2,887,979)</u>	<u>-</u>	<u>(2,887,979)</u>
Business-type activities:							
Water/Sewer	848,736	870,186	-	-	-	21,450	21,450
Electricity	2,155,281	2,943,298	-	-	-	788,017	788,017
Sewer Improvement Fund	70,917	121,637	-	1,238,241	-	1,288,961	1,288,961
Total Business-type activities	<u>3,074,934</u>	<u>3,935,121</u>	<u>-</u>	<u>1,238,241</u>	<u>-</u>	<u>2,098,428</u>	<u>2,098,428</u>
Total Primary Government	<u>\$ 6,835,706</u>	<u>4,404,367</u>	<u>41,947</u>	<u>1,599,841</u>	<u>(2,887,979)</u>	<u>2,098,428</u>	<u>\$ (789,551)</u>
General Revenues:							
Property taxes				\$ 1,114,840	-	-	\$ 1,114,840
Sales taxes				556,124	-	-	556,124
Franchise taxes				52,058	-	-	52,058
Fines and report fees				111,479	-	-	111,479
License and permits				15,717	-	-	15,717
Miscellaneous				62,574	334,112	-	396,686
Grants and contributions not restricted to specific programs				105,305	-	-	105,305
Unrestricted investment earnings				6,272	8,192	-	14,464
Transfers in (out)				<u>1,850,543</u>	<u>(1,850,543)</u>	-	-
Total general revenues, special items, and transfers				<u>3,874,912</u>	<u>(1,508,239)</u>	-	<u>2,366,673</u>
Change in net position				986,933	590,189	-	1,577,122
Net Position - Beginning				1,431,984	(46,069)	-	1,385,915
Prior Period Adjustments				<u>(198,699)</u>	<u>(12,917)</u>	-	<u>(211,616)</u>
Net Position - Ending				<u>\$ 2,220,218</u>	<u>531,203</u>	-	<u>\$ 2,751,421</u>

The Accompanying Notes are an integral part of these Financial Statements.



CITY OF LELAND, MISSISSIPPI  
Balance Sheet  
Governmental Funds  
For the year Ended September 30, 2019

	General Fund	Sanitation Fund	Fire Protection Fund	Library Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash	\$ 58,253	-	139,926	1,993	75,172	\$ 275,344
Certificate of deposits	201,335	187,043	22,077	-	-	410,455
Investments	-	-	-	329,244	-	329,244
Taxes receivable, net of allowances	19,739	131,517	-	-	-	151,256
Other receivables	15,824	-	-	-	8,078	23,902
Intergovernmental receivable	38,004	-	-	-	-	38,004
Due from other funds	137,913	5,142,475	-	-	3,719	5,284,107
<b>TOTAL ASSETS</b>	<b>\$ 471,068</b>	<b>5,461,035</b>	<b>162,003</b>	<b>331,237</b>	<b>86,969</b>	<b>\$ 6,512,312</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable, general	\$ 155,296	16,613	-	-	-	\$ 171,909
Payroll taxes payable	10,767	-	-	-	-	10,767
Due to other funds	451,723	134,487	-	-	23,516	609,726
<b>Total Liabilities</b>	<b>617,786</b>	<b>151,100</b>	<b>-</b>	<b>-</b>	<b>23,516</b>	<b>792,402</b>
<b>Fund Balance</b>						
Committed	3,324	5,309,935	-	331,237	81,034	5,725,530
Restricted	-	-	162,003	-	(17,581)	144,422
Unassigned	(150,042)	-	-	-	-	(150,042)
<b>Total Fund Balance</b>	<b>(146,718)</b>	<b>5,309,935</b>	<b>162,003</b>	<b>331,237</b>	<b>63,453</b>	<b>5,719,910</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 471,068</b>	<b>5,461,035</b>	<b>162,003</b>	<b>331,237</b>	<b>86,969</b>	<b>\$ 6,512,312</b>

The Accompanying Notes are an integral part of these Financial Statements.

CITY OF LELAND, MISSISSIPPI  
Reconciliation of Balance Sheet - Governmental Funds  
to the Statement of Net Position  
For the Year Ended September 30, 2019

Amounts reported for governmental activities in the statement of activities are different because:

Total Fund Balances - Governmental Funds	\$ 5,719,910
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Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Capital Assets	4,126,428	
Less: Accumulated Depreciation	<u>(3,045,601)</u>	1,080,827

Some liabilities, including pension obligations, are not due and payable in the current period and, therefore are not reported in the funds.

Net pension liability	(3,403,278)
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Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflow of resources related to pensions	221,905	
Deferred inflow of resources related to pensions	<u>(391,261)</u>	(3,572,634)

Liabilities not due and payable in the current period are not reported in the funds, as follows:

Notes payable	(854,796)	
Compensated for absences	(42,260)	
Other	<u>(110,829)</u>	<u>(1,007,885)</u>

Net Position of Governmental Activities	\$ <u>2,220,218</u>
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The Accompanying Notes are an intergral part of these Financial Statements.

CITY OF LELAND, MISSISSIPPI  
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended September 30, 2019

	General Fund	Sanitation Fund	Fire Protection Fund	Library Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>						
General property taxes	\$ 703,113	195,523	-	-	216,204	\$ 1,114,840
Privilege licenses and permits	15,717	-	-	-	-	15,717
Intergovernmental revenues	622,138	4,598	396,747	-	41,300	1,064,783
Franchise taxes	52,058	-	-	-	-	52,058
Charges for services	7,861	461,385	-	-	-	469,246
Fines and report fees	111,479	-	-	-	-	111,479
Interest income	1,203	1,220	-	2,875	975	6,273
Miscellaneous	43,843	-	1	-	230	44,074
<b>Total Revenues</b>	<b>1,557,412</b>	<b>662,726</b>	<b>396,748</b>	<b>2,875</b>	<b>258,709</b>	<b>2,878,470</b>
<b>EXPENDITURES:</b>						
General government	777,089	-	-	2,384	1,000	780,473
Public safety	1,357,628	-	151,885	-	-	1,509,513
Parks and recreation	120,660	-	-	-	-	120,660
Public works	675,887	-	-	-	718	676,605
Sanitation	-	456,647	-	-	-	456,647
Debt services:						
Principal	34,621	29,293	-	-	206,364	270,278
Interest and service charges	2,490	3,533	-	-	-	6,023
Capital outlay:						
General government	57,041	-	-	-	-	57,041
Public safety	2,936	-	327,800	-	-	330,736
Public works	4,050	-	-	-	-	4,050
<b>Total Expenditures</b>	<b>3,032,402</b>	<b>489,473</b>	<b>479,685</b>	<b>2,384</b>	<b>262,534</b>	<b>4,266,478</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,474,990)	173,253	(82,937)	491	(3,825)	(1,388,008)
<b>OTHER FINANCING SOURCES (USES):</b>						
Sale of capital assets	-	-	18,500	-	-	18,500
Proceeds from issuance of debt	143,716	-	-	-	-	143,716
Operating transfers in	1,692,142	265,954	95	-	-	1,958,191
Operating transfers out	(107,457)	-	-	-	(191)	(107,648)
<b>Total Other Financing Sources (Uses)</b>	<b>1,728,401</b>	<b>265,954</b>	<b>18,595</b>	<b>-</b>	<b>(191)</b>	<b>2,012,759</b>
Net Change in Fund Balances	253,411	439,207	(64,342)	491	(4,016)	624,751
Prior period adjustment	-	-	-	-	(198,699)	(198,699)
Fund Balance, Beginning of Year	(400,129)	4,870,728	226,345	330,746	266,168	5,293,858
Fund Balance, Ended of Year	\$ (146,718)	\$ 5,309,935	\$ 162,003	\$ 331,237	\$ 63,453	\$ 5,719,910

The Accompanying Notes are an integral part of these Financial Statements.

CITY OF LELAND, MISSISSIPPI  
Reconciliation of the Statement of Revenues  
Expenditures, and Changes in Fund Balance to the  
Statement of Activities - Governmental Funds  
For the Year Ended September 30, 2019

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds		\$ 624,751
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Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital outlays	560,339	
Depreciation expense	<u>(169,725)</u>	390,614

The statement of activities reports pension expense and other activity related to net pension liability:

Pension expense	351,690	
Contributions made after the measurement date	<u>(196,212)</u>	155,478

Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However, in the Statement of Activities, which is presented on the accrual basis of accounting, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long term debt is recognized under the modified accrual basis of accounting when due, rather than as it accrues. Thus, the change in net position differs from the change in fund balance by a combination of the following items:

Other	<u>(110,627)</u>	(110,627)
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Activities from debt related transactions

Proceeds from the issuance of new debt		106,491
Principal payment on debt		<u>(179,774)</u>

Change in net position of governmental activities		\$ <u><u>986,933</u></u>
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The Accompanying Notes are an integral part of these Financial Statements.

CITY OF LELAND, MISSISSIPPI  
General Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended September 30, 2019

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Property taxes	\$ 565,427	565,427	703,113	\$ 137,686
Privilege licenses and permits	55,000	55,100	15,717	(39,383)
Intergovernmental revenues	489,444	504,444	622,138	117,694
Franchise taxes	55,056	55,056	52,058	(2,998)
Charges for services	500	500	7,861	7,361
Fines and report fees	65,000	65,000	111,479	46,479
Interest	1,400	1,400	1,203	(197)
Miscellaneous	12,600	12,600	43,843	31,243
TOTAL REVENUES	<u>1,244,427</u>	<u>1,259,527</u>	<u>1,557,412</u>	<u>297,885</u>
OPERATING DISBURSEMENTS:				
General Government				
Administration	816,519	781,795	777,089	4,706
Public Safety				
Police protection	1,096,569	1,154,129	1,204,351	(50,222)
Fire protection	151,081	156,561	153,277	3,284
Public Works				
Street improvements	483,664	454,580	675,887	(221,307)
Parks & recreation	94,050	101,769	120,660	(18,891)
Capital outlays	-	133,070	64,027	69,043
Debt service	-	-	37,111	(37,111)
Total Expenditures	<u>2,641,883</u>	<u>2,781,904</u>	<u>3,032,402</u>	<u>(250,498)</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,397,456)</u>	<u>(1,522,377)</u>	<u>(1,474,990)</u>	<u>47,387</u>
Other Financing Sources:				
Operating transfers in	1,441,000	1,441,000	1,692,142	251,142
Proceeds from long-term debt	-	-	143,716	143,716
Operating transfers out	-	-	(107,457)	(107,457)
Total Other Financing Sources	<u>1,441,000</u>	<u>1,441,000</u>	<u>1,728,401</u>	<u>287,401</u>
Net Change in Fund Balances	43,544	(81,377)	253,411	334,788
Fund Balance at Beginning of Year	(400,129)	(400,129)	(400,129)	-
Fund Balance at End of Year	<u>\$ (356,585)</u>	<u>(481,506)</u>	<u>(146,718)</u>	<u>\$ 334,788</u>

The Accompanying Notes are an integral part of these Financial Statements.

CITY OF LELAND, MISSISSIPPI  
Sanitation Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended September 30, 2019

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Property taxes	\$ 189,002	189,002	195,523	\$ 6,521
Intergovernmental revenues	-	-	4,598	4,598
Charges for services	372,700	372,700	461,385	88,685
Interest	300	300	1,220	920
Miscellaneous	4,900	4,900	-	(4,900)
TOTAL REVENUES	<u>566,902</u>	<u>566,902</u>	<u>662,726</u>	<u>95,824</u>
OPERATING DISBURSEMENTS:				
Sanitation	454,175	466,194	456,647	9,547
Debt service	-	-	32,826	(32,826)
Total Expenditures	<u>454,175</u>	<u>466,194</u>	<u>489,473</u>	<u>(23,279)</u>
Excess of Revenues Over (Under) Expenditures	<u>112,727</u>	<u>100,708</u>	<u>173,253</u>	<u>72,545</u>
Other Financing Sources:				
Operating transfers in	-	-	265,954	265,954
Operating transfers out	85,000	85,000	-	(85,000)
Total Other Financing Sources	<u>85,000</u>	<u>85,000</u>	<u>265,954</u>	<u>180,954</u>
Net Change in Fund Balances	197,727	185,708	439,207	253,499
Fund Balance at Beginning of Year	<u>4,870,728</u>	<u>4,870,728</u>	<u>4,870,728</u>	-
Fund Balance at End of Year	<u>\$ 5,068,455</u>	<u>5,056,436</u>	<u>5,309,935</u>	<u>\$ 253,499</u>

The Accompanying Notes are an integral part of these Financial Statements.

CITY OF LELAND, MISSISSIPPI  
Fire Protection Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended September 30, 2019

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Intergovernmental revenues	\$ 23,230	24,830	396,747	\$ 371,917
Miscellaneous	200	752	1	(751)
TOTAL REVENUES	<u>23,430</u>	<u>25,582</u>	<u>396,748</u>	<u>371,166</u>
OPERATING DISBURSEMENTS:				
Public Safety				
Fire protection	-	-	151,885	(151,885)
Capital Expenditures	-	-	327,800	(327,800)
Total Expenditures	<u>-</u>	<u>-</u>	<u>479,685</u>	<u>(479,685)</u>
Excess of Revenues Over (Under) Expenditures	<u>23,430</u>	<u>25,582</u>	<u>(82,937)</u>	<u>(108,519)</u>
Other Financing Sources:				
Operating transfers in	-	-	95	95
Sale of real property/equipment	-	-	18,500	18,500
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>18,595</u>	<u>18,595</u>
Net Change in Fund Balances	23,430	25,582	(64,342)	(89,924)
Fund Balance at Beginning of Year	226,345	226,345	226,345	-
Fund Balance at End of Year	<u>\$ 249,775</u>	<u>251,927</u>	<u>162,003</u>	<u>\$ (89,924)</u>

The Accompanying Notes are an integral part of these Financial Statements.

CITY OF LELAND, MISSISSIPPI  
Library Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Year Ended September 30, 2019

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Interest	\$ -	-	2,875	\$ 2,875
TOTAL REVENUES	-	-	2,875	2,875
OPERATING DISBURSEMENTS:				
General government	-	-	2,384	(2,384)
Total Expenditures	-	-	2,384	(2,384)
Excess of Revenues Over (Under) Expenditures	-	-	491	491
Net Change in Fund Balances	-	-	491	491
Fund Balance at beginning of year	330,746	300,746	300,746	-
Fund Balance at end of year	\$ 330,746	300,746	301,237	\$ 491

The Accompanying Notes are an integral part of these Financial Statements.



CITY OF LELAND, MISSISSIPPI  
Statement of Net Position  
Proprietary Fund  
For the Year Ended September 30, 2019

	Business Type Activities - Enterprise Funds				
	Water/Sewer Fund	Electrical Fund	Sewer System Improvement Fund	Water System Improvement Fund	Totals
<b>Assets</b>					
Cash and cash equivalents	\$ 390,750	392,080	160,833	6,875	\$ 950,538
Certificates of deposit	-	45,220	-	-	45,220
Investments	-	-	509,469	-	509,469
Accounts receivable, net of allowances	87,679	404,792	-	191,176	683,647
Inventories	9,579	110,657	-	-	120,236
Due from other funds	<u>7,808,836</u>	<u>372,423</u>	<u>10,926</u>	<u>-</u>	<u>8,192,185</u>
<b>Total Current Assets</b>	<u>8,296,844</u>	<u>1,325,172</u>	<u>681,228</u>	<u>198,051</u>	<u>10,501,295</u>
<b>Restricted Assets:</b>					
Cash and cash equivalents	-	301,865	-	-	301,865
<b>Property, plant and equipment, at cost</b>					
Buildings	98,116	98,116	-	-	196,232
Water plant, distribution system and equipment	2,916,294	187,534	1,877,847	-	4,981,675
Automotive and other equipment	<u>253,804</u>	<u>330,918</u>	<u>-</u>	<u>-</u>	<u>584,722</u>
	3,268,214	616,568	1,877,847	-	5,762,629
Less: accumulated depreciation	<u>(1,845,138)</u>	<u>(511,764)</u>	<u>(545,500)</u>	<u>-</u>	<u>(2,902,402)</u>
	1,423,076	104,804	1,332,347	-	2,860,227
Construction in progress	<u>516,252</u>	<u>-</u>	<u>-</u>	<u>1,445,986</u>	<u>1,962,238</u>
Net property, plant and equipment	<u>1,939,328</u>	<u>104,804</u>	<u>1,332,347</u>	<u>1,445,986</u>	<u>4,822,465</u>
<b>Total Assets</b>	<u>10,236,172</u>	<u>1,731,841</u>	<u>2,013,575</u>	<u>1,644,037</u>	<u>15,625,625</u>
<b>Deferred Outflows of Resources</b>					
Deferred outflows of resources	<u>38,425</u>	<u>26,658</u>	<u>-</u>	<u>-</u>	<u>65,083</u>
<b>Total Deferred Outflows of Resources</b>	<u>38,425</u>	<u>26,658</u>	<u>-</u>	<u>-</u>	<u>65,083</u>
<b>Total Assets</b>	<u>\$ 10,274,597</u>	<u>1,758,499</u>	<u>2,013,575</u>	<u>1,644,037</u>	<u>\$ 15,690,708</u>
<b>Liabilities and Net Position</b>					
Accounts payable	\$ 51,463	234,885	-	-	\$ 286,348
Due to other funds	18,429	12,848,137	-	-	12,866,566
<b>Current portion of long term debt:</b>					
Compensated absences	<u>1,082</u>	<u>3,581</u>	<u>-</u>	<u>-</u>	<u>4,663</u>
<b>Total current liabilities</b>	<u>70,974</u>	<u>13,086,603</u>	<u>-</u>	<u>-</u>	<u>13,157,577</u>
<b>Current liabilities payable from restricted Assets:</b>					
Customer deposits	51,072	243,324	-	-	294,396
Current portion of notes payable	<u>73,172</u>	<u>-</u>	<u>76,744</u>	<u>-</u>	<u>149,916</u>
<b>Total current liabilities payable from restricted assets</b>	<u>124,244</u>	<u>243,324</u>	<u>76,744</u>	<u>-</u>	<u>444,312</u>
<b>Long-Term Debt (less amounts classified as current)</b>					
Net pension liability	212,099	422,333	-	-	634,432
Compensated absences	134	1,159	-	-	1,293
Notes payable	<u>433,964</u>	<u>-</u>	<u>555,045</u>	<u>-</u>	<u>989,009</u>
<b>Total long-term debt</b>	<u>646,197</u>	<u>423,492</u>	<u>555,045</u>	<u>-</u>	<u>1,624,734</u>
<b>Total Liabilities</b>	<u>841,415</u>	<u>13,753,419</u>	<u>631,789</u>	<u>-</u>	<u>15,226,623</u>
<b>Deferred Inflows of Resources</b>					
Deferred inflows of resources	<u>21,419</u>	<u>52,552</u>	<u>-</u>	<u>-</u>	<u>73,971</u>
<b>Total Deferred Inflows of Resources</b>	<u>21,419</u>	<u>52,552</u>	<u>-</u>	<u>-</u>	<u>73,971</u>
<b>Net Position</b>					
Investment in capital assets, net of related debt	1,939,328	104,804	700,558	1,644,037	4,388,727
Unrestricted	<u>7,472,435</u>	<u>(12,152,276)</u>	<u>681,228</u>	<u>-</u>	<u>(3,998,613)</u>
<b>Total Net Position</b>	<u>9,411,763</u>	<u>(12,047,472)</u>	<u>1,381,786</u>	<u>1,644,037</u>	<u>390,114</u>
<b>Total Liabilities and Net Position</b>	<u>\$ 10,274,597</u>	<u>1,758,499</u>	<u>2,013,575</u>	<u>1,644,037</u>	<u>\$ 15,690,708</u>

The Accompanying Notes are an integral part of these Financial Statements.

CITY OF LELAND, MISSISSIPPI  
Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Funds  
For the Year Ended September 30, 2019

	Business -Type Activities - Enterprise Funds				
	Water/Sewer Fund	Electrical Fund	Sewer System Improvement Fund	Water System Improvement Fund	Total
Operating Revenues:					
Sales to customers	\$ 870,186	2,943,298	121,637	-	\$ 3,935,121
Total Operating Revenues	<u>870,186</u>	<u>2,943,298</u>	<u>121,637</u>	<u>-</u>	<u>3,935,121</u>
Operating Expenses:					
Personnel services	128,871	228,275	-	-	357,146
Supplies	260,677	133,565	-	-	394,242
Other services and charges	299,372	1,780,858	9,007	24	2,089,261
Depreciation	<u>159,816</u>	<u>12,583</u>	<u>46,946</u>	<u>-</u>	<u>219,345</u>
Total Operating Expenses	<u>848,736</u>	<u>2,155,281</u>	<u>55,953</u>	<u>24</u>	<u>3,059,994</u>
Operating income (loss)	<u>21,450</u>	<u>788,017</u>	<u>65,684</u>	<u>(24)</u>	<u>875,127</u>
Nonoperating revenues					
Interest income	1,325	2,182	4,685	-	8,192
Other income	4,498	13,570	-	316,044	334,112
Intergovernmental revenues	-	-	-	1,238,241	1,238,241
Interest and service charges on long-term debt	<u>(332)</u>	<u>-</u>	<u>(14,964)</u>	<u>-</u>	<u>(15,296)</u>
Total Nonoperating revenues	<u>5,491</u>	<u>15,752</u>	<u>(10,279)</u>	<u>1,554,285</u>	<u>1,565,249</u>
Net Income Before Operating Transfers	26,941	803,769	55,405	1,554,261	2,440,376
Operating Transfers In	701,066	35,004	60,700	89,776	886,546
Operating Transfers (Out)	<u>(169,721)</u>	<u>(2,567,367)</u>	<u>-</u>	<u>-</u>	<u>(2,737,088)</u>
Change in Net Assets	<u>558,286</u>	<u>(1,728,594)</u>	<u>116,105</u>	<u>1,644,037</u>	<u>589,834</u>
Net Position, Beginning of Year	8,853,477	(10,318,878)	1,278,598	-	(186,803)
Prior period adjustment	<u>-</u>	<u>-</u>	<u>(12,917)</u>	<u>-</u>	<u>(12,917)</u>
Net Position, as Restated	<u>8,853,477</u>	<u>(10,318,878)</u>	<u>1,265,681</u>	<u>-</u>	<u>(199,720)</u>
Net Position, End of Year	<u>\$ 9,411,763</u>	<u>(12,047,472)</u>	<u>1,381,786</u>	<u>1,644,037</u>	<u>\$ 390,114</u>

The Accompanying Notes are an intergral part of these Financial Statements.

CITY OF LELAND, MISSISSIPPI  
Combined Statement of Cash Flows  
All Proprietary Fund Types  
For the Year Ended September 30, 2019

	Business - Type Activities Enterprise Fund				
	Water/Sewer Fund	Electrical Fund	Sewer System Improvement Fund	Water System Improvement Fund	Total
Cash Flows From Operating Activities:					
Receipts from customers and users	\$ 920,815	2,897,087	121,638	-	\$ 3,939,540
Receipts from interfund services provided	-	17,685	-	-	17,685
Payments to suppliers	(1,502,583)	(374,474)	(9,008)	(24)	(1,886,089)
Payments to employees	(130,095)	(223,951)	-	-	(354,046)
Net Cash provided by (used for) Operating Activities	(711,863)	2,316,347	112,630	(24)	1,717,090
Cash Flows From Noncapital Financing Activities:					
Operating transfers in	701,066	35,004	60,700	89,776	886,546
Operating transfers out	(169,721)	(2,567,367)	-	-	(2,737,088)
Net Cash Flows Used For Noncapital Activities	531,345	(2,532,363)	60,700	89,776	(1,850,542)
Cash Flows from Capital and Related Financing Activities:					
Acquisition of property and equipment	-	-	-	(1,445,986)	(1,445,986)
Principal paid on capital debt	(83,331)	-	(75,074)	-	(158,405)
Interest paid on capital debt	(332)	-	(14,964)	-	(15,296)
Interest reinvested in certificate of deposit	-	-	(4,684)	-	(4,684)
Other capital and financing activities	(27,830)	(25,896)	(12,917)	(191,176)	(257,819)
Net Cash Provided by (used for) Capital and Related Financing Activities	(111,493)	(25,896)	(107,639)	(1,637,162)	(1,882,190)
Cash Flows Provided by (used for) Investing Activities:					
Interest earned on investment	1,325	2,183	4,685	-	8,193
Other income	4,498	12,270	-	316,044	332,812
Other investing activities	-	24,263	-	-	24,263
Intergovernmental revenues	-	-	-	1,238,241	1,238,241
Net Cash Flows Provided by (used for) Investing Activities	5,823	38,716	4,685	1,554,285	1,603,509
Net Increase (decrease) in Cash and Cash Equivalents	(286,188)	(203,196)	70,376	6,875	(412,133)
Cash and Cash Equivalents at Beginning of Year	676,938	897,141	90,457	-	1,664,536
Cash and Cash Equivalent at End of Year	\$ 390,750	693,945	160,833	6,875	\$ 1,252,403
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:					
Operating income (loss)	\$ 21,450	788,017	65,684	(24)	\$ 875,127
Depreciation expense	159,816	12,583	46,946	-	219,345
(Increase) Decrease In:					
Accounts receivable	(36,686)	(47,511)	-	-	(84,197)
Due from other funds	(873,051)	(6,100)	-	-	(879,151)
Increase (Decrease) In:					
Accounts Payable	26,819	70,500	-	-	97,319
Accrued compensated absences	(1,225)	4,324	-	-	3,099
Due to other funds	(17,170)	1,471,955	-	-	1,454,785
Customers deposits	-	9,146	-	-	9,146
Net pension liability	8,184	13,433	-	-	21,617
Total Adjustments	(733,313)	1,528,330	46,946	-	841,963
Net Cash Provided by (used for) Operating Activities	\$ (711,863)	2,316,347	112,630	(24)	\$ 1,717,090
<b>Supplemental cash flow information:</b>					
Cash paid during the year:					
Interest Expense	\$ 332	-	14,964	-	\$ 15,296
Recap of cash and cash equivalents					
Cash and cash equivalents	\$ 390,750	392,080	160,833	6,875	\$ 950,538
Restricted cash and cash equivalents	-	301,865	-	-	301,865
Total cash and cash equivalents	\$ 390,750	693,945	160,833	6,875	\$ 1,252,403

The Accompanying Notes are an integral part of these Financial Statements.

CITY OF LELAND, MISSISSIPPI  
Notes to the Financial Statements  
September 30, 2019

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

The City of Leland, Mississippi (the City) was incorporated under the provisions of Mississippi Law. The City is governed by its Mayor and a Board of Aldermen consisting of five members. Services provided to the citizens of Leland include but are not limited to public safety (police and fire protection), streets, recreation, and utility services (water and sewer).

The City's accompanying policies conform to generally accepted accounting principals for governmental units. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Some of the City's more significant accounting policies are described as follows:

**FINANCIAL REPORTING ENTITY**

The accompanying financial statements reflect only the primary government of the City of Leland. The primary government includes only those funds, organizations, institutions, agencies, departments, and offices that are not legally separate from the City.

**BASIC FINANCIAL STATEMENTS**

The basic financial statements include both government-wide and fund financial statements. Both government-wide and fund financial statements categorize activities as either governmental activities or business-type activities, which are described as follows:

1. Governmental activities involve government services that are normally supported by taxes and intergovernmental revenues.
2. Business-type activities rely on fees and charges for support and operate in a manner similar to private sector enterprises. Since proprietary funds operate in a manner similar to business enterprises, these funds follow certain pronouncements that are developed by the Financial Accounting Standards Board (FASB) for business enterprises. However, the City only applies those FASB pronouncements that were issued on or before November 30, 1989.

The government-wide and fund financial statements present the City's financial position and results of operations from differing perspectives which are described as follows:

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The Statement of Net Position and the Statement of Activities display information about the City as a whole. The effect of most interfund activity is eliminated from these financial statements. Furthermore, government-wide financial statements exclude any fiduciary activities which are reported in the fund financial statements.

CITY OF LELAND, MISSISSIPPI  
Notes to the Financial Statements  
September 30, 2019

Program revenues reported in the Statement of Activities consist of amounts that are directly associated with a governmental service or business-type activity. Program revenues include charges for services, fines, court cost, contributions associated with a particular function, and most grants.

## FUND FINANCIAL STATEMENTS

Funds are separate accounting entities that are designed to assist with demonstrating legal compliance and segregating transactions by activity. Separate financial statements are provided for governmental funds and business-type (enterprise) funds. In addition, separate financial statements are presented for any fiduciary activities. Major individual funds are reported as separate columns in the fund financial statements. The City's major funds are described as follows:

### MAJOR GOVERNMENTAL FUNDS

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

**Sanitation Fund** - The fund is a special revenue fund used to account for the operation of the City's sanitation system, which is supported by user charges.

**Library Fund** - The fund is a special revenue fund used to account for the operation of the City's library.

### MAJOR BUSINESS- TYPE FUNDS

**Water System** - The water system fund is used to account for the operation of the City's water system, which is supported by user charges.

**Electrical System** - The electrical system fund is used to account for the operation of the City's electrical system, which is supported by user charges.

**Sewer System Improvement Fund** - The sewer system fund is used to account for the operation of the City's sewer system, which is supported by user charges and special taxes.

Business-Type funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and services in connection with the funds ongoing operations. Principal operating revenues are charges to customers for water and sewer service.

Additionally, the government 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. The term "proceeds of specific revenue sources" establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

CITY OF LELAND, MISSISSIPPI  
Notes to the Financial Statements  
September 30, 2019

**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. Debt service funds should be used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds.

**Capital Projects Funds** - Capital Project 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. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

#### **FIDUCIARY FUNDS**

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

As a general rule the effect of interfund activity has been eliminated for the government-wide financial statements. Exceptions to this general rule are charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

#### **BASIS OF ACCOUNTING AND MEASUREMENT FOCUS**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied. The basis of accounting and measurement focus used for various financial statement presentations are described as follows:

<u>Financial Statement Presentation</u>	<u>Basis of Accounting</u>	<u>Measurement Focus</u>
Government-Wide Financial Statements	Accrual Basis	Economic Resources
Fund Financial Statements:		
Governmental Funds	Modified Accrual Basis	Current Financial Resources
Proprietary Funds	Accrual Basis	Economic Resources

Under the accrual basis of accounting and the economic resources measurement focus, revenues are recorded when earned and expenses are recorded when a liability is incurred.

Under the modified accrual basis of accounting and the current financial resources measurement focus revenue is recognized when it is considered measurable and available. Revenue is considered available if it is collected within 60 days of year end or if it is due under cost reimbursement arrangement. In addition, expenses are generally recorded when a liability has been incurred; however, debt service, claims and judgments are recorded as expenses when payment is made. Furthermore, when the current financial resources measurement focus is used, amounts recorded as assets exclude capital assets and the acquisition of capital assets is treated as an expenditure. In addition, long-term debts are excluded from amounts reported as liabilities. Proceeds from issuing long-term debt is reported as an other financing source and repayment of long-term debt is reported as an expenditure.

CITY OF LELAND, MISSISSIPPI  
Notes to the Financial Statements  
September 30, 2019

## **BUDGETARY CONTROL**

The City Charter establishes the fiscal year as the twelve-month period beginning October 1. The procedures detailed below are followed in establishing the budgetary data reflected in the financial statements.

The City Clerk and Mayor prepare a proposed budget based on an estimate of the revenues expected to be received in the next fiscal year and submits the proposal to the Board of Aldermen. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is set.

A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.

As required by state law, the budgets are amended whenever projected revenue fails to meet original expectations or when projected expenditures exceed original expectations. Budgetary amounts are presented as amended and all budgetary appropriations lapse at the end of the fiscal year.

## **CASH AND CASH EQUIVALENTS**

The City deposits excess funds in financial institutions selected by the Board. State statutes specify how these depositories are to be selected.

Cash consists of amounts on deposit in demand accounts and savings accounts. Cash and other deposits are valued at cost.

In the event of a 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 (FDIC).

## **INTERNAL ACTIVITY**

Resources belonging to particular funds are commonly shared with other funds that need access to additional resources. When resources are provided without expectation of repayment, the transaction is reported as a transfer. Transfers are treated as a source of income by the recipient and as an expense or expenditure by the provider. If repayment is eventually expected to occur, interfund receivables and payables are recorded.

In preparing the government-wide financial statement, transfers are eliminated to present net transfers for governmental activities and business-type activities. In addition, interfund receivables and payables are eliminated to present a net internal balance for each type of activity.

CITY OF LELAND, MISSISSIPPI  
Notes to the Financial Statements  
September 30, 2019

**Restricted Assets** - Restricted assets represent resources that must be expended in a specific manner. Restrictions of this nature are imposed by various contractual obligations including grant agreements and bond covenants. Whenever restricted assets can be used to satisfy an obligation, the restricted assets are typically consumed before utilizing any unrestricted resources.

**Capital Assets** - Capital assets, which include property, equipment and infrastructure acquired after October 1, 2003, are reported as assets in the applicable governmental or business-type columns in the government-wide financial statements and in the fund financial statements for proprietary funds. Assets reported in the fund financial statements for governmental funds exclude capital assets. Instead, the governmental funds report the acquisition of capital assets as expenditures rather than asset acquisitions. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value when received by the City.

Capital assets, excluding land and construction in progress, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Land Improvements	20
Heavy machinery and equipment	5-15
Computer equipment	3
Vehicles	3-10
Infrastructure	8-50

Interest is capitalized on proprietary funds assets constructed with the proceeds of tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on investment proceeds over the same period.

**Compensated Absences** - The City accrues unpaid leave and associated employee-related cost when earned (or estimate to be earned) by employees up to 60 hours. For the Proprietary Funds and the government-wide statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Funds Financial Statements, all of the compensated absences are considered long-term and therefore, are not a liability and represents a reconciling item between fund level and government-wide presentation.

**Use of Estimates** - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.



CITY OF LELAND, MISSISSIPPI  
Notes to the Financial Statements  
September 30, 2019

**Fund Balance** - In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund-Type Definitions*. The objective of the statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions.

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five (5) components, nonspendable, restricted, committed, assigned and unassigned.

**Nonspendable** - This component includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

**Restricted** - This component consists of amounts that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (Compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

**Committed** - This component consist of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City's highest level of decision making authority which includes the city charter, ordinances, and resolutions. Those committed amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action (city charter, ordinance, and resolution) it employed previously to commit those amounts.

**Assigned** - This component consists of amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The authority for assigning fund balance is expressed by the Board of Alderman, City Clerk, or their designee as established in the City's Fund Balance Policy.

**Unassigned** - This classification represents amounts that have not been restricted, committed, or assigned to specific purpose within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources (committed, assigned, and unassigned) as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use it is the City's policy to use committed resources first, then assigned, and then unassigned as they are needed.

CITY OF LELAND, MISSISSIPPI  
Notes to the Financial Statements  
September 30, 2019

**NOTE 2 - CASH AND CASH EQUIVALENTS**

The collateral for public entities, deposits in financial institutions is now 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, Mississippi 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.

The carrying amount of the City's deposits with financial institutions in the governmental activities and the business-type activities funds were \$954,605 and \$1,505,227, respectively. The carrying amount of deposits reported in the government-wide financial statements was: Cash and Cash Equivalents - \$1,621,119.

*Custodial Credit Risk - Deposits.* Custodial credit risk is defined as the risk that, in the event of a 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 formal policy for custodial credit risk. However, the Mississippi State Treasury manages the risk on behalf of the City. 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 City. As of September 30, 2019, none of the City's bank balance of \$3,158,225 was exposed to custodial credit risk.

*Interest Rate Risk.* The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk.* State law limits investments to those prescribed in Sections 27-105-33(d) and 27-105-33(e), Miss. Code Ann. (1972). The City does not have a formal investment policy that would further limit its investment choices or one that addresses credit risk.

*Custodial Credit Risk - Investments.* Custodial credit risk is defined as the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a formal investment policy that addresses custodial credit risk. However, the Mississippi State Treasurer manages the risk on behalf of the City. 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 City. As of September 30, 2019, none of the City's bank balance of \$3,158,225 was exposed to custodial credit risk.

*Concentration of Credit Risk.* Disclosures of investments by amount and issuer for any issuer that represents five percent or more of total investments is required. This requirement does not apply to investments issued or explicitly guaranteed by the U.S. government, investments in mutual funds and external investment pools, and other pooled investments. As of September 30, 2019, the City had no investments.

CITY OF LELAND, MISSISSIPPI  
Notes to the Financial Statements  
September 30, 2019

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

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

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

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

#### NOTE 3 - AD VALOREM TAXES

Ad valorem taxes are assessed on a calendar year basis and are due on or before December 31 in the year in which the tax is levied. Property taxes are recognized when the revenue is measurable and available. Available means due or past due and collected no longer than 60 days after the close of the current period. For the year ended September 30, 2019, the City levied and collected 44.30 mills of taxes for general corporate purposes of the City.

#### NOTE 4 - RECEIVABLES

Receivables as of year end for the government's individual major and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	General Fund	Sanitation Fund	Nonmajor Governmental	Water/Sewer Fund	Electric Fund	Total
<u>Accounts Receivable</u>						
Charges for services	\$ -	124,212	-	87,679	770,939	\$ 982,830
Property and franchise taxes	19,739	7,305	-	-	-	27,044
Accounts receivable, other	15,824	-	-	-	-	15,824
Intergovernmental	38,004	-	8,078	-	-	46,082
Gross Receivables	73,567	131,517	8,078	87,679	770,939	1,071,780
Less: allowance for uncollectibles	-	-	-	-	(366,147)	(366,147)
Receivables, net of allowance	\$ <u>73,567</u>	<u>131,517</u>	<u>8,078</u>	<u>87,679</u>	<u>404,792</u>	\$ <u>705,633</u>

CITY OF LELAND, MISSISSIPPI  
Notes to the Financial Statements  
September 30, 2019

**NOTE 5 - INTERFUND BALANCES AND TRANSFERS**

The composition of interfund balances are presented as of September 30, 2019, as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Electric conversion fund	\$ 29,175
General fund	Electric fund	100,635
General fund	Water/sewer system fund	7,503
General fund	Non-Major governmental fund	600
Sanitation fund	Electric fund	5,142,475
Non-major governmental fund	General fund	3,719
Non-major governmental fund	Water/Sewer fund	23,216
Water/Sewer fund	Electric fund	7,651,133
Water/Sewer fund	Sanitation fund	134,487
Electric fund	General fund	372,423
Sewer system improvement fund	Water/sewer system fund	10,926
<b>Total</b>	<b>Total</b>	<b>\$ 13,476,292</b>

The outstanding balances between funds result mainly from the lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Individual fund interfund transfers are presented as of September 30, 2019, as follows:

<u>Transfer Out:</u>	<u>Transfer In:</u>							<u>Total</u>
	<u>General Fund</u>	<u>Fire Protection Fund</u>	<u>Sanitation Fund</u>	<u>Water/ Sewer Fund</u>	<u>Electric Fund</u>	<u>Water System Improv. Fund</u>	<u>Sewer System Improv. Fund</u>	
General Fund	\$ 47,553	95	-	24,998	35,004	-	-	\$ 107,648
Electric enterprise fund	1,625,344	-	265,954	676,070	-	-	-	2,567,368
Water/Sewer Fund	19,245	-	-	-	-	89,776	60,700	169,721
Nonmajor Special revenue Fund	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 1,692,142</b>	<b>95</b>	<b>265,954</b>	<b>701,066</b>	<b>35,004</b>	<b>89,776</b>	<b>60,700</b>	<b>\$ 2,844,737</b>

Transfers are used to (1) move revenues from the fund with collection authorization to the debt service fund as debt services principal and interest payments become due, (2) move restricted amounts from borrowings to the debt service fund revenues to establish mandatory reserve accounts, (3) move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

CITY OF LELAND, MISSISSIPPI  
Notes to the Financial Statements  
September 30, 2019

**NOTE 6 - CAPITAL ASSETS**

A summary of capital asset transactions for the year ended September 30, 2019, follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities:</b>				
Non Depreciable Capital Assets				
Land	\$ 132,702	-	-	\$ 132,702
Total non depreciable capital assets	<u>132,702</u>	<u>-</u>	<u>-</u>	<u>132,702</u>
Depreciable Capital Assets				
Buildings and Improvements	455,987	-	-	455,987
Motor Vehicles	2,369,800	220,767	-	2,590,567
Machinery and Equipment	607,600	339,572	-	947,172
Total depreciable capital assets	<u>3,433,387</u>	<u>560,339</u>	<u>-</u>	<u>3,993,726</u>
Accumulated Depreciation	<u>(2,875,875)</u>	<u>(169,725)</u>	<u>-</u>	<u>(3,045,600)</u>
Net depreciable capital assets	<u>557,512</u>	<u>390,614</u>	<u>-</u>	<u>948,126</u>
Total Governmental Activities	<u>\$ 690,214</u>	<u>390,614</u>	<u>-</u>	<u>\$ 1,080,828</u>
<b>Business-Type Activities:</b>				
Non Depreciable Capital Assets				
Construction in Process	\$ 516,252	1,445,986	-	\$ 1,962,238
Total nondepreciable capital assets	<u>516,252</u>	<u>1,445,986</u>	<u>-</u>	<u>1,962,238</u>
Depreciable Capital Assets				
Buildings	196,232	-	-	196,232
Water/sewer system & treatment plant	4,981,674	-	-	4,981,674
Machinery & Equipment	66,877	-	-	66,877
Motor vehicles	517,846	-	-	517,846
Total depreciable capital assets	<u>5,762,629</u>	<u>-</u>	<u>-</u>	<u>5,762,629</u>
Accumulated Depreciation	<u>(2,683,057)</u>	<u>(219,345)</u>	<u>-</u>	<u>(2,902,402)</u>
Net depreciable capital assets	<u>3,079,572</u>	<u>(219,345)</u>	<u>-</u>	<u>2,860,227</u>
Total Business-Type Activities	<u>\$ 3,595,824</u>	<u>1,226,641</u>	<u>-</u>	<u>\$ 4,822,465</u>

Depreciation expense charged to various functions presented on the statement of activities is presented as follows:

	Governmental Activities	Business-Type Activities	Total
Finance & Administrative	\$ 16,717	-	\$ 16,717
Fire Protection	61,121	-	61,121
Police Protection	39,275	-	39,275
Public Works	5,425	-	5,425
Parks & Recreation	511	-	511
Sanitation	46,676	-	46,676
Water/Sewer System	-	159,816	159,816
Sewer Improvement	-	46,946	46,946
Electrical System	-	12,583	12,583
Total Depreciation Expense	<u>\$ 169,725</u>	<u>219,345</u>	<u>\$ 389,070</u>

CITY OF LELAND, MISSISSIPPI  
Notes to the Financial Statements  
September 30, 2019

**NOTE 7 - LONG-TERM DEBT**

**A. Governmental Activities**

A summary of long-term debt transactions for the year ended September 30, 2019, were as follows:

Governmental activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Notes payable	\$ 103,716	-	34,621	69,095	\$ 35,611
Certificate of indebtedness	-	143,716	25,994	117,722	40,185
General Obligation Coupon Bonds	961,000	-	182,000	779,000	187,000
Compensated for absences	32,980	31,783	22,503	42,260	29,066
Totals	\$ 1,097,696	175,499	265,118	1,008,077	\$ 291,862

**1. Notes Payable**

Notes consist of the following at September 30, 2019:

Note A Long-Term Note Payable

A 2.83% note, payable to Trustmark National Bank and Trust, dated August 3, 2018 payable in thirty six (36) installments of \$3,092.60 on September 10, 2018 which includes principal and interest, matures on August 10, 2021. The note is secured by motor vehicles. The note is being retired from the General Fund.

\$ 69,095

Note B - Long-term Note Payable

A 3.555% certificate of indebtedness, payable to Planters Bank and Trust, dated January 14, 2019, payable in monthly installments of \$3,647.29, which includes principal and interest, matures July 15, 2022. The note is secured by motor vehicles. This is being retired from the Sanitation fund.

Total

117,722  
\$ 186,817

The annual requirement to amortize this outstanding debt as of September 30, 2019 including interest payments of \$252,421 are as follows:

Year Ended	Note A			Note B		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 35,611	1,500	\$ 37,111	\$ 40,185	3,583	\$ 43,768
2021	33,484	474	33,958	41,563	2,205	43,768
2022	-	-	-	35,974	499	36,473
	\$ <u>69,095</u>	<u>1,974</u>	\$ <u>71,069</u>	\$ <u>117,722</u>	\$ <u>6,287</u>	\$ <u>124,009</u>

**General Obligation Coupon Bonds**

Bonded debt payable at September 30, 2019 is comprised of the following individual issues:

During fiscal year 2014, the City issued Series 2013 coupon bonds in the amount of \$1,800,000. The principal installment payment is due annually and the interest payments are due semi-annually, beginning September 1, 2014 and due each year through 2023. The interest rates range from 2.00% to 2.750%. The proceeds were used for the resurfacing, maintenance of streets. Debt retirement payments are made from the Debt Service Fund.

\$ 779,000

CITY OF LELAND, MISSISSIPPI  
Notes to the Financial Statements  
September 30, 2019

**NOTE 7 - LONG-TERM DEBT (Continued)**

The annual requirements to amortize all outstanding bonded debt at September 30, 2019 are as follows:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 187,000	22,203	\$ 209,203
2021	192,000	15,554	207,554
2022	197,000	10,754	207,754
2023	203,000	5,582	208,582
	<u>\$ 779,000</u>	<u>54,093</u>	<u>\$ 833,093</u>

**B. Business-Type Activities**

Long-term debt activity for the year ended September 30, 2019, is presented as follows:

<u>Business-type activities:</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
SRF loans payable(DEQ)	\$ 662,061	-	75,074	\$ 631,789	\$ 76,744
Note payable - bank	23,011	-	17,354	5,657	5,657
Note payable - bank	567,455	-	65,977	501,478	67,515
Compensated absences	<u>2,856</u>	<u>5,223</u>	<u>2,123</u>	<u>5,956</u>	<u>4,663</u>
Totals:	<u>\$ 1,255,383</u>	<u>5,223</u>	<u>160,528</u>	<u>\$ 1,144,880</u>	<u>\$ 154,579</u>

**1. Sewer Improvement Revolving Loan**

The City has obtained financing through the Mississippi Commission on Environmental Quality, Water Pollution Control State Revolving Loan Fund Program for making improvements to the sewer system. The City has been charged \$71,393 for administrative services of the loan. All payments will be withheld monthly from sales tax remittances of the City.

As of September 30, 2019, the revolving loans are as follows:

SRF Loan #1

A 2.00% loan, dated July 16, 2007 with principal and interest payments of \$13,612 monthly, with a maturity date of November 1, 2026. This loan is being retired from the sewer improvement fund.

\$ 349,251

SRF Loan #2

A 2.50% loan, dated June 1, 2008 with principal and interest payments of \$7,794 monthly, with a maturity date of January 1, 2028. This loan is being retired from the sewer improvement fund.

282,539

Total

\$ 631,790

CITY OF LELAND, MISSISSIPPI  
Notes to the Financial Statements  
September 30, 2019

**NOTE 7 - LONG-TERM DEBT (Continued)**

Annual debt service requirements to maturity for the above loans as of September 30, 2019 are as follows:

Fiscal Year Ending	SRF Loan # 1		SRF Loan # 2		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 45,782	6,567	30,962	6,727	76,744	\$ 13,294
2021	46,706	5,643	31,745	5,944	78,451	11,587
2022	47,649	4,700	32,547	5,142	80,196	9,842
2023	48,611	3,738	33,370	4,319	81,981	8,057
2024	50,593	1,756	35,079	2,610	85,672	4,366
2025 - 2028	109,910	2,514	118,836	5,210	228,746	7,724
Total	<u>\$ 349,251</u>	<u>24,918</u>	<u>282,539</u>	<u>29,952</u>	<u>631,790</u>	<u>\$ 54,870</u>

**2. Bank Notes Payable**

As of September 30, 2019, bank notes payable are as follows:

Bank Note # 1

A 2.180% bank note payable to Trustmark National Bank, dated January 14, 2016 with principal and interest payments of \$1,473.89 monthly, with a maturity date of January 15, 2020. The proceeds were used to acquire, a backhoe. This loan is being retired from the water/sewer fund.

\$ 5,657

Bank Note # 2

A 2.65% bank note payable to Planters Bank, dated August 1, 2016 with one hundred twenty (120) principal and interest payments of \$6,551.17 monthly, with a maturity date of August 1, 2026. The proceeds were used to acquire new water meters. This loan is being retired from the water fund.

501,478

Total Notes Payable

\$ 507,135

Fiscal Year Ending	Bank Note # 1		Bank Note # 2		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 5,657	26	65,977	11,099	71,634	\$ 11,125
2021	-	-	67,515	9,463	67,515	9,463
2022	-	-	69,151	7,819	69,151	7,819
2023	-	-	70,795	6,135	70,795	6,135
2024	-	-	74,189	4,425	74,189	4,425
2025 - 2027	-	-	153,851	3,490	153,851	3,490
Total	<u>\$ 5,657</u>	<u>26</u>	<u>501,478</u>	<u>42,431</u>	<u>507,135</u>	<u>\$ 42,457</u>



CITY OF LELAND, MISSISSIPPI  
Notes to the Financial Statements  
September 30, 2019

**NOTE 8 - DEFINED BENEFIT PENSION PLANS**

**1. General Information**

**Plan Description and Provisions:** The City of Leland, Mississippi 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 or [www.pers.ms.gov](http://www.pers.ms.gov).

*Benefits provided.* Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi, state universities, community and junior colleges, and 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 Funding Policy:* PERS members are required to contribute 9.00% of their annual covered salary and the City of Leland, Mississippi is required to contribute at an actuarially determined rate. The employer's rate as of June 30, 2019 was 15.75% of annual covered payroll. Plan provisions and the Board of Trustees' authority to determine rate are established by the Section 25-11-1 of the Mississippi Code of 1972, as amended, and may be amended only by the Mississippi Legislature. The City of Leland, Mississippi contributions to PERS for the years ended September 30, 2019, 2018, and 2017 were \$240,005, \$231,434, and \$252,421, respectively, equal to the required contributions for each year.

CITY OF LELAND, MISSISSIPPI  
Notes to the Financial Statements  
September 30, 2019

**NOTE 8 - DEFINED BENEFIT PENSION PLANS (Continued)**

As of most recent measurement date of the net pension liability, membership data for the pension plan is as follows:

<u>Members Category</u>	<u>Pension</u>
Active members:	
Vested	58
Non-vested	-
Total Participants	<u>58</u>

**2. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At September 30, 2019, the City reported a liability of \$4,037,710 for its proportionate share of the net pension liability. The Net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's portion of the net pension liability was based on a projection of the City's long-term share of contribution to the pension plan relative to projected contribution of all participating entities, actuarially determined. The City's proportionate share used to calculate the September 30, 2019 net pension liability was 0.022952 percent, which was based on a measurement date of June 30, 2018. This was a decrease of 0.000509 percent from its proportionate share used to calculate the September 30, 2018 net pension liability, which was based on a measurement date of June 30, 2017.

For the year September 30, 2019, the City recognized pension expense of \$345,661. At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to the pensions from the following sources:

**A. Governmental Activities**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 111,002	\$ 26,148
Net Difference between projected and actual earnings on pension plan investments	512,377	336,116
Changes of assumptions	30,358	9,714
Changes in proportion and differences between City contributions and proportionate share of contributions	(617,515)	19,283
Employers contributions subsequent to the measurement date	185,683	-
Total	<u>\$ 221,905</u>	<u>\$ 391,261</u>

CITY OF LELAND, MISSISSIPPI  
Notes to the Financial Statements  
September 30, 2019

**NOTE 8 - DEFINED BENEFIT PENSION PLANS (Continued)**

**B. Business Activities**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 21,067	\$ 4,962
Net Difference between projected and actual earnings on pension plan investments	120,211	63,505
Changes of assumptions	5,762	1,844
Changes in proportion and differences between City contributions and proportionate share of contributions	(117,197)	3,660
Employers contributions subsequent to the measurement date	35,240	-
Total	<u>\$ 65,083</u>	<u>\$ 73,971</u>

\$286,988 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended September 30	Amount
2020	\$ 9,194
2021	9,194
2022	11,410
2023	18,434
Total	<u>\$ 48,232</u>

**C. Actuarial assumptions.**

*Discount rate.* The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00%) and that employer contributions will be made at the current employer contribution rate (15.75%) through September 30, 2019 and the current rate (17.40%) thereafter. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF LELAND, MISSISSIPPI  
Notes to the Financial Statements  
September 30, 2019

**NOTE 8 - DEFINED BENEFIT PENSION PLANS (Continued)**

*Sensitivity of the net pension liability to change in the discount rate.* Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate. The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.75%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
City's proportionate share of net pension liability	\$ <u>5,307,709</u>	\$ <u>4,037,710</u>	\$ <u>2,989,439</u>

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

**D. Schedule of Assumptions**

The total pension liability in the September 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

<u>Schedule of Assumptions</u>	<u>Municipal Pension</u>
Inflation	3.0 percent
Salary changes	3.25 - 18.50 %, including inflation.
Investment rate of return	7.75%, net of pension plan investment expense, including inflation.
Mortality Assumption	RP-2014 Healthy Annuitant Blue Collar Table Projected with Scale BB to 2022, with males rates set forward one year for males with adjustments.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2016. The experience report is dated April 8, 2017.

CITY OF LELAND, MISSISSIPPI  
Notes to the Financial Statements  
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The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U. S Broad	27.00%	4.60%
International Equity	18.00	4.50
Emerging Markets Equity	4.00	4.75
Global	12.00	4.75
Fixed Income	18.00	0.75
Real Assets	10.00	3.50
Private Equity	8.00	5.10
Emerging	2.00	2.25
Cash	1.00	0.00
Total	100.00%	

**NOTE 9 - COMPENSATION OF ELECTED OFFICIALS AND KEY EMPLOYEES**

Per diem payments to the Board of Aldermen and salaries paid to the Mayor for the year ended September 30, 2019 were as follows:

<u>Elected Officials and Key Employees</u>	<u>Position</u>	<u>Amount</u>
Kenny Thomas	Mayor	\$ 13,029
Barbara Brooks	Aldерwoman - Ward 1	7,035
Tammy Nealon	Alderman - Ward 2	7,035
Lisa Bush	Aldерwoman - Ward 3	8,234
Andy Petro	Alderman - Ward 4	7,035
Nancy Jo King	Aldерwoman - Ward 5	7,035
Cynthia Norals	City Clerk	44,630
Billy Barber	Police Chief	65,000

**NOTE 10 - COMMITMENTS AND CONTINGENCIES**

***Litigation***

The City has been named as a defendant in a lawsuit as of September 30, 2019. This suit has not been set for trial. It is not possible to predict at this time the extent of the City's liability. Losses, if any, are not expected to exceed available insurance coverage.

CITY OF LELAND, MISSISSIPPI  
Notes to the Financial Statements  
September 30, 2019

**NOTE 11 - RESERVED FUND BALANCES AND RETAINED EARNINGS**

Various bond covenants require the City to maintain cash reserves that can only be used under specific circumstances. Since these funds are available only under specific circumstances, the amounts are presented as restricted.

**NOTE 12 - RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks of loss are covered by participation in a public entity risk pool that operates as a common insurance program and by acquiring commercial insurance coverage. Claims resulting from these risks have historically not exceeded insurance coverage.

**NOTE 13 - SUBSEQUENT EVENTS**

Events that occur after the Statement of Financial Position 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 Statement of Financial Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Financial Position date require disclosure in the accompanying notes. Management of City of Leland, Mississippi has evaluated the activity of the Organization through December 22, 2020, which is the date the financial statements are available to be issued.

**COVID-19 Pandemic**

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, as of March 31, 2020, the Governor of Mississippi ordered the closure of the physical location of every "non-life sustaining" and "non-essential" business for what may be an extended period of time. There has been no immediate impact to our operations however, we had to close our physical locations and all employees must work remotely as they can. Future potential impacts may include continued disruptions or restrictions on our employees' ability to work and impairment of our ability to obtain contributions and volunteers. The future effects of these issues are unknown.

**NOTE 14 - PROPERTY TAXES RECEIVABLE AND PROPERTY TAX CALENDAR**

Property taxes receivable are recorded in the general fund after the general fund budget is approved by the Board of Aldermen/Aldermwomen. At fiscal year-end, the receivable represent delinquent taxes.

CITY OF LELAND, MISSISSIPPI  
Notes to the Financial Statements  
September 30, 2019

**NOTE 14 - PROPERTY TAXES RECEIVABLE AND PROPERTY TAX CALENDAR (Continued)**

Property taxes on real, personal and public utilities attach as an enforceable lien on the levy date or January 1 for the preceding calendar year. Washington County bills and collects the real, personal and ad valorem taxes for the City of Leland, Mississippi. The taxes are remitted to the City on a monthly basis.

The taxes are due on or before February 1; however, installment payments can be made one-half of balance due February 1 and one-fourth each on May 1 and August 1. Major tax payments are received February through May, are recognized as revenue in the year received. Delinquent tax payments, received throughout the year, are recognized as revenue in the year received.

**NOTE 15 - RELATED PARTY TRANSACTIONS**

The City of Leland is a participant in the Municipal Energy Agency of Mississippi (MEAM). The function of MEAM is to provide a continuing source of electrical power to its participants at the best possible rates. In 1994, the City entered into a Power Purchase Contract with MEAM, which provides that the City will purchase its electrical power from MEAM through August 1, 2022, including a payment of a 2 mil per kilowatt hour assessment. MEAM has pledged its revenue from the Power Purchase contracts on Revenue Bonds issued to finance the construction of electric generation equipment at certain participants' generation plants which benefit all MEAM participants. The City of Leland's ongoing responsibility in MEAM is limited to obligations to purchase allocated amounts of electricity during the contract period at such rates as the Board of Commissioners of MEAM may deem appropriate to produce revenues for MEAM sufficient to service the Revenue Bonds. In the event that the City should cease to purchase power prior to the expiration date of the contract, the City would be obligated to repay MEAM its proportionate share of the underdepreciated cost of the constructed equipment. After the expiration date of the contract, the City of Leland may withdraw from MEAM at any time and purchase its power directly from outside sources.

The financial statements of MEAM are audited on an annual basis. These separate financial statements are available at the offices of MEAM in Jackson, Mississippi. During the current fiscal year, the City of Leland purchased \$1,663,576 of electricity from MEAM under its Power Purchase Contracts and owed MEAM \$231,434 at September 30, 2019.

**NOTE 16 - PRIOR PERIOD ADJUSTMENT**

The following prior period adjustment was made to the government wide beginning Net Position during fiscal year 2019:

	Government al Activity	Business Activity	Total
Beginning Balance, as previously reported	\$ 1,431,984	(186,803)	\$ 1,245,181
To remove erroneous cash balances from books	<u>(198,699)</u>	<u>(12,917)</u>	<u>(211,616)</u>
Total prior period adjustments	<u>(198,699)</u>	<u>(12,917)</u>	<u>(211,616)</u>
Beginning Balance, as restated	\$ <u>1,233,285</u>	<u>(199,720)</u>	\$ <u>1,033,565</u>

CITY OF LELAND, MISSISSIPPI  
Notes to the Financial Statements  
September 30, 2019

**NOTE 17 - GASB 54 FUND BALANCE PRESENTATION - CLASSIFICATION TOTAL**

The City adopted GASB Statement 54 during the year ended September 30, 2019 as such, fund balance of the governmental funds are classified by specific purpose as follows:

<u>Fund Balances:</u>	<u>General Fund</u>	<u>Sanitation Fund</u>	<u>Fire Protection Fund</u>	<u>Library Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Committed for:						
Library support	\$ -	-	-	331,237	-	\$ 331,237
Debt service	-	-	-	-	81,034	81,034
Antique fire truck	3,324	-	-	-	-	3,324
Sanitation fund	-	5,309,935	-	-	-	5,309,935
Total Committed	<u>3,324</u>	<u>5,309,935</u>	<u>-</u>	<u>331,237</u>	<u>81,034</u>	<u>5,725,530</u>
Restricted for:						
Fire protection	-	-	162,003	-	-	162,003
CDBG HOME grant	-	-	-	-	283	283
Animal shelter	-	-	-	-	157	157
Jim Henson exhibit	-	-	-	-	5,098	5,098
Hospital repair fund	-	-	-	-	397	397
CDBG fund	-	-	-	-	(23,516)	(23,516)
Total Restricted	<u>-</u>	<u>-</u>	<u>162,003</u>	<u>-</u>	<u>(17,581)</u>	<u>144,422</u>
Unassigned						
Other purposes	(150,042)	-	-	-	-	(150,042)
Total Fund Balances	<u>\$ (146,718)</u>	<u>5,309,935</u>	<u>162,003</u>	<u>331,237</u>	<u>63,453</u>	<u>\$ 5,719,910</u>

**NOTE 18 - NEW ACCOUNTING STANDARDS**

In fiscal year 2019, the City implemented the following GASB Statements:

In February 2015, the GASB issued Statement No. 72, "Fair Value Measurement and Application." This statement addresses accounting and financial reporting issues related to fair value measurements. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2015.

In June 2015, the GASB issued Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments". This statement will establish the hierarchy of GAAP for state and local governments. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2015.

In August 2015, the GASB issued Statement No. 77, "Tax Abatement Disclosure". GASB 77 requires certain disclosure related to tax abatement agreements. The requirements of this statement are effective for financial statement for the fiscal years beginning after December 15, 2015.



CITY OF LELAND, MISSISSIPPI  
Notes to the Financial Statements  
September 30, 2019

**NOTE 18 - NEW ACCOUNTING STANDARDS (Continued)**

The City will adopt the following new accounting pronouncements in future years:

In June 2015, the GASB issued Statement No. 73, "Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statement 67 and 68". This statement will improve the usefulness of information for decisions made by the various users of the general purpose external financial reports. The requirements of this statement are effective for financial statements for the periods beginning after June 15, 2015. The City is evaluating the impact, if any, upon its financial position, results of operations, or cash flows upon adoption.

In June 2015, the GASB issued Statement No. 74, "Financial Reporting for Postemployment Benefits Plans Other Than Pension Plans". This statement will improve the usefulness of information about postemployment benefits other than pensions (Other Postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2016. The City is evaluating the impact, if any, upon its financial position, results of operations, or cash flows upon adoption.

In June 2015, the GASB issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". This statement will improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). These requirements of this statement are effective for financial statements for periods beginning after June 15, 2017. The City is evaluating the impact, if any, upon its financial position, results of operations, or cash flows upon adoption.

In June 2015, the GASB issued Statement No. 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments". This statement will establish the hierarchy of GAAP for state and local governments. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2015. The Town is evaluating the impact, if any, upon its financial position, results of operations, or cash flows upon adoption.

**CITY OF LELAND, MISSISSIPPI**

**REQUIRED SUPPLEMENTARY INFORMATION**

**SEPTEMBER 30, 2019**

CITY OF LELAND, MISSISSIPPI  
Required Supplementary Information  
Schedule of the City's Proportionate Share of the Net Pension Liability  
PERS

Last 10 Fiscal Years\*  
September 30, 2019

	2019	2018	2017	2016	2015
City's proportion of the net pension liability (asset)	\$ 4,037,710	\$ 3,902,260	\$ 4,263,568	\$ 3,677,311	\$ 3,078,725
City's proportionate share of the net pension liability (asset)	0.023461%	0.023461%	0.02564800%	0.02378900%	0.02536400%
City's covered-employee payroll	1,487,715	1,472,097	1,602,669	1,570,779	1,492,831
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	271.40 %	265.08 %	266.03 %	234.11 %	206.23 %
Plan fiduciary net position as a percentage of the total pension liability	61.49 %	57.47 %	61.70 %	67.21 %	67.21 %

\*The amounts presented for each fiscal year were determined as of the measurement date of 6/30 of the year prior to the fiscal year presented.

This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB 68 was implemented in the fiscal year September 30, 2019, and until a full 10-year trend is compiled, the City has only presented information for the years in which information is available.

The Accompanying Notes are an integral part of these Financial Statements.

City of Leland, Mississippi  
Required Supplementary Information  
Schedule of the City Contributions  
PERS  
Last 10 Fiscal Years\*

	2019	2018	2017	2016	2015
Contractually required Contribution	\$ 240,005	\$ 231,434	\$ 252,421	\$ 247,397	\$ 235,117
Contribution in relation to the contractually required contribution	<u>240,005</u>	<u>231,434</u>	<u>252,421</u>	<u>247,397</u>	<u>235,117</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
City's covered-employee payroll	\$ 1,487,715	\$ 1,472,097	\$ 1,602,669	\$ 1,570,779	\$ 1,492,831
Contributions as a percentage of covered-employee payroll	15.75	15.75	15.75	15.75	15.75

This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB 68 was implemented in the fiscal year ended September 30, 2019 and until a full 10-year trend is compiled, the Agency has only presented information for the years in which information is available.

The notes to the required supplementary information are an integral part of this schedule.

CITY OF LELAND, MISSISSIPPI  
Combining Balance Sheet  
Nonmajor Governmental Funds  
For the Year Ended September 30, 2019

Special Revenue							Capital Project		
	Drug Enforcement Fund	CDBG HOME Grant	CDBG Grant	Animal Shelter	Jim Henson Exhibit	Debt Service	CDBG Grant Fund	Hospital Repair Fund	Total
ASSETS									
Cash	\$ -	283	-	157	5,098	69,237	-	397	\$ 75,172
Intergovernmental receivable	-	-	-	-	-	8,078	-	-	8,078
Due from other funds	-	-	-	-	-	3,719	-	-	3,719
TOTAL ASSETS	\$ -	283	-	157	5,098	81,034	-	397	\$ 86,969
LIABILITIES AND FUND BALANCES									
Liabilities:									
Due to other funds	-	-	-	-	-	-	23,516	-	\$ 23,516
Total Liabilities	-	-	-	-	-	-	23,516	-	23,516
Fund Balances:									
Committed	-	-	-	-	-	81,034	-	-	81,034
Restricted	-	283	-	157	5,098	-	(23,516)	397	(17,581)
Total Fund Balances	-	283	-	157	5,098	81,034	(23,516)	397	63,453
TOTAL LIABILITIES AND FUND BALANCES	\$ -	283	-	157	5,098	81,034	-	397	\$ 86,969

CITY OF LELAND, MISSISSIPPI  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Year Ended September 30, 2019

	Special Revenue				Capital Project			Total
REVENUES	Drug Enforcement Fund	CDBG HOME Grant	CDBG Grant	Animal Shelter	Jim Henson Exhibit	Debt Service Fund	CDBG Grant Fund	Hospital Repair Fund
General property taxes	\$ -	-	-	-	-	216,204	-	-
Intergovernmental revenues	-	-	-	-	-	-	41,300	-
Interest income	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	230	-	-	-	-
Total Revenues	-	-	-	230	-	217,179	41,300	-
EXPENDITURES								
General government	-	-	-	1,000	-	-	-	-
Public works	-	-	-	-	-	-	718	-
Debt Service	-	-	-	-	-	206,364	-	-
Capital outlay	-	-	-	-	-	-	54,452	-
Total Expenditures	-	-	-	1,000	-	206,364	55,170	-
Excess (deficiency) of Revenues Over (Under) Expenditures	-	-	-	(770)	-	10,815	(13,870)	-
Other Financing Sources (Uses)	(191)	-	-	-	-	-	-	-
Operating transfers out	(191)	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(191)	-	-	-	-	-	-	-
Net Change in Fund Balance	(191)	-	-	(770)	-	10,815	(13,870)	-
Fund Balance, Beginning of Year	191	283	-	927	5,098	268,270	(8,998)	397
Prior period adjustment	-	-	-	-	-	(198,051)	(648)	-
Fund Balance, End of Year, as restated	191	283	-	927	5,098	70,219	(9,646)	397
Fund Balance, End of Year	\$ -	283	-	157	5,098	81,034	(23,516)	397
								\$ 63,453

CITY OF LELAND, MISSISSIPPI  
Schedule of Donated Space  
September 30, 2019

In-kind space was donated by the City of Leland, Mississippi during the year ended September 30, 2019 to the following nonprofit organizations:

<u>AGENCY</u>	<u>Value of Donated Space</u>
Washington County Project Headstart	\$ 2,880
Christians United of Leland, Inc.	<u>4,200</u>
Total	<u>\$ 7,080</u>

CITY OF LELAND, MISSISSIPPI  
Schedule of Expenditures of Federal Awards  
For the Year September 30, 2019

Federal Grant/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grant Number	Current Year Federal Expenditures
<b>U. S. Delta Regional Authority</b>			
Pass through South Delta Planning and Development District			
States Economic Development Assistance Program	90.201	MS-50470	\$ <u>1,238,241</u>
TOTAL U. S. DELTA REGIONAL AUTHORITY			<u>1,238,241</u>
<b>U. S. Department of Agriculture</b>			
Pass through Rural Development, Greenville, MS			
Rural Development Community Facilities Economic Initiative Grant	10.766	Unknown	<u>41,300</u>
TOTAL U. S. DEPARTMENT OF AGRICULTURE			<u>41,300</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,279,541</u>



CITY OF LELAND, MISSISSIPPI  
Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended September 30, 2019

**NOTE 1 - BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of City of Leland, Mississippi under programs of the federal government for the year ended September 30, 2019. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of City of Leland, Mississippi, it is not intended to and does not present the financial position, changes in net assets, or cash flows of City of Leland, Mississippi.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3 - INDIRECT COST RATE**

City of Leland, Mississippi has elected to use the 10-percent *de minimis* indirect cost rate as allowed under the Uniform Guidance nor do the City use a indirect cost rate.



**BROWN, EWING & CO.**  
P. A.  
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Honorable Mayor Kenny Thomas and  
Honorable Members of the Board of Alderman  
Leland, 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 financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Leland, Mississippi, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City of Leland, Mississippi's basic financial statements, and have issued our report thereon dated December 22, 2020.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the City of Leland, 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 the City of Leland, Mississippi's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Leland, Mississippi's internal control.

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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City of Leland, 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*.

### ***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.

*Brown, Eyr & Co.*

Ridgeland, Mississippi  
December 22, 2020



**BROWN, EWING & CO.**  
P.A.  
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE

The Honorable Mayor Kenny Thomas  
and Honorable Members of the Board of Aldermen  
Leland, Mississippi

**Report on Compliance for Each Major Federal Program**

We have audited the City of Leland, Mississippi's (the City), compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2019. The City of Leland, Mississippi's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of City of Leland, Mississippi's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Leland, Mississippi's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Leland, Mississippi's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the City of Leland, Mississippi, complied, in all material respects, with the type of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2019.

### ***Report on Internal Control Over Compliance***

Management of City of Leland, Mississippi, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City of Leland, Mississippi's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Leland, Mississippi's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Purpose of this Report***

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Brown, Egan & Co.*

Ridgeland, Mississippi  
December 22, 2020

CITY OF LELAND, MISSISSIPPI  
AUDITEE'S SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended September 30, 2019

The City did not have any findings noted the their fiscal year 2018 audit report dated September 6, 2019.

CITY OF LELAND, MISSISSIPPI  
Schedule of Findings and Questioned Costs  
Year Ended September 30, 2019

Section 1 - Summary of Auditor's Results

- |    |   |               |
|----|---|---------------|
| 1. | Type of auditor's report issued on the basic financial statements.                        | Unmodified    |
| 2. | Material noncompliance relating to the basic financial statements.                        | None          |
| 3. | Internal control over financial reporting:  |               |
|    | a. Material weaknesses identified?  | No            |
|    | b. Significant deficiencies identified that are not considered to be material weaknesses? | None Reported |

Federal Awards:

- |    |   |               |
|----|---|---------------|
| 4. | Type of auditor's report issued on compliance for major federal programs                  | Unmodified    |
| 5. | Internal control over major programs:   |               |
|    | a. Material weaknesses identified?  | No            |
|    | b. Significant deficiencies identified that are not considered to be material weaknesses? | None Reported |
| 6. | Any audit findings reported as required by the Uniform Guidance?                          | No            |
| 7. | Federal programs identified as major programs:  |               |

<u>Federal Grant/Pass-Through Grantor</u>	<u>CFDA Number</u>
<b><i>U. S. Delta Regional Authority</i></b>	
States Economic Development Assistance Program	90.201

- |    |  |
|----|--|
| 8. | The dollar threshold used to distinguish between Type A and Type B programs: \$750,000 |
| 9. | Auditee did qualify as a low-risk auditee.   |

Section 2 - Finding Financial Statements Audit

NONE

Section 3 - Findings and Questioned Costs - Major Federal Award Program Audit

NONE

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

To the Honorable Mayor Kenny Thomas  
Honorable Members of the Board of Alderman  
of the City of Leland, Mississippi

We have audited the accompanying financial statements of the governmental activities, the business activities, each major fund, and the aggregate remaining fund information of the City of Leland, Mississippi (the City) as of and for the year ended September 30, 2019, which collectively comprise the City of Leland, Mississippi's basic financial statements and have issued our report thereon dated December 22, 2020. 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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

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 other state laws and regulations. However, providing an opinion on compliance with all state laws and regulations was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of procedures performed to test compliance with certain other laws and regulations and our audit of the financial statements disclosed no instance of noncompliance with other state laws and regulations.

This report is intended solely for the information and use of the Mayor, Board of Alderman, management and federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Brown, Eg & Co.*

Ridgeland, Mississippi  
December 22, 2020



CITY OF LELAND, MISSISSIPPI  
Schedule of Surety Bonds for Municipal Officials  
September 30, 2019

<u>Name</u>	<u>Position</u>	<u>Bonding Company</u>	<u>Bond Amount</u>
Kenny Thomas	Mayor	Scott Insurance Agency	\$ 50,000
Barbara Brooks	Alderwoman	Scott Insurance Agency	50,000
Tammy Nealon	Alderwoman	Scott Insurance Agency	50,000
Lisa Bush	Alderwoman	Scott Insurance Agency	50,000
Andy Petro	Alderman	Scott Insurance Agency	50,000
Nancy Jo King	Alderwoman	Scott Insurance Agency	50,000
Cynthia Norals	City Clerk	Scott Insurance Agency	50,000
Keona Jackson	Deputy Clerk	St. Paul Travelers	50,000
Aundrea Barber	Deputy Clerk	St. Paul Travelers	50,000
Billy Barber	Police Chief	St. Paul Travelers	50,000
Robert Johnson	Fire Chief	St. Paul Travelers	50,000

CITY OF LELAND, MISSISSIPPI  
Statement of Legal Debt Limit  
September 30, 2019

Authorized Debt Limit Percent Rule

Authorized Debt Limit Percent	15%	20%
2018 Tax Roll Estimation	\$ 16,130,443	\$ 16,130,443
Less: 2018 Homestead Exemption	(65,528)	(65,528)
Net 2018 Estimation Tax Roll	<u>\$ 16,064,915</u>	<u>\$ 16,064,915</u>
Assessed Valuation under respective debt limit	\$ 2,409,737	\$ 3,212,983
Less: All Bonded Indebtness	961,000	961,000
Present debt subject to limitation	<u>961,000</u>	<u>961,000</u>
Margin for further debt under respective debt limits	<u>\$ 1,448,737</u>	<u>\$ 2,251,983</u>

Section 21-31-301 of Mississippi Code of Ordinances 1972 Annotated - Limitation of indebtedness as amended April 8, 1985, March 30, 1987, October 1, 1989, March 1, 1992, and July 1, 1995.

No municipality shall hereafter issue bonds secured by a pledge of its full faith and credit for the purposes authorized by law in amount which, when added to the then outstanding bonded indebtedness of such municipality, shall exceed either (a) fifteen percent (15%), until September 30, 1999, and then ten percent (10%) thereafter of the assessed value of the taxable property within such municipality, according to the last completed assessment for taxation, or (b) ten percent (10%) of the assessment upon which taxes were levied for its fiscal year ending September 30, 1984, whichever is greater. In computing such indebtedness, there may be deducted all bonds or other evidences of indebtedness, heretofore or hereafter issued, for school, water, sewerage systems, gas, and light and power purposes, and for the construction of special improvements primarily chargeable to the property benefited, or for the purpose of paying the municipality contract and indebtedness which, when added to all of the outstanding general obligation indebtedness, both bonded and floating, shall exceed either (a) twenty percent (20%) until September 30, 1999, and fifteen percent (15%) thereafter of the assessed value of all taxable property within such municipality according to the last completed assessment for taxation or (b) fifteen percent (15%) of the assessment upon which taxes were levied for its fiscal year ending September 30, 1984, whichever is greater. Nothing herein contained shall be construed to apply to contract obligations in any form heretofore or hereafter incurred by any municipality which are subject to annual appropriations therefore or to bonds heretofore issued by any municipality for school purposes, or to contract obligations in any form heretofore or hereafter incurred by any municipality which are payable exclusively from the revenues of any municipality-owned utility, or to bonds issued by any municipality under the provisions of Sections 57-1-1 through 57-1-51, or to any special assessment improvement bonds issued by any municipality under the provisions of Sections 21-41-1 through 21-41-53.

CITY OF LELAND, MISSISSIPPI  
Schedule of Bonds and Notes Payable  
September 30, 2019

	Interest Rates	Issue Date	Final Maturity Date	Authorized	Issued	Balance Outstanding Oct. 1, 2018	Additions	Retired	Balance Outstanding Sept. 30, 2019
<u>General Government:</u>									
NOTES PAYABLE:									
Bank note	2.83%	08/03/18	08/10/2021	\$ 106,491	\$ 106,491	103,717	-	34,622	\$ 69,095
Certificate of indebtedness	3.555%	01/14/2019	07/15/2022	143,716	143,716	-	143,716	25,994	117,722
Total Bank Notes				250,207	250,207	103,717	143,716	60,616	186,817
GENERAL OBLIGATION BONDS:									
Series 2013 General Obligation Coupon Bonds	2.00% to								
Total General Obligation Bonds	2.750%	09/01/2013	09/01/2023	1,800,000	1,800,000	961,000	-	182,000	779,000
Total General Government Debt				1,800,000	1,800,000	961,000	-	182,000	779,000
<u>Proprietary:</u>									
NOTES PAYABLE:				2,050,207	2,050,207	1,064,717	143,716	242,616	965,817
State revolving loan (DEQ) # 01	2.00%	07/16/2007	11/01/2026	844,714	844,714	394,127	-	44,376	349,151
State revolving loan (DEQ) # 02	2.50%	08/1/2008	01/01/2028	583,133	583,133	312,737	-	30,198	282,539
Planters Bank note payable	2.65%	01/14/2016	01/15/2018	132,120	132,120	-	-	-	-
Planters Bank note payable	2.65%	08/01/2016	08/01/2026	700,000	700,000	567,455	-	65,977	501,478
Trustmark National Bank note payable	2.18%	01/14/2016	01/15/2020	67,475	67,475	23,011	-	17,354	5,657
Total Proprietary Debt				2,327,442	2,327,442	1,297,330	-	158,505	1,138,825
Grand Total				\$ 4,377,649	\$ 4,377,649	\$ 2,362,047	\$ 143,716	\$ 401,121	\$ 2,104,642