

## OFFICE OF THE STATE AUDITOR REPORT NOTE:

*Section 7-7-211, Mississippi Code Annotated (1972)* gives the Office of the State Auditor the authority to audit, with the exception of municipalities, any governmental entity in the state. In the case of municipalities, *Section 21-35-31, Mississippi Code Annotated (1972)* requires municipalities to obtain an annual audit performed by a private CPA firm and submit that audit report to the Office of the State Auditor. The Office of the State Auditor files these audit reports for review in case questions arise related to the municipality.

As a result, the following document was not prepared by the Office of the State Auditor. Instead, it was prepared by a private CPA firm and submitted to the Office of the State Auditor. The document was placed on this web page as it was submitted and no review of the report was performed by the Office of the State Auditor prior to finalization of the report. The Office of the State Auditor assumes no responsibility for its content or for any errors located in the document. Any questions of accuracy or authenticity concerning this document should be submitted to the CPA firm that prepared the document. The name and address of the CPA firm appears in the document.

**CITY OF SHELBY, MISSISSIPPI**  
**AUDITED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020**

CITY OF SHELBY, MISSISSIPPI  
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September 30, 2020

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

**INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor Dan Harris, Jr. and  
Honorable Members of the Board of Aldermen  
City of Shelby, Mississippi

**Report on the Financial Statements**

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 Shelby, Mississippi (the City), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 opinion.

## Opinions

As described in Note 1, the financial statements have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

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, and each major fund, and the aggregate remaining fund information of the City of Shelby, Mississippi, as of September 30, 2020, and the respective changes in financial position and, where applicable, budgetary comparison schedules for the year then ended in accordance with the basis of accounting described in Note 1.

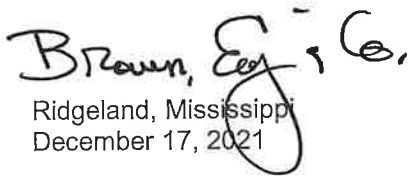
## Other Matters

### *Required Supplementary Information*

The City of Shelby, Mississippi has not presented the Management's and Discussion and Analysis or budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational economic or historical context. Our opinion on the basic financial statements is not affected by the missing information.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2021, on our consideration of the City of Shelby, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with the *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

  
Ridgeland, Mississippi  
December 17, 2021

## **FINANCIAL STATEMENTS**

CITY OF SHELBY, MISSISSIPPI  
Statement of Activities and Net Position - Cash Basis  
For the Year Ended September 30, 2020

		Program Revenues		Net (Expenses) Revenues Changes in Net Position			
	Expenses	Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
<b>Primary Government:</b>							
Governmental activities:							
Administration	\$ 240,651	-	9,320	-	(231,331)	-	\$ (231,331)
Judicial	8,000	-	-	-	(8,000)	-	(8,000)
Public safety	423,971	1,960	-	-	(422,011)	-	(422,011)
Public works	421,700	-	-	266,278	(155,422)	-	(155,422)
Health and Sanitation	105,000	115,985	-	-	10,985	-	10,985
Library support	14,630	-	-	-	(14,630)	-	(14,630)
Principal payment on debt	14,858	-	-	-	(14,858)	-	(14,858)
Interest on long-term debt	5,157	-	-	-	(5,157)	-	(5,157)
Total governmental activities	<u>1,233,967</u>	<u>117,945</u>	<u>9,320</u>	<u>266,278</u>	<u>(840,424)</u>	<u>-</u>	<u>(840,424)</u>
Business-type activities:							
Water/Sewer	<u>212,326</u>	<u>495,240</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>282,914</u>	<u>282,914</u>
Total Business-type activities	<u>212,326</u>	<u>495,240</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>282,914</u>	<u>282,914</u>
Total Primary Government	<u>\$ 1,446,293</u>	<u>613,185</u>	<u>9,320</u>	<u>266,278</u>	<u>(840,424)</u>	<u>282,914</u>	<u>\$ (557,510)</u>
General Revenues:							
Property taxes					\$ 509,137	-	\$ 509,137
Sales taxes					128,734	-	128,734
Franchise taxes					43,768	-	43,768
Fines and report fees					29,352	-	29,352
License and permits					4,050	-	4,050
Miscellaneous					45,022	-	45,022
Unrestricted investment earnings					394	334	728
Transfers					<u>141,918</u>	<u>(141,918)</u>	<u>-</u>
Total general revenues, special items, and transfers					<u>902,375</u>	<u>(141,584)</u>	<u>760,791</u>
Change in net assets					<u>61,951</u>	<u>141,330</u>	<u>203,281</u>
Net Position - Beginning					<u>575,758</u>	<u>379,702</u>	<u>955,460</u>
Net Position - Ending					<u>\$ 637,709</u>	<u>521,032</u>	<u>\$ 1,158,741</u>

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



CITY OF SHELBY, MISSISSIPPI  
Balance Sheet and Net Assets - Cash Basis  
Governmental Funds  
For the Year Ended September 30, 2020

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalent	\$ 161,165	-	-	\$ 161,165
Cash, restricted	<u>145,555</u>	<u>186,328</u>	<u>138,052</u>	<u>469,935</u>
TOTAL ASSETS	<u>\$ 306,720</u>	<u>186,328</u>	<u>138,052</u>	<u>\$ 631,100</u>
NET ASSETS				
Restricted for debt service	\$ -	-	138,052	\$ 138,052
Restricted for Mosquito control	141,415	-	-	141,415
Restricted for fire protection	-	142,454	-	142,454
Restricted for police activity	13,767	-	-	13,767
Restricted for other activity	762	43,874	-	44,636
Unassigned	<u>150,776</u>	<u>-</u>	<u>-</u>	<u>150,776</u>
TOTAL NET ASSETS	<u>\$ 306,720</u>	<u>186,328</u>	<u>138,052</u>	<u>\$ 631,100</u>

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

CITY OF SHELBY, MISSISSIPPI  
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Cash Basis  
Governmental Funds  
For the Year Ended September 30, 2020

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
REVENUES:				
General property taxes	\$ 450,642	55,803	2,691	\$ 509,136
Privilege licenses and permits	4,050	-	-	4,050
Intergovernmental revenues	404,332	40,179	-	444,511
Franchise taxes	43,768	-	-	43,768
Charges for services	115,985	1,960	-	117,945
Fines and report fees	29,352	-	-	29,352
Interest income	216	80	98	394
Miscellaneous	45,022	-	-	45,022
Total Revenues	<u>1,093,367</u>	<u>98,022</u>	<u>2,789</u>	<u>1,194,178</u>
EXPENDITURES:				
General Government:				
Personnel and fringe benefits	103,807	-	-	103,807
Other service and charges	144,834	-	-	144,834
Public Safety - Police				
Personnel and fringe benefits	330,397	-	-	330,397
Other services and charges	64,690	11,964	-	76,654
Public Safety - Fire				
Other services and charges	16,920	-	-	16,920
Public Works - Streets				
Personnel and fringe benefits	90,603	-	-	90,603
Other services and charges	64,819	-	-	64,819
Health and Sanitation				
Other services and charges	105,000	-	-	105,000
Culture and Recreation				
Other services and charges	1,809	12,822	-	14,631
Debt services:				
Principal	-	14,858	-	14,858
Interest and service charges	-	5,157	10	5,167
Capital outlay:				
Public works	266,278	-	-	266,278
TOTAL EXPENDITURES	<u>1,189,157</u>	<u>44,801</u>	<u>10</u>	<u>1,233,968</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(95,790)</u>	<u>53,221</u>	<u>2,779</u>	<u>(39,790)</u>
OTHER CASH SOURCES (USES):				
Other	(27,533)	-	-	(27,533)
Operating transfers in	120,647	133,051	-	253,698
Operating transfers out	(111,780)	-	-	(111,780)
TOTAL OTHER CASH SOURCES (USES)	<u>(18,666)</u>	<u>133,051</u>	<u>-</u>	<u>114,385</u>
Excess (Deficiency) of Receipts and Other Cash Sources Over Disbursements and Other Cash Uses	(114,456)	186,272	2,779	74,595
Cash Basis Fund Balance, October 1	421,176	56	135,273	556,505
Cash Basis Fund Balance, September 30	<u>\$ 306,720</u>	<u>186,328</u>	<u>138,052</u>	<u>\$ 631,100</u>

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

CITY OF SHELBY, MISSISSIPPI  
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
General Fund - Cash Basis  
For the Year Ended September 30, 2020

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Property taxes	\$ 340,782	340,782	450,642	\$ 109,860
Privilege licenses and permits	2,283	2,283	4,050	1,767
Intergovernmental revenues	174,543	174,543	404,332	229,789
Franchise taxes	41,576	41,576	43,768	2,192
Charges for services	-	-	115,985	115,985
Fines and report fees	35,000	35,000	29,352	(5,648)
Interest	130	130	216	86
Miscellaneous	4,800	4,800	45,022	40,222
TOTAL REVENUES	<u>599,114</u>	<u>599,114</u>	<u>1,093,367</u>	<u>494,253</u>
OPERATING DISBURSEMENTS:				
General Government				
Administration	214,450	214,450	248,641	(34,191)
Public Safety				
Police protection	408,945	408,945	395,087	13,858
Fire protection	16,920	16,920	16,920	-
Public Works				
Streets improvements	128,141	128,141	155,422	(27,281)
Health and Sanitation	-	-	105,000	(105,000)
Culture and Recreation	14,092	14,092	1,809	12,283
Capital Expenditures	-	-	266,278	(266,278)
Debt service	3,500	3,500	-	3,500
Total Expenditures	<u>786,048</u>	<u>786,048</u>	<u>1,189,157</u>	<u>(403,109)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(186,934)</u>	<u>(186,934)</u>	<u>(95,790)</u>	<u>91,144</u>
Other Financing Sources (Uses):				
Operating transfers in	220,000	220,000	120,647	(99,353)
Operating transfer out	-	-	(111,780)	(111,780)
Other	-	-	(27,533)	(27,533)
Total Other Financing Sources (Uses)	<u>220,000</u>	<u>220,000</u>	<u>(18,666)</u>	<u>(238,666)</u>
Net Change in Fund Balances	33,066	33,066	(114,456)	(147,522)
Cash Basis Fund Balance, Oct. 1	<u>421,176</u>	<u>421,176</u>	<u>421,176</u>	<u>-</u>
Cash Basis Fund Balance, Sept. 30	<u>\$ 454,242</u>	<u>454,242</u>	<u>306,720</u>	<u>\$ (147,522)</u>

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

CITY OF SHELBY, MISSISSIPPI  
Statement of Net Position - Cash Basis  
Proprietary Fund  
For the Year Ended September 30, 2020

	<u>Business Type Activities</u>		
	<u>Water/Sewer Fund</u>	<u>Nonmajor Enterprise Funds</u>	<u>Totals</u>
Assets			
Cash and cash equivalents	\$ 214,417	-	\$ 214,417
Cash, restricted	-	277,821	277,821
Total Assets	<u>\$ 214,417</u>	<u>277,821</u>	<u>\$ 492,238</u>
Net Position			
Restricted for debt service	\$ -	277,821	\$ 277,821
Unrestricted	214,417	-	214,417
Total Net Position	<u>\$ 214,417</u>	<u>277,821</u>	<u>\$ 492,238</u>

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

CITY OF SHELBY, MISSISSIPPI  
Statement of Revenues, Expenses, and Changes in Net Position - Cash Basis  
Proprietary Funds  
For the Year Ended September 30, 2020

	<u>Business -Type Activities</u>		
	<u>Water/Sewer Fund</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>
Operating Revenues:			
Sales to customers	\$ <u>495,240</u>	<u>-</u>	\$ <u>495,240</u>
Total Operating Revenues	<u>495,240</u>	<u>-</u>	<u>495,240</u>
Operating Expenses:			
Personnel services	46,201	-	46,201
Other services and charges	<u>131,368</u>	<u>-</u>	<u>131,368</u>
Total Operating Expenses	<u>177,569</u>	<u>-</u>	<u>177,569</u>
Operating income (loss)	<u>317,671</u>	<u>-</u>	<u>317,671</u>
Nonoperating revenues (expenses)			
Other income	140	195	335
Principal payment on debt	-	(34,757)	(34,757)
Interest and service charges on long-term debt	<u>-</u>	<u>(28,795)</u>	<u>(28,795)</u>
Total nonoperating revenues	<u>140</u>	<u>(63,357)</u>	<u>(63,217)</u>
Net Income Before Operating Transfers	317,811	(63,357)	254,454
Operating Transfers In	-	79,452	79,452
Operating Transfers (Out)	<u>(221,370)</u>	<u>-</u>	<u>(221,370)</u>
Change in Net Position	96,441	16,095	112,536
Cash Basis Net Position, October 1	<u>117,976</u>	<u>261,726</u>	<u>379,702</u>
Cash Basis Net Position, September 30	\$ <u><u>214,417</u></u>	\$ <u><u>277,821</u></u>	\$ <u><u>492,238</u></u>

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

CITY OF SHELBY, MISSISSIPPI  
Notes to the Financial Statements  
September 30, 2020

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

The City of Shelby, 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 Shelby 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 Shelby. The primary government includes only those funds, organizations, institutions, agencies, departments, and offices that are not legally separate from the City. The financial statements do not include the data of the component units necessary for financial reporting in conformity with generally accepted accounting principles.

**FINANCIAL STATEMENTS**

The 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 SHELBY, MISSISSIPPI  
Notes to the Financial Statements  
September 30, 2020

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.

*Special Revenue Fund* - The fund is a special revenue fund used to account for the federal grant funds that are restricted for constructing, paving, resurfacing, improving and maintaining public streets, sidewalks and bridges.

*Debt Service Fund* - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt including principal, interest, and related costs.

### **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.

*Sewer System* - 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.

## **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

CITY OF SHELBY, MISSISSIPPI  
Notes to the Financial Statements  
September 30, 2020

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.

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



CITY OF SHELBY, MISSISSIPPI  
Notes to the Financial Statements  
September 30, 2020

## 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.

**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 Town.

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 does not accumulate unpaid vacation, and other employee benefit amounts because employees are not allowed to carry over significant amounts.

CITY OF SHELBY, MISSISSIPPI  
Notes to Financial Statements  
September 30, 2020

**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.

**Fund Balance Spending Policy** - The City has not adopted a formal spending policy as it relates to the fund balance, therefore, excess amounts are expended in the following manner in accordance with GSBA 54 default level: committed, assigned and unassigned.

## **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. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Depository Insurance Corporation (FDIC).

The carrying amount of the City's deposits with financial institutions in the governmental activities and the business-type activities funds were \$631,100 and \$492,238, respectively. The carrying amount of deposits reported in the government-wide financial statements was: Cash and Cash Equivalents - \$161,165 and Restricted Assets - \$469,935. The Restricted Assets represent the cash balance in the debt service fund which is legally restricted and may not be used for purposes that support the City's programs. The bank balance was \$1,127,988 at September 30, 2020.

**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, 2020, none of the City's bank balance of \$1,127,988 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, 2020, none of the City's bank balance of \$1,127,988 was exposed to custodial credit risk.

CITY OF SHELBY, MISSISSIPPI  
Notes to the Financial Statements  
September 30, 2020

*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, 2020, the City had no investments.

**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, 2020, the City levied and collected 72.00 mills of taxes for following purposes of the City.

<u>Category</u>	<u>Mills Amount</u>
General Government	51.00
Debt Service	21.00
Total Mills	<u>72.00</u>

**NOTE 4 - INTERFUND TRANSFERS**

Individual fund interfund transfers are presented as of September 30, 2020 as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
Major Funds:		
General Fund	\$ 120,647	\$ 111,780
Special Revenue Fund	133,051	-
Water/Sewer System Fund	-	221,370
Nonmajor Enterprise Funds	79,452	-
	<u>\$ 333,150</u>	<u>\$ 333,150</u>

CITY OF SHELBY, MISSISSIPPI  
Notes to the Financial Statements  
September 30, 2020

**NOTE 5 - LONG-TERM DEBT**

A summary of long-term debt transactions for the year ended September 30, 2020, were as follows:

<b>Governmental activities:</b>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bank Note Payable	\$ 153,156	-	(14,858)	138,298	\$ 138,298
Totals	<u>\$ 153,156</u>	<u>-</u>	<u>(14,858)</u>	<u>138,298</u>	<u>\$ 138,298</u>

The annual requirement to amortize the general obligation bonds as of September 30, 2020 including interest payments of \$19,965 are as follows:

<u>Year Ended September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 138,298	4,599	\$ 142,897
	<u>\$ 138,298</u>	<u>4,599</u>	<u>\$ 142,897</u>

The above debt has an interest rate of 3.270%.

Long-term debt activity for business-type activities for the year ended September 30, 2020, is presented as follows:

<b>Business-type activities:</b>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds payable:					
Revenue bonds	\$ 757,736	-	(34,757)	722,979	\$ 30,635
Totals	<u>\$ 757,736</u>	<u>-</u>	<u>(34,757)</u>	<u>722,979</u>	<u>\$ 30,635</u>

The annual requirement to amortize this outstanding debt as of September 30, 2020 including interest payments of \$62,770 are as follows:

<u>Year Ended September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 30,635	32,135	\$ 62,770
2022	32,045	30,725	62,770
2023	33,520	29,180	62,700
2024	34,985	27,715	62,700
2025	36,673	26,027	62,700
2026-2030	246,898	66,602	313,500
2031-2035	263,290	50,210	313,500
2036-2037	44,933	2,888	47,821
	<u>\$ 722,979</u>	<u>265,482</u>	<u>\$ 988,461</u>

The above debt has an interest rate of 4.50%.

CITY OF SHELBY, MISSISSIPPI  
Notes to the Financial Statements  
September 30, 2020

**NOTE 6 - DEFINED BENEFIT PENSION PLAN**

**General Information**

*Plan Description and Provisions:* The City of Shelby, 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. Cods Ann. Section 25-11-1 et seq., (1972, as amended) and may be amended only 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.

*Plan Funding Policy:* PERS members are required to contribute 9.00% of their annual covered salary and the City of Shelby, Mississippi is required to contribute at an actuarially determined rate. This rate was 17.40% of annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The City of Shelby, Mississippi contributions to PERS for the years ended September 30, 2020, 2019, and 2018 were \$53,280, \$54,596, and \$61,375, respectively, equal to the required contributions for each year.

**NOTE 7 - FEDERAL GRANTS**

During the fiscal year ended September 30, 2020, the City received federal grant funds in the amount of \$266,278 and incurred grant expenditures in the same amount.

<u>Funding Source</u>	<u>Grant Name</u>	<u>Grant Number</u>	<u>Federal Assistance Listing Number</u>	<u>Amount Expended</u>
Mississippi Dev. Authority	Community Development Block Grant	1134-18-336-PF-01	14.228	<u>266,278</u>
				<u>\$ 266,278</u>

A single audit in accordance with the Uniform Guidance was not required for the year ended September 30, 2020 because the federal expenditures were less than \$750,000.

**NOTE 8 - COMMITMENTS AND CONTINGENCIES**

***Federal Grants***

The City has received federal grants for specific purposes that are subject to, audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditures of resources for allowable purposes. Any disallowance resulting from a grantor audit may become a liability of the City. No provisions for any liability that may result has been recognized in the City's financial statements.

CITY OF SHELBY, MISSISSIPPI  
Notes to the Financial Statements  
September 30, 2020

**NOTE 9 - 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 10 - 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.

**Participation in Public Entity Risk Pool**

The City is a member of the Mississippi Municipal Workers' Compensation Group (MMWCG). The group is a risk-sharing pool; such a pool is frequently referred to as a self-insurance pool. MMWCG covers risks of loss arising from injuries to the City's employees. MMWCG requires that an indemnity agreement be executed by each member in a workers' compensation self-insurance pool for the purpose of jointly and severally binding the pool and each of the employers comprising the group to meet the workers' compensation obligation of each member. Each member of the MMWCG contributes quarterly to a fund held in trust. The trust pays statutory amounts. The funds in the trust account are used to pay any claim up to \$266,278 for police and fire fighters and \$500,000 on all others. For a claim exceeding \$750,000 for police and fire fighters and \$500,000 on all others, MMWCG has reinsurance. If total claims during the year were to deplete the trust account, then the pool members would be required to pay for the deficiencies. The City has not had an additional assessment for excess losses incurred by the pool.

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

**NOTE 11 - 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. At fiscal year-end, the receivable represent delinquent taxes.

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. Shelby County bills and collects the real, personal, and ad valorem taxes for the City of Shelby, Mississippi. The taxes are remitted to the City on a monthly basis.

CITY OF SHELBY, MISSISSIPPI  
Notes to the Financial Statements  
September 30, 2020

**NOTE 11- PROPERTY TAXES RECEIVABLE AND PROPERTY TAX CALENDAR (CONTINUED)**

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 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 12 - ECONOMIC DEPENDENCY**

The City is a rural community in the Mississippi Delta. It is dependent on ad valorem taxes and user fees from its residents to remain viable.

**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 the City of Shelby, Mississippi has evaluated the activity of the City through December 17, 2021, which is the date the financial statements are available to be issued.

**NOTE 14 - COVID-19 FINANCIAL STATEMENT IMPACTS**

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. The extent of the impact of COVID-19 on the City's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the City's, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the City's net position and changes in net assets/fund balance and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

## **REPORTS ON INTERNAL CONTROL AND COMPLIANCE**





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

The Honorable Mayor Dan Harris, Jr. and  
Honorable Members of the Board of Aldermen  
Shelby, 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 the City of Shelby, Mississippi (the City), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Shelby, Mississippi's basic financial statements, and have issued our report thereon dated December 17, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Shelby, 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 Shelby, Mississippi's, internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Shelby, 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 timely basis. A *material weakness* is a deficiency, or 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and responses as finding 2020-001 that we consider to be a significant deficiency.

## **Compliance and Other Matters**

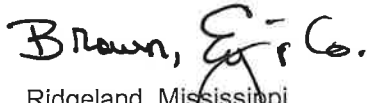
As part of obtaining reasonable assurance about whether the City of Shelby, Mississippi's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct 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*.

## **City of Shelby, Mississippi Response to Finding**

City of Shelby, Mississippi's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. City of Shelby, Mississippi's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **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.

  
Ridgeland, Mississippi  
December 17, 2021

CITY OF SHELBY, MISSISSIPPI  
SCHEDULE OF AUDIT FINDINGS AND RESPONSES  
Year Ended September 30, 2020

**Finding 2020-001 (Repeat)**

**Segregation of Duties**

***Finding***

During our inquiry with City personnel, we found there is a lack of the segregation of duties in the City Clerk's Office. A good system of internal accounting controls requires that there be a segregation of duties between the performance, authorization, approval, and the recording of accounting transactions. This is a repeated finding.

***Auditor's Recommendation***

The City should evaluate its current system of internal controls to determine a workable and economically feasible resolution in order to improve its system of internal controls.

***Auditee's Response***

Due to limited financial resources, the City is unable to hire an additional employee that will allow for the proper segregation of duties.

CITY OF SHELBY, MISSISSIPPI  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended September 30, 2020

**FINANCIAL STATEMENTS**

**Finding 2019-01 (Repeat)**

**Condition:** Segregation of duties.

**Current Status:** Not Corrected

## **STATE LEGAL COMPLIANCE**



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

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

To the Honorable Mayor Dan Harris, Jr. and  
Honorable Members of the Board of Aldermen  
City of Shelby, 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 Shelby, Mississippi (the City) as of and for the year ended September 30, 2020, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 17, 2021. 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 state laws and regulations. However, providing an opinion on compliance with state laws and regulations was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of the procedures and our audit of the Statement of Cash Receipts and Disbursements, Governmental, and Business-type Activities disclosed no instances of noncompliance with other state laws and regulations.

This report is intended solely for the information of the Mayor, Board of Aldermen, 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. However, this report is a matter of public record and its distribution is not limited.

Ridgeland, Mississippi  
December 17, 2021

CITY OF SHELBY, MISSISSIPPI  
Schedule of Investments  
September 30, 2020

At September 30, 2020, the City of Shelby, Mississippi had no investments.

CITY OF SHELBY, MISSISSIPPI  
Schedule of Surety Bonds for Municipal Officials  
September 30, 2020

<u>Name</u>	<u>Position</u>	<u>Bonding Company</u>	<u>Bond Amount</u>
Dan Harris, Jr.	Mayor	Southgroup	\$ 50,000
Bobbie J. Reed	Alderwoman	MS Municipal Bond Program	50,000
Neuaviska Braugher	Aldermanwoman	MS Municipal Bond Program	50,000
Kermit Stanton	Alderman	MS Municipal Bond Program	50,000
Frederian Flowers	Alderman	MS Municipal Bond Program	50,000
Harold Billings	Alderman	MS Municipal Bond Program	50,000
Carmere Scott	City Clerk	Southgroup	50,000
James Reed	Deputy Clerk	Southgroup	50,000
Cecelia Bland	Court Clerk	Southgroup	50,000
Patrick Johnson	Police Chief	Southgroup	50,000



CITY OF SHELBY, MISSISSIPPI  
Schedule of Long-Term Debt  
September 30, 2020

				<u>During Fiscal Year</u>		
	<u>Authorized</u>	<u>Issued</u>	<u>Balance Outstanding Oct. 1, 2019</u>	<u>Additions</u>	<u>Retired</u>	<u>Balance Outstanding Sept. 30, 2020</u>
<b><u>General Government:</u></b>						
Bank note payable	\$ <u>195,170</u>	\$ <u>195,170</u>	\$ <u>153,156</u>	<u>-</u>	<u>14,858</u>	\$ <u>138,298</u>
<b><u>Proprietary:</u></b>						
Revenue Bonds						
Water/Sewer	<u>1,081,700</u>	<u>1,081,700</u>	<u>757,736</u>	<u>-</u>	<u>34,757</u>	<u>722,979</u>
Total Revenue Bonds	<u>1,081,700</u>	<u>1,081,700</u>	<u>757,736</u>	<u>-</u>	<u>34,757</u>	<u>722,979</u>
Total Long-Term Debt	\$ <u>1,276,870</u>	\$ <u>1,276,870</u>	\$ <u>910,892</u>	<u>-</u>	<u>49,615</u>	\$ <u>861,277</u>

CITY OF SHELBY, MISSISSIPPI  
Schedule of Capital Assets  
September 30, 2020

**A. All Governmental Funds**

	Beginning Balance	Additions	Disposals	Ending Balance
(Non Depreciable Capital Assets)				
Land	\$ 27,277	-	-	\$ 27,277
Construction in progress	-	266,278	-	266,278
Total Non Depreciable Capital Assets	27,277	266,278	-	293,555
Depreciable Capital Assets				
Building and improvements	51,080	-	-	51,080
Machinery and equipment	519,584	-	-	519,584
Infrastructure	641,135	-	-	641,135
Total Depreciable Capital Assets	1,211,799	-	-	1,211,799
Total Governmental Activities Capital Assets	\$ 1,239,076	266,278	-	\$ 1,505,354

**B. All Enterprise Funds**

	Beginning Balance	Additions	Disposals	Ending Balance
Depreciable Capital Assets				
Water/sewer system	\$ 603,555	-	-	\$ 603,555
Total Business-Type Activities Capital Assets	\$ 603,555	-	-	\$ 603,555

CITY OF SHELBY, MISSISSIPPI  
Schedule of Cash Receipts and Disbursements  
Reserve Accounts Required by Rural Development  
Enterprise Fund  
Year Ended September 30, 2020

For the Rural Development loans, there are a number of limitations and restrictions contained in the revenue bond ordinances. The City is required to maintain certain reserve accounts as follows:

	Depreciation Fund	Contingency Fund	Bond Cushion Fund	Total
Cash and investment at beginning of year	\$ <u>98,970</u>	<u>49,670</u>	<u>98,946</u>	\$ <u>247,586</u>
Cash Receipts:				
Transfer from Operating account	6,360	3,180	6,360	15,900
Interest income	<u>74</u>	<u>37</u>	<u>74</u>	<u>185</u>
Total Receipts	<u>6,434</u>	<u>3,217</u>	<u>6,434</u>	<u>16,085</u>
Total cash and investments available	<u>105,404</u>	<u>52,887</u>	<u>105,380</u>	<u>263,671</u>
Cash Disbursements:				
Transfer to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and Investment at End of Year	\$ <u>105,404</u>	<u>52,887</u>	<u>105,380</u>	\$ <u>263,671</u>
Amount of Reserve Required at Year End	\$ <u>68,111</u>	<u>52,476</u>	<u>101,180</u>	\$ <u>221,767</u>
Reserve Excess or (Deficiency)	\$ <u>37,293</u>	<u>411</u>	<u>4,200</u>	\$ <u>41,904</u>