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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 LELAND, MISSISSIPPI
AUDITED FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

CITY OF LELAND, MISSISSIPPI
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September 30, 2021

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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, 2021, 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, 2021, 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.

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

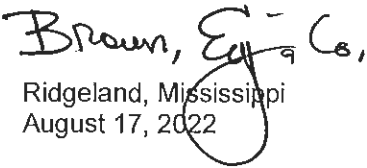
Our audit was conducted for the purpose of forming an opinions on the financial statements that collectively comprise the City of Leland, Mississippi's, basic financial statements. The introductory section, combining and individual nonmajor fund financial statements are presented for purposes of additional 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 August 17, 2022, 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.


Ridgeland, Mississippi
August 17, 2022

CITY OF LELAND, MISSISSIPPI
Management's Discussion and Analysis
September 30, 2021

INTRODUCTION

The discussion and analysis is 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, 2021. 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 \$3,680,879 (*net position*). Of this amount, \$2,276,726 (*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 \$748,428. 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 \$7,251,776, an increase of \$1,077,477 in comparison with the prior year. Approximately \$20,104 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 \$20,104, or 0.70% of total general fund expenditures.

The City's total debt had a net decrease of \$1,302,058, or 26.13% during the current fiscal year. The key factor in this decrease was due to the retirement of current debt for the prior year.

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).

CITY OF LELAND, MISSISSIPPI
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September 30, 2021

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, 2021

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>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Assets:						
Current and other assets	\$ 7,487,638	\$ 6,430,167	\$ 12,226,822	\$ 11,244,998	\$ 19,714,460	\$ 17,675,165
Capital assets	<u>784,291</u>	<u>951,896</u>	<u>5,246,010</u>	<u>5,426,519</u>	<u>6,030,301</u>	<u>6,378,415</u>
Total Assets	<u>8,271,929</u>	<u>7,382,063</u>	<u>17,472,832</u>	<u>16,671,517</u>	<u>25,744,761</u>	<u>24,053,580</u>
Deferred outflow of resources	<u>643,372</u>	<u>351,352</u>	<u>154,216</u>	<u>95,431</u>	<u>797,588</u>	<u>446,783</u>
Liabilities:						
Current and other liabilities	\$ 235,825	\$ 255,870	16,317,047	14,784,499	\$ 16,552,872	\$ 15,040,369
Long-term liabilities	<u>3,524,333</u>	<u>4,547,380</u>	<u>1,458,010</u>	<u>1,737,021</u>	<u>4,982,343</u>	<u>6,284,401</u>
Total Liabilities	<u>3,760,158</u>	<u>4,803,250</u>	<u>17,775,057</u>	<u>16,521,520</u>	<u>21,535,215</u>	<u>21,324,770</u>
Deferred inflow of resources	<u>1,108,173</u>	<u>206,561</u>	<u>218,081</u>	<u>36,581</u>	<u>1,326,254</u>	<u>243,142</u>
Net Position:						
Invested in capital assets (net)	\$ 748,411	\$ 812,253	4,769,672	4,871,729	\$ 5,518,083	\$ 5,683,982
Restricted	<u>439,522</u>	<u>415,933</u>	<u>-</u>	<u>-</u>	<u>439,522</u>	<u>415,933</u>
Unrestricted	<u>2,859,037</u>	<u>1,495,418</u>	<u>(5,135,763)</u>	<u>(4,662,882)</u>	<u>(2,276,726)</u>	<u>(3,167,464)</u>
Total Net Position	<u>\$ 4,046,970</u>	<u>\$ 2,723,604</u>	<u>\$ (366,091)</u>	<u>\$ 208,847</u>	<u>\$ 3,680,879</u>	<u>\$ 2,932,451</u>

As the presentation appearing above demonstrates, a large portion of the City's net position, 149.91%, is invested in capital assets. Net assets invested in capital assets consist of land, buildings, equipment, and any infrastructure acquired after September 30, 2021 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, 11.94%, 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, 61.85% 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 \$2,039,295.
- ◆ Decrease in net capital assets in the amount of \$348,114.
- ◆ Increase in current liabilities in the amount of \$1,512,503.
- ◆ Net decrease in long-term liabilities in the amount of \$1,302,058.

CITY OF LELAND, MISSISSIPPI
Management's Discussion and Analysis
September 30, 2021

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>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenues:						
Program Revenue:						
Charges for services	\$ 428,265	\$ 469,814	\$ 3,810,028	\$ 4,332,084	\$ 4,238,293	\$ 4,801,898
Operating grants and contributions	182,010	95,783	-	-	182,010	95,783
Capital grants and contributions	555,758	-	-	235,919	555,758	235,919
General Revenue:						
Property taxes	1,117,367	1,077,546	-	-	1,117,367	1,077,546
Sales taxes	575,526	562,753	-	-	575,526	562,753
Franchise taxes	44,680	50,622	-	-	44,680	50,622
Licenses and permits	10,577	12,957	-	-	10,577	12,957
Interest earnings	5,114	7,295	5,285	13,510	10,399	20,805
Fines and forfeits	43,472	69,447	-	-	43,472	69,447
Grants and contributions not restricted	87,562	107,781	-	-	87,562	107,781
Other	153,441	41,766	280,162	184,764	433,603	226,530
Total Revenue	<u>3,203,772</u>	<u>2,495,764</u>	<u>4,095,475</u>	<u>4,766,277</u>	<u>7,299,247</u>	<u>7,262,041</u>
Program Expenses:						
General Government						
Finance & administrative	869,540	823,115	-	-	869,540	823,115
Public safety	1,470,909	1,502,602	-	-	1,470,909	1,502,602
Public works	488,969	618,240	-	-	488,969	618,240
Community development	22,144	5,024	-	-	22,144	5,024
Parks and recreation	119,315	102,945	-	-	119,315	102,945
Sanitation	497,282	560,759	-	-	497,282	560,759
Interest on long-term debt	22,149	25,129	-	-	22,149	25,129
Sewer improvement	-	-	130,648	46,946	130,648	46,946
Electricity	-	-	2,285,585	2,286,545	2,285,585	2,286,545
Water/sewer	-	-	618,760	940,570	618,760	940,570
Total Expenses	<u>3,490,308</u>	<u>3,637,814</u>	<u>3,034,993</u>	<u>3,274,061</u>	<u>6,525,301</u>	<u>6,911,875</u>
Increase (decrease) in Net Assets	(286,536)	(1,142,050)	1,060,482	1,492,216	773,946	350,166
Before Transfers and Special Items	<u>1,609,902</u>	<u>1,645,436</u>	<u>(1,609,902)</u>	<u>(1,645,436)</u>	<u>-</u>	<u>-</u>
Change in Net Position	1,323,366	503,386	(549,420)	(153,220)	773,946	350,166
Net Position Beginning	<u>5,520,423</u>	<u>5,017,037</u>	<u>427,993</u>	<u>581,213</u>	<u>5,948,416</u>	<u>5,598,250</u>
Net Position Ending	<u>\$ 6,843,789</u>	<u>\$ 5,520,423</u>	<u>\$ (121,427)</u>	<u>\$ 427,993</u>	<u>\$ 6,722,362</u>	<u>\$ 5,948,416</u>

CITY OF LELAND, MISSISSIPPI
Management's Discussion and Analysis
September 30, 2021

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 \$1,323,366, accounting for 23.97% of the total growth in the City's net position. Key elements of this increase are as follows:

- ◆ Capital grants and contributions increased by \$555,758, or 100.00 % during the year.
- ◆ Operating grants and contributions increased by \$86,227, or 90.00% during the year.
- ◆ Public works expenses decreased by \$129,271 or 20.91% during the year.

Business-type activities. Business-type activities decreased the City's net position by \$549,420, accounting for 128.37% of the decrease in the City's net position. Key elements of this decrease are as follows:

- ◆ Capital grants and contributions for the business-type activities decreased by \$235,919, or 100.00% during the year.
- ◆ Charges for services for the business-type activities increased by \$522,056, or 0.097% 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 \$7,251,776, which represents an increase of \$1,077,477 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 \$20,104.

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, 2021

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, 2021, the City's total capital assets were \$12,762,376. This includes land, buildings, furniture and equipment, mobile equipment, and infrastructure. There were a net increases before depreciation for the current year of \$110,147.

Total accumulated depreciation as of September 30, 2021 was \$6,767,620, including \$404,407, of depreciation expense for the year. The balance in total net capital assets was \$5,994,756 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, 2021, the City had \$1,386,115 in long-term debt outstanding. This includes notes payable and compensated absences payable. Of this debt, \$450,960 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, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 880,629	870,706	\$ 1,751,335
Certificate of deposits	415,347	45,760	461,107
Investments	329,244	519,153	848,397
Accounts receivable, net	89,922	523,377	613,299
Other receivables	15,824	-	15,824
Intergovernmental receivables	60,675	-	60,675
Inventories	-	120,236	120,236
Due from other funds	5,605,611	10,109,450	15,715,061
Restricted Assets:			
Cash and cash equivalents	90,386	38,140	128,526
Capital Assets:			
Land	132,702	-	132,702
Buildings	25,369	-	25,369
Automotive and equipment	626,220	371,511	997,731
Infrastructure	-	2,301,621	2,301,621
Construction in progress	-	2,572,878	2,572,878
Total Assets before Deferred Outflow Resources	<u>8,271,929</u>	<u>17,472,832</u>	<u>25,744,761</u>
Deferred Outflow of Resources			
Deferred outflows - pensions	<u>643,372</u>	<u>154,216</u>	<u>797,588</u>
Total Deferred Outflow of Resources	<u>643,372</u>	<u>154,216</u>	<u>797,588</u>
TOTAL ASSETS	\$ <u>8,915,301</u>	<u>17,627,048</u>	\$ <u>26,542,349</u>
LIABILITIES			
Accounts payable, general	\$ 224,965	226,128	\$ 451,093
Payroll taxes payable	10,860	-	10,860
Customer's deposits	-	375,858	375,858
Due to other funds	-	15,715,061	15,715,061
Noncurrent liabilities:			
Due within one year	269,659	166,072	435,731
Due in more than one year	223,135	727,249	950,384
Net pension liability	<u>3,031,539</u>	<u>564,689</u>	<u>3,596,228</u>
Total Liabilities	<u>3,760,158</u>	<u>17,775,057</u>	<u>21,535,215</u>
Deferred Inflow of Resources			
Pensions	<u>1,108,173</u>	<u>218,081</u>	<u>1,326,254</u>
Total Deferred Inflow of Resources	<u>1,108,173</u>	<u>218,081</u>	<u>1,326,254</u>
Net Position:			
Investment in capital assets, net of related debt	748,411	4,769,672	5,518,083
Restricted for:			
Debt service	107,405	-	107,405
Other purposes	332,117	-	332,117
Unrestricted	<u>2,859,037</u>	<u>(5,135,762)</u>	<u>(2,276,725)</u>
Total Net Position	<u>4,046,970</u>	<u>(366,090)</u>	<u>3,680,880</u>
TOTAL LIABILITIES AND NET POSITION	\$ <u>8,915,301</u>	<u>17,627,048</u>	\$ <u>26,542,349</u>

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

CITY OF LELAND, MISSISSIPPI
Statement of Activities
For the Year Ended September 30, 2021

	Program Revenues			Net (Expenses) Revenues Changes in Net Assets		Business- Type Activities	Total
	Expenses	Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities		
Primary Government:							
Governmental activities:							
General government	\$ 869,540	-	74,846	555,758	(238,936)	-	\$ (238,936)
Public safety	1,470,909	-	107,164	-	(1,363,745)	-	(1,363,745)
Public works	488,969	-	-	-	(488,969)	-	(488,969)
Parks and recreation	119,315	3,355	-	-	(115,960)	-	(115,960)
Sanitation	497,282	424,910	-	-	(72,372)	-	(72,372)
Community development	22,144	-	-	-	(22,144)	-	(22,144)
Interest on long-term debt	22,149	-	-	-	(22,149)	-	(22,149)
Total governmental activities	<u>3,490,308</u>	<u>428,265</u>	<u>182,010</u>	<u>555,758</u>	<u>(2,324,275)</u>	<u>-</u>	<u>(2,324,275)</u>
Business-type activities:							
Water/Sewer	618,760	993,949	-	-	-	375,189	375,189
Electricity	2,285,585	2,693,470	-	-	-	407,885	407,885
Sewer Improvement Fund	130,648	122,610	-	-	-	(8,038)	(8,038)
Water Well Improv. Fund	3,414	-	-	-	-	(3,414)	(3,414)
Interest on long-term debt	22,104	-	-	-	-	(22,104)	(22,104)
Total Business-type activities	<u>3,060,511</u>	<u>3,810,029</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>749,518</u>	<u>749,518</u>
Total Primary Government	<u>\$ 6,550,819</u>	<u>4,238,294</u>	<u>182,010</u>	<u>555,758</u>	<u>(2,324,275)</u>	<u>749,518</u>	<u>\$ (1,574,757)</u>
General Revenues:							
Property taxes				\$ 1,117,367	-		\$ 1,117,367
Sales taxes				575,526	-		575,526
Franchise taxes				44,680	-		44,680
Fines and report fees				43,472	-		43,472
License and permits				10,577	-		10,577
Miscellaneous				153,441	280,162		433,603
Grants and contributions not restricted to specific programs				87,562	-		87,562
Unrestricted investment earnings				5,114	5,285		10,399
Transfers in (out)				<u>1,609,902</u>	<u>(1,609,902)</u>		-
Total general revenues, special items, and transfers				<u>3,647,641</u>	<u>(1,324,455)</u>		<u>2,323,186</u>
Change in net position				1,323,366	(574,937)		748,429
Net Position - Beginning				<u>2,723,604</u>	<u>208,847</u>		<u>2,932,451</u>
Net Position - Ending				<u>\$ 4,046,970</u>	<u>(366,090)</u>		<u>\$ 3,680,880</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, 2021

	General Fund	Sanitation Fund	Fire Protection Fund	Library Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash	\$ 154,448	-	130,774	2,873	677,636	\$ 965,731
Cash, time deposits (Note 2)	5,250	-	-	-	-	5,250
Certificate of deposits	203,421	189,849	22,077	-	-	415,347
Investments	-	-	-	329,244	-	329,244
Taxes receivable, net of allowances	10,844	79,078	-	-	-	89,922
Other receivables	23,932	-	-	-	4,438	28,370
Intergovernmental receivable	48,128	-	-	-	-	48,128
Due from other funds	137,613	5,869,591	-	-	25,507	6,032,711
TOTAL ASSETS	\$ 583,636	6,138,518	152,851	332,117	707,581	\$ 7,914,703
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable, general	\$ 191,718	33,341	-	-	-	\$ 225,059
Payroll taxes payable	10,767	-	-	-	-	10,767
Due to other funds	397,931	5,654	-	-	23,516	427,101
Total Liabilities	600,416	38,995	-	-	23,516	662,927
Fund Balance						
Committed	3,324	6,099,523	-	332,117	107,405	6,542,369
Restricted	-	-	152,851	-	576,660	729,511
Unassigned	(20,104)	-	-	-	-	(20,104)
Total Fund Balance	(16,780)	6,099,523	152,851	332,117	684,065	7,251,776
TOTAL LIABILITIES AND FUND BALANCES	\$ 583,636	6,138,518	152,851	332,117	707,581	\$ 7,914,703

The Accompanying Notes are an intergral 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, 2021

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

Total Fund Balances - Governmental Funds	\$ 7,251,776
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Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Capital Assets	4,207,787	
Less: Accumulated Depreciation	<u>(3,423,496)</u>	784,291

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	(3,031,539)
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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	643,372	
Deferred inflow of resources related to pensions	<u>(1,108,173)</u>	(3,496,340)

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

Notes payable	(445,414)	
Compensated for absences	(37,835)	
Other	<u>(9,508)</u>	<u>(492,757)</u>

Net Position of Governmental Activities	\$ <u>4,046,970</u>
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The Accompanying Notes are an integral 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, 2021

	General Fund	Sanitation Fund	Fire Protection Fund	Library Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:						
General property taxes	\$ 683,147	202,247	-	-	231,973	\$ 1,117,367
Privilege licenses and permits	10,577	-	-	-	-	10,577
Intergovernmental revenues	672,262	8,026	-	-	615,604	1,295,892
Franchise taxes	44,680	-	-	-	-	44,680
Charges for services	3,355	424,911	-	-	-	428,266
Fines and report fees	43,472	-	-	-	-	43,472
Interest income	914	890	-	2,791	517	5,112
Miscellaneous	200,345	-	57,949	-	110	258,404
Total Revenues	<u>1,658,752</u>	<u>636,074</u>	<u>57,949</u>	<u>2,791</u>	<u>848,204</u>	<u>3,203,770</u>
EXPENDITURES:						
General government	877,737	-	-	4,138	25	881,900
Public safety	1,320,851	-	97,535	-	-	1,418,386
Parks and recreation	121,915	-	-	-	-	121,915
Public works	499,991	-	-	-	-	499,991
Community development	-	-	-	-	22,144	22,144
Sanitation	-	462,969	-	-	-	462,969
Debt services:						
Principal	43,023	41,661	-	-	207,554	292,238
Interest and service charges	4,489	2,106	-	-	-	6,595
Capital outlay:						
General government	21,355	-	-	-	-	21,355
Public safety	-	-	8,402	-	-	8,402
Total Expenditures	<u>2,889,361</u>	<u>506,736</u>	<u>105,937</u>	<u>4,138</u>	<u>229,723</u>	<u>3,735,895</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,230,609)</u>	<u>129,338</u>	<u>(47,988)</u>	<u>(1,347)</u>	<u>618,481</u>	<u>(532,125)</u>
OTHER FINANCING SOURCES (USES):						
Operating transfers in	1,412,589	280,423	-	-	300	1,693,312
Operating transfers out	(83,710)	-	-	-	-	(83,710)
Total Other Financing Sources (Uses)	<u>1,328,879</u>	<u>280,423</u>	<u>-</u>	<u>-</u>	<u>300</u>	<u>1,609,602</u>
Net Change in Fund Balances	98,270	409,761	(47,988)	(1,347)	618,781	1,077,477
Fund Balance, Beginning of Year	(115,050)	5,689,762	200,839	333,464	65,284	6,174,299
Fund Balance, Ended of Year	<u>\$ (16,780)</u>	<u>6,099,523</u>	<u>152,851</u>	<u>332,117</u>	<u>684,065</u>	<u>\$ 7,251,776</u>

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, 2021

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

Net change in fund balances - total governmental funds	\$ 1,077,477
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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	13,008	
Depreciation expense	<u>(180,613)</u>	(167,605)

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

Pension expense	382,720	
Contributions made after the measurement date	<u>(106,633)</u>	276,087

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>414,092</u>	414,092
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Activities from debt related transactions

Principal payment on debt	<u>(276,685)</u>
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Change in net position of governmental activities	\$ <u><u>1,323,366</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, 2021

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Property taxes	\$ 522,214	505,700	683,147	\$ 177,447
Privilege licenses and permits	65,500	65,500	10,577	(54,923)
Intergovernmental revenues	544,500	540,500	672,262	131,762
Franchise taxes	50,000	50,000	44,680	(5,320)
Charges for services	500	500	3,355	2,855
Fines and report fees	40,000	40,000	43,472	3,472
Interest	1,000	1,000	914	(86)
Miscellaneous	39,000	127,500	200,345	72,845
TOTAL REVENUES	<u>1,262,714</u>	<u>1,330,700</u>	<u>1,658,752</u>	<u>328,052</u>
OPERATING DISBURSEMENTS:				
General Government				
Administration	832,220	907,344	877,737	29,607
Public Safety				
Police protection	1,256,772	1,201,622	1,187,592	14,030
Fire protection	162,594	156,795	133,259	23,536
Public Works				
Street improvements	507,292	526,421	499,991	26,430
Parks & recreation	121,246	130,022	121,915	8,107
Capital outlays	57,200	57,213	21,355	35,858
Debt service	-	-	47,512	(47,512)
Total Expenditures	<u>2,937,324</u>	<u>2,979,417</u>	<u>2,889,361</u>	<u>90,056</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,674,610)</u>	<u>(1,648,717)</u>	<u>(1,230,609)</u>	<u>418,108</u>
Other Financing Sources:				
Operating transfers in	1,495,500	1,495,500	1,412,589	(82,911)
Proceeds from long-term debt	-	-	-	-
Operating transfers out	-	-	(83,710)	(83,710)
Total Other Financing Sources	<u>1,495,500</u>	<u>1,495,500</u>	<u>1,328,879</u>	<u>(166,621)</u>
Net Change in Fund Balances	(179,110)	(153,217)	98,270	251,487
Fund Balance at Beginning of Year	<u>(115,050)</u>	<u>(115,050)</u>	<u>(115,050)</u>	-
Fund Balance at End of Year	<u>\$ (294,160)</u>	<u>(268,267)</u>	<u>(16,780)</u>	<u>\$ 251,487</u>

The Accompanying Notes are an intergral 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, 2021

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Property taxes	\$ 204,706	204,706	202,247	\$ (2,459)
Intergovernmental revenues	-	-	8,026	8,026
Charges for services	401,500	401,500	424,911	23,411
Interest	2,000	2,000	890	(1,110)
Miscellaneous	8,200	8,200	-	(8,200)
TOTAL REVENUES	<u>616,406</u>	<u>616,406</u>	<u>636,074</u>	<u>19,668</u>
OPERATING DISBURSEMENTS:				
Sanitation	470,837	491,257	462,969	28,288
Capital outlays	42,000	44,000	-	44,000
Debt service	-	-	43,768	(43,768)
Total Expenditures	<u>512,837</u>	<u>535,257</u>	<u>506,737</u>	<u>28,520</u>
Excess of Revenues Over (Under) Expenditures	<u>103,569</u>	<u>81,149</u>	<u>129,337</u>	<u>48,188</u>
Other Financing Sources:				
Operating transfers in	-	-	280,423	280,423
Operating transfers out	(99,000)	(99,000)	-	99,000
Total Other Financing Sources	<u>(99,000)</u>	<u>(99,000)</u>	<u>280,423</u>	<u>379,423</u>
Net Change in Fund Balances	4,569	(17,851)	409,760	427,611
Fund Balance at Beginning of Year	<u>5,689,762</u>	<u>5,689,762</u>	<u>5,689,762</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 5,694,331</u>	<u>5,671,911</u>	<u>6,099,522</u>	<u>\$ 427,611</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, 2021

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Intergovernmental revenues	\$ 26,200	26,200	-	\$ (26,200)
Miscellaneous	<u>700</u>	<u>700</u>	<u>57,949</u>	<u>57,249</u>
TOTAL REVENUES	<u>26,900</u>	<u>26,900</u>	<u>57,949</u>	<u>31,049</u>
OPERATING DISBURSEMENTS:				
Public Safety				
Fire protection	-	-	97,535	(97,535)
Capital outlay	<u>15,000</u>	<u>15,000</u>	<u>8,402</u>	<u>6,598</u>
Total Expenditures	<u>15,000</u>	<u>15,000</u>	<u>105,937</u>	<u>(90,937)</u>
Excess of Revenues Over (Under) Expenditures	<u>11,900</u>	<u>11,900</u>	<u>(47,988)</u>	<u>(59,888)</u>
Net Change in Fund Balances	11,900	11,900	(47,988)	(59,888)
Fund Balance at Beginning of Year	<u>200,839</u>	<u>200,839</u>	<u>200,839</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 212,739</u>	<u>212,739</u>	<u>152,851</u>	<u>\$ (59,888)</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, 2021

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Interest	\$ -	-	2,791	\$ 2,791
TOTAL REVENUES	-	-	2,791	2,791
OPERATING DISBURSEMENTS:				
General government	-	-	4,138	(4,138)
Total Expenditures	-	-	4,138	(4,138)
Excess of Revenues Over (Under) Expenditures	-	-	(1,347)	(1,347)
Excess of Revenues & Other Sources Over (Under)				
Net Change in Fund Balances	-	-	(1,347)	(1,347)
Fund Balance at beginning of year	333,464	333,464	333,464	-
Fund Balance at end of year	<u>\$ 333,464</u>	<u>333,464</u>	<u>332,117</u>	<u>\$ (1,347)</u>

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, 2021

	Business Type Activities - Enterprise Funds				
	Water/Sewer Fund	Electrical Fund	Sewer System Improvement Fund	Water Well Improvement Fund	Totals
Assets					
Cash and cash equivalents	\$ 336,220	524,525	9,705	256	\$ 870,706
Certificates of deposit	-	45,760	-	-	45,760
Investments	-	-	519,153	-	519,153
Accounts receivable, net of allowances	63,295	460,082	-	-	523,377
Inventories	9,579	110,657	-	-	120,236
Due from other funds	<u>9,726,101</u>	<u>372,423</u>	<u>10,926</u>	<u>-</u>	<u>10,109,450</u>
Total Current Assets	<u>10,135,195</u>	<u>1,513,447</u>	<u>539,784</u>	<u>256</u>	<u>12,188,682</u>
Restricted Assets:					
Cash and cash equivalents	<u>38,140</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,140</u>
Property, plant and equipment, at cost					
Buildings	98,116	98,116	-	-	196,232
Water plant, distribution system and equipment	2,916,294	187,534	1,983,150	-	5,086,978
Automotive and other equipment	<u>318,115</u>	<u>415,507</u>	<u>-</u>	<u>-</u>	<u>733,622</u>
	3,332,525	701,157	1,983,150	-	6,016,832
Less: accumulated depreciation	<u>(2,153,714)</u>	<u>(550,594)</u>	<u>(639,392)</u>	<u>-</u>	<u>(3,343,700)</u>
	1,178,811	150,563	1,343,758	-	2,673,132
Construction in progress	<u>929,097</u>	<u>-</u>	<u>-</u>	<u>1,643,781</u>	<u>2,572,878</u>
Net property, plant and equipment	<u>2,107,908</u>	<u>150,563</u>	<u>1,343,758</u>	<u>1,643,781</u>	<u>5,246,010</u>
Total Assets	<u>12,281,243</u>	<u>1,664,010</u>	<u>1,883,542</u>	<u>1,644,037</u>	<u>17,472,832</u>
Deferred Outflows of Resources					
Deferred outflows of resources	<u>70,358</u>	<u>83,858</u>	<u>-</u>	<u>-</u>	<u>154,216</u>
Total Deferred Outflows of Resources	<u>70,358</u>	<u>83,858</u>	<u>-</u>	<u>-</u>	<u>154,216</u>
Total Assets	<u>\$ 12,351,601</u>	<u>1,747,868</u>	<u>1,883,542</u>	<u>1,644,037</u>	<u>\$ 17,627,048</u>
Liabilities and Net Position					
Accounts payable	\$ 42,154	183,974	-	-	\$ 226,128
Due to other funds	18,429	15,696,632	-	-	15,715,061
Current portion of long term debt:					
Compensated absences	<u>2,263</u>	<u>4,177</u>	<u>-</u>	<u>-</u>	<u>6,440</u>
Total current liabilities	<u>62,846</u>	<u>15,884,783</u>	<u>-</u>	<u>-</u>	<u>15,947,629</u>
Current liabilities payable from restricted assets:					
Customer deposits	51,072	324,786	-	-	375,858
Current portion of notes payable	<u>79,436</u>	<u>-</u>	<u>80,196</u>	<u>-</u>	<u>159,632</u>
Total current liabilities payable from restricted assets	<u>130,508</u>	<u>324,786</u>	<u>80,196</u>	<u>-</u>	<u>535,490</u>
Long-Term Debt (less amounts classified as current)					
Net pension liability	184,916	379,773	-	-	564,689
Compensated absences	820	2,693	-	-	3,513
Notes payable	<u>312,108</u>	<u>15,230</u>	<u>396,398</u>	<u>-</u>	<u>723,736</u>
Total long-term debt	<u>497,844</u>	<u>397,696</u>	<u>396,398</u>	<u>-</u>	<u>1,291,938</u>
Total Liabilities	<u>691,198</u>	<u>16,607,265</u>	<u>476,594</u>	<u>-</u>	<u>17,775,057</u>
Deferred Inflows of Resources					
Deferred inflows of resources	<u>75,278</u>	<u>142,803</u>	<u>-</u>	<u>-</u>	<u>218,081</u>
Total Deferred Inflows of Resources	<u>75,278</u>	<u>142,803</u>	<u>-</u>	<u>-</u>	<u>218,081</u>
Net Position					
Investment in capital assets, net of related debt	2,107,908	150,563	867,164	1,644,037	4,769,672
Unrestricted	<u>9,477,217</u>	<u>(15,152,763)</u>	<u>539,784</u>	<u>-</u>	<u>(5,135,762)</u>
Total Net Position	<u>11,585,125</u>	<u>(15,002,200)</u>	<u>1,406,948</u>	<u>1,644,037</u>	<u>(366,090)</u>
Total Liabilities and Net Position	<u>\$ 12,351,601</u>	<u>1,747,868</u>	<u>1,883,542</u>	<u>1,644,037</u>	<u>\$ 17,627,048</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, 2021

	Business -Type Activities - Enterprise Funds				
	Water/Sewer Fund	Electrical Fund	Sewer System Improvement Fund	Water Well Improvement Fund	Total
Operating Revenues:					
Sales to customers	\$ 993,949	2,693,470	122,610	-	\$ 3,810,029
Total Operating Revenues	993,949	2,693,470	122,610	-	3,810,029
Operating Expenses:					
Personnel services	151,448	240,874	-	-	392,322
Supplies	203,923	146,239	-	-	350,162
Other services and charges	109,101	1,875,912	83,702	3,414	2,072,129
Depreciation	154,288	22,560	46,946	-	223,794
Total Operating Expenses	618,760	2,285,585	130,648	3,414	3,038,407
Operating income (loss)	375,189	407,885	(8,038)	(3,414)	771,622
Nonoperating revenues					
Interest income	416	740	4,129	-	5,285
Other income	244,478	32,270	-	3,414	280,162
Interest and service charges on long-term debt	(10,517)	-	(11,587)	-	(22,104)
Total Nonoperating revenues	234,377	33,010	(7,458)	3,414	263,343
Net Income Before Operating Transfers	609,566	440,895	(15,496)	-	1,034,965
Operating Transfers In	569,792	35,004	-	-	604,796
Operating Transfers (Out)	(155,000)	(2,059,698)	-	-	(2,214,698)
Change in Net Assets	1,024,358	(1,583,799)	(15,496)	-	(574,937)
Net Position, Beginning of Year	10,560,767	(13,418,401)	1,422,444	1,644,037	208,847
Net Position, End of Year	\$ 11,585,125	(15,002,200)	1,406,948	1,644,037	\$ (366,090)

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

CITY OF LELAND, MISSISSIPPI
Combined Statement of Cash Flows
All Proprietary Fund Types
For the Year Ended September 30, 2021

	Business - Type Activities		Enterprise Fund		
	Water/Sewer Fund	Electrical Fund	Sewer System Improvement Fund	Water Well Improvement Fund	Total
Cash Flows From Operating Activities:					
Receipts from customers and users	\$ 994,964	2,990,510	122,610	-	\$ 4,108,084
Payments to suppliers	(1,351,255)	(985,694)	(83,702)	(3,414)	(2,424,065)
Payments to employees	(150,198)	(240,897)	-	-	(391,095)
Net Cash provided by (used for) Operating Activities	(506,489)	1,763,919	38,908	(3,414)	1,292,924
Cash Flows From Noncapital Financing Activities:					
Operating transfers in	569,792	35,004	-	-	604,796
Operating transfers out	(155,000)	(2,059,698)	-	-	(2,214,698)
Net Cash Flows Used For Noncapital Activities	414,792	(2,024,694)	-	-	(1,609,902)
Cash Flows from Capital and Related Financing Activities:					
Acquisition of property and equipment	(35,121)	-	-	-	(35,121)
Proceeds from capital debt	35,121	-	-	-	35,121
Principal paid on capital debt	(77,540)	(10,000)	(78,450)	-	(165,990)
Interest paid on capital debt	(10,517)	-	(11,587)	-	(22,104)
Interest reinvested in certificate of deposit	-	-	(4,129)	-	(4,129)
Other capital and financing activities	-	-	(8,165)	-	(8,165)
Net Cash Provided by (used for) Capital and Related Financing Activities	(88,057)	(10,000)	(102,331)	-	(200,388)
Cash Flows Provided by (used for) Investing Activities:					
Interest earned on investment	416	740	4,129	-	5,285
Other income	244,479	32,270	-	3,414	280,163
Other investing activities	45,800	75,748	-	-	121,548
Net Cash Flows Provided by (used for) Investing Activities	290,695	108,758	4,129	3,414	406,996
Net Increase (decrease) in Cash and Cash Equivalents	110,941	(162,017)	(59,294)	-	(110,370)
Cash and Cash Equivalents at Beginning of Year	263,419	686,542	68,999	256	1,019,216
Cash and Cash Equivalent at End of Year	\$ 374,360	524,525	9,705	256	\$ 908,846
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:					
Operating income (loss)	\$ 375,189	407,884	(8,038)	(3,414)	\$ 771,621
Depreciation expense	154,288	22,560	46,946	-	223,794
(Increase) Decrease In:					
Accounts receivable	1,016	(98,366)	-	-	(97,350)
Due from other funds	(990,550)	-	-	-	(990,550)
Increase (Decrease) In:					
Accounts Payable	8,068	17,396	-	-	25,464
Accrued compensated absences	1,249	(23)	-	-	1,226
Due to other funds	-	1,495,778	-	-	1,495,778
Customers deposits	-	11,306	-	-	11,306
Net pension liability	(55,750)	(93,616)	-	-	(149,366)
Total Adjustments	(881,679)	1,355,035	46,946	-	520,302
Net Cash Provided by (used for) Operating Activities	\$ (506,490)	1,762,919	38,908	(3,414)	\$ 1,291,923
Supplemental cash flow information:					
Cash paid during the year:					
Interest Expense	\$ 10,517	-	11,587	-	\$ 22,104
Recap of cash and cash equivalents					
Cash and cash equivalents	\$ 336,220	524,525	9,705	256	\$ 870,706
Restricted cash and cash equivalents	38,140	-	-	-	38,140
Total cash and cash equivalents	\$ 374,360	524,525	9,705	256	\$ 908,846

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

CITY OF LELAND, MISSISSIPPI
Notes to the Financial Statements
September 30, 2021

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, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(CONTINUED)

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.

Water Well Improvement Fund - The water well fund is used to account for the operation of the City's water well 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.

CITY OF LELAND, MISSISSIPPI
Notes to the Financial Statements
September 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

CITY OF LELAND, MISSISSIPPI
Notes to the Financial Statements
September 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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).

CITY OF LELAND, MISSISSIPPI
Notes to the Financial Statements
September 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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.

CITY OF LELAND, MISSISSIPPI
Notes to the Financial Statements
September 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 - 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, 2021

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 \$1,625,220 and \$1,435,619, respectively. The carrying amount of deposits reported in the government-wide financial statements was: Cash and Cash Equivalents - \$2,212,442.

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, 2021*, none of the City's bank balance of \$3,254,311 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, 2021*, none of the City's bank balance of \$3,254,311 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, 2021*, the City had no investments.

CITY OF LELAND, MISSISSIPPI
Notes to the Financial Statements
September 30, 2021

NOTE 2 - CASH AND CASH EQUIVALENTS (CONTINUED)

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, 2021, 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	\$ -	145,968	-	127,606	796,982	\$ 1,070,556
Property and franchise taxes	10,844	4,013	-	-	-	14,857
Accounts receivable, other	23,932	-	-	-	-	23,932
Intergovernmental	48,128	-	4,438	-	-	52,566
Gross Receivables	82,904	149,981	4,438	127,606	796,982	1,161,911
Less: allowance for uncollectibles	-	(70,903)	-	(64,311)	(336,900)	(472,114)
Receivables, net of allowance	<u>\$ 82,904</u>	<u>79,078</u>	<u>4,438</u>	<u>63,295</u>	<u>460,082</u>	<u>\$ 689,797</u>

CITY OF LELAND, MISSISSIPPI
Notes to the Financial Statements
September 30, 2021

NOTE 5 - INTERFUND BALANCES AND TRANSFERS

The composition of interfund balances are presented as of September 30, 2021, 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	300
Sanitation fund	Electric fund	5,869,591
Non-major governmental fund	General fund	25,508
Water/Sewer fund	Non-Major governmental fund	23,216
Water/Sewer fund	Electric fund	9,697,231
Water/Sewer fund	Sanitation fund	5,654
Electric fund	General fund	372,423
Sewer system improvement fund	Water/sewer fund	10,926
Total	Total	<u>\$ 16,142,162</u>

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, 2021, as follows:

<u>Transfer Out:</u>	<u>Transfer In:</u>			<u>Total</u>
	<u>General Fund</u>	<u>Water/ Sewer Fund</u>	<u>Electric Enterprise Fund</u>	
General Fund	\$ -	-	1,389,480	\$ 1,389,480
Electric enterprise Fund	35,004	-	-	35,004
Water/Sewer Fund	24,996	155,000	389,796	569,792
Sanitation Fund	-	-	280,423	280,423
Nonmajor Special revenue Fund	23,710	-	-	23,710
Total	<u>\$ 83,710</u>	<u>155,000</u>	<u>2,059,699</u>	<u>\$ 2,298,409</u>

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, 2021

NOTE 6 - CAPITAL ASSETS

A summary of capital asset transactions for the year ended September 30, 2021, follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
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	2,658,919	-	-	2,658,919
Machinery and Equipment	947,172	13,008	-	960,180
Total depreciable capital assets	4,062,078	13,008	-	4,075,086
Accumulated Depreciation	<u>(3,242,884)</u>	<u>(180,613)</u>	<u>-</u>	<u>(3,423,497)</u>
Net depreciable capital assets	819,194	(167,605)	-	651,589
Total Governmental Activities	<u>\$ 951,896</u>	<u>(167,605)</u>	<u>-</u>	<u>\$ 784,291</u>
Business-Type Activities:				
Non Depreciable Capital Assets				
Construction in Process	\$ 2,670,017	8,164	(105,303)	\$ 2,572,878
Total nondepreciable capital assets	<u>2,670,017</u>	<u>8,164</u>	<u>(105,303)</u>	<u>2,572,878</u>
Depreciable Capital Assets				
Buildings	196,232	-	-	196,232
Water/sewer system & treatment plant	4,981,674	105,303	-	5,086,977
Machinery & Equipment	116,046	-	-	116,046
Motor vehicles	582,455	-	-	582,455
Total depreciable capital assets	5,876,407	105,303	-	5,981,710
Accumulated Depreciation	<u>(3,120,329)</u>	<u>(223,794)</u>	<u>-</u>	<u>(3,344,123)</u>
Net depreciable capital assets	2,756,078	(118,491)	-	2,637,587
Total Business-Type Activities	<u>\$ 5,426,095</u>	<u>(110,327)</u>	<u>(105,303)</u>	<u>\$ 5,210,465</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	\$ 12,833	-	\$ 12,833
Fire Protection	73,233	-	73,233
Police Protection	44,601	-	44,601
Public Works	6,020	-	6,020
Parks & Recreation	246	-	246
Sanitation	43,680	-	43,680
Water/Sewer System	-	159,205	159,205
Sewer Improvement	-	46,946	46,946
Electrical System	-	17,643	17,643
Total Depreciation Expense	<u>\$ 180,613</u>	<u>223,794</u>	<u>\$ 404,407</u>

CITY OF LELAND, MISSISSIPPI
Notes to the Financial Statements
September 30, 2021

NOTE 7 - LONG-TERM DEBT

A. Governmental Activities

A summary of long-term debt transactions for the year ended September 30, 2021, were as follows:

Governmental activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Notes payable	\$ 33,484	-	33,484	-	\$ -
Certificate of indebtedness, Planters Bank	77,541	-	41,661	35,880	35,880
Certificate of indebtedness, Planters Bank	28,618	-	9,539	19,079	9,534
General Obligation Coupon Bonds	592,000	-	192,000	400,000	197,000
Compensated for absences	42,220	24,401	28,786	37,835	27,244
Totals	\$ 773,863	24,401	305,470	492,794	\$ 269,658

1. Notes Payable

Notes consist of the following at September 30, 2021:

Note A - 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. \$ 35,880

Note B - Long-term Note Payable

A 4.00% certificate of indebtedness, payable to Planters Bank and Trust, dated December 2, 2019, payable in three annual installments of \$10,312, which includes principal and interest, matures December 2, 2022. The note is secured by motor vehicles. This is being retired from the General Fund Public Works Department. 19,079
Total \$ 54,959

The annual requirement to amortize this outstanding debt as of September 30, 2021 including interest payments of \$240,005 are as follows:

	<u>Note A</u>			<u>Note B</u>		
Year Ended	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 35,800	499	36,299	9,534	778	36,477
2023	-	-	-	9,515	797	10,312
	\$ 35,800	499	36,299	19,049	1,575	\$ 46,789

General Obligation Coupon Bonds

Bonded debt payable at September 30, 2021 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. \$ 400,000

CITY OF LELAND, MISSISSIPPI
Notes to the Financial Statements
September 30, 2021

NOTE 7 - LONG-TERM DEBT (CONTINUED)

The annual requirements to amortize all outstanding bonded debt at September 30, 2021 are as follows:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 197,000	10,754	\$ 207,754
2023	203,000	5,582	208,582
	<u>\$ 400,000</u>	<u>16,336</u>	<u>\$ 416,336</u>

B. Business-Type Activities

Long-term debt activity for the year ended September 30, 2021, 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)	\$ 555,047	-	78,452	476,595	\$ 80,196
Note payable - bank	-	35,121	8,390	26,731	8,641
Note payable - bank	25,230	-	10,000	15,230	15,230
Note payable - bank	433,963	-	69,151	364,812	70,795
Compensated absences	<u>8,726</u>	<u>7,083</u>	<u>5,856</u>	<u>9,953</u>	<u>6,440</u>
Totals:	<u>\$ 1,022,966</u>	<u>42,204</u>	<u>171,849</u>	<u>893,321</u>	<u>\$ 181,302</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, 2021, 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. \$ 256,762

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. 219,833

Total \$ 476,595

CITY OF LELAND, MISSISSIPPI
Notes to the Financial Statements
September 30, 2021

NOTE 7 - LONG-TERM DEBT (CONTINUED)

Annual debt service requirements to maturity for the above loans as of September 30, 2021 are as follows:

Fiscal Year Ending	SRF Loan # 1		SRF Loan # 2		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
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	49,592	2,757	34,214	3,475	83,806	6,232
2025	50,593	1,756	35,079	2,610	85,672	4,366
2026	51,614	735	35,967	1,722	87,581	2,457
2027 - 2028	8,703	23	48,656	878	57,359	901
Total	<u>\$ 256,762</u>	<u>13,709</u>	<u>219,833</u>	<u>18,146</u>	<u>476,595</u>	<u>\$ 31,855</u>

2. Bank Notes Payable

As of September 30, 2021, bank notes payable are as follows:

Bank Note # 1

A 3.00% bank note payable to Planters Bank and Trust, dated October 1, 2020 with principal and interest payments of \$9,443.00 due annually, with a maturity date of October 1, 2024. The proceeds were used to acquire, a pickup truck. This loan is being retired from the water/sewer fund. \$ 26,731

Bank Note # 2

A 2.50% bank note payable to Southern Bancorp Bank, dated August 18, 2012 with the first annual of \$10,000 due August 18, 2021, and one (1) final payment of \$16,270 due August 18, 2022. The proceeds were used to acquired a pickup truck. This loan is being retired from the electric fund. \$ 15,230

Bank Note # 3

A 2.65% bank note payable to Planters Bank, dated August 1, 2016 with one hundred twenty (120) principal and interest payments of \$10,000 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. 364,813

Total Notes Payable \$ 406,774

Fiscal Year Ending	<u>Bank Note # 1</u>		<u>Bank Note # 2</u>		<u>Bank Note # 3</u>	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 8,641	802	15,230	940	70,795	\$ 7,819
2023	8,900	543	-	-	72,478	6,136
2024	9,190	253	-	-	74,189	4,425
2025	-	-	-	-	75,966	2,648
2026	-	-	-	-	71,385	842
Total	<u>\$ 26,731</u>	<u>1,598</u>	<u>15,230</u>	<u>940</u>	<u>364,813</u>	<u>\$ 21,870</u>

CITY OF LELAND, MISSISSIPPI
Notes to the Financial Statements
September 30, 2021

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.

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 September 30, 2021 was 17.40% 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, 2021, 2020, and 2019 were \$288,762, \$176,542, and \$240,005, respectively, equal to the required contributions for each year.

CITY OF LELAND, MISSISSIPPI
Notes to the Financial Statements
September 30, 2021

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	61
Non-vested	-
Total Participants	<u>61</u>

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

At September 30, 2021, the City reported a liability of \$3,596,228 for its proportionate share of the net pension liability. The Net pension liability was measured as of June 30, 2021, 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, 2021 net pension liability was 0.024331 percent, which was based on a measurement date of June 30, 2021. This was an increase of 0.001150 percent from its proportionate share used to calculate the September 30, 2021 net pension liability, which was based on a measurement date of June 30, 2021.

For the year September 30, 2021, the City recognized pension expense of \$382,720. At September 30, 2021, 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	\$ 168,664	\$ 25,897
Net Difference between projected and actual earnings on pension plan investments	724,362	1,407,277
Changes of assumptions	520,659	9,621
Changes in proportion and differences between City contributions and proportionate share of contributions	(1,135,377)	(334,622)
Employers contributions subsequent to the measurement date	365,064	-
Total	<u>\$ 643,372</u>	<u>\$ 1,108,173</u>

CITY OF LELAND, MISSISSIPPI
Notes to the Financial Statements
September 30, 2021

NOTE 8 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Business Activities

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 33,953	\$ 5,213
Net Difference between projected and actual earnings on pension plan investments	145,818	283,293
Changes of assumptions	104,811	1,937
Changes in proportion and differences between City contributions and proportionate share of contributions	(203,856)	(72,362)
Employers contributions subsequent to the measurement date	73,490	-
Total	<u>\$ 154,216</u>	<u>\$ 218,081</u>

\$797,588 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, 2021. 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
2022	\$ 56,577
2023	56,577
2024	49,789
Total	<u>\$ 162,943</u>

C. Actuarial assumptions.

Discount rate. The discount rate used to measure the total pension liability was 7.55%. 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 (17.40%). 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, 2021

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 table presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.55%, 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 (6.55%) or 1-percentage-point higher (8.55%) than current rate:

	1% Decrease (6.55%)	Current Discount Rate (7.55%)	1% Increase (8.55%)
City's proportionate share of net pension liability	\$ <u>5,093,102</u>	\$ <u>3,596,228</u>	\$ <u>2,362,685</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 collective total pension liability was determined by an actuarial valuation as of June 30, 2019 and a measurement date determined of June 30, 2020 using standard rollforward techniques, using the following actuarial assumptions, applied to all periods included in the measurement:

<u>Schedule of Assumptions</u>	<u>Municipal Pension</u>
Inflation	2.40 percent
Salary changes	2.65% - 17.90 %, including inflation.
Investment rate of return	7.75%, net of pension plan investment expense, including inflation.
Mortality Assumption	PubS.H-2010 (B) Retiree Table with the following adjustments. For males, 95% of males rates up to 60, 110% for ages 61 to 75 and 101% for ages above 77. For females, 84% of the female rates up to age 72 and 100% for ages above 76. Mortality rates for disability retirees were based on the Pub.H-2010 Disabled Table adjusted 134% for males and 121% for females. Mortality rates for Contingent Annuitants were based on the PubS.H-2010(B) Contingent Annuitant Table, adjusted 97% for males and 110% for females. Mortality rates will be projected generationally using the MP-2020 projection scale to account for future improvements in life expectancy.

The actuarial assumptions used for the purposes of determining the TPL were based on the results of an actuarial experience study for the period July 1, 2016 to June 30, 2020. The experience report is dated April 20, 2021.

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.

CITY OF LELAND, MISSISSIPPI
Notes to the Financial Statements
September 30, 2021

NOTE 8 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	27.00%	4.60%
International Equity	22.00	4.50
Global Equity	12.00	4.80
Fixed Income	20.00	(0.25)
Real Assets	10.00	3.75
Private Equity	8.00	6.00
Cash	1.00	(1.00)
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, 2021 were as follows:

<u>Elected Officials and Key Employees</u>	<u>Position</u>	<u>Amount</u>
Kenny Thomas	Mayor	\$ 14,029
Barbara Brooks	Alderdwoman - Ward 1	7,535
Tammy Nealon	Alderman - Ward 2	7,535
Lisa Bush	Alderdwoman - Ward 3	8,734
Michael Thomas	Alderman - Ward 4	7,535
Nancy Jo King	Alderdwoman - Ward 5	7,535
Cynthia Norals	City Clerk	47,646
LeShaun McWright	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, 2021. 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, 2021

NOTE 10 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Construction in Progress

At September 30, 2021, the City of Leland has the following projects in progress related to the Business-Type Activities:

<u>Project Description:</u>	<u>Estimated Cost of Project</u>	<u>Balance 10/01/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 09/30/2021</u>	<u>Estimated Cost to Complete</u>
Water Plant Improvement Project	\$ 517,000	516,252	-	-	516,252	\$ 517,000
Wastewater Pump Station Rehab.	156,654	97,139	8,164	(105,303)	-	-
Waterwell Improvement Project	1,640,367	1,643,781	-	-	1,643,781	1,640,367
Waterline Improvement Project	500,000	412,845	-	-	412,845	500,000
Total	<u>\$ 2,814,021</u>	<u>2,670,017</u>	<u>8,164</u>	<u>(105,303)</u>	<u>2,678,181</u>	<u>\$ 2,919,324</u>

At September 30, 2021, these projects are estimated to be completed during fiscal year 2021-2022.

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 August 17, 2022, which is the date the financial statements are available to be issued.

CITY OF LELAND, MISSISSIPPI
Notes to the Financial Statements
September 30, 2021

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 Organization'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 position and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

NOTE 15 - 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/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. 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 16 - 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 \$1,802,897 of electricity from MEAM under its Power Purchase Contracts and owed MEAM \$176,542 at September 30, 2021.

CITY OF LELAND, MISSISSIPPI
Notes to the Financial Statements
September 30, 2021

NOTE 17 - GASB 54 FUND BALANCE PRESENTATION - CLASSIFICATION TOTAL

The City adopted GASB Statement 54 during the year ended September 30, 2021 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	\$ -	-	-	332,117	-	\$ 332,117
Debt service	-	-	-	-	107,405	107,405
Antique fire truck	3,324	-	-	-	-	3,324
Sanitation fund	-	6,099,523	-	-	-	6,099,523
Total Committed	<u>3,324</u>	<u>6,099,523</u>	<u>-</u>	<u>332,117</u>	<u>107,405</u>	<u>6,542,369</u>
Restricted for:						
Fire protection	-	-	152,851	-	-	152,851
Blight Housing program	-	-	-	-	37,978	37,978
American Rescue Plan	-	-	-	-	463,226	463,226
Modernization grant Program	-	-	-	-	92,807	92,807
CDBG HOME grant	-	-	-	-	283	283
Animal shelter	-	-	-	-	387	387
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>152,851</u>	<u>-</u>	<u>576,660</u>	<u>729,511</u>
Unassigned						
Other purposes	(20,104)	-	-	-	-	(20,104)
Total Fund Balances	<u>\$ (16,780)</u>	<u>6,099,523</u>	<u>152,851</u>	<u>332,117</u>	<u>684,065</u>	<u>\$ 7,251,776</u>

NOTE 18 - NEW ACCOUNTING STANDARDS

A. In fiscal year 2021, the City implemented the following GASB Statements:

In March 2016, the GASB issued Statement No. 82, "Pension Issues-An Amendment of GASB Statements No. 67, No. 68, and No. 73". The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and 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 Statements 67 and 68. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

CITY OF LELAND, MISSISSIPPI
Notes to the Financial Statements
September 30, 2021

NOTE 18 - NEW ACCOUNTING STANDARDS (CONTINUED)

In November 2016, the GASB issued Statement No. 83, "Certain Asset Retirement Obligations". This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.

In January 2017, the GASB issued Statement No. 84, "Fiduciary Activities". The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged.

In March 2017, the GASB issued Statement No. 85, "The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]).

The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged.

In May 2017, the GASB issued Statement No. 86, "Certain Debt Extinguishments Issues". The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged.

CITY OF LELAND, MISSISSIPPI
Notes to the Financial Statements
September 30, 2021

NOTE 18 - NEW ACCOUNTING STANDARDS (CONTINUED)

In April 2018, the GASB issued Statement No. 88, "Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements". The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.

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

The City is evaluating the impact, if any, upon its financial position, results of operations, or cash flows upon adoption.

In June 2017, the GASB issued Statement No. 87, "Leases". The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

Leases should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation (or, if applied to earlier periods, the beginning of the earliest period restated). However, lessors should not restate the assets underlying their existing sales-type or direct financing leases. Any residual assets for those leases become the carrying values of the underlying assets.

In June 2018, the GASB issued Statement No. 89, "Accounting for Interest Cost Incurred Before the End of a Construction Period". The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

CITY OF LELAND, MISSISSIPPI
Notes to the Financial Statements
September 30, 2021

NOTE 18 - NEW ACCOUNTING STANDARDS (CONTINUED)

In August 2018, the GASB issued Statement No. 90, "Majority Equity Interests". The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

In May 2019, the GASB issued Statement No. 91, "Conduit Debt Obligations". The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

A conduit debt obligation is defined as a debt instrument having all of the following characteristics:

There are at least three parties involved: (1) an issuer, (2) a third-party obligor, and (3) a debt holder or a debt trustee.

- The issuer and the third-party obligor are not within the same financial reporting entity.
- The debt obligation is not a parity bond of the issuer, nor is it cross-collateralized with other debt of the issuer.
- The third-party obligor or its agent, not the issuer, ultimately receives the proceeds from the debt issuance.
- The third-party obligor, not the issuer, is primarily obligated for the payment of all amounts associated with the debt obligation (debt service payments).

CITY OF LELAND, MISSISSIPPI
Notes to the Financial Statements
September 30, 2021

NOTE 18 - NEW ACCOUNTING STANDARDS (CONTINUED)

All conduit debt obligations involve the issuer making a limited commitment. Some issuers extend additional commitments or voluntary commitments to support debt service in the event the third party is, or will be, unable to do so.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged.

CITY OF LELAND, MISSISSIPPI

REQUIRED SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2021

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, 2021

	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability (asset)	\$ 3,596,228	\$ 4,487,572	\$ 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)	0.0024331%	0.0023181%	0.022952%	0.023461%	0.0256480%	0.0237890%	0.0253640%
City's covered-employee payroll	1,689,541	1,560,850	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	212.85 %	287.51 %	271.40 %	265.08 %	266.03 %	234.11 %	206.23 %
Plan fiduciary net position as a percentage of the total pension liability	70.44 %	58.97 %	61.59 %	62.54 %	61.49 %	57.47 %	61.70 %

*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, 2015, 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*

	2021	2020	2019	2018	2017	2016	2015
Contractually required Contribution	\$ 288,762	\$ 271,590	\$ 240,005	\$ 231,434	\$ 252,421	\$ 247,397	\$ 235,117
Contribution in relation to the contractually required contribution	<u>288,762</u>	<u>271,590</u>	<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>	\$ <u>-</u>	\$ <u>-</u>
City's covered-employee payroll	\$ 1,689,541	\$ 1,560,850	\$ 1,487,715	\$ 1,472,097	\$ 1,602,669	\$ 1,570,779	\$ 1,492,831
Contributions as a percentage of covered-employee payroll	17.40	17.40	16.16	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, 2015 and until a full 10-year trend is compiled, the City 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, 2021

		Special Revenue					Capital Project			
	Blight Housing Fund	American Rescue Plan	Modernization Grant Program	CDBG HOME Grant	Animal Shelter	Jim Henson Exhibit	Debt Service	CDBG Grant Fund	Hospital Repair Fund	Total
ASSETS										
Cash	\$ 37,978	463,226	71,019	283	387	5,098	99,248	-	397	\$ 677,636
Intergovernmental receivable	-	-	-	-	-	-	4,438	-	-	4,438
Due from other funds	-	-	21,788	-	-	-	3,719	-	-	25,507
TOTAL ASSETS	\$ 37,978	463,226	92,807	283	387	5,098	107,405	-	397	\$ 707,581
LIABILITIES AND FUND BALANCES										
Liabilities:										
Due to other funds	-	-	-	-	-	-	-	23,516	-	\$ 23,516
Total Liabilities	-	-	-	-	-	-	-	23,516	-	23,516
Fund Balances:										
Committed	-	-	-	-	-	-	107,405	-	-	107,405
Restricted	37,978	463,226	92,807	283	387	5,098	-	(23,516)	397	576,660
Total Fund Balances	37,978	463,226	92,807	283	387	5,098	107,405	(23,516)	397	684,065
TOTAL LIABILITIES AND FUND BALANCES	\$ 37,978	463,226	92,807	283	387	5,098	107,405	-	397	\$ 707,581

CITY OF LELAND, MISSISSIPPI
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended September 30, 2021

		Special Revenue					Capital Project			
	Blight Housing Fund	American Rescue Plan	Modernization Grant Program	CDBG HOME Grant	Animal Shelter	Jim Henson Exhibit	Debt Service Fund	CDBG Grant Fund	Hospital Repair Fund	Total
REVENUES										
General property taxes	\$ -	-	-	-	-	-	231,973	-	-	\$ 231,973
Intergovernmental revenues	59,846	462,926	92,832	-	-	-	-	-	-	615,604
Interest income	-	-	-	-	-	-	517	-	-	517
Miscellaneous	-	-	-	-	110	-	-	-	-	110
Total Revenues	<u>59,846</u>	<u>462,926</u>	<u>92,832</u>	<u>-</u>	<u>110</u>	<u>-</u>	<u>232,490</u>	<u>-</u>	<u>-</u>	<u>848,204</u>
EXPENDITURES										
General government	-	-	25	-	-	-	-	-	-	25
Community Development	22,144	-	-	-	-	-	-	-	-	22,144
Debt Service	-	-	-	-	-	-	207,554	-	-	207,554
Capital outlay	-	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>22,144</u>	<u>-</u>	<u>25</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>207,554</u>	<u>-</u>	<u>-</u>	<u>229,723</u>
Excess (deficiency) of Revenues Over (Under) Expenditures	<u>37,702</u>	<u>462,926</u>	<u>92,807</u>	<u>-</u>	<u>110</u>	<u>-</u>	<u>24,936</u>	<u>-</u>	<u>-</u>	<u>618,481</u>
Other Financing Sources (Uses)										
Operating transfers in	-	-	-	-	-	-	-	-	-	300
Total Other Financing Sources (Uses)	<u>-</u>	<u>300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>300</u>
Net Change in Fund Balance	37,702	463,226	92,807	-	110	-	24,936	-	-	618,781
Fund Balance, Beginning of Year	<u>2</u>	<u>-</u>	<u>-</u>	<u>283</u>	<u>277</u>	<u>5,098</u>	<u>82,469</u>	<u>(23,516)</u>	<u>397</u>	<u>65,284</u>
Fund Balance, End of Year	<u>\$ 37,978</u>	<u>463,226</u>	<u>92,807</u>	<u>283</u>	<u>387</u>	<u>5,098</u>	<u>107,405</u>	<u>(23,516)</u>	<u>397</u>	<u>\$ 684,065</u>

CITY OF LELAND, MISSISSIPPI
Schedule of Donated Space
September 30, 2021

In-kind space was donated by the City of Leland, Mississippi during the year ended September 30, 2021 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>



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, 2021, 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 August 17, 2022.

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) as a basis for designing 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.

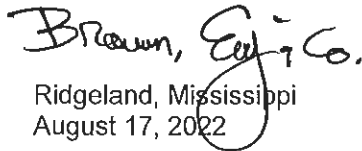
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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


Ridgeland, Mississippi
August 17, 2022



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

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, 2021, which collectively comprise the City of Leland, Mississippi's basic financial statements and have issued our report thereon dated August 17, 2022. 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, Ewing & Co.
Ridgeland, Mississippi
August 17, 2022

CITY OF LELAND, MISSISSIPPI
Schedule of Surety Bonds for Municipal Officials
September 30, 2021

<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
Michael Thomas	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
LeShaun McWright	Police Chief	St. Paul Travelers	50,000
Bobby Johnson	Fire Chief	St. Paul Travelers	50,000

CITY OF LELAND, MISSISSIPPI
Statement of Legal Debt Limit
September 30, 2021

Authorized Debt Limit Percent Rule

Authorized Debt Limit Percent	15%	20%
2021 Tax Roll Estimation	\$ 18,205,448	\$ 18,205,448
Less: 2021 Homestead Exemption	(66,650)	(66,650)
Net 2021 Estimation Tax Roll	<u>\$ 18,138,798</u>	<u>\$ 18,138,798</u>
Assessed Valuation under respective debt limit	\$ 2,720,820	\$ 3,627,760
Less: All Bonded Indebtness	400,000	400,000
Present debt subject to limitation	<u>400,000</u>	<u>400,000</u>
Margin for further debt under respective debt limits	<u>\$ 2,320,820</u>	<u>\$ 3,227,760</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, 2021

	Interest Rates	Issue Date	Final Maturity Date	Authorized	Issued	Balance Outstanding Oct. 1, 2020	Additions	Retired	Balance Outstanding Sept. 30, 2021
<u>General Government:</u>									
NOTES PAYABLE:									
Bank note	2.83%	08/03/18	08/10/2021	\$ 106,491	\$ 106,491	33,484	-	33,484	\$ -
Certificate of indebtedness	3.555%	01/14/2019	07/15/2022	143,716	143,716	77,541	-	41,661	35,880
Certificate of indebtedness	4.000%	12/02/2019	12/02/2022	28,618	28,618	28,618	-	9,539	19,079
Total Bank Notes				<u>278,825</u>	<u>278,825</u>	<u>139,643</u>	<u>-</u>	<u>84,684</u>	<u>54,959</u>
GENERAL OBLIGATION BONDS:									
Series 2013 General Obligation Coupon Bonds	2.00% to 2.750%	09/01/2013	09/01/2023	1,800,000	1,800,000	592,000	-	192,000	400,000
Total General Obligation Bonds				<u>1,800,000</u>	<u>1,800,000</u>	<u>592,000</u>	<u>-</u>	<u>192,000</u>	<u>400,000</u>
Total General Government Debt				<u>2,078,825</u>	<u>2,078,825</u>	<u>731,643</u>	<u>-</u>	<u>276,684</u>	<u>454,959</u>
<u>Proprietary:</u>									
NOTES PAYABLE:									
State revolving loan (DEQ) # 01	2.00%	07/16/2007	11/01/2026	844,714	844,714	303,468	-	46,705	256,763
State revolving loan (DEQ) # 02	2.50%	06/1/2008	01/01/2028	583,133	583,133	251,579	-	31,747	219,832
Planters Bank note payable	2.65%	08/01/2016	08/01/2026	700,000	700,000	433,963	-	69,151	364,812
Southern Bancorp Bank note payable	2.50%	08/18/2020	08/18/2022	25,230	25,230	25,230	-	10,000	15,230
Trustmark National Bank note payable	3.00%	10/01/2020	10/01/2024	35,121	35,121	-	35,121	8,390	26,731
Total Proprietary Debt				<u>2,188,198</u>	<u>2,188,198</u>	<u>1,014,240</u>	<u>35,121</u>	<u>165,993</u>	<u>883,368</u>
Grand Total				<u>\$ 4,267,023</u>	<u>\$ 4,267,023</u>	<u>\$ 1,745,883</u>	<u>\$ 35,121</u>	<u>\$ 442,677</u>	<u>\$ 1,338,327</u>