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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.

TOWN OF EDWARDS, MISSISSIPPI
AUDITED FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

TOWN OF EDWARDS, MISSISSIPPI
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September 30, 2023

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

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor Lekentric Caston
and Honorable Members of the Board of Aldermen
Town of Edwards, Mississippi

Opinions

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 Town of Edwards, Mississippi (the Town), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Edwards, Mississippi, as of September 30, 2023, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Edwards, Mississippi, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Edwards, Mississippi's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town of Edwards, Mississippi's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Edwards, Mississippi's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplemental 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 5 - 10 and 40 - 42 be presented to supplement the basic financial statements. Such information, is the responsibility of management and, 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.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Edwards, Mississippi's basic financial statements. The 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 by us and other auditors. In our opinion, based on our audit and the report of the other auditors, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2024, on our consideration of the Town of Edwards, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with the *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



Ridgeland, Mississippi
January 22, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF EDWARDS, MISSISSIPPI
Management's Discussion and Analysis
September 30, 2023

INTRODUCTION

The discussion and analysis of the Town of Edwards, Mississippi's annual financial performance provides an overall narrative review of the Town's financial activities for the year ended September 30, 2023. The intent of this discussion and analysis is to look at the Town'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 Town of Edwards, Mississippi exceeded its liabilities at the close of the most recent fiscal year by \$3,365,491 (*net positions*). Of this amount, \$80,780 (*unrestricted net position*) is available to meet the Town's ongoing obligations to citizens and creditors.

The Town's total net positions increased by \$359,419. This is due primarily to a increase in total revenues.

As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$403,378, an increase of \$181,640 in comparison with the prior year. \$46,081 of this total amount is *available for spending* at the Town's discretion (*Unreserved, undesignated fund balance*).

At the end of the current fiscal year, unassigned fund balance for the general fund was \$46,081, or 5.91% of total general fund expenditures.

The Town's total debt decreased by \$65,961, or 93.65%, during the current fiscal year. The key factor in this decrease was due to the retirement of debt.

OVERVIEW OF FINANCIAL STATEMENTS

The discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town'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 required supplementary information in addition to the basic financial statements themselves.

GOVERNMENT - WIDE FINANCIAL STATEMENTS

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

TOWN OF EDWARDS, MISSISSIPPI
Management's Discussion and Analysis
September 30, 2023

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 Town's most significant activities and are not intended to provide information for the Town as a whole. Funds are accounting devices that are used to account for specific sources of funds. The Town has two 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 Town'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.

TOWN OF EDWARDS, MISSISSIPPI
Management's Discussion and Analysis
September 30, 2023

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>September 30, 2023</u>	<u>September 30, 2022</u>	<u>September 30, 2023</u>	<u>September 30, 2022</u>	<u>September 30, 2023</u>	<u>September 30, 2022</u>
<u>Assets:</u>						
Current and other assets	\$ 520,770	280,811	1,865,173	1,426,600	\$ 2,385,943	\$ 1,707,411
Capital assets	<u>944,989</u>	<u>901,755</u>	<u>2,278,222</u>	<u>2,357,624</u>	<u>3,223,211</u>	<u>3,259,379</u>
Total Assets	<u>1,465,759</u>	<u>1,182,566</u>	<u>4,143,395</u>	<u>3,784,224</u>	<u>5,609,154</u>	<u>4,966,790</u>
Deferred outflow of resources	<u>266,174</u>	<u>248,220</u>	<u>38,025</u>	<u>36,853</u>	<u>304,199</u>	<u>285,073</u>
<u>Liabilities:</u>						
Current and other liabilities	119,632	260,495	1,363,925	944,203	1,483,557	1,204,698
Long-term liabilities	2,241	3,217	2,230	67,215	4,471	70,432
Net pension liability	<u>814,144</u>	<u>737,801</u>	<u>91,304</u>	<u>80,399</u>	<u>905,448</u>	<u>818,200</u>
Total Liabilities	<u>936,017</u>	<u>1,001,513</u>	<u>1,457,459</u>	<u>1,091,817</u>	<u>2,393,476</u>	<u>2,093,330</u>
Deferred inflow of resources	<u>135,088</u>	<u>131,671</u>	<u>19,298</u>	<u>20,846</u>	<u>154,386</u>	<u>152,517</u>
<u>Net Position:</u>						
Invested in capital assets (net)	944,988	901,755	2,278,222	2,277,979	3,223,210	3,179,734
Restricted	-	-	61,501	100,324	61,501	100,324
Unrestricted	<u>(284,160)</u>	<u>(604,153)</u>	<u>364,940</u>	<u>329,841</u>	<u>80,780</u>	<u>(274,312)</u>
Total Net Position	<u>\$ 660,828</u>	<u>297,602</u>	<u>2,704,663</u>	<u>2,708,144</u>	<u>\$ 3,365,491</u>	<u>\$ 3,005,746</u>

As the presentation appearing above demonstrates, the largest portion of the Town's net position 95.77% are invested in capital assets. Net assets invested in capital assets consist of land, buildings, equipment, and any infrastructure acquired after September 30, 2023 less any debt used to acquire assets that remains outstanding. The Town 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 1.83% represent resources that are subject to restrictions that are imposed by agreements with the Town's bondholders or requirements imposed by various revenue sources. The remaining unrestricted net assets 2.40% may be used to meet the Town'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 \$895,337.
- ◆ Decrease in net capital assets in the amount of \$36,168.
- ◆ Increase in current liabilities in the amount of \$278,859.
- ◆ Decrease in long-term liabilities in the amount of \$65,961.
- ◆ Increase in net pension liabilities in the amount of \$87,248
- ◆ The implementation of GASB Statement No. 68 which required the recording of a liability for the proportionate share of the Town's and the recording of deferred outflows/inflows of resources in the Statement of Net Position.

TOWN OF EDWARDS, MISSISSIPPI
Management's Discussion and Analysis
September 30, 2023

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>September 30, 2023</u>	<u>September 30, 2022</u>	<u>September 30, 2023</u>	<u>September 30, 2022</u>	<u>September 30, 2023</u>	<u>September 30, 2022</u>
Revenues:						
Program Revenue:						
Charges for services	\$ 61,978	57,972	438,128	438,117	\$ 500,106	\$ 496,089
Operating grants and contributions	223,788	189,586	-	-	223,788	189,586
Capital grants and contributions	438,375	-	71,509	181,227	509,884	181,227
General Revenue:						
Property taxes	303,502	323,551	-	-	303,502	323,551
Sales taxes	74,925	74,131	-	-	74,925	74,131
Franchise taxes	24,879	22,311	-	-	24,879	22,311
Licenses and permits	3,939	5,028	-	-	3,939	5,028
Interest earnings	-	2	-	-	-	2
Fines and forfeits	7,643	9,077	-	-	7,643	9,077
Other	19,038	48,482	19,922	95,844	38,960	144,326
Total Revenue	<u>1,158,067</u>	<u>730,140</u>	<u>529,559</u>	<u>715,188</u>	<u>1,687,626</u>	<u>1,445,328</u>
Program Expenses:						
General Government						
Finance & administrative	243,957	238,318	-	-	243,957	238,318
Judicial	10,383	10,495	-	-	10,383	10,495
Public Safety						
Police protection	277,303	269,123	-	-	277,303	269,123
Public Works						
Streets	261,869	154,076	-	-	261,869	154,076
Interest on long term debt	1,329	2,336	-	-	1,329	2,336
Water/Sewer	-	-	533,366	654,433	533,366	654,433
Total Expenses	<u>794,841</u>	<u>674,348</u>	<u>533,366</u>	<u>654,433</u>	<u>1,328,207</u>	<u>1,328,781</u>
Increase (Decrease) in Net Position Before Transfers	363,226	55,792	(3,807)	60,755	359,419	116,547
Net Position Beginning	<u>297,602</u>	<u>241,810</u>	<u>2,701,716</u>	<u>2,640,961</u>	<u>2,999,318</u>	<u>2,882,771</u>
Net Position, Oct. 1 as restated	<u>297,602</u>	<u>241,810</u>	<u>2,701,716</u>	<u>2,640,961</u>	<u>2,999,318</u>	<u>2,882,771</u>
Net Position Ending	<u>\$ 660,828</u>	<u>297,602</u>	<u>2,697,909</u>	<u>2,701,716</u>	<u>\$ 3,358,737</u>	<u>\$ 2,999,318</u>

TOWN OF EDWARDS, MISSISSIPPI
Management's Discussion and Analysis
September 30, 2023

The following are significant current year transactions that have had an impact on the Statement of Activities:

Governmental activities. Governmental activities increased the Town's net position by \$363,226, accounting for 101.06% of the total reduction in growth of the Town's net position. Key elements of this decrease are as follows:

- ♦ Increase in capital grants and contributions \$438,375, or 100.00%

Business-type activities. Business-type activities decreased the Town's net position by \$3,807, accounting for 0.14% of the total growth in the Town's net assets. Key elements of this decrease are as follows:

- ♦ Charges for services for the business-type activities increased by \$11, or -%, during the year.
- ♦ Other revenue for the business-type activities increased by \$75,922, or 79.21%, during the year.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

The Town's governmental funds reported combined net positions of \$660,828, which represents an increase of \$363,226 in comparison to the previous balance. In addition, the Town's general fund, which is available for spending at the Town's discretion, reported a net position of \$46,081.

Amounts reported for business-type activities in the Town's individual funds are identical to the business-type activities reported in the government-wide presentation.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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

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

The Town's governmental funds reported combined fund balances of \$403,378, which represents an increase of \$181,640 in comparison, to the previous balance. In addition, the Town's general fund, which is available for spending at the Town's discretion, reported a net position of \$46,081.

TOWN OF EDWARDS, MISSISSIPPI
Management's Discussion and Analysis
September 30, 2023

Proprietary Funds - are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town 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.

GENERAL FUND BUDGET HIGHLIGHTS

The Town'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, 2023, the Town's total capital assets were \$5,910,384. This includes land, buildings, furniture and equipment, mobile equipment, and infrastructures. This amount represents a gross increase, before depreciation, of \$209,618 from the previous year. The majority of this increase is due to the construction of a park trail.

Total accumulated depreciation as of September 30, 2023 was \$3,475,026, including \$209,618, of depreciation expenses for the year. The balance in total net capital assets was \$3,222,210 at year-end. Additional information on the Town's capital assets can be found in Note 6 on pages 28-29 of this report.

Debt Administration - As of September 30, 2023, the Town had \$8,943 in long-term debt outstanding. This includes general obligation bonds, revenue bonds, special assessment debt, obligations under capital leases, notes payable, and compensated absences payable. Of this debt, \$4,471 is due within one year.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the funds it receives. If you have questions about this report or need additional financial information, please contact the Town of Edwards at 310 Front Street, P. O. Box 215, Edwards, Mississippi 39066.

FINANCIAL STATEMENTS

TOWN OF EDWARDS, MISSISSIPPI
Statement State of Net Position
September 30, 2023

	<u>Primary Government</u>		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 476,927	398,215	\$ 875,142
Accounts receivable, net	26,520	51,498	78,018
Other receivables	11,460	-	11,460
Intergovernmental receivables	5,863	21	5,884
Due from other funds	-	1,386,304	1,386,304
Restricted Assets:			
Cash and cash equivalents	-	29,135	29,135
Capital Assets:			
Land	23,971	13,500	37,471
Buildings	604,004	-	604,004
Automotive and equipment	32,791	-	32,791
Infrastructure	187,884	2,218,922	2,406,806
TOTAL ASSETS	<u>1,465,759</u>	<u>4,143,395</u>	<u>5,609,154</u>
Deferred Outflows of Resources			
Deferred outflows - pensions	266,174	38,025	304,199
Total deferred outflows of resources	<u>266,174</u>	<u>38,025</u>	<u>304,199</u>
TOTAL ASSETS	<u>\$ 1,731,933</u>	<u>4,181,420</u>	<u>\$ 5,913,353</u>
LIABILITIES			
Accounts payable, general	\$ 52,564	24,439	\$ 77,003
Accrued interest payable	-	-	-
Customer's deposits	-	15,780	15,780
Due to other funds	64,827	1,321,476	1,386,303
Noncurrent liabilities:			
Due within one year	2,241	2,230	4,471
Due in more than one year	2,241	2,230	4,471
Net pension liabilities	814,144	91,304	905,448
Total Liabilities	<u>936,017</u>	<u>1,457,459</u>	<u>2,393,476</u>
Deferred Inflow of Resources			
Deferred inflows - pensions	135,088	19,298	154,386
Total deferred inflow of resources	<u>135,088</u>	<u>19,298</u>	<u>154,386</u>
Net Position:			
Net investment in capital assets	944,988	2,278,222	3,223,210
Restricted	-	61,501	61,501
Unrestricted	(284,160)	364,940	80,780
Total Net Position	<u>660,828</u>	<u>2,704,663</u>	<u>3,365,491</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 1,731,933</u>	<u>4,181,420</u>	<u>\$ 5,913,353</u>

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

TOWN OF EDWARDS, MISSISSIPPI
Statement of Activities
For the Year Ended September 30, 2023

		Program Revenues		Net (Expenses) Revenues Changes in Net Assets			
	Expenses	Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Primary Government:							
Governmental activities:							
Administration	\$ 243,957	-	10,684	-	(233,273)	-	\$ (233,273)
Judicial	10,383	-	-	-	(10,383)	-	(10,383)
Public safety	277,303	-	210,669	350,000	283,366	-	283,366
Public works	261,869	61,978	-	88,375	(111,516)	-	(111,516)
Summer feeding program	-	-	2,435	-	2,435	-	2,435
Interest on long-term debt	1,329	-	-	-	(1,329)	-	(1,329)
Total governmental activities	<u>794,841</u>	<u>61,978</u>	<u>223,788</u>	<u>438,375</u>	<u>(70,700)</u>	<u>-</u>	<u>(70,700)</u>
Business-type activities:							
Water/Sewer	<u>533,366</u>	<u>438,128</u>	<u>-</u>	<u>71,509</u>	<u>-</u>	<u>(23,729)</u>	<u>(23,729)</u>
Total Business-type activities	<u>533,366</u>	<u>438,128</u>	<u>-</u>	<u>71,509</u>	<u>-</u>	<u>(23,729)</u>	<u>(23,729)</u>
Total Primary Government	<u>\$ 1,328,207</u>	<u>500,106</u>	<u>223,788</u>	<u>509,884</u>	<u>(70,700)</u>	<u>(23,729)</u>	<u>\$ (94,429)</u>
General Revenues:							
Property taxes					\$ 303,502	-	\$ 303,502
Sales taxes					74,925	-	74,925
Franchise taxes					24,879	-	24,879
Fines and report fees					7,643	-	7,643
License and permits					3,939	-	3,939
Miscellaneous					19,038	19,922	38,960
Unrestricted investment earnings					-	323	323
Total general revenues, special items, and transfers					<u>433,926</u>	<u>20,245</u>	<u>454,171</u>
Change in net assets					<u>363,226</u>	<u>(3,484)</u>	<u>359,742</u>
Net Position - Beginning					<u>297,602</u>	<u>2,701,836</u>	<u>2,999,438</u>
Net Position - Ending					<u>\$ 660,828</u>	<u>2,698,352</u>	<u>\$ 3,359,180</u>

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

TOWN OF EDWARDS, MISSISSIPPI
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
September 30, 2023

Total Fund Balances - Governmental Funds		\$ 403,378
Amounts reported for net position in the Statement of Net Position are different because:		
Capital Assets	1,682,922	
Less: Accumulated Depreciation	<u>(737,934)</u>	944,988
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	(814,144)	
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	266,174	
Deferred inflows of resource related to pensions	<u>(135,088)</u>	(683,058)
Long-term liabilities not due and payable in the current period are not reported in the funds, as follows:		
Notes payable	-	
Compensated absences	<u>(4,482)</u>	<u>(4,482)</u>
Net Position of Governmental Activities		<u>\$ 660,826</u>

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

TOWN OF EDWARDS, MISSISSIPPI
Balance Sheet
Governmental Funds
For the Year Ended September 30, 2023

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash	\$ 88,277	388,649	\$ 476,926
Accounts receivable, net of allowances	26,520	-	26,520
Other receivables	11,460	-	11,460
Intergovernmental receivable	5,863	-	5,863
Due from other funds	170,178	-	170,178
TOTAL ASSETS	<u>\$ 302,298</u>	<u>388,649</u>	<u>\$ 690,947</u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable, general	\$ 21,211	31,352	\$ 52,563
Due to other funds	235,006	-	235,006
Total Liabilities	<u>256,217</u>	<u>31,352</u>	<u>287,569</u>
Fund Balance			
Restricted	-	357,297	357,297
Unassigned	46,081	-	46,081
Total Fund Balance	<u>46,081</u>	<u>357,297</u>	<u>403,378</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 302,298</u>	<u>388,649</u>	<u>\$ 690,947</u>

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

TOWN OF EDWARDS, MISSISSIPPI
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2023

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:			
General property taxes	\$ 303,502	-	\$ 303,502
Privilege licenses and permits	3,939	-	3,939
Intergovernmental revenues	284,710	361,568	646,278
Franchise taxes	24,879	-	24,879
Charges for services	61,978	-	61,978
Fines and report fees	96,018	-	96,018
Interest income	4,350	-	4,350
Miscellaneous	15,917	-	15,917
Total Revenues	<u>795,293</u>	<u>361,568</u>	<u>1,156,861</u>
EXPENDITURES:			
General Government:			
Administration	166,551	-	166,551
Judicial	10,383	-	10,383
Public safety	245,161	527	245,688
Public works	146,355	25	146,380
Debt services:			
Principal	198,206	-	198,206
Interest and service charges	1,329	-	1,329
Capital outlay:			
Public safety	11,550	196,339	207,889
TOTAL EXPENDITURES	<u>779,535</u>	<u>196,891</u>	<u>976,426</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>15,758</u>	<u>164,677</u>	<u>180,435</u>
OTHER FINANCING SOURCES (USES):			
Sale of capital assets	1,205	-	1,205
Total Other Financing Sources (Uses)	<u>1,205</u>	<u>-</u>	<u>1,205</u>
Net Change in Fund Balances	16,963	164,677	181,640
FUND BALANCE, OCT. 1	29,118	192,620	221,738
FUND BALANCE, SEPT. 30	<u>\$ 46,081</u>	<u>357,297</u>	<u>\$ 403,378</u>

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

TOWN OF EDWARDS, MISSISSIPPI
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of the Governmental Funds
to the Statement of Activities
For the Year Ended September 30, 2023

	<u>AMOUNTS</u>	
Net change in fund balances	\$ 181,640	
Amounts reported in the Statement of Activities are different because:		
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	(11,550)	
Depreciation expense	<u>64,656</u>	53,106
The statement of activities reports pension expense and other activity related to net pension liability:		
Pension expense	(80,527)	
Contributions made after the measurement date	<u>8,849</u>	(71,678)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
		198,206
Some items reported in the statement of activities do not provide or require the use of current financial resources and therefore are not reported as revenues/expenditures in governmental funds. These activities include:		
Compensated Absences decrease	1,951	
Other adjustments	<u>-</u>	<u>1,951</u>
Change in net position of governmental activities		<u>\$ 363,225</u>

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

TOWN OF EDWARDS, MISSISSIPPI
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Budget and Actual
General Fund
For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Property taxes	\$ 381,723	281,487	303,502	\$ 22,015
Privilege licenses and permits	26,150	1,265	3,939	2,674
Intergovernmental revenues	140,014	289,222	284,710	(4,512)
Franchise taxes	25,000	22,000	24,879	2,879
Charges for services	63,500	68,631	61,978	(6,653)
Fines and report fees	14,275	12,006	96,018	84,012
Interest	-	-	4,350	4,350
Miscellaneous	23,850	4,150	15,917	11,767
TOTAL REVENUES	<u>674,512</u>	<u>678,761</u>	<u>795,293</u>	<u>116,532</u>
OPERATING DISBURSEMENTS:				
General Government				
Administration	244,609	171,945	166,551	5,394
Judicial	10,955	10,508	10,383	125
Public Safety				
Police protection	291,558	263,768	245,161	18,607
Public Works				
Streets improvements	125,225	141,028	146,355	(5,327)
Other department	-	1,726	-	1,726
Capital Expenditures	11,500	22,987	11,550	11,437
Debt service	-	27,054	199,535	(172,481)
Total Expenditures	<u>683,847</u>	<u>639,016</u>	<u>779,535</u>	<u>(140,519)</u>
Excess (deficiency) of Revenues Over (Under) Expenditures	<u>(9,335)</u>	<u>39,745</u>	<u>15,758</u>	<u>(23,987)</u>
Other Financing Sources (Uses):				
Sale of real property/equipment	-	-	1,205	1,205
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1,205</u>	<u>1,205</u>
Net Change in Fund Balances	(9,335)	39,745	16,963	(22,782)
Fund Balance at beginning of year	<u>29,118</u>	<u>29,118</u>	<u>29,118</u>	<u>-</u>
Fund Balance at end of year	<u>\$ 19,783</u>	<u>68,863</u>	<u>46,081</u>	<u>\$ (22,782)</u>

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

TOWN OF EDWARDS, MISSISSIPPI
Statement of Net Position
Proprietary Fund
For the Year Ended September 30, 2023

	Business Type Activities - Enterprise Funds		
	Water/Sewer Fund	Nonmajor Enterprise Funds	Totals
Assets			
Cash and cash equivalents	\$ 398,215	-	\$ 398,215
Accounts receivable, net of allowances	51,498	-	51,498
Intergovernmental receivable	21	-	21
Due from other funds	1,353,938	32,366	1,386,304
Total Current Assets	1,803,672	32,366	1,836,038
Restricted Assets:			
Cash and cash equivalents	-	29,135	29,135
Property, Plant and Equipment, at Cost			
Land	13,500	-	13,500
Water plant, distribution system and equipment	4,168,160	-	4,168,160
	4,181,660	-	4,181,660
Less: accumulated depreciation	(1,949,238)	-	(1,949,238)
	2,232,422	-	2,232,422
Construction in progress	45,800	-	45,800
Net property, plant and equipment	2,278,222	-	2,278,222
Deferred Outflow of Resources			
Deferred outflows of resources - pension	38,025	-	38,025
Total Deferred Outflows of Resources	38,025	-	38,025
Total Assets	\$ 4,119,919	61,501	\$ 4,181,420
Liabilities and Net Position			
Accounts payable	\$ 24,439	-	\$ 24,439
Due to other funds	1,321,476	-	1,321,476
Total Current Liabilities	1,345,915	-	1,345,915
Current Liabilities Payable from Restricted Assets:			
Customer deposits	15,780	-	15,780
Current portion of compensated absences	2,230	-	2,230
Total Current Liabilities Payable from Restricted Assets	18,010	-	18,010
Long-Term Debt (less amounts classified as current)			
Net pension liability	91,304	-	91,304
Compensated absences	2,230	-	2,230
Total Long-Term Debt	93,534	-	93,534
Deferred Inflows of Resources			
Deferred inflows of resources - pension	19,298	-	19,298
Total Deferred Inflows of Resources	19,298	-	19,298
Net Position			
Investment in Capital Assets, net of related debt	2,278,222	-	2,278,222
Restricted for debt service	-	61,501	61,501
Unrestricted	364,940	-	364,940
Total Net Position	2,643,162	61,501	2,704,663
Total Liabilities and Net Position	\$ 4,119,919	61,501	\$ 4,181,420

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

TOWN OF EDWARDS, MISSISSIPPI
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended September 30, 2023

	<u>Business -Type Activities - Enterprise Funds</u>		
	<u>Water/Sewer Fund</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>
Operating Revenues:			
Sales to customers	\$ 438,128	-	\$ 438,128
Intergovernmental	<u>71,509</u>	<u>-</u>	<u>71,509</u>
Total Operating Revenues	<u>509,637</u>	<u>-</u>	<u>509,637</u>
Operating Expenses:			
Personnel services	115,419	-	115,419
Supplies	14,505	-	14,505
Other services and charges	255,935	-	255,935
Provision for bad debt	631	-	631
Depreciation	<u>144,962</u>	<u>-</u>	<u>144,962</u>
Total Operating Expenses	<u>531,452</u>	<u>-</u>	<u>531,452</u>
Operating income (loss)	<u>(21,815)</u>	<u>-</u>	<u>(21,815)</u>
Nonoperating revenues (expenses)			
Interest income	325	-	325
Other income	19,923	-	19,923
Interest and service charges on long-term debt	<u>(1,914)</u>	<u>-</u>	<u>(1,914)</u>
Total nonoperating revenues	<u>18,334</u>	<u>-</u>	<u>18,334</u>
Net Income Before Operating Transfers	(3,481)	-	(3,481)
Operating Transfers In	50,823	12,000	62,823
Operating Transfers (Out)	<u>(12,000)</u>	<u>(50,823)</u>	<u>(62,823)</u>
Change in Net Position	35,342	(38,823)	(3,481)
Net Position, October 1	<u>2,607,820</u>	<u>100,324</u>	<u>2,708,144</u>
Net Position, September 30	<u>\$ 2,643,162</u>	<u>61,501</u>	<u>\$ 2,704,663</u>

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

TOWN OF EDWARDS, MISSISSIPPI
Statement of Cash Flows
All Proprietary Fund Types
For the Year Ended September 30, 2023

	<u>Business - Type Activities Enterprise Fund</u>		
	<u>Water/Sewer Fund</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 423,289	-	\$ 423,289
Payments to suppliers	(289,894)	-	(289,894)
Payments to employees	(73,404)	-	(73,404)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>59,991</u>	<u>-</u>	<u>59,991</u>
 (Increase) Decrease in:			
Accounts receivable	(11,839)	1,000	(10,839)
Intergovernmental receivable	30	-	30
Cash, time deposits	(16,359)	-	(16,359)
Due from other funds	(475,530)	(1,000)	(476,530)
 Increase (Decrease) in:			
Due to other funds	445,235	-	445,235
Sale taxes payable	16	-	16
Accrued interest payable	(2,535)	-	(2,535)
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	<u>(60,982)</u>	<u>-</u>	<u>(60,982)</u>
CASH FLOWS USED FOR NONCAPITAL FINANCING ACTIVITIES:			
Operating transfers in	50,823	12,000	62,823
Operating transfers out	(12,000)	(50,823)	(62,823)
NET CASH FLOWS USED FOR NONCAPITAL ACTIVITIES	<u>38,823</u>	<u>(38,823)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisition of capital assets	(65,560)	-	(65,560)
Capital contribution - federal grant	71,509	-	71,509
NET CASH FLOWS USED IN INVESTING ACTIVITIES	<u>5,949</u>	<u>-</u>	<u>5,949</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Deferred inflows on pension liability	(1,548)	-	(1,548)
Deferred outflows on pension liability	(1,442)	-	(1,442)
Change in net pension liability	10,905	-	10,905
Interest paid on retirement of long-term debt	(1,914)	-	(1,914)
Other income	19,920	-	19,920
Repayment of long-term debt	(79,645)	-	(79,645)
NET CASH FLOWS USED BY FINANCING ACTIVITIES	<u>(53,724)</u>	<u>-</u>	<u>(53,724)</u>
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(9,943)	(38,823)	(48,766)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>408,158</u>	<u>67,958</u>	<u>476,116</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 398,215</u>	<u>29,135</u>	<u>\$ 427,350</u>
 Supplemental cash flow information:			
Cash and cash equivalents	\$ 398,215	-	\$ 398,215
Cash and cash equivalents (restricted)	-	29,135	29,135
Total Cash and Cash Equivalents	<u>\$ 398,215</u>	<u>29,135</u>	<u>\$ 427,350</u>
Cash paid during the year:			
Interest expense	<u>\$ 1,914</u>	<u>-</u>	<u>\$ 1,914</u>

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

TOWN OF EDWARDS, MISSISSIPPI
Notes to the Financial Statements
September 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The Town'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 Town's more significant accounting policies are described as follows:

FINANCIAL REPORTING ENTITY

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

FINANCIAL STATEMENTS

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

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

The government-wide and fund financial statements present the Town'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 Town 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.

TOWN OF EDWARDS, MISSISSIPPI
Notes to the Financial Statements
September 30, 2023

NOTE 1 - GOVERNMENT - WIDE FINANCIAL STATEMENTS (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 Town'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.

MAJOR BUSINESS - TYPE FUNDS

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

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

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

BASIS OF ACCOUNTING AND MEASUREMENT FOCUS

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

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

TOWN OF EDWARDS, MISSISSIPPI
Notes to the Financial Statements
September 30, 2023

NOTE 1 - BASIS OF ACCOUNTING AND MEASUREMENT FOCUS (Continued)

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

Under the modified accrual basis of accounting and the current financial resources measure 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 measure focus is used, amounts recorded as assets exclude capital assets and the acquisition of capital assets are 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 another financing source and repayment of long-term debt is reported as an expenditure.

BUDGETARY CONTROL

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

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

TOWN OF EDWARDS, MISSISSIPPI
Notes to the Financial Statements
September 30, 2023

NOTE 1 - INTERNAL ACTIVITY

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

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

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

Capital Assets - Capital assets, which include property, equipment, and infrastructure acquired after October 1, 2003, are reported as assets in the applicable governmental or business-type columns in the government-wide financial statements and in the fund financial statements for proprietary funds. Assets reported in the fund financial statements for governmental funds exclude capital assets. Instead, the governmental funds report the acquisition of capital assets as expenditures rather than asset acquisitions.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value when received by the Town.

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

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

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

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

TOWN OF EDWARDS, MISSISSIPPI
Notes to Financial Statements
September 30, 2023

NOTE 1 - INTERNAL ACTIVITY (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 Spending Policy - The Town has not adopted a formal spending policy as it relates to the fund balance therefore, excess amounts are expended in accordance with GASB 54 default level: committed, assigned and unassigned.

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees' Retirement System (PERS) and additions to/deductions from PERS' fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, the benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2 - CASH AND CASH EQUIVALENTS

The collateral for public entities, deposits in financial institutions is now held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Mississippi Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Depository Insurance Corporation (FDIC).

The carrying amount of the Town's deposits with financial institutions in the governmental activities and the business-type activities funds were \$476,927 and \$427,350, respectively. The carrying amount of deposits reported in the government-wide financial statements was: Cash and Cash Equivalents - \$904,183 and Restricted Assets - \$29,135. The Restricted Assets represent the cash balance in the debt service fund which is legally restricted and may not be used for purposes that support the Town's programs. The bank balance was \$895,337.

Custodial Credit Risk - Deposits. Custodial credit risk is defined as the risk that, in the event of a failure of a financial institution, the Town will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Town does not have a formal policy for custodial credit risk. However, the Mississippi State Treasury manages the risk on behalf of the Town. Deposits above FDIC coverage are collateralized by the pledging financial institutions trust department or agent in the name of the Mississippi State Treasurer on behalf of the Town. As of September 30, 2023, none of the Town's bank balance of \$895,337 was exposed to custodial credit risk.

Interest Rate Risk. The Town 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 Town does not have a formal investment policy that would further limit its investment choices or one that addresses credit risk.

TOWN OF EDWARDS, MISSISSIPPI
Notes to the Financial Statements
September 30, 2023

NOTE 2 - CASH AND CASH EQUIVALENT (Continued)

Custodial Credit Risk - Investments. Custodial credit risk is defined as the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a formal investment policy that addresses custodial credit risk. However, the Mississippi State Treasurer manages the risk on behalf of the Town. Deposits above FDIC coverage are collateralized by the pledging financial institutions trust department or agent in the name of the Mississippi State Treasurer on behalf of the Town. As of September 30, 2023, none of the Town's bank balance of \$895,337 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, 2023, the Town had no investments.

NOTE 3 - AD VALOREM TAXES

Ad valorem taxes are assessed on a calendar year basis and are due on or before December 31 in the year in which the tax is levied. Property taxes are recognized when the revenue is measurable and available. Available means due or past due and collected no longer than 60 days after the close of the current period. For the year ended September 30, 2023, the Town levied and collected 47.00 mills of taxes for general corporate purposes of the Town.

NOTE 4 - INTERFUND BALANCES AND TRANSFERS

Individual fund interfund receivable and payable balances are presented as of September 30, 2023 as follows:

	<u>Due From</u>	<u>Due To</u>
Major Funds:		
General fund	\$ 170,178	\$ 235,006
Water and Sewer fund	1,353,938	1,321,476
Nonmajor enterprise funds	32,366	-
Total	<u>\$ 1,556,482</u>	<u>\$ 1,556,482</u>

The General Fund receivable from the Water and Sewer Fund is the result of a cash shortage in each fund for which such funds were used to pay operating expenditures. The General Fund and the Water and Sewer funds interfund receivables and payables are not expected to be repaid within a year.

Individual fund interfund transfers are presented as of September 30, 2023 as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
Major Funds:		
Water/Sewer System Fund	\$ 50,823	\$ 12,000
Nonmajor Enterprise Funds	12,000	50,823
	<u>\$ 62,823</u>	<u>\$ 62,823</u>

TOWN OF EDWARDS, MISSISSIPPI
Notes to the Financial Statements
September 30, 2023

NOTE 5 - 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	Water and Sewer Fund	Total
<u>Accounts Receivable</u>			
Property taxes	\$ 10,672	-	\$ 10,672
Franchise taxes	7,669	-	7,669
Charges for services	17,987	68,731	86,718
Intergovernmental	5,863	21	5,884
Accounts receivable, other	<u>3,792</u>	<u>-</u>	<u>4,292</u>
Gross Accounts Receivable	45,983	68,752	115,235
Less: allowance for uncollectibles	<u>(2,139)</u>	<u>(16,234)</u>	<u>(18,373)</u>
Net Total Receivables	<u>\$ 43,844</u>	<u>52,518</u>	<u>\$ 96,862</u>

NOTE 6 - CAPITAL ASSETS

A summary of capital asset transactions for the year ended September 30, 2023 follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Non Depreciable Capital Assets				
Land	\$ 12,421	11,550	-	\$ 23,971
Construction in process	-	96,339	-	96,339
Total non depreciable capital assets	<u>12,421</u>	<u>107,889</u>	<u>-</u>	<u>120,310</u>
Depreciable Capital Assets				
Buildings and Improvements	1,268,018	-	-	1,268,018
Infrastructure	216,465	-	-	216,465
Motor Vehicles	59,576	-	-	59,576
Machinery and Equipment	<u>18,554</u>	<u>-</u>	<u>-</u>	<u>18,554</u>
Total Depreciable Capital Assets	1,562,613	-	-	1,562,613
Accumulated Depreciation	<u>(673,279)</u>	<u>(65,656)</u>	<u>-</u>	<u>(738,935)</u>
Net depreciable capital assets	889,334	<u>(65,656)</u>	<u>-</u>	823,678
Total Governmental Activities	<u>\$ 901,755</u>	<u>42,233</u>	<u>-</u>	<u>\$ 943,988</u>
Business-Type Activities:				
Non Depreciable Capital Assets				
Land and Right of Ways	\$ 13,500	-	-	\$ 13,500
Total nondepreciable capital assets	<u>13,500</u>	<u>-</u>	<u>-</u>	<u>13,500</u>
Depreciable Capital Assets				
Water/Sewer system	4,070,747	45,800	-	4,116,547
Equipment	77,654	-	-	77,654
Motor Vehicles	-	19,760	-	19,760
Total Depreciable Capital Assets	4,148,401	65,560	-	4,213,961
Accumulated Depreciation	<u>(1,804,277)</u>	<u>(144,962)</u>	<u>-</u>	<u>(1,949,239)</u>
Net depreciable capital assets	2,344,124	<u>(79,402)</u>	<u>-</u>	2,264,722
Total Business-Type Activities	<u>\$ 2,357,624</u>	<u>(79,402)</u>	<u>-</u>	<u>\$ 2,278,222</u>

TOWN OF EDWARDS, MISSISSIPPI
Notes to the Financial Statements
September 30, 2023

NOTE 6 - CAPITAL ASSET (Continued)

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

	Governmental Activities	Business-Type Activities	Total
Finance & Administrative	\$ 44,869	-	\$ 44,869
Fire Protection	895	-	895
Police Protection	5,040	-	5,040
Public Works	13,852	-	13,852
Water/Sewer System	-	144,962	144,962
Total Depreciation Expense	<u>\$ 64,656</u>	<u>144,962</u>	<u>\$ 209,618</u>

NOTE 7 - LONG-TERM DEBT

A summary of long-term debt transactions for the year ended September 30, 2023, were as follows:

<i>Governmental activities:</i>	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Loans payable	\$ 35,376	-	(35,376)	\$ -	\$ -
Compensated for absences	6,434	1,266	(3,217)	4,483	2,241
Totals	<u>\$ 41,810</u>	<u>1,266</u>	<u>(38,593)</u>	<u>\$ 4,483</u>	<u>\$ 2,241</u>

Long-term debt activity for the year ended September 30, 2023, is presented as follows:

<i>Business-type activities:</i>	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	\$ 4,586	2,293	(2,419)	\$ 4,460	\$ 2,230
CAP loan payable	58,803	-	(58,803)	-	-
Revenue bonds	20,842	-	(20,842)	-	-
Totals	<u>\$ 84,231</u>	<u>2,293</u>	<u>(82,064)</u>	<u>\$ 4,460</u>	<u>\$ 2,230</u>

NOTE 8 - DEFINED BENEFIT PENSION PLAN

1. General Information

Plan Description and Provisions: The Town of Edwards, Mississippi contributes to the Public Employees Retirement System of Mississippi (PERS), a cost-sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Plan provisions and the Board of Trustees' authority to determine contribution rates are established by Miss. Cods Ann. Section 25-11-1 et seq., (1972, as amended) and may be amended only the Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Public Employees' Retirement System of Mississippi, PERS Building, 429 Mississippi Street, Jackson, MS 39201 or by calling (601) 359-3589 or 1-800-444- PERS or www.pers.ms.gov.

TOWN OF EDWARDS, MISSISSIPPI
Notes to the Financial Statements
September 30, 2023

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

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 Town of Edwards, Mississippi is required to contribute at an actuarially determined rate. The employer's rate as of September 30, 2023 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 State of Mississippi Legislature. The Town of Edwards, Mississippi contributions to PERS for the years ended September 30, 2023, 2022, and 2021 were \$44,840, \$45,452, and \$114,701, respectively, equal to the required contributions for each year.

As of the 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>
Retirees and beneficiaries currently receiving benefits	1
Active members:	
Vested	15
Non-vested	-
Total Participants	<u>16</u>

TOWN OF EDWARDS, MISSISSIPPI
Notes to the Financial Statements
September 30, 2023

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

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

At September 30, 2023, The Town reported a liability of \$905,448 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contribution to the pension plan relative to the projected contribution of all participating entities, actuarially determined. The Town's proportionate share used to calculate the September 30, 2023 net pension liability was 0.003600 percent, which was based on a measurement date of June 30, 2023. This was a decrease of 0.000375 percent from its proportionate share used to calculate the September 30, 2023 net pension liability, which was based on a measurement date of June 30, 2023.

For the year September 30, 2023, the City recognized pension expense of \$114,701. At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to the pensions from the following sources:

A. Governmental Activities:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 36,708	\$ 3,718
Net Difference between projected and actual earnings on pension plan investments	224,864	221,079
Changes of assumptions	133,480	655
Net difference between projected and actual earnings on pension plan investments	(199,078)	(98,108)
Employers contributions subsequent to the measurement date	70,200	7,744
Total	<u>\$ 266,174</u>	<u>\$ 135,088</u>

TOWN OF EDWARDS, MISSISSIPPI
Notes to the Financial Statements
September 30, 2023

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

B. Business Activities:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,244	\$ 531
Net Difference between projected and actual earnings on pension plan investments	32,123	31,583
Changes of assumptions	19,069	94
Net difference between projected and actual earnings on pension plan investments	(28,440)	(14,016)
Employers contributions subsequent to the measurement date	10,029	1,106
Total	<u>\$ 38,025</u>	<u>\$ 19,298</u>

\$304,199 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year ended September 30</u>	<u>Amount</u>
2024	\$ 21,638
2025	21,638
2026	12,767
Total	<u>\$ 56,043</u>

C. Actuarial assumptions.

Discount rate. The discount rate used to measure the total pension liability was 7.00%. 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.

TOWN OF EDWARDS, MISSISSIPPI
Notes to the Financial Statements
September 30, 2023

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

Sensitivity of the net pension liability to change in the discount rate. Sensitivity of the Town's proportionate share of the net pension liability to changes in the discount rate. The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.55%, as well as what the Town'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 (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Town's proportionate share of net pension liability	\$ 1,167,598	\$ 905,448	\$ 690

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

D. Schedule of Assumptions

The total pension liability in the September 30, 2023 was determined by an actuarial valuation prepared as of June 30, 2022, and by the investment experience for fiscal year ending June 30, 2023. The following actuarial assumptions are applied to all periods included in the measurement:

<u>Schedule of Assumptions</u>	<u>Municipal Pension</u>
Inflation	2.40%
Salary increases	2.65 - 17.90%, including inflation
Investment rate of return	7.00%, 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 age 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 PubG.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, 2018 to June 30, 2022. The experience report is dated April 21, 2023.

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.

TOWN OF EDWARDS, MISSISSIPPI
Notes to the Financial Statements
September 30, 2023

NOTE 8 - DEFINED BENEFIT PENSION PLAN (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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	27.00%	4.75%
International Equity	22.00	4.75
Global Equity	12.00	4.95
Fixed Income	20.00	1.75
Real Assets	10.00	3.25
Private Equity	8.00	6.00
Cash Equivalents	1.00	0.25
Total	100.00%	

NOTE 9 - GASB 54 FUND BALANCE PRESENTATION - CLASSIFICATION TOTAL

The Town has implemented GASB Statement 54, as such, the fund balances of the governmental funds are classified by specific purposes as follows:

Restricted - amounts that can be spent for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Unassigned - amounts that have not been restricted, committed, or assigned to specific purposes 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.

The following is a classification of governmental funds fund balances by specific purpose at September 30, 2023:

Fund Balances:	General Fund	Nonmajor funds	Total
Restricted for:			
Public safety	\$ -	\$ 357,297	\$ 357,297
Unassigned:			
Other purposes	46,081	-	46,081
Total Fund Balances	<u>\$ 46,081</u>	<u>\$ 357,297</u>	<u>\$ 403,378</u>

TOWN OF EDWARDS, MISSISSIPPI
Notes to the Financial Statements
September 30, 2023

NOTE 10 - COMPENSATION OF ELECTED AND OR APPOINTED OFFICIALS

Per diem payments to the Board of Aldermen and salaries paid to the Mayor for the year ended September 30, 2023 were as follows:

<u>Name of Elected and or Appointed Official</u>	<u>Position</u>	<u>Amount</u>
LeKentric Caston	Mayor	\$ 7,800
Tommie L. Brown, Jr.	Alderman, Ward 1	4,800
Kedra Williams-Pope	Alderwoman, Ward 2	4,800
Carolyn E. Glin	Alderwoman, Ward 3	4,800
Wilson "Larry" Jones	Alderman, Ward 4	4,800
Derick Keyon Clark	Alderman, At-Large	4,800
Willie Jean White	Town Clerk	39,700
Arkamia Hunter	Deputy Clerk	26,146
Terrence Crump	Police Chief	36,400
Maurice German	Water/Maintenance	20,800

NOTE 11 - COMMITMENTS AND CONTINGENCIES

Federal Grants

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

NOTE 12 - RESERVED FUND BALANCES AND RETAINED EARNINGS

Various bond covenants require the Town 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 13 - RISK MANAGEMENT

The Town 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.

TOWN OF EDWARDS, MISSISSIPPI
Notes to the Financial Statements
September 30, 2023

NOTE 14 - PROPERTY TAXES RECEIVABLE AND PROPERTY TAX CALENDAR

Property taxes receivable are recorded in the general fund after the general fund budget is approved by the Board of Aldermen/Alderwomen. 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. Hinds County bill and collect the real, personal, and ad valorem taxes for the Town of Edwards, Mississippi. The taxes are remitted to the Town 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 received February through May, are recognized as revenue in the year received. Delinquent tax payments, received throughout the year, are recognized as revenue in the year received.

NOTE 15 - EFFECT OF DEFERRED AMOUNTS ON NET POSITION

The unrestricted net position amount of \$80,780 includes the effect of deferring the recognition of expenses resulting from a deferred outflow from pensions. The \$304,199 balance of deferred outflow of resources, at September 30, 2023 will be recognized as an expense and will decrease the unrestricted net position over the next 4 years.

The unrestricted net position amount of \$80,780 includes the effect of deferring the recognition of revenues resulting from a deferred inflow from pensions. The \$154,386 balance of deferred inflow of resources at September 30, 2023 will be recognized as revenue and will increase the unrestricted net position over the next 4 years.

NOTE 16 - 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 Town of Edwards, Mississippi has evaluated the activity of the Organization through January 22, 2024, which is the date the financial statements are available to be issued.

NOTE 17 - COVID-19 FINANCIAL STATEMENT IMPACTS

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

TOWN OF EDWARDS, MISSISSIPPI
Notes to the Financial Statements
September 30, 2023

NOTE 18 - NEW ACCOUNTING PRONOUNCEMENTS

A. In fiscal year 2023, the Town implemented the following GASB Statements:

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

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

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

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

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

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

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

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF EDWARDS, MISSISSIPPI
Required Supplementary Information
Schedule of the Town's Proportionate Share of the Net Pension Liability
PERS

Last 10 Fiscal Years*
September 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town's proportion of the net pension liability (asset)	\$ 905,448	\$ 818,200	\$ 547,911	\$ 692,659	\$ 656,708	\$ 610,596	\$ 582,337	\$ 509,581	\$ 126,138
Town's proportionate share of the net pension liability (asset)	0.003600%	0.003975%	0.003707%	0.003578%	0.003733%	0.003671%	0.003503%	0.001578%	0.000816%
Town's covered-employee payroll	257,704	261,617	264,633	232,409	240,106	238,790	227,150	153,978	44,641
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	351.35 %	312.75 %	207.05 %	298.03 %	273.51 %	255.70 %	256.37 %	330.94 %	282.56 %
Plan fiduciary net position as a percentage of the total pension liability	55.70 %	59.93 %	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, 2023, and, until a full 10-year trend is compiled, the Town 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.

Town of Edwards, Mississippi
Required Supplementary Information
Schedule of the Town's Contributions
PERS

Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required Contribution	\$ 44,840	\$ 45,452	\$ 46,046	\$ 40,377	\$ 38,809	\$ 37,610	\$ 35,776	\$ 24,251	\$ 7,030
Contribution in relation to the contractually required contribution	44,840	45,452	46,046	40,377	38,809	37,610	35,776	24,251	7,030
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered-employee payroll	\$ 257,704	\$ 261,617	\$ 264,633	\$ 232,049	\$ 240,106	\$ 238,790	\$ 227,150	\$ 153,978	\$ 44,641
Contributions as a percentage of covered-employee payroll	17.40%	17.40%	17.40%	17.40%	15.75%	15.75%	15.75%	15.75%	15.75%

This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB 68 was implemented in the fiscal year ended September 30, 2023, and, until a full 10-year trend is compiled, the Agency has only presented information for the years in which information is available.

*

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

TOWN OF EDWARDS, MISSISSIPPI
Nonmajor Governmental Funds
September 30, 2023

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 expenditures 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.

Fire Protection Fund - This fund is used to account for state fire insurance premium refunds which are legally restricted for use in fire protection.

Small Municipal and Limited Population County Grant Program (SMLPC) - This fund is used to account for state grant funds received from the Mississippi Development Authority.

SCHEDULE A

TOWN OF EDWARDS, MISSISSIPPI
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2023

	<u>Fire Fund</u>	<u>Small Municipality Fund</u>	<u>Total</u>
ASSETS			
Cash	\$ 103,705	284,944	\$ 388,649
TOTAL ASSETS	<u>\$ 103,705</u>	<u>284,944</u>	<u>\$ 388,649</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payables	\$ 45	31,307	\$ 31,352
Total Liabilities	<u>45</u>	<u>31,307</u>	<u>31,352</u>
Fund Balances:			
Restricted	<u>103,660</u>	<u>253,637</u>	<u>357,297</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 103,705</u>	<u>284,944</u>	<u>\$ 388,649</u>

SCHEDULE B

TOWN OF EDWARDS, MISSISSIPPI
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended September 30, 2023

	Fire Fund	Small Municipality Fund	Total
Revenues			
Intergovernmental revenues	\$ 11,568	350,000	\$ 361,568
Total Revenues	<u>11,568</u>	<u>350,000</u>	<u>361,568</u>
Expenditures			
Public safety	528	-	528
Public works	-	24	24
Capital Outlay	<u>-</u>	<u>196,339</u>	<u>196,339</u>
Total Expenditures	<u>528</u>	<u>196,363</u>	<u>196,891</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>11,040</u>	<u>153,637</u>	<u>164,677</u>
Net Change in Fund Balance	11,040	153,637	164,677
Fund Balance, October 1, 2022	<u>92,620</u>	<u>100,000</u>	<u>192,620</u>
Fund Balance, September 30, 2023	<u>\$ 103,660</u>	<u>253,637</u>	<u>\$ 357,297</u>

SCHEDULE C

TOWN OF EDWARDS, MISSISSIPPI
Schedule of Surety Bonds for Municipal Officials
September 30, 2023

<u>Name</u>	<u>Position</u>	<u>Bonding Company</u>	<u>Bond Amount</u>
LeKentric Caston	Mayor	St. Paul Travelers	\$ 25,000
Wilson "Larry" Jones	Alderman	St. Paul Travelers	25,000
Tommy L. Brown, Jr.	Alderman	St. Paul Travelers	25,000
Derick Keyon Clark	Alderman	St. Paul Travelers	25,000
Kedra Williams-Pope	Alderwoman	St. Paul Travelers	25,000
Carolyn E. Glin	Alderwoman	St. Paul Travelers	25,000
Willie Jean White	City Clerk/Court Clerk	St. Paul Travelers	100,000
Arkamia Hunter	Deputy Clerk/Deputy Court Clerk	St. Paul Travelers	100,000
Terrence Crump	Police Chief	St. Paul Travelers	50,000

REPORTS ON INTERNAL CONTROL AND COMPLIANCE



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

The Honorable Mayor LeKentric Caston
and Honorable Members of the Board of Aldermen
Town of Edwards, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Edwards, Mississippi (the Town), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Edwards, Mississippi's basic financial statements and have issued our report thereon dated January 22, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Edwards, Mississippi's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Edwards, Mississippi's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Edwards, Mississippi's internal control.

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

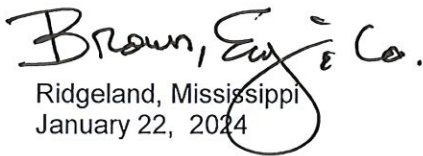
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Edwards, Mississippi's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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
January 22, 2024



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

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

To the Honorable Mayor LeKentric Caston
and Honorable Members of the Board of Aldermen
Town of Edwards, 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 Town of Edwards, Mississippi (the Town) as of and for the year ended September 30, 2023, which collectively comprise the Town's basic financial statements and have issued our report thereon dated January 22, 2024. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

As required by the state legal compliance audit program prescribed by the Office of the State Auditor, we have also performed procedures to test compliance with certain state laws and regulations. However, providing an opinion on compliance with state laws and regulations was not an objective of our audit and, accordingly, we do not express such an opinion.

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

This report is intended solely for the information of the Mayor, Board of Aldermen, management, and federal awarding agencies and pass-through entities and is not intended to be, and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Brown, Ewing & Co.
Ridgeland, Mississippi
January 22, 2024

TOWN OF EDWARDS, MISSISSIPPI
Statement of Legal Debt Limit
September 30, 2023

Authorized Debt Limit Percent Rule

Authorized Debt Limit Percent	15%	20%
2023 Tax Roll Estimation	\$ 6,702,371	\$ 6,702,371
Less: Homestead Exemption	<u>(17,070)</u>	<u>(17,070)</u>
Net 2023 Estimation Tax Roll	<u>\$ 6,685,301</u>	<u>\$ 6,685,301</u>
Assessed Valuation under respective debt limit	\$ 1,002,795	\$ 1,337,060
Less: All Bonded Indebtness	<u>(10,255)</u>	<u>(10,255)</u>
Deduct: Authorized Exemptions		
Water/Sewer Revenue Bonds	<u>(10,255)</u>	<u>(10,255)</u>
Margin for further debt under respective debt limits	<u>\$ 1,002,795</u>	<u>\$ 1,337,060</u>

Section 21-33-303 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 evidence 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.

TOWN OF EDWARDS, MISSISSIPPI
Schedule of Long-Term Debt
September 30, 2023

			Balance Outstanding Oct. 1, 2022	During Fiscal Year		Balance Outstanding Sept. 30, 2023
	Authorized	Issued		Additions	Retired	
<u>General Government:</u>						
Notes payable	\$ 133,250	133,250	35,376	-	35,376	\$ -
<u>Proprietary:</u>						
Revenue Bonds						
91-04 Revenue Bond	168,500	168,500	20,842	-	20,842	-
Total Revenue Bonds	168,500	168,500	20,842	-	20,842	-
Other Long-term Debt						
CAP loan (MDA)	87,751	87,751	58,803	-	58,803	-
Total Other Long-Term Debt	87,751	87,751	58,803	-	58,803	-
Total Long-Term Debt	\$ 389,501	389,501	115,021	-	115,021	\$ -