

## OFFICE OF THE STATE AUDITOR REPORT NOTE:

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

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

**TOWN OF LEAKESVILLE, MISSISSIPPI**  
**FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

## TOWN OF LEAKESVILLE

### TABLE OF CONTENTS

FINANCIAL SECTION.....	1
INDEPENDENT AUDITORS' REPORT.....	2-3
FINANCIAL STATEMENTS .....	4
Statement of Activities and Net Position – Cash Basis .....	5-6
Statement of Cash Basis Assets and Fund Balances and Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances – Governmental and Business-type Funds .....	7-9
Notes to Financial Statements .....	10-13
OTHER INFORMATION .....	14
Budgetary Comparison Schedule - Budget and Actual (Non-GAAP Basis) General Fund.....	15
Fire Rebate Fund.....	16
Schedule of Changes in Long-term Debt .....	17
Schedule of Surety Bonds for Municipal Officials and Employees .....	18
Schedule of Capital Assets .....	19
Notes to the Other Information .....	20
SPECIAL REPORT.....	21
Independent Auditors' Report on Compliance with State Laws and Regulations.....	22-23

**TOWN OF LEAKESVILLE**

**FINANCIAL SECTION**

# Windham and Lacey, PLLC

## *Certified Public Accountants*

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2708 Old Brandon Road  
Pearl, MS 39208  
(601)939-8676 Fax (601)939-8761  
windhamandlacey.com

P. O. Box 759  
Crystal Springs, MS 39059  
(601)892-4001 Fax (601)892-5978

Members:  
American Institute of CPAs  
Mississippi Society of CPAs

### **INDEPENDENT AUDITORS' REPORT**

Honorable Mayor and  
Members of the Board of Aldermen  
Town of Leakesville, Mississippi

#### **Opinion**

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 Leakesville, Mississippi, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Leakesville, Mississippi's cash basis financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Leakesville, Mississippi, as of September 30, 2021, and the respective changes in cash basis financial position thereof for the year then ended in accordance with cash basis of accounting.

#### **Basis for Opinion**

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Leakesville, 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 opinion.

#### **Emphasis of Matter**

As discussed in Note 1, the Town of Leakesville, Mississippi, prepares its financial statements on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with cash basis of accounting, 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 Leakesville, 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.

## Auditors' 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 auditors' report that includes our opinion. 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:

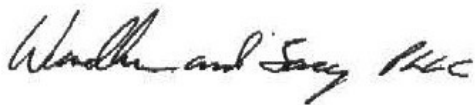
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, 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 Leakesville, 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 Leakesville, 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.

## Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Budgetary Comparison Schedules, the Schedule of Changes in Long-term Debt, the Schedule of Surety Bonds for Municipal Officials and Employees, and the Schedule of Capital Assets for the Town of Leakesville, Mississippi, and corresponding notes but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



Windham and Lacey, PLLC  
November 30, 2023

**TOWN OF LEAKESVILLE**

**FINANCIAL STATEMENTS**

**TOWN OF LEAKESVILLE**  
**Statement of Activities and Net Position - Cash Basis**  
**As of and for the Year Ended September 30, 2021**

	Cash Disbursements	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets		
		Fees, Fines & Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Functions/Programs</b>							
Governmental Activities:							
General government	\$ 341,301	12,074	61,315		(267,912)		(267,912)
Public safety	141,741		8,882		(132,859)		(132,859)
Public works	935,639				(935,639)		(935,639)
Culture and recreation	107,272				(107,272)		(107,272)
Interest on long-term debt	15,765				(15,765)		(15,765)
Total Governmental Activities	1,541,718	12,074	70,197	0	(1,459,447)	0	(1,459,447)
Business-type Activities:							
Water/Sewer	1,199,222	1,107,665				(91,557)	(91,557)
Total Business-type Activities	1,199,222	1,107,665	0	0	0	(91,557)	(91,557)
Total Government	\$ 2,740,940	1,119,739	70,197	0	(1,459,447)	(91,557)	(1,551,004)
General Receipts							
Taxes:							
Property taxes					\$ 206,708		206,708
Road & bridge privilege taxes					71,980		71,980
Sales tax					459,954		459,954
Franchise taxes					62,325		62,325
Unrestricted investment income					491	192	683
Loan proceeds					602,086		602,086
Miscellaneous					216,064		216,064
Transfers					(59,204)	59,204	
Total General Receipts					1,560,404	59,396	1,619,800
Change in Net Position					100,957	(32,161)	68,796
Net Position - Beginning					80,857	72,581	153,438
Net Position - Ending					\$ 181,814	40,420	222,234

(Continued)



**TOWN OF LEAKESVILLE**  
**Statement of Activities and Net Position - Cash Basis**  
**As of and for the Year Ended September 30, 2021**

**ASSETS**

Cash and cash equivalents	\$	106,162
Restricted cash		<u>116,072</u>
Total Assets	\$	<u><u>222,234</u></u>

**NET POSITION**

Restricted:		
Restricted for debt service	\$	59,829
Restricted for public safety		49,078
Restricted for meter deposits		7,165
Unrestricted		<u>106,162</u>
Total Net Position	\$	<u><u>222,234</u></u>

The notes to the financial statements are an integral part of this statement.

**TOWN OF LEAKESVILLE**  
**Statement of Cash Basis Assets and Fund Balances and**  
**Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances**  
**Governmental and Business-type Funds**  
**As of and for the Year Ended September 30, 2021**

	<u>Governmental Activities</u>				<u>Business-type Activities</u>		
	<u>Major Funds</u>		<u>Non-Major Funds</u>	<u>Total</u>	<u>Major Fund</u>	<u>Non-Major Funds</u>	<u>Total</u>
	<u>General Fund</u>	<u>Fire Rebate Fund</u>	<u>Other Funds</u>		<u>Water/Sewer Fund</u>	<u>Other Funds</u>	
<b>RECEIPTS</b>							
Ad valorem taxes	\$ 206,708			206,708			
Road and bridge tax	71,980			71,980			
License and permits	6,693			6,693			
Franchise taxes on utilities	62,325			62,325			
Intergovernmental revenues:							
Homestead exemption reimbursement	13,595			13,595			
State shared revenues:							
Sales taxes	459,954			459,954			
Gasoline tax	2,750			2,750			
Municipal aid	448			448			
MS Infrastructure Modernization Act of 2018	44,522			44,522			
Local shared revenues:							
County fire insurance rebate		8,882		8,882			
Charges for services:							
Garbage					84,999		84,999
Water and sewer utility					1,022,666		1,022,666
Fines and forfeits	5,381			5,381			
Interest income	340	151		491	192		192
Miscellaneous revenue	216,064			216,064			
Total Receipts	<u>1,090,760</u>	<u>9,033</u>	<u>0</u>	<u>1,099,793</u>	<u>1,107,857</u>	<u>0</u>	<u>1,107,857</u>

(Continued)

**TOWN OF LEAKESVILLE**  
**Statement of Cash Basis Assets and Fund Balances and**  
**Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances**  
**Governmental and Business-type Funds**  
**As of and for the Year Ended September 30, 2021**

	<b>Governmental Activities</b>				<b>Business-type Activities</b>		
	<b>Major Funds</b>		<b>Non-Major Funds</b>		<b>Major Fund</b>	<b>Non-Major Funds</b>	<b>Total</b>
	<b>General Fund</b>	<b>Fire Rebate Fund</b>	<b>Other Funds</b>	<b>Total</b>	<b>Water/Sewer Fund</b>	<b>Other Funds</b>	
<b>DISBURSEMENTS</b>							
General government	309,694			309,694			
Public safety	139,367	2,374		141,741			
Public works	912,534			912,534			
Culture and recreation	96,344			96,344			
Water and sewer utility:							
Personal services					146,583		146,583
Supplies					121,039		121,039
Utilities					100,425		100,425
Other services and charges					596,752		596,752
Total Disbursements	<u>1,457,939</u>	<u>2,374</u>	<u>0</u>	<u>1,460,313</u>	<u>964,799</u>	<u>0</u>	<u>964,799</u>
Excess of Receipts Over (Under) Disbursements	<u>(367,179)</u>	<u>6,659</u>	<u>0</u>	<u>(360,520)</u>	<u>143,058</u>	<u>0</u>	<u>143,058</u>
<b>OTHER CASH SOURCES (USES)</b>							
Loan proceeds	602,086			602,086			
Capital outlay	(13,893)			(13,893)	(60,670)		(60,670)
Principal paid on bonds and notes	(51,747)			(51,747)	(108,202)		(108,202)
Interest paid on bonds and notes	(15,765)			(15,765)	(65,551)		(65,551)
Transfers in (out) from other funds	(59,954)	750		(59,204)	59,204		59,204
Total Other Cash Sources and (Uses)	<u>460,727</u>	<u>750</u>	<u>0</u>	<u>461,477</u>	<u>(175,219)</u>	<u>0</u>	<u>(175,219)</u>

(Continued)

**TOWN OF LEAKESVILLE**  
**Statement of Cash Basis Assets and Fund Balances and**  
**Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances**  
**Governmental and Business-type Funds**  
**As of and for the Year Ended September 30, 2021**

	<u>Governmental Activities</u>				<u>Business-type Activities</u>		
	<u>Major Funds</u>		<u>Non-Major Funds</u>		<u>Major Fund</u>	<u>Non-Major Funds</u>	
	<u>General Fund</u>	<u>Fire Rebate Fund</u>	<u>Other Funds</u>	<u>Total</u>	<u>Water/Sewer Fund</u>	<u>Other Funds</u>	<u>Total</u>
Excess (Deficiency) of Receipts and Other Cash Sources Over Disbursements and Other Cash Uses	93,548	7,409	0	100,957	(32,161)	0	(32,161)
<b>CASH BASIS FUND BALANCE - Beginning of Year</b>	<u>39,188</u>	<u>41,600</u>	<u>69</u>	<u>80,857</u>	<u>72,565</u>	<u>16</u>	<u>72,581</u>
<b>CASH BASIS FUND BALANCE - End of Year</b>	<u>\$ 132,736</u>	<u>49,009</u>	<u>69</u>	<u>181,814</u>	<u>40,404</u>	<u>16</u>	<u>40,420</u>
<b>CASH BASIS ASSETS - End of Year</b>							
Cash and cash equivalents	\$ 132,736			132,736	(26,590)	16	(26,574)
Restricted cash		<u>49,009</u>	<u>69</u>	<u>49,078</u>	<u>66,994</u>		<u>66,994</u>
Total Cash Basis Assets	<u>\$ 132,736</u>	<u>49,009</u>	<u>69</u>	<u>181,814</u>	<u>40,404</u>	<u>16</u>	<u>40,420</u>
<b>CASH BASIS FUND BALANCES - End of Year</b>							
Restricted:							
Restricted for debt service	\$				59,829		59,829
Restricted for public safety		49,009	69	49,078			
Restricted for meter deposits					7,165		7,165
Unassigned	<u>132,736</u>			<u>132,736</u>	<u>(26,590)</u>	<u>16</u>	<u>(26,574)</u>
Total Cash Basis Fund Balances	<u>\$ 132,736</u>	<u>49,009</u>	<u>69</u>	<u>181,814</u>	<u>40,404</u>	<u>16</u>	<u>40,420</u>

The notes to the financial statements are an integral part of this statement.

## TOWN OF LEAKESVILLE

### Notes to Financial Statements For the Year Ended September 30, 2021

(1) Summary of Significant Accounting Policies.

A. Financial Reporting Entity.

The Town operates under an alderman/mayor form of government and provides all of the rights and privileges provided by statute for municipalities.

The financial statements of the Town have been prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

B. Government-wide and Fund Financial Statements.

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Town combines the Statement of Activities and Statement of Net Position.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct disbursements* are those that are clearly identifiable with a specific function or segment. *Program receipts* include (1) receipts from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program receipts are reported instead as *general receipts*.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation.

The government-wide financial statements are reported using the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when collected and expenditures are recorded when cash is spent.

Governmental fund financial statements are reported using the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recognized as soon as they are collected. Expenditures generally are recorded when cash is spent.

The Town reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *fire rebate fund* is a special revenue fund which accounts for special revenue to be used for capital expenditures and operating expenditures of the Town's fire department.

The Town reports the following major proprietary fund:

The *water/sewer fund* accounts for the activities of the water and sewer system.

## TOWN OF LEAKESVILLE

### Notes to Financial Statements For the Year Ended September 30, 2021

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program receipts* include (1) receipts from customers or applicants for goods, services or privileges provided, (2) operating grants and contributions and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general receipts* rather than as program receipts.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

#### D. Assets and Net Position or Equity.

##### 1. *Cash.*

The government's cash and cash equivalents are considered to be cash on hand.

##### 2. *Net Position.*

Restricted net position - Consists of cash with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or law through constitutional provisions or enabling legislation.

Unrestricted net position - All other net assets not meeting the definition of "restricted".

##### 3. *Fund Balances.*

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the Town classifies governmental fund balances as follows:

**Restricted** - Includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

**Unassigned** - Includes positive fund balance with the General Fund which has not been classified within the abovementioned categories and negative fund balances in other governmental funds.

The Town uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the Town would first use committed, then assigned, and lastly, unassigned amounts of unrestricted fund balance when expenditures are made.

#### (2) Cash and Cash Equivalents.

At year-end, the Town's carrying amount of deposits was \$222,234 and the bank balance was \$231,831. The collateral for public entities' deposits in financial institutions are held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Depository Insurance Corporation.

## **TOWN OF LEAKESVILLE**

### **Notes to Financial Statements For the Year Ended September 30, 2021**

**Custodial Credit Risk - Deposits and Investments:** 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 institution trust department or agent in the name of the Mississippi State Treasury on behalf of the Town. As of September 30, 2021, none of the Town's bank balance of \$231,831 was exposed to custodial risk.

**Interest Rate Risk:** The Town does not have a formal investment policy that limits investments 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.

#### **(3) Defined Benefit Pension Plan.**

**Plan Description:** The Town of Leakesville contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to Public Employees' Retirement System, PERS Building, at 429 Mississippi Street, Jackson, MS 39201-1005 or by calling (601) 359-3589 or 1-800-444-PERS.

**Funding Policy:** PERS members are required to contribute 9.00% of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The current rate is 17.40% of annual covered payroll. The contribution requirements of PERS' members are established and may be amended only by the State of Mississippi Legislature. The Town's contributions to PERS for the years ended September 30, 2021, 2020, and 2019 were \$38,662, \$57,319, and \$54,741, respectively, which is equal to the required contributions for each year.

#### **(4) Significant Agreements with Outside Parties.**

**Interlocal Cooperation Agreement with Greene County, Mississippi, and joined by the Sheriff of Greene County, Mississippi, for police protection and law enforcement services for the Town of Leakesville Mississippi.**

The Town of Leakesville entered into an interlocal cooperation agreement on August 6, 2020 with Greene County and joined by the Sheriff of Greene County for police protection and law enforcement services. The effective date of the agreement is the date of approval by the Attorney General of the State of Mississippi. The Attorney General of the State of Mississippi approved the agreement by letter dated September 23, 2020. The Town of Leakesville swore in the Greene County Sheriff as Police Chief of Leakesville Mississippi on October 6, 2020. The agreement abolished the Police Department. All useable police equipment was transferred to the Greene County Sheriff's Department. All obsolete police equipment was disposed of.

## TOWN OF LEAKESVILLE

### Notes to Financial Statements For the Year Ended September 30, 2021

Management, operations and/or maintenance of the Town of Leakesville Mississippi Water and Wastewater Facilities Agreement.

The Town of Leakesville, Mississippi entered into a 5-year agreement for management, operations and/or maintenance of the Town of Leakesville Mississippi Water and Wastewater Facilities with Maintenance Systems, Incorporated, a Mississippi corporation. The terms of the agreement follow: Five years commencing on March 1, 2021 and expiring on February 28, 2026. The base compensation in first year agreement is \$424,300.00 to be paid in even monthly installments. Included in this agreement are annual adjustments and exceptional condition services. The scope of services provided are for management, operations and/or maintenance of the facilities but not the management of collections of revenue and/or the expenditures for services and charges for the Town of Leakesville, Mississippi Water and Sewer Utility Fund.

(5) Subsequent Events.

Events that occur after the Statement of Activities and Net Position - Cash Basis 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 Activities and Net Position - Cash Basis date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Activities and Net Position - Cash Basis date require disclosure in the accompanying notes. Management of the Town of Leakesville evaluated the activity of the Town through November 30, 2023, and determined that the following events occurred subsequent to the Statement of Activities Net Position - Cash Basis date, requiring disclosure in the notes to the financial statements:

<u>Issue Date</u>	<u>Interest Rate</u>	<u>Issue Amount</u>	<u>Type of Financing</u>	<u>Source of Financing</u>
04/01/2022	2.65%	\$ 50,124	Promissory note	Ad valorem taxes
04/28/2022	4.79%	\$ 107,568	Lease purchase	Ad valorem taxes



**TOWN OF LEAKESVILLE**

**OTHER INFORMATION**

**TOWN OF LEAKESVILLE**  
**Budgetary Comparison Schedule -**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended September 30, 2021 - UNAUDITED**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUE</b>				
License & permits	\$ 3,200	6,693	6,693	
State shared revenues	407,100	521,269	521,269	
Fines & forfeits	10,000	5,381	5,381	
Miscellaneous revenues	81,350	278,729	278,729	
Tax levy	232,700	278,688	278,688	
Total Revenue	<u>734,350</u>	<u>1,090,760</u>	<u>1,090,760</u>	<u>0</u>
<b>EXPENDITURES</b>				
Court	47,875	101,722	101,722	
Executive	49,700	49,670	49,670	
Financial administrative	136,415	158,302	158,302	
Police	123,000	125,851	125,851	
Fire	12,300	13,516	13,516	
Street	310,388	912,534	912,534	
Park and recreation	33,600	51,523	51,523	
Library	13,750	44,821	44,821	
Total Expenditures	<u>727,028</u>	<u>1,457,939</u>	<u>1,457,939</u>	<u>0</u>
Excess of Revenue				
Over (Under) Expenditures	<u>7,322</u>	<u>(367,179)</u>	<u>(367,179)</u>	<u>0</u>
<b>OTHER CASH SOURCES (USES)</b>				
Capital outlay - equipment		(2,965)	(2,965)	
Capital outlay - CIP		(10,928)	(10,928)	
Loan proceeds		602,086	602,086	
Principal paid on bonds and notes		(51,747)	(51,747)	
Interest paid on bonds and notes		(15,765)	(15,765)	
Transfers in (out) from other funds	112,000	(59,954)	(59,954)	
Total Other Cash Sources and (Uses)	<u>112,000</u>	<u>460,727</u>	<u>460,727</u>	<u>0</u>
Net Change in Cash Basis Fund Balance	119,322	93,548	93,548	0
Cash Basis Fund Balances - Beginning	<u>39,188</u>	<u>39,188</u>	<u>39,188</u>	<u>0</u>
Cash Basis Fund Balances - Ending	<u>\$ 158,510</u>	<u>132,736</u>	<u>132,736</u>	<u>0</u>

The accompanying notes to the other information are an integral part of this schedule.

**TOWN OF LEAKESVILLE**  
**Budgetary Comparison Schedule -**  
**Budget and Actual**  
**Fire Rebate Fund**  
**For the Year Ended September 30, 2021 - UNAUDITED**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUE</b>				
State shared revenues	\$ 5,500			
Local shared government revenues	9,000	8,882	8,882	
Interest income	150	151	151	
Miscellaneous	110			
Total Revenue	<u>14,760</u>	<u>9,033</u>	<u>9,033</u>	<u>0</u>
<b>EXPENDITURES</b>				
Public safety	1,760	2,374	2,374	
Other	100			
Total Expenditures	<u>1,860</u>	<u>2,374</u>	<u>2,374</u>	<u>0</u>
Excess of Revenue Over (Under) Expenditures	<u>12,900</u>	<u>6,659</u>	<u>6,659</u>	<u>0</u>
<b>OTHER CASH SOURCES (USES)</b>				
Transfer in	100	750	750	
Transfer out	(100)			
Capital outlay - equipment	(100)			
Total Other Cash Sources and Uses	<u>(100)</u>	<u>750</u>	<u>750</u>	<u>0</u>
Net Change in Cash Basis Fund Balance	12,800	7,409	7,409	0
Cash Basis Fund Balances - Beginning	<u>41,600</u>	<u>41,600</u>	<u>41,600</u>	<u>0</u>
Cash Basis Fund Balances - Ending	<u>\$ 54,400</u>	<u>49,009</u>	<u>49,009</u>	<u>0</u>

The accompanying notes to the other information are an integral part of this schedule.

**TOWN OF LEAKESVILLE**  
**Schedule of Changes in Long-term Debt**  
**For the Year Ended September 30, 2021 - UNAUDITED**

<b>Description</b>	<b>Outstanding Balance Oct. 1, 2020</b>	<b>Additions</b>	<b>Redeemed</b>	<b>Outstanding Balance Sept. 30, 2021</b>
Long-term Debt				
Governmental Fund Debt:				
General obligation street improvement bond, Series 2011, No. 9712	\$ 321,921		23,391	298,530
Hancock Bank lease purchase - backhoe	84,512		15,861	68,651
Community Bank ballfield loan	18,969		7,469	11,500
Lawn mower 2020, lease No. 1	7,368		2,513	4,855
Lawn mower 2020, lease No. 2	7,368		2,513	4,855
First State Bank - note in anticipation of federal grant or loan		602,086		602,086
Enterprise Fund Debt:				
Capital improvement loan, No. 357	86,728		28,448	58,280
Combined water and sewer system revenue bonds, No. 9107	116,245		4,056	112,189
Combined water and sewer system junior lien revenue bonds, No. 9210	950,058		23,717	926,341
Capital improvement loan, No. 50731	359,077		19,151	339,926
MDEQ WPCRLF Program - Waste Water Treatment Facility	760,044		32,830	727,214
Compensated Absences Payable - Governmental and Enterprise	3,448	75		3,523
Total	\$ 2,715,738	602,161	159,949	3,157,950

**TOWN OF LEAKESVILLE**  
**Schedule of Surety Bonds for Municipal Officials and Employees**  
**September 30, 2021 - UNAUDITED**

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Bond Amount</u>
Joe Bullard	Alderman	Travelers	\$50,000
Richard Hale	Alderman	Travelers	\$50,000
William Melbourne Williams, Jr.	Alderman	Travelers	\$50,000
Willie J. Burley	Alderman	Travelers	\$50,000
Jennifer Karen Smith	Alderwoman	Travelers	\$50,000
David A. West	Mayor	Travelers	\$50,000
Rex Garretson	Town Clerk	Travelers	\$50,000
Mary Washington	Deputy Clerk	Travelers	\$50,000
Debra Lankford	Court Clerk	Travelers	\$50,000
Ramona Smith	Water Billing Clerk	Travelers	\$50,000

**TOWN OF LEAKESVILLE**  
**Schedule of Capital Assets**  
**For the Year Ended September 30, 2021 - UNAUDITED**

	<b><u>Beginning Balance</u></b>	<b><u>Increases</u></b>	<b><u>Decreases</u></b>	<b><u>Ending Balance</u></b>
Governmental Activities				
Capital Assets:				
Land	\$ 96,300			96,300
Buildings	263,763			263,763
Recreation improvements	699,406			699,406
Street improvements	217,257			217,257
Machinery, equipment, and vehicles	932,228	2,965	148,630	786,563
CIP - parks and recreation	<u>10,928</u>	<u>10,928</u>		<u>10,928</u>
Total Governmental Activities Capital Assets	<u>\$ 2,208,954</u>	<u>13,893</u>	<u>148,630</u>	<u>2,074,217</u>
Business-type Activities				
Capital Assets:				
Machinery, equipment, and vehicles	\$ 78,453			78,453
Water tanks, treatment plants, and lines	4,897,406			4,897,406
Water improvements	1,026,377			1,026,377
Sewer improvements	2,398,182			2,398,182
Wastewater treatment facility	801,872			801,872
CIP - water lines and treatment facility	<u>60,670</u>	<u>60,670</u>		<u>60,670</u>
Total Business-type Activities Capital Assets	<u>\$ 9,202,290</u>	<u>60,670</u>	<u>0</u>	<u>9,262,960</u>

**TOWN OF LEAKESVILLE**

**Notes to the Other Information  
For the Year Ended September 30, 2021  
UNAUDITED**

**A. Budgetary Information.**

Generally, in the month of August, prior to the ensuing fiscal year beginning each October 1, the Board of Aldermen of the Town, using historical and anticipated fiscal data, prepares an original budget for the General Fund for said fiscal year. The completed budget for the fiscal year includes every source of revenue, each general item of expenditure, and the unencumbered cash and investment balances. When during the fiscal year it appears to the Board of Aldermen that budgetary estimates will not be met, it may make revisions to the budget.

The Town's budget is prepared on the cash basis of accounting. All appropriations lapse at year-end, and there are no encumbrances to budget because state law does not require that funds be available when goods or services are ordered, only when payment is made.

**B. Basis of Presentation.**

The Budgetary Comparison Schedule - Budget and Actual (Non-GAAP Basis) presents the original adopted budget, the final adopted budget, actual amounts on a budgetary (Non-GAAP) basis and variances between the final budget and the actual amounts. The schedule is presented for the General Fund and Fire Rebate Fund.

**C. Budget Reconciliation.**

As discussed in Note 1, the financial statements are prepared on the basis of cash receipts and disbursements which is the same as the basis used for budget preparation.

**TOWN OF LEAKESVILLE**

**SPECIAL REPORT**



# Windham and Lacey, PLLC

## *Certified Public Accountants*

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2708 Old Brandon Road  
Pearl, MS 39208  
(601)939-8676 Fax (601)939-8761  
windhamandlacey.com

P. O. Box 759  
Crystal Springs, MS 39059  
(601)892-4001 Fax (601)892-5978

Members:  
American Institute of CPAs  
Mississippi Society of CPAs

### **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS**

Honorable Mayor and  
Members of the Board of Aldermen  
Town of Leakesville, Mississippi

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Leakesville, Mississippi, as of and for the year ended September 30, 2021, and have issued our report thereon dated November 30, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the procedures prescribed by the Office of the State Auditor, and accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

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. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Town's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures and our audit of the basic financial statements disclosed the following instance of noncompliance with state laws and regulations. Our finding and recommendation and your response are as follows:

1. *Finding*

State law Section 17-17-348, Miss. Code (Ann.) 1972, requires the municipality to publish an itemized report of all revenues, costs and expenses incurred by the municipality during the immediately preceding fiscal year in operating the garbage or rubbish collection or disposal system before the first day of the coming fiscal year. The Town published the above report but not in a timely manner.

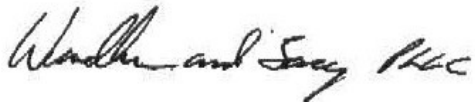
*Recommendation*

The Town should publish the above report in a timely manner.

*Town's Response*

The Town will publish the above report in a timely manner.

This report is intended solely for the information and use of management and the Office of the State Auditor 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.

A handwritten signature in black ink that reads "Windham and Lacey, PLLC". The signature is written in a cursive, flowing style.

Windham and Lacey, PLLC  
November 30, 2023