

**GENERAL INSTRUCTIONS FOR
SIXTEENTH SECTION ANNUAL REPORT
FOR FISCAL YEAR 2021**

During the 2020 Legislative Session the Mississippi Legislature passed HB1439. House Bill 1439 amends §29-1-3 and §29-3-82 Miss. Code Ann. (1972) to require 16th Section Lease information to be submitted in an electronic format. As a result of this bill's passage, the Public Lands Division has begun transitioning to electronic-only submission of documents.

The following annual reports can be submitted online via the online portal at <https://districtportal.sos.ms.gov/>. Below are instructions on how to submit each report using the portal. For questions regarding submission of information electronically via the Secretary of State web portal, contact Kecia Fleming at (601) 359-6375 or lakecia.fleming@sos.ms.gov.

1. This Annual Report covers the period from July 1, 2020 through June 30, 2021.

Reports must be completed by the following deadlines:

The following portion of the report is due **July 26, 2021**:

Annual Report Contact Persons

The following portions of the report are due **August 2, 2021**:

School District Information Sheet
Litigation Report

The following portion of the report is due **September 24, 2021**:

Computer printout list of leases

The following portions of the report are due **October 29, 2021**:

Schedule of Revenue
Principal Fund Investment Report

2. **SCHOOL DISTRICT CONTACTS**

The purpose of this form is to identify the persons who have primary responsibility for completing each portion of the 2021 Annual Report.

Instructions to complete the online form:

- 1) To access this report, from the Home screen, click "Annual Reports" on the left side of the screen.
- 2) From the drop-down, select "School District Contacts."

- 3) In the box at the top of this form, state the district number, name, address, telephone and fax numbers, and e-mail addresses.
- 4) Include the name of the person completing the School District Contact Persons form.
- 5) In boxes 1 through 5 of the form, give the name, direct telephone number (and extension, if applicable), the fax number, and e-mail address of the person primarily responsible for completing each portion of the Annual Report.

3. SCHOOL DISTRICT INFORMATION SHEET

The purpose of this form is to identify the Board Members and Other Personnel and provide contact information for them.

Instructions to complete the online form:

- 1) To access this report, from the Home screen click "Annual Reports" on the left side of the screen.
- 2) From the drop-down select "School District Info."
- 3) Enter the name, address, telephone, and e-mail address for the Superintendent of Education, School Board Attorney, the Sixteenth Section Land Manager, Business Manager, the School Board President, and the names of all other School Board Members.

NOTE: Our office uses this contact information to send correspondence to the school district. Specifically, the Superintendent, Land Manager, and Business Manager will receive communication regarding annual reports and lease review.

If this information is not updated, and current at all times, the school will not receive correspondence from our office. Specifically, the Superintendent, Land Manager, and Business Manager will receive communications regarding annual reports and lease review.

- 4) To add personnel, click "Add New" in the top left corner and then select the contact type from the box before entering the contact information for the individual.
 - a. **NOTE: FOR THE SCHOOL BOARD PRESIDENT AND SCHOOL BOARD MEMBERS PLEASE ENTER THEIR HOME ADDRESS. DO NOT USE THE SCHOOL ADDRESS.**
 - b. **FOR THE SIXTEENTH SECTION LAND MANAGER REPORT THE INDIVIDUAL WHO HANDLES THE MANAGEMENT ON A DAY-TO-DAY BASIS.**
 - c. **DO NOT LIST A CONSULTANT AS THE SIXTEENTH SECTION MANAGER IF SAID PERSON ONLY IS INVOLVED IN SPECIAL NEEDS OR ISSUES.**
 - d. **If, during the coming year, there are any changes in school district officials or personnel that are reported on this form, please update the information.**

4. LITIGATION REPORT

The purpose of this form is to report whether the school district is involved in **ANY** litigation affecting Sixteenth Section Public School Trust Lands or Funds. If the school district is not involved in any litigation, simply click "Submit" at the bottom of the screen. If the school district is involved in one or more cases affecting school trust lands or funds, follow the instructions below.

Instructions to complete the online form:

- 1) To access this report, from the Home screen, click "Annual Reports" on the left side of the screen
- 2) From the drop-down select "Litigation Report."
- 3) Click "Add New"
- 4) Enter the Plaintiff and Defendant for each case.
- 5) Select the status of the case using the drop-down arrow under "Status" and choose one of the options.
- 6) Select one of the options under "Issue" that best describes the issue being litigated. If you select "Other" please describe the issue in the "Comments" box at the bottom.
- 7) Enter the information for the attorney, date the case was filed, court the case was filed in and the docket number.
- 8) After all the information has been entered, click "Save" in the bottom left of the box.
- 9) Repeat this process until all the cases in which the school is involved are listed.

5. SCHEDULE OF REVENUE

The purpose of this form is to account for all Sixteenth Section income, expenditures, transfers of funds, and changes in fund balances in the General Interest Fund, the Principal Fund, and the Forestry Escrow Fund.

Instructions to complete the online form:

- 1) To access this report, from the Home screen, click "Annual Reports" on the left side of the screen.
- 2) From the drop-down select "Schedule of Revenue."
- 3) Check the Fiscal Year End showing in the dropdown to ensure the correct fiscal year ending date is selected and then click "+ Add New for Fiscal Year ending."
- 4) Lines 1a and 1b: Enter surface and mineral rental income. Include payments received under the Conservation Reserve Program (CRP) administered by the Farm Services Agency on line 1a.
 - a. **For mineral rents on line 1b, include only lease bonus payments and delay rentals.**

- 5) Line 2: Enter income from sale of timber or other forest products.
NOTE: Unlike other Principal Fund income, timber income may be expendable. For the district to expend income from sale of timber, the school district must maintain the timber income in a separate Principal Fund account.
- 6) Line 3: Enter oil and gas royalties and other non-renewable resources.
- 7) Line 6: Itemize all other sales or sources of income. There is no limit on the number of sources and amounts that can be entered.
NOTE: Any income from the sale of lieu lands or the sale of buildings situated on Sixteenth Section Land, reported as other sales/income on line 6, must be reported in the "16th Section Principal" column.
- 8) Line 9: Enter pro rata revenue received from another school district on shared townships. There is not a limit for the number of school districts that can be entered.
- 9) Line 17: Enter payments to other school districts to which income is allocated on shared townships. There is not a limit for the number of school districts that can be entered.

6. PRINCIPAL FUND INVESTMENT REPORT.

The purpose of this form is to report where all Principal Funds are held as of June 30, 2021, and to show the rates at which the funds are invested and how much income was earned on the Principal Fund investments during the fiscal year for which the report is filed. **ALL INVESTMENTS SHOULD BE ITEMIZED.**

Instructions to complete the online form:

- 1) To fill out this report select "Annual Reports" from the left side of the screen and then click "Principal Fund Report."
- 2) The Principal Fund balance July 1, 2020, as restated in box (1) of the form should be the same as line 27 of Schedule of Revenues.
- 3) The Principal Fund balance as of June 30, 2021, in box (2) of the form should be the same as line 28 of Schedule of Revenues.
- 4) To add a new record, click "Add New Record" and a popup box will open. Each investment must be entered individually with the following information:
 - a. "Date of Investment": Enter the maturity date of the investment for the Principal Fund.
 - b. "Date of Maturity" for the investment.
 - c. "Form of Investment": Select the form of investment from the dropdown.
 - d. "Where Invested": Enter the name of the company that holds the investment.
 - e. "Investments Matured/Sold": Enter the amount of the investment.
 - f. "Active Investments": Enter the amount of the active investments.
 - g. "Interest Rate": Enter the interest rate. **If the interest rate for the**

investment is variable, show the interest rate in effect as of June 30, 2021.

NOTE: Where Principal Fund money is in an interest-bearing checking account, you should make sure that the interest rate on the account is at least equal to the passbook savings account rate.

- h. "Amount of Interest Earned": Enter the amount of money earned on this investment for this period.

NOTE: In prior years, some school districts listed Principal Fund investments but did not list any income from the investments. The explanation offered by the school districts was the money was commingled with other Sixteenth Section funds. School Districts are required by law to separately account for all Principal Funds and interest income therefrom.

7. LIST OF LEASES.

The online List of Leases contains all leases filed by the school district with the Secretary of State to date. The purpose of this report is for the school district to compare this list of leases with the district's lease records to verify that all leases executed on or before June 30, 2021, are included on this set of screens and that the information shown for each lease is current, correct, and complete.

Instructions to complete the online form:

- 1) To access this report, from the Home screen, click "Annual Reports" on the left side of the screen and then "List of Leases."
- 2) This screen displays all leases by Section/Township/Range with the Lease Number, Lessee Name, Begin and Expire Dates, Acres, and Date and Amount of Last Rental Payment.
- 3) To view the lease details, click the lease to highlight it and then click "View Lease."
- 4) To amend a lease, click on "Amend Lease". This opens the lease data entry screen to create an amendment.
- 5) To assign a lease, click on "Assign Lease". This opens the lease data entry screen to create an assignment.
- 6) In the Last Rental Payment column, if the last rental payment date or amount is not the most recent or if there is no payment shown, select the lease to highlight it and then click "Add Payment." Add all payment amounts with their payment dates until the most current payment show on the screen screen.

NOTE: Some school districts enter a single annual payment amount while others enter multiple payments for the fiscal year.

- 7) If all the information is correct, click the lease to highlight it and then click "Verify Lease."
- 8) After all leases have been verified in a S/T/R, click the next S/T/R tab to

verify all leases for that section.

- 9) Continue this process until all leases have been verified for all the sections shown on the List of Leases online report.

NOTE: If there is a lease that should be listed but is not or if there is a lease that is listed and should not be, please contact Kecia Fleming at 601-359-6375 or Lakecia.fleming@sos.ms.gov.

NOTE: To simplify the completion of the List of Leases Report, all school districts should upload the leases to the Secretary of State after filing them with the Chancery Clerk rather than waiting to upload all leases executed for the past year with the Annual Report.