

OFFICE OF THE STATE AUDITOR REPORT NOTE:

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

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

CITY OF CRYSTAL SPRINGS, MISSISSIPPI

**AUDITED FINANCIAL STATEMENTS
AND
SPECIAL REPORT**

SEPTEMBER 30, 2021

CITY OF CRYSTAL SPRINGS, MISSISSIPPI

TABLE OF CONTENTS

FINANCIAL SECTION	1
INDEPENDENT AUDITORS' REPORT	2-3
FINANCIAL STATEMENTS	4
Statement of Activities and Net Cash 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	10-14
REQUIRED SUPPLEMENTARY INFORMATION	15
Budgetary Comparison Schedule - Budget and Actual (Non-GAAP Basis) General Fund	16
Notes to the Required Supplementary Information	17
OTHER REQUIRED SUPPLEMENTARY INFORMATION	18
Schedule of Changes in Long-term Debt	19
Schedule of Investments - All Funds	20
Schedule of Capital Assets	21
Schedule of Surety Bonds for Municipal Officials and Employees	22
SUPPLEMENTAL INFORMATION	23
Statement of Cash Receipts and Disbursements - Water/Sewer Funds	24
SPECIAL REPORT	25
Independent Auditors' Report on Compliance with State Laws and Regulations	26
SCHEDULE OF FINDINGS	27-28

CITY OF CRYSTAL SPRINGS, MISSISSIPPI

FINANCIAL SECTION

Windham and Lacey, PLLC

Certified Public Accountants

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
City of Crystal Springs, Mississippi

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City of Crystal Springs, Mississippi, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements on the basis of cash receipts and disbursements; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Crystal Springs, Mississippi, as of September 30, 2021, and the respective changes in cash basis financial position thereof for the year then ended in accordance with the basis of accounting described in Note 1.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedules be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in 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.

Omission of Required Supplementary Information

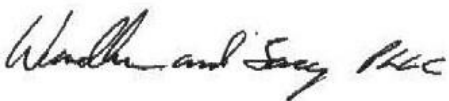
The City of Crystal Springs, Mississippi, has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic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

Supplementary and Other Information

The Schedule of Changes in Long-term Debt, the Schedule of Investments - All Funds, the Schedule of Capital Assets, the Schedule of Surety Bonds for Municipal Officials and Employees and the Statement of Cash Receipts and Disbursements - Water/Sewer Fund for the City of Crystal Springs, Mississippi, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Emphasis of Matter

As discussed in Note 1, the City of Crystal Springs, 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.



Windham and Lacey, PLLC
February 28, 2022

CITY OF CRYSTAL SPRINGS, MISSISSIPPI

FINANCIAL STATEMENTS

CITY OF CRYSTAL SPRINGS, MISSISSIPPI
Statement of Activities and Net Cash Position - Cash Basis
As of and for the Year Ended September 30, 2021

Functions/Programs	Cash Disbursements	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Cash Position		
		Fines, Fees and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General government	\$ 660,892	34,430	2,515	118,141	(505,806)		(505,806)
Public safety	1,412,978	94,402			(1,318,576)		(1,318,576)
Public works	1,102,209	482,487		653,549	33,827		33,827
Health and welfare	2,100	19,577			17,477		17,477
Culture and recreation	327,044	10,457			(316,587)		(316,587)
Economic development	15,000				(15,000)		(15,000)
Interest on long-term debt	30,623				(30,623)		(30,623)
Total Governmental Activities	<u>3,550,846</u>	<u>641,353</u>	<u>2,515</u>	<u>771,690</u>	<u>(2,135,288)</u>	<u>0</u>	<u>(2,135,288)</u>
Business-type Activities:							
Water/Sewer	1,201,081	1,176,859	273			(23,949)	(23,949)
Cemetery		17,650				17,650	17,650
Total Business-type Activities	<u>1,201,081</u>	<u>1,194,509</u>	<u>273</u>	<u>0</u>	<u>0</u>	<u>(6,299)</u>	<u>(6,299)</u>
Total Government	<u>\$ 4,751,927</u>	<u>1,835,862</u>	<u>2,788</u>	<u>771,690</u>	<u>(2,135,288)</u>	<u>(6,299)</u>	<u>(2,141,587)</u>
General Receipts							
Taxes:							
Property taxes					\$ 1,236,089		1,236,089
Road & bridge privilege taxes					203,660		203,660
Sales tax					826,077		826,077
Franchise taxes					130,239		130,239
Grants and contributions not restricted to specific programs					132,644		132,644
Unrestricted investment income					20,421	15,403	35,824
Miscellaneous					165,557	487,105	652,662
Proceeds from debt					40,641	8,129	48,770
Transfers					58,479	(58,479)	
Total General Receipts					<u>2,813,807</u>	<u>452,158</u>	<u>3,265,965</u>
Change in Net Cash Position					678,519	445,859	1,124,378
Net Cash Position - Beginning					<u>601,905</u>	<u>796,174</u>	<u>1,398,079</u>
Net Cash Position - Ending					<u>\$ 1,280,424</u>	<u>1,242,033</u>	<u>2,522,457</u>

CITY OF CRYSTAL SPRINGS, MISSISSIPPI
Statement of Activities and Net Cash Position - Cash Basis
As of and for the Year Ended September 30, 2021

(Continued)

ASSETS

Cash and cash equivalents	\$ 1,701,918
Restricted cash	<u>820,539</u>
Total Assets	\$ <u><u>2,522,457</u></u>

NET CASH POSITION

Restricted:	
Restricted for unemployment compensation	\$ 19,859
Restricted for meter deposits	210,336
Restricted for public work	579,580
Restricted for public safety	10,764
Unrestricted	<u>1,701,919</u>
Total Net Cash Position	\$ <u><u>2,522,457</u></u>

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

CITY OF CRYSTAL SPRINGS, MISSISSIPPI
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>		BP Appropriation Funds	Non-Major Funds	Total	<u>Major Funds</u>	Non-Major Business-type Fund	Total
	General Fund	Debt Service				Water/Sewer Funds		
RECEIPTS								
Ad valorem taxes	\$ 1,119,128	116,961			1,236,089			
Road and bridge tax	203,660				203,660			
License and permits	38,307				38,307			
Franchise taxes on utilities	130,239				130,239			
Intergovernmental revenues:								
Federal revenues:								
Grants	697,721				697,721	273		273
State shared revenues:								
Sales taxes	826,077				826,077			
Homestead exemption reimbursement	79,384	4,178			83,562			
Grants				73,969	73,969			
General municipal aid	2,515				2,515			
Gasoline tax	4,380				4,380			
Grand Gulf	44,702				44,702			
Charges for services:								
Garbage	482,487				482,487			
Industrial rents	32,850				32,850			
Other	10,457				10,457			
Water and sewer utility						1,176,859	17,650	1,194,509
Fines and forfeits	63,381			13,871	77,252			
Interest income	14,372	2,182	2,872	995	20,421	14,123	1,280	15,403
Miscellaneous revenue	23,019			142,538	165,557	359,664	127,441	487,105
Total Receipts	<u>3,772,679</u>	<u>123,321</u>	<u>2,872</u>	<u>231,373</u>	<u>4,130,245</u>	<u>1,550,919</u>	<u>146,371</u>	<u>1,697,290</u>

(Continued)

CITY OF CRYSTAL SPRINGS, MISSISSIPPI
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

	Governmental Activities					Business-type Activities		
	Major Funds					Major Funds	Non-Major Business-type Fund	
	General Fund	Debt Service	BP Appropriation Funds	Non-Major Funds	Total	Water/Sewer Funds		Total
DISBURSEMENTS								
General government	581,392	1,500			582,892			
Public safety	1,345,454			22,299	1,367,753			
Public works	854,293		12,821	43,704	910,818			
Health and welfare	2,100				2,100			
Culture and recreation	305,218			1,520	306,738			
Economic development	15,000				15,000			
Water and sewer utility and cemetery:								
Personal services						399,627		399,627
Supplies						109,378		109,378
Maintenance & repairs						227,697	14,470	242,167
Utilities						127,172		127,172
Total Disbursements	<u>3,103,457</u>	<u>1,500</u>	<u>12,821</u>	<u>67,523</u>	<u>3,185,301</u>	<u>863,874</u>	<u>14,470</u>	<u>878,344</u>
Excess of Receipts Over (Under) Disbursements	<u>669,222</u>	<u>121,821</u>	<u>(9,949)</u>	<u>163,850</u>	<u>944,944</u>	<u>687,045</u>	<u>131,901</u>	<u>818,946</u>
OTHER CASH SOURCES (USES)								
Capital outlay	(96,620)			(117,671)	(214,291)	(8,129)		(8,129)
Principal paid on loan and lease purchase	(22,949)			(19,682)	(42,631)	(162,843)	(88,887)	(251,730)
Interest paid on loan and lease purchase	(2,127)			(3,224)	(5,351)	(38,641)	(24,237)	(62,878)
Principal paid on bonds		(78,000)			(78,000)			
Interest and fiscal fees paid on bonds		(25,272)			(25,272)			
Proceeds from debt	40,641				40,641	8,129		8,129
Transfers in (out) to other funds	58,479				58,479	(58,479)		(58,479)
Total Other Cash Sources and (Uses)	<u>(22,576)</u>	<u>(103,272)</u>	<u>0</u>	<u>(140,577)</u>	<u>(266,425)</u>	<u>(259,963)</u>	<u>(113,124)</u>	<u>(373,087)</u>

(Continued)

CITY OF CRYSTAL SPRINGS, MISSISSIPPI
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

	Governmental Activities					Business-type Activities		
	Major Funds					Major Funds	Non-Major Business-type Fund	
	General Fund	Debt Service	BP Appropriation Funds	Non-Major Funds	Total	Water/Sewer Funds		Total
Excess (Deficiency) of Receipts and Other Cash Sources Over Disbursements and Other Cash Uses	646,646	18,549	(9,949)	23,273	678,519	427,082	18,777	445,859
CASH BASIS FUND BALANCE - Beginning of Year	<u>295,061</u>	<u>143,668</u>	<u>148,348</u>	<u>14,828</u>	<u>601,905</u>	<u>773,612</u>	<u>22,562</u>	<u>796,174</u>
CASH BASIS FUND BALANCE - End of Year	<u>\$ 941,707</u>	<u>162,217</u>	<u>138,399</u>	<u>38,101</u>	<u>1,280,424</u>	<u>1,200,694</u>	<u>41,339</u>	<u>1,242,033</u>
CASH BASIS ASSETS - End of Year								
Cash and cash equivalents	\$ 341,768	162,217	138,399	27,837	670,221	990,358	41,339	1,031,697
Restricted cash	<u>599,939</u>			<u>10,264</u>	<u>610,203</u>	<u>210,336</u>		<u>210,336</u>
Total Cash Basis Assets	<u>\$ 941,707</u>	<u>162,217</u>	<u>138,399</u>	<u>38,101</u>	<u>1,280,424</u>	<u>1,200,694</u>	<u>41,339</u>	<u>1,242,033</u>
CASH BASIS FUND BALANCES - End of Year								
Restricted:								
Restricted for unemployment compensation	\$ 19,859				19,859			
Restricted for meter deposits						210,336		210,336
Restricted for public works	579,580							
Restricted for public safety	500			10,264	10,764			
Committed:								
Debt service		162,217			162,217	84,013		84,013
Cemetery							40,695	40,695
Assigned:								
Public works			138,399	27,837	166,236			
Unassigned	<u>341,768</u>				<u>341,768</u>	<u>906,345</u>	<u>644</u>	<u>906,989</u>
Total Cash Basis Fund Balances	<u>\$ 941,707</u>	<u>162,217</u>	<u>138,399</u>	<u>38,101</u>	<u>700,844</u>	<u>1,200,694</u>	<u>41,339</u>	<u>1,242,033</u>

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

CITY OF CRYSTAL SPRINGS, MISSISSIPPI

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

(1) Summary of Significant Accounting Policies.

A. Financial Reporting Entity.

The City of Crystal Springs, Mississippi, (the City) was incorporated on February 19, 1867. The City 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 City 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 Cash 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 receipts, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The City combines the Statement of Activities and Statement of Net Cash Position.

The Statement of Activities demonstrates the degree to which the direct disbursements of a given function or segment are offset by program receipts. *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*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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 disbursements 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 recorded when collected and disbursements are recorded when cash is spent.

The government 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 *debt service fund* accounts for financial resources that are committed to repayment of long-term debt.

CITY OF CRYSTAL SPRINGS, MISSISSIPPI

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

BP Appropriation Funds account for funds appropriated to the City by the State of Mississippi for capital projects.

The government reports the following major Proprietary Fund:

The *water/sewer fund* accounts for the activities of providing water and sewer services to citizens of the City.

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 Assets or Equity.

1. Cash and Investments.

The government's cash and cash equivalents are considered to be cash on hand or invested in certificates of deposit.

2. Equity Classifications.

Government-wide Financial Statements:

Equity is classified as net position and displayed in two components:

Restricted net position - Consists of net position 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 position not meeting the definition of "restricted".

Fund Financial Statements:

Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Governmental fund balance is classified as restricted, assigned or unassigned. The following are descriptions of fund classifications used by the City.

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

Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.

CITY OF CRYSTAL SPRINGS, MISSISSIPPI

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

Assigned - Includes amounts that are constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. For governmental funds, other than the General Fund, this is the residual amount within the fund that is not classified as nonspendable and is neither restricted nor committed. Assignments of fund balance are created by the Board of Aldermen pursuant to authorization established by Section 21-17-5, Miss. Code Ann. (1972).

Unassigned - The residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds if expenditures incurred for specific purposes exceeded the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

The City 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 City would first use committed, then assigned, and lastly, unassigned amounts of unrestricted fund balance when expenditures are made.

E. Property Tax Receipts.

State statutes exist under which the Board of Aldermen may levy property taxes. The selection of authorities is made based on the objectives and responsibilities of the City. Restrictions associated with property tax levies vary with the statutory authority. The amount of increase in certain property taxes is limited by state law. Generally, this restriction provides that these tax levies shall produce no more than 110% of the amount which resulted from the assessments of the previous year.

The Board of Aldermen, each year at a meeting in September, levies property taxes for the ensuing fiscal year which begins on October 1. Real property taxes become a lien on January 1 of the current year, and personal property taxes become a lien on March 1 of the current year. Taxes on both real and personal property, however, are due on or before February 1 of the next succeeding year. Taxes on motor vehicles and mobile homes become a lien and are due in the month that coincides with the month of original purchase.

(2) Cash and Cash Equivalents.

At year-end, the City's carrying amount of deposits was \$2,522,457 and the bank balance was \$2,798,342. 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 City'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.

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 City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City does not have a formal policy for custodial credit risk. However, the Mississippi State Treasury manages the risk on behalf of the City. Deposits above FDIC coverage are collateralized by the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on the behalf of the City.

CITY OF CRYSTAL SPRINGS, MISSISSIPPI

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

Interest Rate Risk: The City 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 City 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 City of Crystal Springs, 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. 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, 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 City 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 City's contributions to PERS for the years ended September 30, 2021, 2020 and 2019 were \$246,947, \$236,716 and \$227,859, respectively, which is equal to the required contributions for each year.

(4) **Tax Abatements.**

For the year beginning October 1, 2016, the Governmental Accounting Standards Board (GASB) implemented Statement No. 77, *Tax Abatement Disclosures*. This statement requires governmental entities to disclose the reduction in tax revenues resulting from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forego tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The Crystal Springs Board of Aldermen and the Copiah County Board of Supervisors negotiates property tax abatements on an individual basis. The City has tax abatement agreements with two entities as of September 30, 2021.

<u>Category</u>	<u>Percentage of Taxes Abated During the Fiscal Year</u>	<u>Amount of Taxes Abated During the Fiscal Year</u>
Construction and expansion of a manufacturing facility	100	\$ 34,635

Each agreement was negotiated in accordance with Section 27-31-101, et. seq., Miss. Code Ann. (1972), which allows localities to abate property taxes for a variety of economic development purposes. The abatements may be granted for a period up to ten years and for up to 100% of annual property taxes through a direct reduction in the entity's property tax bill.

The City has not made any commitments as part of the agreements other than to reduce taxes.

CITY OF CRYSTAL SPRINGS, MISSISSIPPI

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

(5) Subsequent Events.

Events that occur after the Statement of Net Cash 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 Net Cash Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management of the City evaluated the activity of the City through February 28, 2022, and determined that no subsequent event has occurred requiring disclosure in the notes to the financial statements.

CITY OF CRYSTAL SPRINGS, MISSISSIPPI

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CRYSTAL SPRINGS, MISSISSIPPI
Budgetary Comparison Schedule -
Budget and Actual
General Fund
For the Year Ended September 30, 2021 - UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
RECEIPTS				
Ad valorem taxes	\$ 1,279,000	1,119,128	1,119,128	
Road and bridge tax	156,000	203,660	203,660	
License and permits	24,050	38,307	38,307	
Franchise taxes on utilities	15,000	130,239	130,239	
Intergovernmental revenues:				
Federal revenues:				
Grants		697,721	697,721	
State shared revenues:				
Sales taxes	750,000	826,077	826,077	
Homestead exemption reimbursement	80,000	79,384	79,384	
Grants	3,200			
General municipal aid	2,516	2,515	2,515	
Gasoline tax	4,380	4,380	4,380	
Grand Gulf	44,000	44,702	44,702	
Charges for services:				
Garbage	463,340	482,487	482,487	
Industrial rents	47,850	32,850	32,850	
Other	15,000	10,457	10,457	
Fines and forfeits	70,686	63,381	63,381	
Interest income	16,000	14,372	14,372	
Miscellaneous revenue	1,500	23,019	23,019	
Total Receipts	<u>2,972,522</u>	<u>3,772,679</u>	<u>3,772,679</u>	<u>0</u>
EXPENDITURES				
General government	564,851	581,392	581,392	
Public safety	1,341,847	1,345,454	1,345,454	
Public works	703,505	854,293	854,293	
Health and welfare	2,100	2,100	2,100	
Culture and recreation	347,634	305,218	305,218	
Economic development	16,800	15,000	15,000	
Capital outlay		96,620	96,620	
Debt service	17,500	25,076	25,076	
Total Expenditures	<u>2,994,237</u>	<u>3,225,153</u>	<u>3,225,153</u>	<u>0</u>
Excess of Receipts				
Over (Under) Expenditures	<u>(21,715)</u>	<u>547,526</u>	<u>547,526</u>	<u>0</u>
OTHER CASH SOURCES (USES)				
Proceeds from debt		40,641	40,641	
Compensation for loss of capital assets	20,000			
Refunds	5,000			
Transfers in (out) to other funds	58,480	58,479	58,479	
Total Other Cash Sources and Uses	<u>83,480</u>	<u>99,120</u>	<u>99,120</u>	<u>0</u>
Net Change in Cash Basis Fund Balance	61,765	646,646	646,646	0
Cash Basis Fund Balances - Beginning	<u>128,466</u>	<u>295,061</u>	<u>295,061</u>	<u>0</u>
Cash Basis Fund Balances - Ending	<u>\$ 190,231</u>	<u>941,707</u>	<u>941,707</u>	<u>0</u>

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

CITY OF CRYSTAL SPRINGS, MISSISSIPPI

**Notes to the Required Supplementary 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 City, 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 City'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.

CITY OF CRYSTAL SPRINGS, MISSISSIPPI

OTHER REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CRYSTAL SPRINGS, MISSISSIPPI
Schedule of Changes in Long-term Debt
For the Year Ended September 30, 2021 - UNAUDITED

<u>Description</u>	<u>Outstanding Balance Sept. 30, 2020</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Outstanding Balance Sept. 30, 2021</u>	<u>Interest Paid</u>
<u>Bonds</u>					
Governmental Activities:					
General obligation bonds, Series 2016	\$ 1,011,000		78,000	933,000	25,272
Total Bonds	<u>1,011,000</u>	<u>0</u>	<u>78,000</u>	<u>933,000</u>	<u>25,272</u>
<u>Other Long-term Debt</u>					
Governmental Activities:					
Lease purchase - 5 lawn mowers		40,641	10,161	30,480	
Lease purchase - 2017 Pierce pumper	<u>221,476</u>		<u>32,470</u>	<u>189,006</u>	<u>5,351</u>
Total Governmental Activities	<u>221,476</u>	<u>40,641</u>	<u>42,631</u>	<u>219,486</u>	<u>5,351</u>
Business-type Activities:					
WWTP roof and Phase II Sewer	67,286		19,483	47,803	1,370
Sewer project - Jackson Street	62,235		7,528	54,707	2,058
Lease purchase - water meters	847,647		88,887	758,760	24,237
Lease purchase - 1 lawn mower		8,129	2,032	6,097	
Phase III Sewer - Department of Environmental Quality State Revolving Loan	96,861		20,403	76,458	1,526
Department of Environmental Quality State Revolving Loan	<u>1,980,918</u>		<u>113,397</u>	<u>1,867,521</u>	<u>33,687</u>
Total Business-type Activities	<u>3,054,947</u>	<u>8,129</u>	<u>251,730</u>	<u>2,811,346</u>	<u>62,878</u>
Total Other Long-term Debt	<u>3,276,423</u>	<u>48,770</u>	<u>294,361</u>	<u>3,030,832</u>	<u>68,229</u>
Total Long-term Debt	\$ <u>4,287,423</u>	<u>48,770</u>	<u>372,361</u>	<u>3,963,832</u>	<u>93,501</u>

CITY OF CRYSTAL SPRINGS, MISSISSIPPI
Schedule of Investments - All Funds
September 30, 2021 - UNAUDITED

	<u>Deposit Amount</u>
Certificate of Deposit with Copiah Bank; maturing June 22, 2022; Interest rate 0.20%.	\$ 403,763
Certificate of Deposit with Copiah Bank; maturing January 4, 2022; Interest rate .35%.	266,856
Certificate of Deposit with Copiah Bank; maturing April 20, 2022; Interest rate 0.20%.	17,493
Certificate of Deposit with Copiah Bank; maturing December 10, 2022; Interest rate .20%.	<u>12,842</u>
	\$ <u><u>700,954</u></u>
 Fund Recap:	
General Fund	\$ 618,504
Debt Service Fund	43,421
Water and Sewer Fund	<u>39,029</u>
	\$ <u><u>700,954</u></u>

CITY OF CRYSTAL SPRINGS, MISSISSIPPI
Schedule of Capital Assets
For the Fiscal Year Ended September 30, 2021 - UNAUDITED

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	<u>Ending Balance</u>
Governmental Activities					
Capital Assets:					
Land	\$ 697,923				697,923
Buildings	2,471,128				2,471,128
Improvements other than buildings	5,341,891				5,341,891
Mobile equipment	1,535,430	156,000			1,691,430
Furniture and equipment	473,499	17,650	14,002	141,216	646,367
Equipment under capital lease	<u>473,919</u>	<u>40,641</u>		<u>(141,216)</u>	<u>373,344</u>
Total Governmental Activities Capital Assets	<u>\$ 10,993,790</u>	<u>214,291</u>	<u>14,002</u>	<u>0</u>	<u>11,222,083</u>
Business-type Activities					
Capital Assets:					
Land	\$ 254,800				254,800
Construction in progress	45,090			(45,090)	-
Buildings	253,700				253,700
Improvements other than buildings	7,590,314			45,090	7,635,404
Mobile equipment	228,799				228,799
Furniture and equipment	228,461			93,410	321,871
Equipment under capital lease	<u>1,401,410</u>	<u>8,129</u>		<u>(93,410)</u>	<u>1,316,129</u>
Total Business-type Activities Capital Assets	<u>\$ 10,002,574</u>	<u>8,129</u>	<u>0</u>	<u>0</u>	<u>10,010,703</u>

CITY OF CRYSTAL SPRINGS, MISSISSIPPI
Schedule of Surety Bonds for Municipal Officials and Employees
September 30, 2021 - UNAUDITED

Name	Position	Surety Company	Coverage
Warren C. Thornton	Alderman	Travelers	\$ 50,000
Ray Brown, Jr.	Alderman	Travelers	\$ 50,000
Charles S. Singleton	Alderman	Travelers	\$ 50,000
Darren J. Powell	Alderman	Travelers	\$ 50,000
Tamra Michelle Terrebonne	Alderwoman	Travelers	\$ 50,000
Sally Garland	Mayor	Travelers	\$ 50,000
Kimberly Vaughn	City Clerk	Travelers	\$ 50,000
Alicia Ragland	Deputy City Clerk	Travelers	\$ 50,000
Tracey Welch	Deputy City Clerk	Travelers	\$ 50,000
Peggy Wilson	Municipal Court Clerk	Travelers	\$ 50,000
Lakeidra Kangar	Deputy Court Clerk	Travelers	\$ 50,000
Lacey Henderson	Parks & Recreation Director	Travelers	\$ 50,000
Rebecca Dionne	Interdepartmental Clerk	Travelers	\$ 50,000
Edward Palmer	Police Chief	Travelers	\$ 50,000
Misheila Johnson	Office Manager	Travelers	\$ 50,000
Lexy Green	Assistant Office Manager	Travelers	\$ 50,000
Randy Moulder	Maintenance Supervisor	Travelers	\$ 50,000
Kristopher Green	Caretaker	Travelers	\$ 50,000
Tatyana Christmas	Pool Manager	Travelers	\$ 50,000
Kymbriana Christmas	Dispatcher	Travelers	\$ 50,000
Sara Frank	Dispatcher	Travelers	\$ 50,000
Renyka Langston	Dispatcher	Travelers	\$ 50,000
Carolyn Evans	Dispatcher	Travelers	\$ 50,000
Bonnie Carr	Dispatcher	Travelers	\$ 50,000
Jenny Hendrix	Dispatcher	Travelers	\$ 50,000
Eric Davis	Police Officer	Travelers	\$ 25,000
Robert Clower	Police Officer	Travelers	\$ 25,000
Regina Williams	Police Officer	Travelers	\$ 25,000
Larry Haynes	Police Captain	Travelers	\$ 25,000
Brian McElveen	Police Officer	Travelers	\$ 25,000
Maurice Moncure	Police Officer	Travelers	\$ 25,000
Joseph McKenny	Police Officer	Travelers	\$ 25,000
Kerrioso Murray	Police Officer	Travelers	\$ 25,000
Sierra Anderson	Police Officer	Travelers	\$ 25,000
Markeitz Lofton	Police Officer	Travelers	\$ 25,000
David Drumm	Police Officer	Travelers	\$ 25,000
LaTasha Nichols	Police Officer	Travelers	\$ 25,000
Bryson Pickens	Police Officer	Travelers	\$ 25,000
Robert Thomas	Police Officer	Travelers	\$ 25,000
Andre Watson	Police Officer	Travelers	\$ 25,000
William Lee	Police Officer	Travelers	\$ 25,000
Issac Landrum	Police Officer	Travelers	\$ 25,000
James Murphy	Police Officer	Travelers	\$ 25,000
Likaylo Dixon	Police Officer	Travelers	\$ 25,000

CITY OF CRYSTAL SPRINGS, MISSISSIPPI

SUPPLEMENTAL INFORMATION

CITY OF CRYSTAL SPRINGS, MISSISSIPPI
Statement of Cash Receipts and Disbursements
Water/Sewer Funds
For the Year Ended September 30, 2021 - UNAUDITED

	Water Fund	Sewer Fund	Total
RECEIPTS			
Federal grant	\$ 273		273
Charges for services	652,803	524,056	1,176,859
Interest income	14,123		14,123
Miscellaneous revenue	359,664		359,664
Total Receipts	<u>1,026,863</u>	<u>524,056</u>	<u>1,550,919</u>
DISBURSEMENTS			
Water and Sewer Utility:			
Personal services	250,646	148,981	399,627
Supplies	68,602	40,776	109,378
Maintenance & repairs	72,699	43,212	115,911
Utilities	79,762	47,410	127,172
Other services and charges	70,112	41,674	111,786
Total Disbursements	<u>541,822</u>	<u>322,052</u>	<u>863,874</u>
Excess of Receipts Over (Under) Disbursements	<u>485,041</u>	<u>202,004</u>	<u>687,045</u>
OTHER CASH SOURCES (USES)			
Capital outlay	(8,129)		(8,129)
Principal paid on loan and lease purchase	(49,446)	(113,397)	(162,843)
Interest paid on loan and lease purchase	(4,954)	(33,687)	(38,641)
Proceeds from debt	8,129		8,129
Transfers in (out) to other funds	(58,479)		(58,479)
Total Other Cash Sources and (Uses)	<u>(112,879)</u>	<u>(147,084)</u>	<u>(259,963)</u>
Excess (Deficiency) of Receipts and Other Cash Sources Over Disbursements and Other Cash Uses	<u>\$ 372,162</u>	<u>54,920</u>	<u>427,082</u>

CITY OF CRYSTAL SPRINGS, MISSISSIPPI

SPECIAL REPORT

Windham and Lacey, PLLC

Certified Public Accountants

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

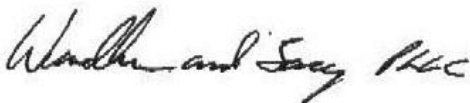
Honorable Mayor and
Members of the Board of Aldermen
City of Crystal Springs, Mississippi

We have audited the financial statements of the governmental activities, the business-type activities, the major fund and the aggregate remaining fund information of the City of Crystal Springs, Mississippi, as of and for the year ended September 30, 2021, and have issued our report thereon dated February 28, 2022. 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 City's compliance with these requirements. Accordingly, we do not express such an opinion.

Due to the reduced scope, these compliance tests cannot and do not provide absolute assurance that all state legal requirements have been complied with. The results of our compliance tests and our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information disclosed no material instance of noncompliance with state laws and regulations.

The purpose of this report is solely to describe the scope of our testing of compliance with certain state laws and regulations and the result of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.



Windham and Lacey, PLLC
February 28, 2022

CITY OF CRYSTAL SPRINGS, MISSISSIPPI

SCHEDULE OF FINDINGS

CITY OF CRYSTAL SPRINGS, MISSISSIPPI

Schedule of Findings For the Year Ended September 30, 2021

Section 1: Summary of Auditors' Results

Financial Statements:

- | | | |
|----|--|---------------|
| 1. | Type of auditors' report issued on the primary government financial statements: | Unmodified |
| 2. | Internal control over financial reporting: | |
| a. | Material weaknesses identified? | No |
| b. | Significant deficiencies identified that are not considered to be material weaknesses? | None Reported |
| 3. | Noncompliance material to the financial statements? | No |

Section 2: Financial Statement Findings

The results of our tests did not disclose any findings related to the financial statements that are required to be reported by *Government Auditing Standards*.