

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 LIBERTY, MISSISSIPPI

**FINANCIAL STATEMENT AND
SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORT**

SEPTEMBER 30, 2021

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CPAs & Advisors

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Board of Alderpersons of the
Town of Liberty
Liberty, Mississippi

We have audited the accompanying statement of cash receipts and disbursements of the governmental activities, the business-type activities, and each major fund of the Town of Liberty, Mississippi, for the year ended September 30, 2021, and the related notes to the financial statement, which collectively comprise the Town's basic financial statement as listed in the table of contents.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the cash basis of accounting described in Note 1, this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible 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 error or fraud.

Auditor's Responsibility

Our responsibility is to express opinions on this financial statement 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 statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, 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 statement 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 statement.

Auditor's Responsibility - continued:

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

Opinions

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the governmental activities, business-type activities and each major fund of the Town of Liberty, Mississippi, for the year ended September 30, 2021, in accordance with the cash basis of accounting as described in Note 1.

Emphasis of Matter

As discussed in Note 9, an adjustment to beginning cash fund balance was made to exclude certificates of deposit that are not considered cash equivalents. Our opinion is not modified with respect to this matter.

Basis of Accounting

We draw attention to Note 1 of the financial statement, which describes the basis of accounting. This financial statement is prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to that matter.

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require 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 financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by the missing information.

Other Matters*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statement of the Town of Liberty, Mississippi. The schedules included in the supplementary information section, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the financial statement. The schedules included in the supplementary information section have not been subjected to the auditing procedures applied in the audit of the basic financial statement and, accordingly, we do not express an opinion or provide any assurance on them.

Haddox Reid Eubank Belts PLLC

Jackson, Mississippi
July 25, 2022

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TOWN OF LIBERTY, MISSISSIPPI

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

| | GOVERNMENTAL ACTIVITIES | | | | |
|---|-------------------------|-------------------------|---------------------------|-----------------------|----------------|
| | General Fund | Debt Service Fund | Perpetual Care Fund | Vance Park Fund | Total |
| RECEIPTS: | | | | | |
| Taxes - Ad valorem | \$ 180,011 | - | - | - | 180,011 |
| Penalties and interest on delinquent taxes | 3,187 | - | - | - | 3,187 |
| Franchise fees | 19,476 | - | - | - | 19,476 |
| Licenses and permits | 3,627 | - | - | - | 3,627 |
| Intergovernmental receipts | 390,372 | - | - | - | 390,372 |
| Charges for services: | | | | | |
| Sanitation | 50,916 | - | - | - | 50,916 |
| Water and sewer | - | - | - | - | - |
| Natural gas | - | - | - | - | - |
| Fines and forfeitures | 13,129 | - | - | - | 13,129 |
| Interest | 874 | 252 | 244 | 9 | 1,379 |
| Other | 28,944 | - | - | - | 28,944 |
| Total receipts | <u>690,536</u> | <u>252</u> | <u>244</u> | <u>9</u> | <u>691,041</u> |
| DISBURSEMENTS: | | | | | |
| General government | 221,808 | - | - | - | 221,808 |
| Public safety | 199,397 | - | - | - | 199,397 |
| Court | 27,321 | - | - | - | 27,321 |
| Highways and streets | 31,995 | - | - | - | 31,995 |
| Sanitation | 44,112 | - | - | - | 44,112 |
| Culture and recreation | 43,833 | - | - | - | 43,833 |
| Enterprises: | | | | | |
| Water and sewer | - | - | - | - | - |
| Natural gas | - | - | - | - | - |
| Total disbursements | <u>568,466</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>568,466</u> |
| Excess of receipts over disbursements | <u>122,070</u> | <u>252</u> | <u>244</u> | <u>9</u> | <u>122,575</u> |

The accompanying notes are an integral part of this statement.

**BUSINESS-TYPE
ACTIVITIES**

| Water & Sewer Fund | Natural Gas Fund | Total |
|---------------------------------------|-----------------------------|----------------|
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| 43,660 | - | 43,660 |
| - | - | - |
| 221,863 | - | 221,863 |
| - | 225,714 | 225,714 |
| - | - | - |
| 1,283 | 1,139 | 2,422 |
| - | 3,026 | 3,026 |
| <u>266,806</u> | <u>229,879</u> | <u>496,685</u> |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| 225,439 | - | 225,439 |
| - | 216,924 | 216,924 |
| <u>225,439</u> | <u>216,924</u> | <u>442,363</u> |
| <u>41,367</u> | <u>12,955</u> | <u>54,322</u> |

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TOWN OF LIBERTY, MISSISSIPPI

**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES - CONTINUED:
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

| GOVERNMENTAL ACTIVITIES | | | | | |
|---|-------------------------|----------------------------------|------------------------------------|--------------------------------|----------------|
| | General Fund | Debt Service Fund | Perpetual Care Fund | Vance Park Fund | Total |
| OTHER CASH SOURCES (USES): | | | | | |
| Interfund loans and transfers | \$ 46,770 | (2,035) | (5,915) | - | 38,820 |
| Proceeds from maturities of investments | - | - | 76,058 | - | 76,058 |
| Purchases of investments | - | - | (70,386) | - | (70,386) |
| Utility deposits - net | - | - | - | - | - |
| Total other cash sources (uses) | <u>46,770</u> | <u>(2,035)</u> | <u>(243)</u> | <u>-</u> | <u>44,492</u> |
| Excess (deficiency) of receipts and other cash sources over (under) disbursements and other cash uses | 168,840 | (1,783) | 1 | 9 | 167,067 |
| CASH BASIS FUND BALANCE - | | | | | |
| Beginning of year, as restated | <u>143,800</u> | <u>108,203</u> | <u>546</u> | <u>2,531</u> | <u>255,080</u> |
| CASH BASIS FUND BALANCE - | | | | | |
| End of year | <u>\$ 312,640</u> | <u>106,420</u> | <u>547</u> | <u>2,540</u> | <u>422,147</u> |

The accompanying notes are an integral part of this statement.

| BUSINESS-TYPE ACTIVITIES | | |
|-----------------------------|---------------------|-----------------|
| Water & Sewer Fund | Natural Gas Fund | Total |
| (39,536) | 716 | (38,820) |
| 47,700 | 33,539 | 81,239 |
| (47,843) | (33,640) | (81,483) |
| <u>2,237</u> | <u>665</u> | <u>2,902</u> |
| <u>(37,442)</u> | <u>1,280</u> | <u>(36,162)</u> |
| 3,925 | 14,235 | 18,160 |
| <u>231,317</u> | <u>261,177</u> | <u>492,494</u> |
| <u>235,242</u> | <u>275,412</u> | <u>510,654</u> |

TOWN OF LIBERTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENT
SEPTEMBER 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Liberty, Mississippi (the Town) was incorporated in 1809. The Town operates under a Mayor-Board of Alderpersons form of government and provides all of the rights and privileges provided by statute for municipalities.

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

The financial statement is reported using the cash basis of accounting as permitted by the Mississippi Office of the State Auditor, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). The cash basis of accounting differs from GAAP primarily because revenues (cash receipts) are recognized when received rather than when earned and expenditures or expenses (cash disbursements) are recognized when paid rather than when incurred or subject to accrual.

Governmental Activities

The Town reports the following major governmental funds:

The **General Fund** is the government's primary operating fund. It accounts for all the financial resources and the legally authorized activities of the Town except those required to be accounted for in other specialized funds.

The **Debt Service Fund** is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

The **Perpetual Care Fund** is used to account for the proceeds legally restricted to expenditures related to cemetery maintenance.

The **Vance Park Fund** is used to account for the proceeds legally restricted to expenditures related to the maintenance of Vance Park.

Business-Type Activities

The Town reports the following major proprietary funds:

The **Water and Sewer Fund** accounts for the activities of providing water and sewer services to citizens of the Town.

The **Natural Gas Fund** accounts for the activities of providing natural gas services to citizens of the Town.

TOWN OF LIBERTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENT
SEPTEMBER 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:

A. Measurement Focus, Basis of Accounting and Financial Statement Presentation - continued:

When both restricted and unrestricted cash is available for use, it is the Town's policy to use restricted cash first, then unrestricted cash as it is needed.

B. Cash and Cash Equivalents

Cash includes cash on hand and deposits held in demand deposit accounts at financial institutions. The Town considers all short-term, highly liquid investments with an original maturity of 90 days or less to be cash equivalents.

NOTE 2 - DEPOSITS

The composition of the Town's cash and cash equivalents is as follows at September 30, 2021:

| | Unrestricted | Restricted | Total |
|----------------------------------|--------------------------|---------------------|-----------------------|
| | <u>Cash</u> | <u>Cash</u> | <u>Total</u> |
| Governmental activities: | | | |
| General Fund | \$ 309,038 | 3,602 | 312,640 |
| Debt Service Fund | 106,420 | - | 106,420 |
| Perpetual Care Fund | 547 | - | 547 |
| Vance Park Fund | <u>2,540</u> | <u>-</u> | <u>2,540</u> |
| Total governmental activities | <u>418,545</u> | <u>3,602</u> | <u>422,147</u> |
| Business-type activities: | | | |
| Water and Sewer Fund | 235,242 | - | 235,242 |
| Natural Gas Fund | <u>275,412</u> | <u>-</u> | <u>275,412</u> |
| Total business-type activities | <u>510,654</u> | <u>-</u> | <u>510,654</u> |
| Government-wide total | \$ <u>929,199</u> | <u>3,602</u> | <u>932,801</u> |

TOWN OF LIBERTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENT
SEPTEMBER 30, 2021

NOTE 2 - DEPOSITS - CONTINUED:

Deposits at September 30, 2021, are summarized as follows:

| | <u>Reported Amount</u> | <u>Bank Balance</u> |
|---------------------------|-----------------------------------|--------------------------------|
| Cash and cash equivalents | \$ 932,801 | 957,237 [✓] |
| Certificates of deposit | <u>151,869[✓]</u> | <u>151,869</u> |
| Total deposits | \$ <u>1,084,670</u> | <u>1,109,106</u> |

The difference of \$24,436 was principally due to outstanding checks. Of the bank balance, \$535,161 was covered by Federal depository insurance.

Custodial Credit Risk-Deposits. Custodial credit risk is defined as the risk that, in the event of a failure of a financial institution, the Town will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Town does not have a formal policy for custodial credit risk. However, the Mississippi State Treasurer manages the risk on behalf of the Town. As of September 30, 2021, \$573,945 of the Town's bank balance of \$1,109,106 was exposed to custodial credit risk as follows:

Collateralized by the State Public Funds Guaranty Pool \$ 573,945

The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi Legislature and is governed by Section 27-105-5, Mississippi Code Ann. (1972). Under this program, the Town'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 a failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Depository Insurance Corporation.

Interest Rate Risk. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. State law limits investments to those prescribed in Sections 27-105-33(d) and 27-105-33(e) Miss. Code Ann. (1972). The Town does not have a formal investment policy that would further limit its investment choices or one that addresses credit risk.

TOWN OF LIBERTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENT
SEPTEMBER 30, 2021

NOTE 2 - DEPOSITS - CONTINUED:

Custodial Credit Risk - Investments. Custodial credit risk is defined as the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a formal investment policy that addresses custodial risk. However, the Mississippi State Treasurer manages the risk on behalf of the Town. Deposits above FDIC coverage are collateralized by the pledging financial institutions trust department or agent in the name of the Mississippi State Treasurer on behalf of the Town. The Town had no investments as of September 30, 2021.

Concentration of Credit Risk. Disclosure of investments by amount and issuer for any issuer that represents five percent or more of total investments is required. This requirement does not apply to investments issued or explicitly guaranteed by the U.S. government, investments in mutual funds and external investment pools, and other pooled investments. As of September 30, 2021 the Town had no investments.

Following is a list of the Town's eligible investments, which in accordance with state statute are limited to the investment of funds in excess of sums required for immediate expenditure or current obligations:

Certificates of deposit with municipal depositories approved annually by the State Treasurer, bonds or direct obligations of the following:

- United States of America
- State of Mississippi
- County or Municipality of Mississippi
- School Districts

State statute allows the investment of funds received from the sale of bonds, notes, or certificates of indebtedness which are not immediately required for disbursement for the purpose issued, in direct obligations issued by or guaranteed in full by the United States of America, or in certificates of deposit with approved municipal depositories.

NOTE 3 - PROPERTY TAX

Property taxes for fiscal year 2021 were levied in September 2020 on the assessed valuation of property located in the Town of Liberty, Mississippi as of the preceding January 1, the lien date. The Town levies property taxes annually based upon assessed valuations. Real

TOWN OF LIBERTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENT
SEPTEMBER 30, 2021

NOTE 3 - PROPERTY TAX - CONTINUED:

property and personal property taxes are collected directly by the Town. Automobile ad valorem taxes and certain road taxes are collected by the Amite County tax collector and disbursed to the Town accordingly. Current cash receipts of taxes for the year ended September 30, 2021, were approximately 97% of the total tax levy.

The tax rate levied by the Town for fiscal year 2021 was set at 28 mills. The Town allocated the property tax per \$100 of assessed value in the amount of \$2.80 for the year entirely to the General Fund.

NOTE 4 - DEFINED BENEFIT PENSION PLAN

General information about the Pension Plan

Plan Description

The Town of Liberty, 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, or by visiting online at www.pers.ms.gov.

Benefits Provided

Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi (the State), state universities, community and junior colleges, and teachers and employees of the public school districts. For those persons employed by political subdivisions and instrumentalities of the State, membership is contingent upon approval of the entity's participation in PERS by the PERS' Board of Trustees. If approved, membership for the entity's employees is a condition of employment and eligibility is granted to those who qualify upon hiring. Members and employers are statutorily required to contribute certain percentages of salaries and wages as specified by the Board of Trustees. A member who terminates employment from all covered employers and who is not eligible to receive monthly retirement benefits may request a full refund of his or her accumulated member contributions plus interest. Upon withdrawal of contributions, a member forfeits service credit represented by those contributions. Participating members

TOWN OF LIBERTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENT
SEPTEMBER 30, 2021

NOTE 4 - DEFINED BENEFIT PENSION PLAN - CONTINUED:

General information about the Pension Plan - continued:

Benefits Provided - continued:

who are vested and retire at or after age 60 or those who retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011), are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.0 percent of their average compensation for each year of creditable service up to and including 30 years (25 years for those who became members of PERS before July 1, 2011), plus 2.5 percent for each additional year of creditable service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age that the member is below 65, whichever is less. Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service. A member may elect a reduced retirement allowance payable for life with the provisions that, after death, a beneficiary receives benefits for life or for a specified number of years. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. In the event of death prior to retirement of any member whose spouse and/or children are not entitled to a retirement allowance, the deceased member's accumulated contributions and interest are paid to the designated beneficiary. A Cost-of-Living Adjustment (COLA) payment is made to eligible retirees and beneficiaries. The COLA is equal to 3.0 percent of the annual retirement allowance for each full fiscal year of retirement up to the year in which the retired member reaches age 60 (55 for those who became members of PERS before July 1, 2011), with 3.0 percent compounded for each fiscal year thereafter.

For the year ended September 30, 2021, the Town's total payroll for all employees was \$366,511. Total covered payroll was \$357,463. Covered payroll refers to all compensation paid by the Town to active employees covered by the Plan.

Contributions

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 rate for the year ended September 30, 2021, was 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 contribution to PERS for years ended September 30, 2021, 2020, and 2019, were \$62,199, \$63,820 and \$57,297, respectively, equal to the required contributions for each year.

TOWN OF LIBERTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENT
SEPTEMBER 30, 2021

NOTE 5 - INTERFUND LOANS AND TRANSFERS

Interfund loans and transfers during the year were as follows:

| <u>Type</u> | <u>To</u> | <u>From</u> | <u>Amount</u> |
|-------------|------------------|---------------------|---------------|
| Transfer | General Fund | Debt Service Fund | \$ 2,035 |
| Transfer | General Fund | Perpetual Care Fund | 5,915 |
| Loan | General Fund | Water & Sewer Fund | 39,536 |
| Loan | Natural Gas Fund | General Fund | 716 |

The above interfund loans and transfers are necessary to move funds collected in one fund to another fund in accordance with the Town's annual budget.

NOTE 6 - CONTINGENCIES

Federal Grants

In the normal course of operations, the Town receives grant funds from various Federal and state agencies. The grant programs are subject to audit by the agents of the granting authority, the purpose of which is to ensure compliance with the conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

Impact of Global Pandemic

On March 11, 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic, which continues to spread throughout the world and in the United States. As of June xx, 2022, the Town is aware of changes in both its daily operations and the operation of commercial business located in the Town as a result of COVID-19 but is uncertain of the impacts of these changes on its future financial operations. The ultimate potential impact cannot be estimated at this time.

NOTE 7 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town carries commercial insurance for risks of loss other than workers' compensation and liability. Settled claims resulting from these commercially covered risks have not exceeded commercial coverage in any of the past three fiscal years.

TOWN OF LIBERTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENT
SEPTEMBER 30, 2021

NOTE 7 - RISK MANAGEMENT - CONTINUED:

Risk of loss related to workers' compensation for injuries to Town employees is covered through the Mississippi Municipal Workers' Compensation Group, a public entity risk pool. The pool was formed on March 28, 1989, by the Mississippi Nonprofit Corporation Act, pursuant to Section 71-3-75, Mississippi Code Annotated (1972), to provide public entities within the State of Mississippi workers' compensation and employers' liability coverage. The Town pays premiums to the pool quarterly for its workers' compensation insurance coverage based on total payroll. The participation agreement provides that the pool will be self-sustaining through member premiums. If total claims during a year were to deplete the trust account, then the pool members would be required to pay for the deficiencies. The Town has not had an additional assessment for losses incurred by the pool.

The Town is a member of the Mississippi Municipal Liability Plan, a public entity risk pool. The Mississippi Municipal Liability Plan covers liability claims against its members and is funded through member contributions. The Town has not had an additional assessment for excess losses.

NOTE 8 - SUBSEQUENT EVENTS

The Town had no subsequent events of a material nature requiring adjustment to or disclosure in the financial statement through July 25, 2022, the date the financial statement was approved by the Town's management and available to be issued.

NOTE 9 - PRIOR PERIOD ADJUSTMENT

Beginning cash basis fund balance was restated in three funds due to the incorrect inclusion of certificates of deposit with one-year maturities in cash and cash equivalents. This caused a reduction of beginning cash fund balance as follows:

| | |
|----------------------|-------------------|
| Perpetual Care Fund | \$ 76,058 |
| Water and Sewer Fund | 47,700 |
| Natural Gas Fund | <u>33,539</u> |
| | <u>\$ 157,297</u> |

SUPPLEMENTARY INFORMATION

SCHEDULE I**TOWN OF LIBERTY, MISSISSIPPI****SCHEDULE OF INVESTMENTS - ALL FUNDS
AS OF SEPTEMBER 30, 2021**

| | <u>Deposit Amount</u> |
|---|----------------------------------|
| Certificate of Deposit with Trustmark National Bank, Maturing January 22, 2022, Rate 0.20% | \$ 35,161 |
| Certificate of Deposit with First Bank, Maturing May 1, 2022, Rate 0.15% | 33,640 |
| Certificate of Deposit with First Bank, Maturing August 9, 2022, Rate 0.15% | 35,225 |
| Certificate of Deposit with First Bank, Maturing May 1, 2022, Rate 0.15% | <u>47,843</u> |
| | \$ <u>151,869</u> |
| Fund Recap: | |
| Perpetual Care Fund | \$ 70,386 |
| Water and Sewer Fund | 47,843 |
| Natural Gas Fund | <u>33,640</u> |
| | \$ <u>151,869</u> |

SCHEDULE II

TOWN OF LIBERTY, MISSISSIPPI

**SCHEDULE OF LONG-TERM DEBT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

| | Balance Outstanding October 1, 2020 | Issued | Redeemed | Balance Outstanding September 30, 2021 |
|--|--|--------|----------|---|
| | | | | |

NOTES:

No Long-Term Debt outstanding as of
September 30, 2021.

| | | | | |
|----|---|---|---|---|
| \$ | - | - | - | - |
|----|---|---|---|---|

Total

| | | | | |
|----|---|---|---|---|
| \$ | - | - | - | - |
|----|---|---|---|---|

SCHEDULE III**TOWN OF LIBERTY, MISSISSIPPI****SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS
AS OF SEPTEMBER 30, 2021**

| <u>Name</u> | <u>Position</u> | <u>Surety</u> | <u>Bond Amount</u> |
|--------------------|------------------------|----------------------|---------------------------|
| J. Walt Gaston | Aldersperson | Scott Insurance | \$10,000 |
| Lenora Morgan | Aldersperson | Scott Insurance | 10,000 |
| John Shivers | Aldersperson | Scott Insurance | 10,000 |
| Curtis Seay | Aldersperson | Scott Insurance | 10,000 |
| Greg T. Walsh | Aldersperson | Scott Insurance | 10,000 |
| Pat Talbert | Mayor | Scott Insurance | 50,000 |
| Shawn Felder | Town Clerk | Western Surety | 50,000 |
| Shawn Felder | Tax Collector | Western Surety | 10,000 |
| Sandra Wall | Deputy Clerk | Brierfield | 50,000 |
| Edwin Schwing | Chief of Police | Western Surety | 50,000 |
| Scote Renfro | Police Officer | Brierfield | 25,000 |
| Kurt A. Taylor | Police Officer | Western Surety | 25,000 |
| Michael S. Reeves | Police Officer | Brierfield | 25,000 |
| Frank Umberger | Police Officer | Brierfield | 25,000 |
| Shawn Umbrello | Police Officer | Brierfield | 25,000 |
| John D. Leuthauser | Police Officer | Brierfield | 25,000 |
| Michael Sharp | Police Officer | Western Surety | 25,000 |
| Shawn Tyler | Police Officer | Western Surety | 25,000 |
| Felder Smith | Police Officer | Brierfield | 25,000 |

SCHEDULE IV**TOWN OF LIBERTY, MISSISSIPPI****SCHEDULE OF CAPITAL ASSETS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Retirements / Reclassifications</u> | <u>Ending Balance</u> |
|--|-------------------------------------|-------------------------|---|----------------------------------|
| GOVERNMENTAL ACTIVITIES: | | | | |
| Capital assets: | | | | |
| Land | \$ 357,527 | - | - | 357,527 |
| Building and improvements | 559,856 | - | - | 559,856 |
| Vehicles and machinery | 820,373 | 3,367 | - | 823,740 |
| Infrastructure | <u>487,822</u> | <u>-</u> | <u>-</u> | <u>487,822</u> |
| Total governmental activities capital assets | \$ <u>2,225,578</u> | <u>3,367</u> | <u>-</u> | <u>2,228,945</u> |
| BUSINESS-TYPE ACTIVITIES: | | | | |
| Capital assets: | | | | |
| Vehicles and machinery | \$ 353,385 | - | - | 353,385 |
| Water distribution system | 2,272,146 | - | - | 2,272,146 |
| Gas distribution system | <u>185,450</u> | <u>-</u> | <u>-</u> | <u>185,450</u> |
| Total business-type activities capital assets | \$ <u>2,810,981</u> | <u>-</u> | <u>-</u> | <u>2,810,981</u> |

STATE COMPLIANCE SECTION

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

To the Honorable Mayor and Board of Alderpersons of the
Town of Liberty
Liberty, Mississippi

We have audited the financial statement of the cash receipts and disbursements of the governmental activities, the business-type activities, and each major fund of the Town of Liberty, Mississippi for the year ended September 30, 2021, and have issued our report thereon dated July 25, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

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

The results of those procedures and our audit of the financial statement of the governmental activities, the business-type activities, and each major fund information disclosed no material instances of noncompliance with state laws and regulations.

This report is intended for the information of the Town of Liberty, Mississippi's management, Honorable Mayor and Board of Alderpersons, and the Mississippi 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.

Haddox Reid Eubank Betts PLLC

Jackson, Mississippi
July 25, 2022