

## 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.

**FINANCIAL REPORT**

**TOWN OF MANTACHIE, MISSISSIPPI**

**Year Ended September 30, 2021**

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Honorable Mayor and Board of Aldermen  
Town of Mantachie, Mississippi

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 Mantachie, Mississippi, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's 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 in accordance with accounting principles generally accepted in the United States of America; 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 opinions 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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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 opinions.

### Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Qualified
Business-Type Activities	Qualified
General Fund	Unmodified
Other Governmental Funds	Unmodified
Enterprise Fund	Qualified
Aggregate Remaining Fund Information	Unmodified

### **Basis for Qualified Opinion**

The Town of Mantachie, Mississippi does not maintain complete and adequate subsidiary records documenting the existence, completeness and valuation of the fixed assets included in the governmental activities, the business-type activities and the enterprise fund. Due to the lack of adequate subsidiary records, we were unable to satisfy ourselves as to the fair presentation of the fixed assets reported in the governmental activities, the business-type activities and the enterprise fund of the Town of Mantachie, Mississippi at September 30, 2021.

### **Qualified Opinion**

In our opinion, except for the effects of the matter described in "Basis for Qualified Opinion" paragraph, the primary government financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities and the enterprise fund of the Town of Mantachie, Mississippi as of September 30, 2021, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Unmodified Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of general fund, other governmental funds and the aggregate remaining fund information of the Town of Mantachie, Mississippi as of September 30, 2021, and the respective changes in financial position in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 13, the schedule of Town's proportionate share of the net pension liability and the schedule of the Town's contributions on pages 41 through 45 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 an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Supplemental Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Mantachie, Mississippi's basic financial statements. The other supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Mantachie, Mississippi's basic financial statements. The introductory section and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated September 20, 2021, on our consideration of the Town of Mantachie, Mississippi's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Mantachie, Mississippi's internal control over financial reporting and compliance.

Franks, Franks, Wilemon & Hagood P.A.

FRANKS, FRANKS, WILEMON & HAGOOD, P.A.  
Tupelo, Mississippi  
August 30, 2022

# **TOWN OF MANTACHIE, MISSISSIPPI**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **Required Supplemental Information for the Year Ended September 30, 2021**

This section of the Town of Mantachie's Financial Report presents our discussion and analysis of the Town's financial performance during the fiscal year ending September 30, 2021. The information contained in this Management Discussion and Analysis has been prepared by management and should be considered in conjunction with the financial statements and the notes thereto, which follow this section.

#### **FINANCIAL HIGHLIGHTS**

- The assets of the Town exceeded its liabilities at September 30, 2021 and 2020 by \$3,290,434 and \$1,609,033. Of this amount, \$392,647 and \$223,741 may be used to meet the Town of Mantachie's ongoing obligations to citizens and creditors.
- As of September 30, 2021 and 2020, the Town of Mantachie's governmental funds reported combined ending fund balances of \$499,862 and \$344,890, an increase of \$154,972 in comparison to the prior years. Approximately 90.5% and 85.7% of the combined fund balances, \$452,295 and \$295,701 is considered unassigned and is available for spending at the Town of Mantachie's discretion.
- The Town of Mantachie's total debt as of September 30, 2021 and 2020 was \$1,280,489 and \$1,344,961. Debt in the amount of \$64,472 and \$68,354 was repaid during the years ended September 30, 2021 and 2020.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of four parts—management's discussion and analysis (this section), the basic financial statements, required supplementary information, and an optional section that presents combining statements for non-major governmental funds. The basic financial statements include two kinds of statements that present different views of the Town of Mantachie.

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Town of Mantachie's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Town of Mantachie's operations in more detail than the government-wide statements.

The Governmental Funds statements tell how general government services such as public safety were financed in the short term as well as what remains for future spending. The Town of Mantachie has two Governmental Fund types: General and Special Revenue.

Proprietary fund statements offer short- and long-term financial information about the activities the government operates in a similar manner as businesses, and include the Water and Sewer System funds.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. In addition to these required elements, we have included a section with combining statements that provide details about our non-major governmental funds, each of which are added together and presented in single columns in the basic financial statements.



# TOWN OF MANTACHIE, MISSISSIPPI

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Figure A-1 summarizes the major features of the Town of Mantachie's financial statements, including the portion of the Town of Mantachie they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-1

#### Major Features of the Town of Mantachie's Government-wide and Fund Financial Statements:

	Government-wide Statements	<u>Fund Statements</u>	
		Governmental Funds	Proprietary Funds
Scope	Entire Town Government (except fiduciary funds) and the Town's component units.	The activities of the Town that are not proprietary or fiduciary, such as police, fire, and parks and recreation	Activities the Town operates similar to private businesses: Water and Sewer System.
Required financial statements	Statement of Net Position; Statement of Activities	Balance Sheet; Statement of Revenues, Expenditures, and Changes in Fund Balances	Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; Statement of Cash Flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of Asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid



# **TOWN OF MANTACHIE, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **Government-wide Statements**

The government-wide statements report information about the Town of Mantachie as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Town of Mantachie's net position and how they have changed. Net position—the difference between the Town of Mantachie's assets and liabilities—is one way to measure the Town of Mantachie's financial health, or position.

- Over time, increases or decreases in the Town of Mantachie's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- *Governmental activities*—Most of the Town of Mantachie's basic services are included here, such as the police, fire, public works, and parks and recreation departments, and general administration. Sales and use taxes and state and federal grants finance most of these activities.
- *Business-type activities*—The Town of Mantachie charges fees to customers to help it cover the costs of certain services it provides. The Town of Mantachie's water and sewer systems services are included here.

## **Fund Financial Statements**

The fund financial statements provide more detailed information about the Town of Mantachie's most significant funds—not the Town as a whole. The "fund" level is where the basic unit of financial organization and operation within the Town of Mantachie exists. Funds are accounting tools that are used to keep track of specific sources of funding and spending for particular purposes. They are the basic budgetary and accounting entities.

- Some funds are required by State law and by bond covenants.
- The Board of Alderman establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

## **TOWN OF MANTACHIE, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS**

The Town of Mantachie has two kinds of funds:

- **Governmental funds**—most of the Town of Mantachie's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that help determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town of Mantachie's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them. The measurement focus of governmental funds is upon determination of financial position and changes in financial position (sources, uses, and balance of financial resources) rather than upon net income determination. These funds are maintained on a modified accrual basis of accounting (explained further in the notes to the financial statements under "Summary of Significant Accounting Policies"). The basic financial statements for governmental funds are the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances. The Town of Mantachie utilizes two types of governmental funds: General Fund and Special Revenue Funds.
- **Proprietary funds**—Services for which the Town of Mantachie charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information. The Town has only one type of proprietary funds—enterprise funds. The Town of Mantachie's enterprise funds are the same as its business-type activities yet provide more detail and additional information, such as cash flows. The measurement focus of proprietary funds is upon determination of net income, financial position and change in financial position. These funds are maintained on the accrual basis of accounting. The Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows are all required statements.

### **Government-wide Financial Analysis**

Net position may serve over time as a useful indicator of a government's financial position. The Town of Mantachie's assets exceeded liabilities by \$3,290,434 at the close of the most recent fiscal year.

A large portion, 87% and 83%, of the Town's net position reflects its net investment in capital assets (such as land, buildings, machinery, equipment, and infrastructure) for the years ended September 30, 2021 and 2020, respectively. The Town uses these capital assets to provide services to citizens; however, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

# TOWN OF MANTACHIE, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS

Table A-1

## Town of Mantachie's Net Position

	Governmental Activities		Business-Type Activities		Total	Total
	2021	2020	2021	2020	2021	2020
Current and Other Assets	\$590,346	\$ 423,011	\$ 729,429	\$ 863,084	\$ 1,319,775	\$ 1,286,095
Capital Assets	412,887	500,659	3,719,572	2,182,155	4,132,459	2,682,814
Total Assets	1,003,233	923,670	4,449,001	3,045,239	5,452,234	3,968,909
Deferred Outflows	47,992	24,920	38,501	20,196	86,493	45,116
Total Deferred Outflows	47,992	24,920	38,501	20,196	86,493	45,116
Current and Other Liabilities	10,294	7,192	192,553	336,235	202,847	343,427
Long-Term Liabilities	302,298	356,395	1,555,321	1,664,316	1,857,619	2,020,711
Total Liabilities	312,592	363,587	1,747,874	2,000,551	2,060,466	2,364,138
Deferred Inflows	104,220	22,566	83,607	18,288	187,827	40,854
Total Deferred Inflows	104,220	22,566	83,607	18,288	187,827	40,854
Net Position:						
Net Investment in Capital						
Assets	412,887	500,659	2,439,083	837,194	2,851,970	1,337,853
Restricted	45,817	47,439	0	0	45,817	47,439
Unrestricted	175,709	14,339	216,938	209,402	392,647	223,741
Total Net Position	\$ 634,413	\$ 562,437	\$ 2,656,021	\$ 1,046,596	\$ 3,290,434	\$ 1,609,033

An additional portion of the Town's net position represents resources that are subject to external restrictions on how they may be used. The \$392,647 of unrestricted net position provides excess funds to meet the government's ongoing obligations to citizens and creditors.

Unrestricted net position of our business-type activities was \$216,938 at the end of the current fiscal year. These resources cannot be used to add to the net position surplus in governmental activities. The Town of Mantachie generally can only use this net position to finance the continuing operations of the business type activities.

# TOWN OF MANTACHIE, MISSISSIPPI

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**Changes in net position:** Approximately 10.81% of the Town of Mantachie's revenue comes from sales tax allocation. (See Table A-2.) This compares to 18.65% for the fiscal year ended September 30, 2020. Another 22.11% comes from fees charged for services and the balance is from investment earnings and other miscellaneous receipts. This compares to 42.21% for the fiscal year ended September 30, 2020. Another 63.08% comes from capital grants. This compares to 33.29% for the fiscal year ended September 30, 2020.

Table A-2 and the narrative that follows consider the operations of governmental and business-type activities separately.

Table A-2

### Changes in the Town of Mantachie's Net Position

	Governmental Activities		Business-Type Activities		Total	Total
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$ 103,825	\$ 86,781	\$ 460,259	\$ 465,095	\$ 564,084	\$ 551,876
Operating Grants & Contributions	36,178	0	0	0	36,178	0
Capital Grants & Contributions	0	0	1,609,618	435,235	1,609,618	435,235
General Revenues:						
Sales Tax Allocation	275,806	243,781	0	0	275,806	243,781
Other Taxes	45,158	45,715	0	0	45,158	45,715
Intergovernmental Revenues	4,774	10,976	0	0	4,774	10,976
Investment Income	2,642	1,133	1,616	1,789	4,258	2,922
Other	11,722	16,277	0	606	11,722	16,883
<b>Total Revenues</b>	<b>480,105</b>	<b>404,663</b>	<b>2,071,493</b>	<b>902,725</b>	<b>2,551,598</b>	<b>1,307,388</b>
<b>Expenses</b>						
General Government	120,601	110,265	0	0	120,601	110,265
Public Safety	200,715	194,397	0	0	200,715	194,397
Public Works	67,046	70,806	0	0	67,046	70,806
Culture & Recreation	32,007	32,811	0	0	32,007	32,811
Water & Sewer	0	0	449,828	475,550	449,828	475,550
<b>Total Expenses</b>	<b>420,369</b>	<b>408,279</b>	<b>449,828</b>	<b>475,550</b>	<b>870,197</b>	<b>883,829</b>
Excess of Revenue Over Expenses	59,736	(3,616)	1,621,665	427,175	1,681,401	423,559
Transfers	12,240	12,240	(12,240)	(12,240)	0	0
<b>Increase (Decrease) in Net Position</b>	<b>71,976</b>	<b>8,624</b>	<b>1,609,425</b>	<b>414,935</b>	<b>1,681,401</b>	<b>423,559</b>
<b>Net Position--Beginning</b>	<b>562,437</b>	<b>553,813</b>	<b>1,046,596</b>	<b>631,661</b>	<b>1,609,033</b>	<b>1,185,474</b>
<b>Net Position--Ending</b>	<b>\$ 634,413</b>	<b>\$ 562,437</b>	<b>\$ 2,656,021</b>	<b>\$ 1,046,596</b>	<b>\$ 3,290,434</b>	<b>\$ 1,609,033</b>

# **TOWN OF MANTACHIE, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **Governmental Activities**

Governmental activities increased the Town's net position by \$71,976. Key elements of this increase are as follows:

The largest funding sources for the Town's governmental activities, as a percent of total revenues, are sales tax allocation (57% and 60% for 2021 and 2020 respectively) and charges for services (22% and 21% for 2021 and 2020 respectively).

The largest expense category for the Town's governmental activities is public safety (48% and 48% for 2021 and 2020 respectively).

## **Business-type Activities**

Business-type activities increased the Town's net position by \$1,609,425 and \$414,935 for 2021 and 2020 respectively.

Charges for services and grant funds are the major revenue categories for the enterprise funds. The business-type revenues are comprised of \$460,259 and \$465,095 for water and sewer system for 2021 and 2020.

## **Financial Analysis of the Government's Funds**

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

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

**General Fund**—The general fund is the chief operating fund of the Town. At the end of the current fiscal year, unreserved fund balance of the general fund was \$452,295. As a measure of the general fund's liquidity, it may be useful to compare both the fund balance, reserved and unreserved, to total fund expenditures. Total fund balance represents 116% of total fund expenditures. The fund balance increased by \$156,594 during the current fiscal year.

**Special Revenue Fund**—The special revenue fund is used to account for the programs and projects primarily funded by grants from the federal and state governments. At the end of the current fiscal year, the fund balance was \$45,817, which will be used for future expenditures.

**Proprietary Funds**—The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The net position of the proprietary funds at the end of the current fiscal year totaled \$2,656,021.

## **Budgetary Highlights**

The Town's annual budget, which is prepared on an operating basis, includes estimated revenues and annual appropriations for the proprietary funds as well as the governmental funds.

The Town's 2020-2021 general fund operating budget increased by \$13,700 due to increase in other services and charges in general government and public safety.

# TOWN OF MANTACHIE, MISSISSIPPI

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The Town has no tax millage for the 2021 fiscal year. The Town has never assessed any form of property tax on the citizens of the Town.

### CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital Assets**—In accordance with GASB 34, the Town has recorded depreciation expense associated with all of its capital assets, including infrastructure. The Town's investment in capital assets for its governmental and business-type activities as of September 30, 2021, amounted to \$4,132,459, net of accumulated depreciation of \$4,170,637. This investment in capital assets includes land, buildings, improvements other than buildings, machinery & equipment, infrastructure, and construction in progress.

Table A-3

#### Town of Mantachie's Capital Assets

	Governmental Activities	Business-Type Activities	Total 9/30/21	Total 9/30/20
Land	\$ 103,606	\$ 142,505	\$ 246,111	\$ 309,758
Plant, Buildings & Improvements	484,887	5,245,523	5,730,410	5,730,410
Machinery & Equipment	292,173	112,840	405,013	400,885
Infrastructure	13,300	-	13,300	13,300
Construction in Progress	-	1,908,262	1,908,262	267,341
Accumulated Depreciation	<u>(481,079)</u>	<u>(3,689,558)</u>	<u>(4,170,637)</u>	<u>(4,038,880)</u>
Total	\$ <u>412,887</u>	\$ <u>3,719,572</u>	\$ <u>4,132,459</u>	\$ <u>2,682,814</u>

**Long-term Debt**—At year-end, the Town had \$1,280,489 in bonds and notes outstanding. More detailed information about the Town of Mantachie's long-term liabilities is presented in the notes to the financial statements.

Table A-4

#### Town of Mantachie's Outstanding Debt

	Governmental Activities	Business-Type Activities	Total 9/30/21	Total 9/30/20
Promissory Notes	\$ -	\$ 1,280,489	\$ 1,280,489	\$ 1,344,961
Total	\$ -	\$ 1,280,489	\$ 1,280,489	\$ 1,344,961

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Town considered current year operational expenses and estimated increases based on economic factors when establishing the fiscal year 2022 budget. The total budgeted appropriations for the Town operations are \$448,990. This budget reflects an increase of approximately \$46,490.

# **TOWN OF MANTACHIE, MISSISSIPPI MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **CONTACTING THE TOWN OF MANTACHIE FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Town of Mantachie's finances and to demonstrate the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town of Mantachie's Finance Department, P.O. Box 70 Mantachie, MS 38855.



## BASIC FINANCIAL STATEMENTS

**TOWN OF MANTACHIE, MISSISSIPPI**  
**STATEMENT OF NET POSITION**  
**September 30, 2021**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b><u>ASSETS:</u></b>			
Cash on Deposit	\$ 473,171	\$ 504,469	\$ 977,640
Money Market, CD's	-	61,009	61,009
Accounts Receivable	37,258	41,195	78,453
Court Fines Receivable	80,190	-	80,190
Notes Receivable	5,449	-	5,449
Due from Other Governments	-	117,034	117,034
Internal Balances	(5,722)	5,722	-
Capital Assets:			
Land	103,606	142,505	246,111
Plant, Buildings and Improvements	484,887	5,245,523	5,730,410
Machinery and Equipment	292,173	112,840	405,013
Infrastructure	13,300	-	13,300
Construction in Progress	-	1,908,262	1,908,262
Accumulated Depreciation	(481,079)	(3,689,558)	(4,170,637)
<b>TOTAL ASSETS</b>	<b><u>1,003,233</u></b>	<b><u>4,449,001</u></b>	<b><u>5,452,234</u></b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES:</u></b>			
Deferred Outflows - Pensions	<u>47,992</u>	<u>38,501</u>	<u>86,493</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ <u>47,992</u></b>	<b>\$ <u>38,501</u></b>	<b>\$ <u>86,493</u></b>

See accompanying notes to the financial statements.

**TOWN OF MANTACHIE, MISSISSIPPI**  
**STATEMENT OF NET POSITION**  
**September 30, 2021**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b><u>LIABILITIES:</u></b>			
Accounts Payable and Accrued Expenses	\$ 10,294	\$ 126,057	\$ 136,351
Refundable Meter Deposits	-	98,819	98,819
Net Pension Liability	302,298	242,509	544,807
Long-Term Liabilities:			
Due Within One Year	-	66,496	66,496
Due in More Than One Year	-	1,213,993	1,213,993
<b>TOTAL LIABILITIES</b>	<b>312,592</b>	<b>1,747,874</b>	<b>2,060,466</b>
<b><u>DEFERRED INFLOWS OF RESOURCES:</u></b>			
Deferred Inflows - Pensions	104,220	83,607	187,827
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>104,220</b>	<b>83,607</b>	<b>187,827</b>
<b><u>NET POSITION:</u></b>			
Net Investment in Capital Assets	412,887	2,439,083	2,851,970
Restricted for:			
Fire Rebate	33,314	-	33,314
Home Grant	12,503	-	12,503
Unrestricted (Deficit)	175,709	216,938	392,647
<b>TOTAL NET POSITION</b>	<b>\$ 634,413</b>	<b>\$ 2,656,021</b>	<b>\$ 3,290,434</b>

See accompanying notes to the financial statements.

**TOWN OF MANTACHIE, MISSISSIPPI**  
**STATEMENT OF ACTIVITIES**  
For the fiscal year ended September 30, 2021

FUNCTIONS/ PROGRAMS	PROGRAM REVENUES					Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charge for Services	Operating		Capital Grants and Contributions	Total	PRIMARY GOVERNMENT	
			Grants and Contributions	Contributions			Governmental Activities	Business-Type Activities
<b>PRIMARY GOVERNMENT</b>								
Government Activities:								
General Government	\$ 120,601	\$	\$	\$	\$	\$	(120,601)	\$ -
Public Safety	200,715	21,068	36,178	-	-	57,246	(143,469)	-
Public Works	67,046	70,317	-	-	-	70,317	3,271	-
Culture and Recreation	32,007	12,440	-	-	-	12,440	(19,567)	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>420,369</b>	<b>103,825</b>	<b>36,178</b>	<b>-</b>	<b>-</b>	<b>140,003</b>	<b>(280,366)</b>	<b>-</b>
Business-Type Activities:								
Water & Sewer System	449,828	460,259	-	1,609,618	-	2,069,877	-	1,620,049
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>449,828</b>	<b>460,259</b>	<b>-</b>	<b>1,609,618</b>	<b>-</b>	<b>2,069,877</b>	<b>-</b>	<b>1,620,049</b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 870,197</b>	<b>\$ 564,084</b>	<b>\$ 36,178</b>	<b>\$ 1,609,618</b>	<b>\$</b>	<b>\$ 2,209,880</b>	<b>\$ (280,366)</b>	<b>\$ 1,620,049</b>
								<b>\$ 1,339,683</b>
<b>GENERAL REVENUES:</b>								
Taxes:								
Sales Taxes							\$ 275,806	\$ -
Licenses and Permits							7,715	-
In Lieu Taxes							37,443	-
Intergovernmental Revenues							4,774	4,774
Investment Earnings							2,642	1,616
Gain (Loss) on Asset Disposal							(5,647)	4,258
Miscellaneous Revenues							17,369	-
Transfers (to) from Other Funds							12,240	(12,240)
<b>TOTAL GENERAL REVENUES AND TRANSFERS</b>							<b>352,342</b>	<b>(10,624)</b>
<b>CHANGE IN NET POSITION</b>							<b>71,976</b>	<b>1,609,425</b>
<b>NET POSITION--BEGINNING</b>							<b>562,437</b>	<b>1,046,596</b>
<b>NET POSITION--ENDING</b>							<b>\$ 634,413</b>	<b>\$ 2,656,021</b>
								<b>\$ 3,290,434</b>

See accompanying notes to the financial statements.

**TOWN OF MANTACHIE, MISSISSIPPI**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**September 30, 2021**

	General Fund	Other Governmental Fund	Total Governmental Funds
<b><u>ASSETS:</u></b>			
Cash on Deposit	\$ 462,176	\$ 10,995	\$ 473,171
Money Market, CD's	-	-	-
Accounts Receivable	37,258	-	37,258
Notes Receivable	-	5,449	5,449
Due from Other Funds	-	29,373	29,373
<b>TOTAL ASSETS</b>	<b>\$ 499,434</b>	<b>\$ 45,817</b>	<b>\$ 545,251</b>
<b><u>LIABILITIES AND FUND BALANCES:</u></b>			
<b><u>LIABILITIES:</u></b>			
Accounts Payable and Accrued Expenses	\$ 10,294	\$ -	\$ 10,294
Due to Other Funds	35,095	-	35,095
<b>TOTAL LIABILITIES</b>	<b>\$ 45,389</b>	<b>\$ -</b>	<b>\$ 45,389</b>
<b><u>FUND BALANCES:</u></b>			
Restricted:			
Home Grant Fund	\$ -	\$ 12,503	\$ 12,503
Fire Rebate Fund	-	33,314	33,314
Assigned	1,750	-	1,750
Unassigned	452,295	-	452,295
<b>TOTAL FUND BALANCES</b>	<b>\$ 454,045</b>	<b>\$ 45,817</b>	<b>\$ 499,862</b>

See accompanying notes to the financial statements.

**TOWN OF MANTACHIE, MISSISSIPPI**  
**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE**  
**STATEMENT OF NET POSITION**  
**September 30, 2021**

TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$	499,862
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Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet.		412,887
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Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore are not reported in the funds:

Net pension liability		(302,298)
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Deferred outflows and inflows of resources, related to pensions are applicable to future periods and, therefore are not reported in the funds:

Deferred outflows of resources related to pensions		47,992
Deferred inflows of resources related to pensions		(104,220)

Accrual of court fine revenues to qualify as financial resources.		80,190
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NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	634,413
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See accompanying notes to the financial statements.

**TOWN OF MANTACHIE, MISSISSIPPI**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS**  
**For the fiscal year ended September 30, 2021**

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>			
Sales and Use Taxes	\$ 275,806	\$ -	\$ 275,806
Privilege Taxes	5,061	-	5,061
Licenses and Permits	2,654	-	2,654
In Lieu of Taxes	37,443	-	37,443
Intergovernmental Revenues	4,774	-	4,774
Garbage Services	70,317	-	70,317
City Park Fees and Concessions	12,440	-	12,440
Fines and Forfeits	11,807	-	11,807
Interest Revenues	2,464	178	2,642
Grant Income	36,178	-	36,178
Miscellaneous Revenues	17,369	-	17,369
<b>TOTAL REVENUES</b>	<u>476,313</u>	<u>178</u>	<u>476,491</u>
<b>EXPENDITURES:</b>			
Current:			
General Government	113,364	-	113,364
Public Safety	188,804	1,800	190,604
Public Works	65,298	-	65,298
Culture and Recreation	22,493	-	22,493
<b>TOTAL EXPENDITURES</b>	<u>389,959</u>	<u>1,800</u>	<u>391,759</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>86,354</u>	<u>(1,622)</u>	<u>84,732</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from Sale of Capital Assets	58,000	-	58,000
Transfers (to) from Other Funds	12,240	-	12,240
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>70,240</u>	<u>-</u>	<u>70,240</u>
<b>NET CHANGE IN FUND BALANCES</b>	156,594	(1,622)	154,972
<b>FUND BALANCES - Beginning</b>	<u>297,451</u>	<u>47,439</u>	<u>344,890</u>
<b>FUND BALANCES - Ending</b>	<u>\$ 454,045</u>	<u>\$ 45,817</u>	<u>\$ 499,862</u>

See accompanying notes to the financial statements.



**TOWN OF MANTACHIE, MISSISSIPPI**  
**RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES TO THE**  
**STATEMENT OF ACTIVITIES**  
**For the fiscal year ended September 30, 2021**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$	154,972
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Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental Funds report capital outlay as expenditures. However, in the Government Wide Statement of Activities and Changes in Net Position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.		1,800
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Proceeds from the disposition of capital assets is reported as income in the Governmental Funds. The gain or loss on the sale of the capital assets and not the gross proceeds are reported as income in the Government-Wide Statement of Activities and Changes in Net Position.		(63,647)
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Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities and Changes in Net Position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in Governmental Funds.		(25,925)
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Changes to net pension liability, deferred inflows and deferred outflows are reported in pension expense in the statement of activities but do not provide or require the use of current financial resources; therefore, pension expense related to these changes are not reported as expenditures in the governmental funds.		(4,485)
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Revenues in the statement of activities that do not provide current financial resources and are not reported as revenues in the funds.		9,261
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	71,976
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See accompanying notes to the financial statements.

**TOWN OF MANTACHIE, MISSISSIPPI**  
**GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES-BUDGET AND ACTUAL -**  
**BUDGETARY BASIS**  
**For the fiscal year ended September 30, 2021**

	Budget			Variance with
	Original	Final	Actual	Final Budget (Unfavorable)
REVENUES:				
Sales and Use Taxes	\$ 232,000	\$ 267,500	\$ 275,443	\$ 7,943
Licenses and Permits	5,000	6,000	7,715	1,715
In Lieu of Taxes	34,638	25,458	37,087	11,629
Intergovernmental Revenues	4,320	3,070	4,774	1,704
Charges for Services	84,000	82,600	82,653	53
Fines and Forfeits	9,000	11,000	11,807	807
Interest Revenues	1,100	1,000	2,464	1,464
Grant Income	-	4,420	36,178	31,758
Miscellaneous Revenues	9,700	31,000	17,369	(13,631)
TOTAL REVENUES	379,758	432,048	475,490	43,442
EXPENDITURES:				
Current:				
General Government	103,300	114,500	113,364	1,136
Public Safety	185,500	194,000	188,804	5,196
Public Works	70,500	65,500	65,298	202
Culture and Recreation	29,500	28,500	22,493	6,007
TOTAL EXPENDITURES	388,800	402,500	389,959	12,541
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(9,042)	29,548	85,531	55,983
OTHER FINANCING SOURCES (USES):				
Proceeds from Sale of Capital Assets	-	-	58,000	58,000
Transfers (to) from Other Funds	12,240	12,240	12,240	-
TOTAL OTHER FINANCING SOURCES (USES)	12,240	12,240	70,240	58,000
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER FINANCING AND OTHER USES	\$ 3,198	\$ 41,788	\$ 155,771	\$ 113,983

See accompanying notes to the financial statements.

**TOWN OF MANTACHIE, MISSISSIPPI**  
**COMPARATIVE STATEMENT OF NET POSITION-PROPRIETARY FUND**  
**September 30, 2021 and 2020**

	<b>Water and Sewer System</b>	
	<b>September 30, 2021</b>	<b>September 30, 2020</b>
<b><u>ASSETS:</u></b>		
<b><u>Current Assets</u></b>		
Cash and Cash Equivalents	\$ 504,469	\$ 490,454
Investments - CD's	61,009	61,010
Accounts Receivable	41,195	41,507
Due from Other Funds	5,722	5,772
Due from Other Governments	117,034	264,341
Total Current Assets	<u>729,429</u>	<u>863,084</u>
<b><u>Noncurrent Assets</u></b>		
Water and Sewer Plant and System	5,358,363	5,356,035
Land	142,505	142,505
Construction in Progress	1,908,262	267,341
Less: Accumulated Depreciation	<u>(3,689,558)</u>	<u>(3,583,726)</u>
Net Noncurrent Assets	<u>3,719,572</u>	<u>2,182,155</u>
 TOTAL ASSETS	 <u>4,449,001</u>	 <u>3,045,239</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES:</u></b>		
Deferred Outflows - Pensions	<u>38,501</u>	<u>20,196</u>
 TOTAL DEFERRED OUTFLOWS OF RESOURCES	 <u>\$ 38,501</u>	 <u>\$ 20,196</u>
<b><u>LIABILITIES:</u></b>		
<b><u>Current Liabilities</u></b>		
Accounts Payable	\$ 121,695	\$ 268,865
Accrued Interest	1,339	680
Accrued Liabilities	3,023	2,897
Current Portion of Long-term Debt	<u>66,496</u>	<u>63,793</u>
Total Current Liabilities	<u>192,553</u>	<u>336,235</u>
<b><u>Noncurrent Liabilities</u></b>		
Long-term Debt: Less Current Portion	1,213,993	1,281,168
Net Pension Liability	242,509	288,835
Refundable Meter Deposits	<u>98,819</u>	<u>94,313</u>
Total Noncurrent Liabilities	<u>1,555,321</u>	<u>1,664,316</u>
 TOTAL LIABILITIES	 <u>1,747,874</u>	 <u>2,000,551</u>
<b><u>DEFERRED INFLOWS OF RESOURCES:</u></b>		
Deferred Inflows - Pensions	<u>83,607</u>	<u>18,288</u>
 TOTAL DEFERRED INFLOWS OF RESOURCES	 <u>83,607</u>	 <u>18,288</u>
<b><u>NET POSITION:</u></b>		
Net Investment in Capital Assets	2,439,083	837,194
Unrestricted	<u>216,938</u>	<u>209,402</u>
 TOTAL NET POSITION	 <u>\$ 2,656,021</u>	 <u>\$ 1,046,596</u>

See accompanying notes to the financial statements.

**TOWN OF MANTACHIE, MISSISSIPPI**  
**COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN**  
**FUND NET POSITION-PROPRIETARY FUND**  
**For the fiscal years ended September 30,**

	<b>Totals</b>	
	<b>2021</b>	<b>2020</b>
<b>OPERATING REVENUES:</b>		
Charges for Services	\$ 460,259	\$ 465,095
Total Operating Revenues	<u>460,259</u>	<u>465,095</u>
Less: Water Purchased	<u>56,200</u>	<u>52,430</u>
Net Income Before Operating Expenses	<u>404,059</u>	<u>412,665</u>
<b>OPERATING EXPENSES:</b>		
Personal Services	149,665	162,961
Contractual Services	3,240	8,722
Supplies	10,154	11,573
Other Services and Charges	71,820	72,574
Depreciation	105,832	112,492
Total Operating Expenses	<u>340,711</u>	<u>368,322</u>
Operating Income (Loss)	<u>63,348</u>	<u>44,343</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>		
Interest Income	1,616	1,789
Grant Income	244,299	435,235
Intergovernmental Revenue	1,228,752	-
ARPA Grant	136,567	-
Gain (Loss) on Disposal of Fixed Assets	-	606
Interest Expense	(52,917)	(54,798)
Transfers In (Out)	(12,240)	(12,240)
Total Non Operating Revenues (Expenses)	<u>1,546,077</u>	<u>370,592</u>
<b>Change in Net Position</b>	<u>1,609,425</u>	<u>414,935</u>
<b>Total Net Position - Beginning</b>	<u>1,046,596</u>	<u>631,661</u>
<b>Total Net Position - Ending</b>	<u>\$ 2,656,021</u>	<u>\$ 1,046,596</u>

See accompanying notes to the financial statements.

**TOWN OF MANTACHIE, MISSISSIPPI**  
**COMPARATIVE STATEMENT OF CASH FLOWS-PROPRIETARY FUND**  
For the fiscal years ended September 30,

	<b>Totals</b>	
	<b>2021</b>	<b>2020</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash Received from Customers	\$ 465,077	\$ 462,556
Cash Payments for Personal Services	(148,851)	(149,422)
Cash Payments for Contractual Services	(3,240)	(8,722)
Cash Payments for Supplies	(10,154)	(11,573)
Cash Payments for Other Services	(10,799)	(125,560)
Net Cash Provided by Operating Activities	<u>292,033</u>	<u>167,279</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Principal Paid on Notes and Bonds Payable	(64,472)	(68,354)
Interest Paid on Notes and Bonds Payable	(52,258)	(55,615)
Proceeds from Sale of Fixed Assets	-	606
Purchases of Capital Assets	(1,907,640)	(156,719)
Net Cash Used In Capital and Related Financing Activities	<u>(2,024,370)</u>	<u>(280,082)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Grant Income	380,866	170,894
Intergovernmental Grants Received	1,376,059	-
Transfers In (Out)	(12,190)	(12,240)
Net Cash Provided by Noncapital Financing Activities	<u>1,744,735</u>	<u>158,654</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES :</b>		
Interest on Investments	<u>1,616</u>	<u>1,789</u>
Net Increase (Decrease) In Cash	14,014	47,640
<b>Cash and Cash Equivalents, October 1</b>	<u>551,464</u>	<u>503,824</u>
<b>Cash and Cash Equivalents, September 30</b>	<u>\$ 565,478</u>	<u>\$ 551,464</u>
<b>BALANCE SHEET RECONCILIATION</b>		
Cash and Cash Equivalents	\$ 504,469	\$ 490,454
Investments - CD's	61,009	61,010
	<u>\$ 565,478</u>	<u>\$ 551,464</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating Income (Loss)	\$ 63,348	\$ 44,343
Adjustments to Reconcile Operating Income(Loss) to Net Cash Provided by Operating Activities:		
Depreciation	105,832	112,492
Net Pension Expense	688	14,596
Change in Operating Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	312	(6,505)
Increase (Decrease) in Accounts Payable - Operating	117,171	(556)
Increase (Decrease) in Accrued Liabilities	126	(1,057)
Increase (Decrease) in Refundable Meter Deposits	4,506	3,966
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 292,033</u>	<u>\$ 167,279</u>

See accompanying notes to the financial statements.

**TOWN OF MANTACHIE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Town of Mantachie, Mississippi operates under the Home-Rule authority granted by the 1985 Mississippi Legislature. A mayor-board of aldermen form of government is used and the Town provides the following services: public safety (police and fire), street maintenance, sanitation, water and sewer services and general administrative services.

**Government-Wide and Fund Financial Statements**

The Town's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**Government-Wide Financial Statements**

The statement of net position and the statement of activities display information on all nonfiduciary activities of the primary government. The statements distinguish between those activities of the Town that are governmental, which are normally supported by taxes and intergovernmental revenues, and those that are considered business-type activities, which rely to a significant extent on fees and charges for support.

The statement of net position presents the financial condition of the governmental and business-type activities for the Town at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Town's governmental activities and for the business-type activities of the Town. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient for the goods and services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues that are not classified as program revenues are presented as general revenues of the Town, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Town.

**Fund Financial Statements**

During the year, the Town segregates transactions related to certain Town functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Town at this more detailed level. Separate financial statements are provided for governmental funds and proprietary funds. The focus of governmental and enterprise fund financial statements are on major funds. Each major fund is presented in a separate column. Non major funds, where applicable, are aggregated and presented in a single column.

**TOWN OF MANTACHIE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible in the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt services expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Significant revenues considered to be susceptible to accrual include sales tax and various categorical grants.

The Town reports the following governmental funds:

*General Fund* – The General Fund is used to account for all financial resources of the primary government except those required to be accounted for in another fund. The majority of current operations are financed by this fund. Transfers to other funds and agencies are made from this fund. Monies from other funds may be received unless prohibited by the purpose and object of such funds. This is a major fund.

*Special Revenue Fund* – The Special Revenue Fund is used to account for the proceeds of specific federal and state grants that are legally restricted to expenditures for specified purposes. This is a non major governmental fund used to report Home Grant Repayment Funds and Fire Rebate Funds.

The Town reports the following major proprietary funds:

*The Water and Sewer Fund* – This fund is used to account for the Town's water and sewer treatment and distribution system. This fund is responsible for water delivery to the residents of the Town of Mantachie.

The Town has elected to apply all Governmental Accounting Standards Board (GASB) pronouncements, applicable Financial Accounting Standards Board (FASB) pronouncements, and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

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



**TOWN OF MANTACHIE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

Amounts reported as program revenues include: 1) charges to customers for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. General revenues are those which cannot be associated directly with program activities.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues for the proprietary funds are as follows: sale of water and charges for sewer treatment. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Financial Reporting Entity

The Town's combined financial statements include the accounts of all Town operations. The criteria for including organizations as component units within the Town's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the Town holds the corporate powers of the organization
- the Town appoints a voting majority of the organization's board
- the Town is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Town
- there is a fiscal dependency by the organization on the Town

Included within the reporting entity:

*Town of Mantachie water and sewer system.* The rates for user charges and bond issuance authorizations also are approved by the government's governing body and the legal liability for the general obligation portion of the water and sewer debt remains with the government.

Budgets and Budgetary Accounting

The mayor and board of aldermen generally follow the following proposed budget calendar of the State Department of Audit in establishing the budgetary data reflected in the financial statements:

- (1) The mayor and board of aldermen formulate the budget policy at the May board meeting.
- (2) Department budget requests are prepared by the appropriate people and submitted by the July board meeting.

**TOWN OF MANTACHIE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

- (3) A proposed budget is presented at the August meeting and a notice of public budget hearings and availability of the budget for inspection is published.
- (4) Between August 15th-30th a public hearing is held and the budget is adopted.
- (5) Between September 1st-15th the budget must be adopted.
- (6) Between September 1st-30th, in accordance with the Town's population, the budget must be posted in three public places.
- (7) And, between September 15th-30th the budget as adopted should be written up, filed with the municipal clerk and public notice given of the availability of the budget for inspection.

Further, budgets are used as management control devices in the General, Special Revenue and Proprietary Funds. These budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP), except the governmental fund types budget revenues on the cash basis in accordance with Mississippi law and the Proprietary Fund recognizes all expenditures for debt as expense and no depreciation expense is recognized.

Unused appropriations for all of the above annually budgeted funds lapse at the end of the year. The budget amounts shown in the financial statements are the final authorized amounts after appropriate revisions during the year.

Expenditures may not legally exceed budgeted appropriations at the activity level except for capital outlays, election expenses and emergency expenditures.

Cash and Investments

The Town deposits funds in the financial institutions selected by the Board of Alderman in accordance with state statutes.

The collateral for public entities' deposits in financial institutions is now held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5 Miss. Code Ann. (1972). Under this program, the entity's 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.

Investments - State statutes authorize the Town's investments. The Town is authorized, by statute, to invest excess funds in any bonds or other direct obligations of the United States of America or the State of Mississippi, or of any county, municipality or school district of this state, when such county, municipal or school district bonds have been properly approved; or in interest-bearing time certificates of deposit with any financial institution approved for the deposit of funds. For reporting purposes, certificates of deposit are classified as investments.

**TOWN OF MANTACHIE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

Fund Balance Classification

The Town has implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions. In accordance with GASB Statement No. 54, the governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Town's Board of Aldermen. These amounts cannot be used for any other purpose unless the Board of Aldermen removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual
- **Assigned:** This classification includes amounts that are constrained by the Town's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Aldermen or through the Board of Aldermen delegating this responsibility to the Town's management through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- **Unassigned:** This classification includes the residual fund balance for the General Fund and all other amounts not included in other spendable classifications.

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) resources are available, it is the Town's general policy to use restricted resources first. When expenditures are incurred for purposes for which unrestricted (committed, assigned and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the Town's general policy to spend committed resources first, followed by assigned amounts, and then use unassigned amounts.

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates. Significant estimates used in preparing these financial statements include those

**TOWN OF MANTACHIE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

assumed in computing the provision for uncollectible court fines and the net pension liability as mentioned in Note 4 and Note 6, respectively. It is at least reasonably possible that the significant estimates used will change within the next year.

Pensions

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

Concentrations of Credit Risk

Financial instruments that potentially subject the Town to concentrations of credit risk consist primarily of proprietary fund accounts receivable. The Town grants unsecured credit to customers in and around the Town of Mantachie. Consequently, the Town's ability to collect amounts due from customers is affected by economic fluctuations in that region, although a security deposit is generally required before credit is granted.

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements

Comparative Data

Comparative data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Town's financial position and operations. However, complete comparative data (i.e., presentation of prior year totals by funds type in each of the statements) have not been presented since their inclusion would make the statements unduly complex and difficult to read.

Encumbrances

State law does not require that funds be available when goods or services are ordered, only when paid for. Due to this circumstance, the Town does not employ an encumbrance system.

Statement of Cash Flows

For purposes of the Statement of Cash Flows, the proprietary fund types consider all highly liquid debt instruments with a maturity of three months or less when purchased to be cash equivalents.

**TOWN OF MANTACHIE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

Business Information

The Town of Mantachie, Mississippi provides water and sewer services for customers inside the Town limits of Mantachie as well as a limited number of customers outside the Town limits. Credit is extended to all water and sewer customers.

Use of Restricted/Unrestricted Net Position

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) resources are available, it is the Town's general policy to use restricted resources first. When expenditures are incurred for purposes for which unrestricted (committed, assigned and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the Town's general policy to spend committed resources first, followed by assigned amounts, and then use unassigned amounts.

Capital Assets and Depreciation

The Town's capitalization threshold is \$1,000 for general fixed assets and \$5,000 for infrastructure assets. The Town retroactively applied these thresholds to all general fixed assets in service at September 30, 2004 pursuant to GASB requirements. Donated assets are recorded at fair market value.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. Depreciation has been calculated on the fixed assets using the following useful lives:

Plant, building, and Improvements	5 – 40 Years
Machinery and Equipment	5 – 15 Years
Furniture and Fixtures	5 – 20 Years
Vehicles	5 – 10 Years

Interfund Transfers

The principal purpose of interfund transfers is to provide reimbursement for shared costs between funds, funding for debt service and operations. All transfers are routine and consistent with the activities of the fund making the transfer.

Financial Instruments

The carrying amount of cash, investments, accounts and other receivables, accounts payable and accrued expenses approximate fair value because of the short maturity of these financial instruments



**TOWN OF MANTACHIE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2021**

**NOTE 2 - DEPOSITS**

Deposits

The carrying amount of the Town's total deposits with financial institutions at September 30, 2021, was \$1,038,212, and the bank balance was \$1,054,331. 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 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 Deposit Insurance Corporation (FDIC).

*Custodial credit risk:* In the case of deposits, this is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town's entire bank balances were covered by federal depository insurance or collateralized in accordance with state law at year end. The collateral for public entities' deposits in financial institutions are held in the name of the Mississippi 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 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 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.

**NOTE 3 - CAPITAL ASSETS**

The following is a summary of capital asset activity as of September 30, 2021:

Primary Government:

	Balance 10-01-20	Additions	Disposals	Balance 09-30-21
Capital Assets, not being depreciated:				
Land	\$ 167,253	\$ 0	\$ (63,647)	\$ 103,606
Construction in Progress	0	0	0	0
Total Capital Assets, not being Depreciated:	167,253	0	(63,647)	103,606
Capital Assets being depreciated:				
Plant, Buildings, & Improvements	484,887	0	0	484,887
Infrastructure	13,300	0	0	13,300
Machinery and Equipment	290,373	1,800	0	292,173
Total Capital Assets being depreciated	788,560	1,800	0	790,360
Less Accumulated Depreciation for:				
Plant, Buildings, & Improvements	(218,562)	(11,635)	0	(230,197)
Machinery and Equipment	(227,282)	(14,290)	0	(241,572)
Infrastructure	(9,310)	0	0	(9,310)
Total Accumulated Depreciation	(455,154)	(25,925)	0	(481,079)
Total Capital Assets, depreciated, net Governmental Activities	333,406	(24,125)	0	309,281
Capital Assets, net	\$ 500,659	\$ (24,125)	\$ (63,647)	\$ 412,887

**TOWN OF MANTACHIE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2021**

**NOTE 3 – CAPITAL ASSETS - continued**

A summary of business-type capital asset activity at September 30, 2021 follows:

	Balance 10-01-20	Additions	Adjustments / Disposals	Balance 09-30-21
Capital Assets, not being depreciated:				
Land	\$ 142,505	\$ 0	\$ 0	\$ 142,505
Construction in Progress	<u>267,341</u>	<u>1,640,921</u>	<u>0</u>	<u>1,908,262</u>
Total Capital Assets, not being Depreciated:	<u>409,846</u>	<u>1,640,921</u>	<u>0</u>	<u>2,050,767</u>
Capital Assets being depreciated:				
Plant, Buildings, & Improvements	5,245,523	0	0	5,245,523
Machinery and Equipment	<u>110,512</u>	<u>2,328</u>	<u>0</u>	<u>112,840</u>
Total Capital Assets being depreciated	<u>5,356,035</u>	<u>19,214</u>	<u>(0)</u>	<u>5,358,363</u>
Less Accumulated Depreciation for:				
Plant, Buildings, & Improvements	(3,503,418)	(98,886)	0	(3,602,304)
Machinery and Equipment	<u>(80,308)</u>	<u>(6,946)</u>	<u>0</u>	<u>(87,254)</u>
Total Accumulated Depreciation	<u>(3,583,726)</u>	<u>(105,832)</u>	<u>0</u>	<u>(3,689,558)</u>
Total Capital Assets, depreciated, net Business-type Activities	<u>1,772,309</u>	<u>(103,504)</u>	<u>0</u>	<u>1,668,805</u>
Capital Assets, net	<u>\$ 2,182,155</u>	<u>\$ 1,537,417</u>	<u>\$ 0</u>	<u>\$ 3,719,572</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General Government	\$ 6,525
Public Safety	8,325
Public Works	1,748
Culture & Recreation	<u>9,327</u>
Total Depreciation Expense – Governmental Activities	<u>\$ 25,925</u>
Depreciation expense for Water and Sewer	<u>\$ 105,832</u>

**NOTE 4 - RECEIVABLES**

Receivables at September 30, 2021, consisted primarily of other taxes, accounts (billings for user charged services including unbilled utility services), intergovernmental receivables arising from entitlements and shared revenues and accrued interest on investments.

All accounts receivable are shown net of an allowance for uncollectible accounts of \$120,286 for Governmental activities and \$8,688 for Business-Type activities. The allowance is based on management estimates and the average age of receivables.

**TOWN OF MANTACHIE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2021**

**NOTE 5 - LONG-TERM DEBT**

Long-term debt activity for the year ended September 30, 2021 was as follows:

	Balance at 9/30/20	Additions	Deletions	Balance at 9/30/21	Amounts Due Within One Year
<b>Governmental Activities:</b>					
None					
<b>Business-Type Activities:</b>					
Notes Payable	\$ 1,344,961	\$ 0	\$ 64,472	\$ 1,280,489	\$ 66,496
<b>Business-Type Long-Term Liabilities</b>	<u>\$ 1,344,961</u>	<u>\$ 0</u>	<u>\$ 64,472</u>	<u>\$ 1,280,489</u>	<u>\$ 66,495</u>

**Loans.** The Town uses loans to finance its projects. Loans outstanding as of September 30, 2021 are as follows:

Description	Interest Rate	Issue Date	Maturity Date	Amounts	
				Issued	Outstanding
<b>Proprietary Funds</b>					
Farmers & Merchants Loan	4.25%	3/08/2012	3/05/2027	\$ 155,921	\$ 79,967
Quality SRF Loan	1.75%	8/08/2013	9/30/2023	347,991	226,354
Rural Development (92-15)	5.00%	2/11/2002	2/11/2039	400,000	287,528
Rural Development (91-16)	4.25%	4/29/2005	4/29/2038	1,012,000	686,640
				<u>\$ 1,915,912</u>	<u>\$ 1,280,489</u>

The annual requirements to amortize all debt outstanding as of September 30, 2021 including interest payments of \$467,063 are as follows:

Year Ending September 30,	Proprietary Fund	
	Principal	Interest
2022	\$ 66,496	\$ 50,234
2023	69,007	47,723
2024	71,623	45,106
2025	74,348	42,382
2026	77,187	39,542
2027-2031	390,503	152,939
2032-2036	376,058	78,809
2037-2041	<u>155,267</u>	<u>10,328</u>
	<u>\$ 1,280,489</u>	<u>\$ 467,063</u>

The Town has a loan owed to Mississippi Department of Environmental Quality under the Water Pollution Control that is secured. The State of Mississippi currently withholds payments from sales tax proceeds to apply to these loans. The outstanding notes from direct borrowings contain a provision in the event of default, outstanding amounts become immediately due. Furthermore, the direct borrowing contains an acceleration clause that allows the lender to accelerate the repayment schedule and increase the interest rate. Also, revenues or tax sharing funds established by the State can be intercepted for the delinquent amount plus ten percent annual penalty interest.



**TOWN OF MANTACHIE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2021**

**NOTE 6 - DEFINED BENEFIT PENSION PLAN**

*Plan Description.* The Town contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing, multiple-employer, defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Plan provisions and the Board of Trustees' authority to determine contribution rates are established by Miss. Code Ann. Section 25-11-1 et seq., (1972, as amended) 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 1-800-444-PERS.

*Benefits Provided.* Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi, state universities, community and junior colleges, and teachers and employees of the public school districts. For those persons employed by political subdivisions and instrumentalities of the State of Mississippi, membership is contingent upon approval of the entity's participation in PERS by the PERS' Board of Trustees. If approved, membership for the entity's employees is a condition of employment and eligibility is granted to those who qualify upon hiring. Participating members who are vested and retire at or after age 60 or those who retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.0 percent of their average compensation for each year of creditable service up to and including 30 years (25 years for those who became members of PERS before July 1, 2011), plus 2.5 percent for each additional year of creditable service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age that the member is below 65, whichever is less. Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. A Cost-of-Living Adjustment (COLA) payment is made to eligible retirees and beneficiaries. The COLA is equal to 3.0 percent of the annual retirement allowance for each full fiscal year of retirement up to the year in which the retired member reaches age 60 (55 for those who became members of PERS before July 1, 2011), with 3.0 percent compounded for each fiscal year thereafter. Plan provisions are established and may be amended only by the State of Mississippi Legislature.

*Contributions.* At September 30, 2021, PERS members were required to contribute 9% of their annual covered salary, and the Town is required to contribute at an actuarially determined rate. The employer's rate at September 30, 2021 was 17.40% of annual covered payroll. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. The Town's contributions (employer share only) to PERS for the years ending September 30, 2021, 2020 and 2019 were \$43,902, \$40,776 and \$32,839, respectively, equal to the required contributions for each year.

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions.* At September 30, 2021, the Town reported a liability of \$544,807 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension

**TOWN OF MANTACHIE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2021**

**NOTE 6 - DEFINED BENEFIT PENSION PLAN -continued**

liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. The Town's proportionate share used to calculate the September 30, 2021 net pension liability was 0.003686 percent, which was based on a measurement date of June 30, 2021. This was an increase of 0.000353 percent from its proportionate share used to calculate the September 30, 2020 net pension liability, which was based on a measurement date of June 30, 2020.

For the year ended September 30, 2021, the Town recognized pension expense of \$49,075. At September 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,352	\$ -
Town contributions subsequent to the measurement date	10,684	-
Changes of assumptions	41,757	-
Net difference between projected and actual earnings on pension plan investments	-	167,089
Changes in the proportion and differences between the Town's contributions and proportionate share of contributions	25,700	20,738
Total	\$ <u>86,493</u>	\$ <u>187,827</u>

\$10,684 reported as deferred outflows of resources related to pensions resulting from the Town's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	Amount
2022	\$ (28,705)
2023	(15,719)
2024	(18,702)
2025	(48,892)
Total	\$ <u>(112,018)</u>

**TOWN OF MANTACHIE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2021**

**NOTE 6 - DEFINED BENEFIT PENSION PLAN -continued**

*Actuarial Assumptions.* The total pension liability as of June 30, 2021 was determined by an actuarial valuation prepared as of June 30, 2020, by the new actuarial assumptions adopted by the Board subsequent to the June 30, 2020 valuation based on the experience investigation for the four-year period ending June 30, 2020, and by the investment experience for the fiscal year ending June 30, 2021. The following actuarial assumptions are applied to all periods in the measurement:

Inflation	2.40 percent
Salary increases	2.65 - 17.90 percent, including inflation
Investment rate of return	7.55 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the PubS.H-2010(B) Retiree Table with the following adjustments: For males, 95% of male rates up to age 60, 110% for ages 61 to 75 and 101% for ages above 77. For females, 84% of female rates up to age 72 and 100% for ages above 76. Mortality rates for disability retirees were based on the PubG.H-2010 Disabled Table adjusted 134% for males and 121% for females. Mortality rates for Contingent Annuitants were based on the PubS.H-2010(B) Contingent Annuitant Table, adjusted 97% for males and 100% for females. Mortality rates will be projected generationally using the MP-2020 projection scale to account for future improvements in life expectancy.

The actuarial assumptions used for the purposes of determining the total pension liability were based on the results of an actuarial experience study for the four-year period from July 1, 2016 to June 30, 2020. The experience report is dated April 20, 2021.

The long-term expected rate of return on pension plan investments was determined using a lognormal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The most recent target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	27.00%	4.60%
International Equity	22.00%	4.50%
Global Equity	12.00%	4.80%
Fixed Income	20.00%	-0.25%
Real Estate	10.00%	3.75%
Private Equity	8.00%	6.00%
Cash Equivalents	1.00%	-1.00%
Total	100.00%	

**TOWN OF MANTACHIE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
September 30, 2021

**NOTE 6 - DEFINED BENEFIT PENSION PLAN -continued**

*Discount Rate.* The discount rate used to measure the total pension liability was 7.55%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00%) and that employer contributions will be made at the current contribution rate (17.40%). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Town's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.* The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.55%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.55%) or 1-percentage-point higher (8.55%) than the current rate:

	Discount Rate	Town's Proportionate Share of Net Pension Liability
1% decrease	6.55%	\$771,574
Current discount rate	7.55%	\$544,807
1% increase	8.55%	\$357,933

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

**NOTE 7 - INTERFUND RECEIVABLES AND PAYABLES**

Interfund balances represent short-term advances from one fund (primarily the General Fund) to another fund. The advances may represent balances from operating advances, reimbursement for expenditures paid by one fund on behalf of another fund, or may simply be the result of pooling financial resources to maximize investment return. The composition of interfund balances at September 30, 2021 is as follows. Interfund balances are eliminated for presentation in the Government-wide financial statements.

	Due From Other Funds	Due To Other Funds
<b>Governmental Funds</b>		
General Fund	\$ 0	\$ 35,095
Special Revenue Funds	29,373	0
<b>Total Governmental Funds</b>	<u>29,373</u>	<u>35,095</u>
<b>Proprietary Funds</b>		
Water & Sewer	5,722	0
<b>Total Proprietary Funds</b>	<u>5,722</u>	<u>0</u>
<b>Total of All Funds</b>	\$ <u>35,095</u>	\$ <u>35,095</u>

**TOWN OF MANTACHIE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2021**

**NOTE 8 - EXPENDITURES OVER APPROPRIATIONS FOR INDIVIDUAL FUNDS**

Any expenditures over appropriations at the legal level or budgetary control for the respective funds are disclosed in the Combined Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual for the respective fund. Expenditures over appropriations at the legal level of budgetary control are as follows:

	<u>Budget</u>	<u>Actual</u>	<u>Overage</u>
<b>General Fund</b>			
General Government			
Other Services & Charges	\$ 75,000	\$ 78,582	\$ 3,582

**NOTE 9 – FINANCIAL INSTRUMENTS**

The carrying amount of cash, investments, accounts and other receivables, accounts payables and accrued expenses approximates fair value because of the short maturity of these financial instruments.

**NOTE 10 - COMMITMENTS**

The Town participates in certain federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

**NOTE 11 - LITIGATION**

Certain claims, suits, and complaints arising in the ordinary course of business have been filed or are pending against the Town. In the opinion of the elected officials, all such matters are adequately covered by insurance, or if not so covered, are without merit or are of such kind, or involve such amounts, as would not have a significant effect on the financial position or results of operations of the Town if disposed of unfavorably.

**NOTE 12 - RISK MANAGEMENT**

The Town of Mantachie, Mississippi is exposed to various risks of losses related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs of the Town except for certain employment practices liabilities, certain environmental liabilities, worker's compensation liabilities funded through a public entity risk pool, and catastrophic natural disasters that may exceed insurance coverage for which the Town retains the risk of loss.

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 employer's liability coverage. The Town pays premiums to the pool for its workers' compensation insurance coverage based on total payroll. The participation agreement provides that the pool will be self-sustaining through member premiums. The risk of loss is remote for claims exceeding the pool's retention liability. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In

**TOWN OF MANTACHIE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2021**

**NOTE 12 - RISK MANAGEMENT- continued**

determining claims, events that might create claims, but for which none have been reported, are considered. For insured programs there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

The Town Attorney estimates that the amount of actual or potential claims against the Town as of September 30, 2021, will not materially affect the financial condition of the Town. Therefore, no provisions have been made for estimated claims. There have been no material claims paid by the Town during the current or prior year.

**NOTE 13 - FUND BALANCE RECONCILIATION - GENERAL FUND BUDGET BASIS**

Mississippi state law requires, for budget purposes, that the general fund record revenues on the cash basis. Generally accepted accounting principles (GAAP) would require that the revenues be accounted for on the modified accrual basis; therefore, the required budgetary basis would not be considered GAAP. Any accruals of revenues included on the "Combined Statement of Revenues, Expenditures and Changes – All Governmental Fund Types" are eliminated for budget purposes. In the current fiscal year accrued revenues were \$823 more than cash revenues.

**NOTE 14 - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through August 30, 2022 the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION



**TOWN OF MANTACHIE, MISSISSIPPI**  
**SCHEDULE OF THE TOWN'S PROPORTIONATE**  
**SHARE OF THE NET PENSION LIABILITY**  
**LAST 10 FISCAL YEARS \***

**PERS**  
**For the Year Ended September 30, 2021**  
**UNAUDITED**

	2021	2020	2019	2018	2017	2016	2015
A. Mantachie's proportion of net pension liability (%)	0.003686%	0.003333%	0.003276%	0.003329%	0.003143%	0.003127%	0.003130%
B. Mantachie's proportionate share of net pension liability	\$ 544,807	\$ 645,230	\$ 576,313	\$ 553,711	\$ 522,473	\$ 558,560	\$ 483,836
C. Mantachie's covered employee payroll	\$ 245,086	\$ 221,920	\$ 213,333	\$ 212,590	\$ 201,651	\$ 200,013	\$ 195,619
D. Mantachie's proportionate share of net pension liability as a percentage of its covered employee payroll (%)	222.29%	290.75%	270.15%	260.46%	259.10%	279.26%	247.34%
E. Plan fiduciary net position as a percentage of total pension liability	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%

\* The amounts presented for each fiscal year were determined as of the measurement date of 6/30 of the fiscal year presented.

This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB 68 was implemented in FYE 9/30/2015, and until a full 10-year trend is compiled, the Town has only presented information for the years in which information was available.

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



**TOWN OF MANTACHIE, MISSISSIPPI**  
**SCHEDULE OF THE TOWN'S CONTRIBUTIONS**  
**LAST 10 FISCAL YEARS \***

**PERS**  
**For the Year Ended September 30, 2021**  
**UNAUDITED**

	2021	2020	2019	2018	2017	2016	2015	2014
A. Statutorily required contributions	\$ 43,902	\$ 40,776	\$ 32,839	\$ 33,145	\$ 30,650	\$ 31,414	\$ 30,853	\$ 30,851
B. Contributions in relation to statutorily required contributions	\$ 43,902	\$ 40,776	\$ 32,839	\$ 33,145	\$ 30,650	\$ 31,414	\$ 30,853	\$ 30,851
C. Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
D. Mantachie's covered employee payroll	\$ 252,309	\$ 234,345	\$ 204,143	\$ 210,445	\$ 194,604	\$ 199,453	\$ 195,890	\$ 195,879
E. Contributions as a percentage of covered employee payroll	17.40%	17.40%	16.09% **	15.75%	15.75%	15.75%	15.75%	15.75%

This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB 68 was implemented in FYE 9/30/2015, and until a full 10-year trend is compiled, the Town has only presented information for the years in which information was available.

\*\* Until July 1, 2019, contributions were 15.75%. Subsequent to July 1, 2019 contributions were 17.40%.

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

**TOWN OF MANTACHIE, MISSISSIPPI**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**SEPTEMBER 30, 2021**

**PENSION SCHEDULES**

(1) Changes in assumptions

a. 2021

- The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:
  - For males, 95% of male rates up to age 60, 110% for ages 61 to 75, and 101% for ages above 77.
  - For females, 84% of female rates up to age 72, 100% for ages above 76.
  - Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
- The expectation of disabled mortality was changed to PubG.H-2010 Disabled Table for disabled retirees with the following adjustments:
  - For males, 134% of male rates at all ages.
  - For females, 121% of female rates at all ages.
  - Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
- The expectation of contingent annuitant mortality was based on the PubS.H-2010(B) Contingent Annuitant Table with the following adjustments:
  - For males, 97% of male rates at all ages.
  - For females, 110% of female rates at all ages.
  - Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
- The price inflation assumption was reduced from 2.75% to 2.40%.
- The wage inflation assumption was reduced from 3.00% to 2.65%.
- The investment rate of return assumption was changed from 7.75% to 7.55%.
- The assumed load for administrative expenses was increased from 0.25% to 0.28% of payroll.
- Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to reflect actual experience more closely.
- The percentage of active member disabilities assumed to be in the line of duty was increased from 9% to 12%.
- The percentage of active member deaths assumed to be in the line of duty was decreased from 6% to 4%.

b. 2019

- The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:
  - For males, 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119.
  - For females, 85% of the female rates from ages 18 to 65 scaled up to 102% for ages 75 to 119.
  - Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.
- The expectation of disabled mortality was changed to PubT.H-2010 Disabled Retiree Table for disabled retirees with the following adjustments:
  - For males, 137% of male rates at all ages.
  - For females, 115% of female rates at all ages.
  - Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.
- The price inflation assumption was reduced from 3.00% to 2.75%.
- The wage inflation assumption was reduced from 3.25% to 3.00%.
- Withdrawal rates, pre-retirement mortality rates, and service retirement rates were also adjusted to reflect actual experience more closely.

**TOWN OF MANTACHIE, MISSISSIPPI**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**SEPTEMBER 30, 2021**

**PENSION SCHEDULES (continued)**

- The percentage of active member disabilities assumed to be in the line of duty was increased from 7% to 9%.
  - c. 2017
    - The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Mortality Table projected with Scale BB to 2022. Small adjustments were also made to the Mortality Table for disabled lives.
    - The wage inflation assumption was reduced from 3.75% to 3.25%.
    - Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to reflect actual experience more closely.
    - The percentage of active member disabilities assumed to be in the line of duty was increased from 6% to 7%.
  - d. 2016
    - The assumed rate of interest credited to employee contributions was changed from 3.50% to 2.00%.
  - e. 2015
    - The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Table projected to 2016 using Scale BB rather than the RP-2000 Mortality Table, which was used prior to 2015.
    - The expectation of disabled mortality was changed to the RP-2014 Disabled Retiree Table, rather than the RP-2000 Disabled Mortality Table, which was used prior to 2015.
    - Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to reflect actual experience more closely.
    - Assumed rates of salary increase were adjusted to reflect actual and anticipated experience more closely.
    - The price inflation and investment rate of return assumptions were changed from 3.50% to 3.00% and 8.00% to 7.75%, respectively.
- (2) Changes in benefit provisions
- a. 2016
    - Effective July 1, 2016, the interest rate on employee contributions shall be calculated based on the money market rate as published by the Wall Street Journal on December 31 of each preceding year with a minimum rate of one percent and a maximum rate of five percent.

- (3) ***Method and assumptions used in calculations of actuarially determined contributions.*** The actuarially determined contribution rates in the schedule of employer contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported (June 30, 2019 valuation for the June 30, 2021 fiscal year end). The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in that schedule:

• Actuarial cost method	Entry age
• Amortization method	Level percentage of payroll, open
• Remaining amortization period	28.8 years
• Asset valuation method	5-year smoothed market
• Price Inflation	2.75 percent
• Salary increase	3.00 percent to 18.25 percent, including inflation
• Investment rate of return	7.75 percent, net of pension plan investment expense, including inflation

**TOWN OF MANTACHIE, MISSISSIPPI  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
SEPTEMBER 30, 2021**

**PENSION SCHEDULES (continued)**

- (4) The comparative information presented on the Schedule of the Town's Contributions does not include information for years prior to 2014 because GASB 68 was implemented in the 2015 fiscal year. Information for the 2014 year was included because it was necessary to record the prior period adjustment in the implementation of GASB 68.

## OTHER SUPPLEMENTARY INFORMATION

**TOWN OF MANTACHIE, MISSISSIPPI**  
**GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**BUDGETARY BASIS**  
**For the fiscal year ended September 30, 2021**

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES:</b>			
Sales and Use Taxes	\$ 267,500	\$ 275,443	\$ 7,943
Licenses and Permits	6,000	7,715	1,715
In Lieu of Taxes	25,458	37,087	11,629
Intergovernmental Revenues	3,070	4,774	1,704
Charges for Services	82,600	82,653	53
Fines and Forfeitures	11,000	11,807	807
Interest Revenues	1,000	2,464	1,464
Grant Income	4,420	36,178	31,758
Miscellaneous Revenues	31,000	17,369	(13,631)
<b>TOTAL REVENUES</b>	<b>\$ 432,048</b>	<b>\$ 475,490</b>	<b>\$ 43,442</b>
<b>EXPENDITURES:</b>			
General Government:			
Administration:			
Personnel Services	\$ 30,000	\$ 26,790	\$ 3,210
Contractual Services	9,000	7,800	1,200
Supplies	500	192	308
Other Services and Charges	75,000	78,582	(3,582)
Capital Outlay	-	-	-
Total	114,500	113,364	1,136
Total General Government	114,500	113,364	1,136
Public Safety:			
Police and Fire Department:			
Personnel Services	152,000	149,610	2,390
Contractual Services	4,000	3,026	974
Supplies	2,000	1,556	444
Other Services and Charges	36,000	34,612	1,388
Capital Outlay	-	-	-
Total	194,000	188,804	5,196
Total Public Safety	194,000	188,804	5,196
Public Works:			
Street and Sanitation Department:			
Contractual Services	65,500	65,298	202
Capital Outlay	-	-	-
Total	65,500	65,298	202
Total Public Works	\$ 65,500	\$ 65,298	\$ 202

**TOWN OF MANTACHIE, MISSISSIPPI**  
**GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**BUDGETARY BASIS**  
**For the fiscal year ended September 30, 2021**

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Culture & Recreation:			
Parks and Recreation:			
Personnel Services	\$ 11,500	\$ 10,535	\$ 965
Contractual Services	7,000	5,355	1,645
Supplies	5,000	3,137	1,863
Other Services and Charges	5,000	3,466	1,534
Capital Outlay	-	-	-
Total	<u>28,500</u>	<u>22,493</u>	<u>6,007</u>
Total Culture & Recreation	<u>28,500</u>	<u>22,493</u>	<u>6,007</u>
<b>TOTAL EXPENDITURES</b>	<u>402,500</u>	<u>389,959</u>	<u>12,541</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>29,548</u>	<u>85,531</u>	<u>55,983</u>
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	-	58,000	(58,000)
Transfers (to) from Other Funds	<u>12,240</u>	<u>12,240</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>12,240</u>	<u>70,240</u>	<u>(58,000)</u>
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	41,788	155,771	(2,017)
Fund Balance:			
October 1,	<u>297,451</u>	<u>297,451</u>	<u>-</u>
(Non-GAAP Budgetary Basis) September 30,	\$ <u>339,239</u>	453,222	\$ <u>(2,017)</u>
Adjustments to GAAP Basis:			
Accrued Revenue		<u>823</u>	
Fund Balance (GAAP) September 30,		\$ <u>454,045</u>	

**TOWN OF MANTACHIE, MISSISSIPPI**  
**SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS**  
**September 30, 2021**

<u>Name</u>	<u>Position</u>	<u>Company</u>	<u>Bond</u>
Mark Roberts	Police Chief	Travelers Casualty and Surety Company of America	\$50,000
Tanya Rayburn	Town Clerk	Travelers Casualty and Surety Company of America	\$50,000
David Turner	Vice-Mayor/Alderman	Clyde C. Scott Insurance	\$25,000
Amanda Bridges	Alderman	Clyde C. Scott Insurance	\$25,000
Wayne Guin	Alderman	Clyde C. Scott Insurance	\$25,000
Andrew Moore	Alderman	Clyde C. Scott Insurance	\$25,000
Matt Fennell	Mayor	Clyde C. Scott Insurance	\$50,000
Wilton Cooper	Alderman	Clyde C. Scott Insurance	\$25,000
Amanda McFerrin	Deputy Clerk	Travelers Casualty and Surety Company of America	\$50,000
Jordan Jones	Park Director	Travelers Casualty and Surety Company of America	\$50,000



**TOWN OF MANTACHIE, MISSISSIPPI**  
**SCHEDULE OF LONG TERM DEBT**  
**For the Fiscal Year Ended September 30, 2021**

	BALANCE OUTSTANDING October 1, 2020	TRANSACTIONS DURING FISCAL YEAR		BALANCE OUTSTANDING September 30, 2021
		ISSUED	REDEEMED	
<u>Long Term Debt</u>				
Farmers & Merchants Loan	89,510	-	9,543	79,967
MDEQ SRF Loan	243,160	-	16,806	226,354
USDA Loan (92-15)	297,870	-	10,343	287,527
USDA Loan (91-16)	714,421	-	27,780	686,641
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
TOTAL	\$ <u>1,344,961</u>	\$ <u>-</u>	\$ <u>64,472</u>	\$ <u>1,280,489</u>

**TOWN OF MANTACHIE, MISSISSIPPI**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended September 30, 2021**

<i><b>Federal Grantor/Program or Cluster Title</b></i>	<i><b>Federal CFDA Number</b></i>	<i><b>Pass-through Grantor and Number</b></i>	<i><b>Federal Expenditures(\$)</b></i>
<b>Other Programs</b>			
Appalachian Regional Commission			
Appalachian Area Development			
Appalachian Area Development	23.002	Mississippi Development Authority, MS-19556	\$ 1,318,776
Total Appalachian Regional Commission			* 1,318,776
<b>Total Expenditures of Federal Awards</b>			<b>\$ 1,318,776</b>

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the Town of Mantachie, Mississippi and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of *Federal Regulations* Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The City has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

\* - Major Program

## OTHER REPORTS

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Rudolph Franks, CPA (1933-2019)

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

Honorable Mayor and Board of Aldermen  
Town of Mantachie, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Town of Mantachie, Mississippi, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise Town of Mantachie, Mississippi's basic financial statements and have issued our report thereon dated August 30, 2022.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be material weaknesses: 2021-001, 2021-002, and 2021-003.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the Town of Mantachie, Mississippi's internal control to be significant deficiencies: 2021-004 and 2021-005.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town of Mantachie, Mississippi's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and responses as items: 2021-001, 2021-004, and 2021-005.

## **Town of Mantachie, Mississippi's Response to Findings**

Town of Mantachie, Mississippi's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. Town of Mantachie, Mississippi's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Franks, Franks, Wilemon & Hagood P.A.

FRANKS, FRANKS, WILEMON & HAGOOD, P.A.  
Tupelo, Mississippi  
August 30, 2022

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## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Honorable Mayor and Board of Aldermen  
Town of Mantachie, Mississippi

### **Report on Compliance for Each Major Federal Program**

We have audited the Town of Mantachie, Mississippi's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town of Mantachie, Mississippi's major federal programs for the year ended September 30, 2021. Town of Mantachie, Mississippi's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

#### ***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the Town of Mantachie, Mississippi's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Mantachie, Mississippi's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Town of Mantachie, Mississippi's compliance

#### ***Opinion on Each Major Federal Program***

In our opinion, the Town of Mantachie, Mississippi, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2021.

## Report on Internal Control over Compliance

Management of the Town of Mantachie, Mississippi, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of Mantachie, Mississippi's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Mantachie, Mississippi's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Franks, Franks, Wilemon & Hagood P.A.*

FRANKS, FRANKS, WILEMON & HAGOOD, P.A.  
Tupelo, Mississippi  
August 30, 2022



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Rudolph Franks, CPA (1933-2019)

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

Honorable Mayor and Board of Aldermen  
Town of Mantachie, Mississippi

We have audited the financial statements of Town of Mantachie, Mississippi as of and for the year ended September 30, 2021 and have issued our report dated August 30, 2022. We have conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*.

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

The results of those procedures and our audit of the general purpose financial statements disclosed the following material instances of noncompliance with state laws and regulations. Our findings and recommendations and your responses can be found in the accompanying schedule of findings and responses as items: 2021-001, 2021-004, and 2021-005.

The Office of the State Auditor or a public accounting firm will review, on a subsequent year's audit engagement, the findings in this report to ensure that corrective action has been taken.

This report is intended for the information of the Town's 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.

*Franks, Franks, Wilemon & Hagood P.A.*

FRANKS, FRANKS, WILEMON & HAGOOD, P.A.  
Tupelo, Mississippi  
August 30, 2022



**TOWN OF MANTACHIE, MISSISSIPPI**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**September 30, 2021**

**SECTION 1 – SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditors' report issued: Qualified  
Internal control over financial reporting:  
    Material weakness identified?   X   Yes        No  
    Significant deficiency identified  
        not considered to be a material weakness?   X   Yes        None reported  
Noncompliance material to financial statements  
    noted?   X   Yes        No

**Federal Awards**

Internal Control over major programs:  
    Material weakness identified?        Yes   X   No  
    Significant deficiency identified  
        not considered to be a material weakness?        Yes   X   None reported  
Type of auditors' report issued on compliance  
    for major programs: Unmodified  
Any audit findings disclosed that are required  
    to be reported in accordance with  
    2 CFR 200.516(a)?        Yes   X   No

Identification of major program:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>23.002</u>	<u>Appalachian Area Development</u>

Dollar threshold used to distinguish  
    between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee?        Yes   X   No

**TOWN OF MANTACHIE, MISSISSIPPI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
September 30, 2021**

**SECTION 2 – FINANCIAL STATEMENT FINDINGS:**

***MATERIAL WEAKNESS AND NONCOMPLIANCE NO. 2021-001:***

**Repeat Finding:** Yes

**Criteria:** State law requires municipalities of the State to maintain a complete fixed asset inventory listing, to properly tag all fixed assets, and to perform an annual fixed asset inventory.

**Condition:** The Town of Mantachie's internal control procedures over fixed assets have not been properly developed and implemented. During our audit testing, we noted that the Town does not maintain a fixed asset inventory system as prescribed by the Mississippi Code. The Town does not maintain a complete fixed asset listing containing items description, location, condition, and inventory tag number. Fixed asset inventory tags are not being properly used by the Town. The Town does not perform an annual fiscal inventory of fixed assets as prescribed by the Mississippi Code.

**Cause:** The Town has not has not fully implemented an adequate system of controls for properly tracking activity of fixed assets.

**Effect:** The Town is not in compliance with the applicable requirements as required by state statute as prescribed the Office of the State Auditor.

**Recommendation:** The Town should begin to develop and implement internal control policies and procedures related to fixed asset management. The Town should perform a fixed asset inventory and prepare a current fixed asset inventory listing as prescribed by state law. The Town should place inventory tags on all existing fixed assets and all fixed assets acquired by the Town in the future.

**Response:** The Town will attempt to develop and implement better internal controls over its fixed assets.

**TOWN OF MANTACHIE, MISSISSIPPI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**September 30, 2021**

***MATERIAL WEAKNESS NO. 2021-002:***

**Repeat Finding:** Yes

**Criteria:** A valuable element of the internal control structure is proper segregation of duties of accounting personnel.

**Condition:** The Town of Mantachie's internal control structure does not provide for adequate segregation of duties.

**Cause:** The Town's limited size and personnel limit the ability to properly segregate duties.

**Recommendation:** The Town's mayor and board should continue to be actively involved in a supervisory position in the Town's operations.

**Effect:** Failure to have an adequate segregation of duties could result in the loss of public funds

**Response:** The Town will attempt to maximize segregation of duties whenever possible. The mayor and board will remain actively involved in a supervisory position over the Town's operations.

***MATERIAL WEAKNESS NO. 2021-003:***

**Repeat Finding:** Yes

**Criteria:** The Town is to maintain adequate internal controls to ensure accurate processing and accounting of transactions for the fair presentation of its financial records.

**Condition:** During our audit testing, we noted the court fine receivable listing provided by the Town was a combination of a manual and computerized system.

**Cause:** The Town previously maintained a manual listing of court fine receivable. Currently, the Town is utilizing an electronic system but has not entered the items from the manual listing.

**Effect:** Due to the lack of reconciliation of the manual listing, the Town cannot ensure accountability of the previously issued tickets.

**Recommendation:** The Town should take necessary steps to continue to improve the system for accounting for court fines. The Town should ensure that one complete system is maintained with all fines and collections posted. The Town should ensure all efforts are made to collect the large amount of outstanding court fines.

**Effect:** The City is not in compliance with the applicable requirements as required by state statute and as prescribed by the Office of the State Auditor

**Response:** The Town will implement adequate internal controls over the processing of court fines.

**TOWN OF MANTACHIE, MISSISSIPPI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
September 30, 2021**

***SIGNIFICANT DEFICIENCY AND NONCOMPLIANCE NO 2021-004***

**Repeat Finding:** No

**Criteria:** The Town is to participate in the centralized pledging program (State Collateral Pool) to satisfy pledging requirements for deposits at financial institutions where the Town maintains public funds.

**Condition:** The Town did not report its bank accounts to the State Treasurer as required to participate in the State Collateral Pool.

**Cause:** The Town did not submit the Annual Report to the State Treasurer within thirty days of year end.

**Effect:** The Town was out of compliance with the Mississippi Code 27-105-5.

**Recommendation:** The Town should implement adequate controls to ensure that all relevant reports regarding the State Collateral Pool are timely submitted and reconciled with the financial records of the Town.

**Response:** The Town will ensure that it has all current State Collateral Pool reports from the State Treasurer so as to ensure that all Town deposits are properly collateralized. The Town will file the annual report with the State Treasurer and ensure all accounts are included in the future.

***SIGNIFICANT DEFICIENCY AND NONCOMPLIANCE NO 2021-005***

**Repeat Finding:** No

**Criteria:** The Town is required, by state statutes, to prepare a budget for all required governmental funds of the Town and to monitor and modify the budget as necessary to ensure all expenditures are within the budgeted amounts.

**Condition:** The Town had a budget overage in one expenditure category for the year ended September 30, 2021.

**Cause:** The Town did not properly amend the budget to prevent budget overages.

**Effect:** The Town was out of compliance with state budgeting requirements.

**Recommendation:** The Town should ensure that all expenditures are within the final amended budget amounts. The Town Clerk should generate monthly budget to actual revenue and expense reports that should be used to ensure budgets are amended before expenses are disbursed in excess of budgeted amounts.

**Response:** The Town will take steps necessary to provide the Board with accurate revenue and expense budget to actual comparisons on a monthly basis for all required accounts. The Town will take steps necessary to ensure that budgets are amended prior to budget overages occurring.

**TOWN OF MANTACHIE, MISSISSIPPI  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
September 30, 2021**

**SECTION 3 – FEDERAL AWARD FINDINGS:**

NONE