CITY OF MANSFIELD, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2021
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT

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CITY OF MANSFIELD, GEORGIA
PRINCIPAL OFFICIALS

CURRENT MAYOR

GW Davis Jr

CURRENT CITY COUNCIL AS OF JUNE 30, 2021

W. Marty Smallwood
Helen Robertson
Blair Northen
Austin Mitchell
Bryan Hale

RECTOR & LOFTON REEDER & PC

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of City Council
City of Mansfield, Georgia

Report on the Financial Statements

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 City of Mansfield, Georgia (the "City") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City'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.

Auditor's Responsibility

Our responsibility is to express an 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 the *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 of 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 auditor's 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 opinions on the effectiveness of the entity's internal control. Accordingly, we express no such opinions. 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 reasonable basis for our audit opinions.

Opinions

In our opinions, based on our audit, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information referred to above present fairly, in all material respects, the respective financial position of the City of Mansfield, Georgia, as of June 30, 2021, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, as listed in the table of contents, should 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 on the basic financial statements. We do not express an opinions or provide any assurance on the information because the limited procedure did not provide us with sufficient evidence to express an opinions or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statement of the City.

The combining and individual Nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual Nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements.

The Nonmajor fund financial statement sections have been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United State of America. In our opinions, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated November 30, 2021 on our consideration of the City'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 opinions 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 City's internal control over financial reporting and compliance.

Rector, Reeder & Lofton, P.C.
Certified Public Accountants

Loganville, Georgia
November 30, 2021

CITY OF MANSFIELD, GEORGIA
Mansfield, Georgia

MANAGEMENT'S DISCUSSION & ANALYSIS

YEAR ENDED JUNE 30, 2021

CITY OF MANSFIELD
MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Mansfield, we offer readers of the City of Mansfield's financial statements this narrative overview and analysis of the financial activities of the City of Mansfield for the year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with their review of the financial statements.

Financial Highlights

- The assets of the City of Mansfield exceeded its liabilities at June 30, 2021 by $6,083,036. Of this amount, unrestricted net position of $2,149,997 may be used to meet the government's ongoing obligations to citizens and creditors. The $2,149,997 in unrestricted net position is further allocated with $722,838 to governmental-type activities and $1,427,159 to business-type activities.

- The total net position increased by $217,304 during FY2021. Of this amount, a net increase of $327,706 was associated with governmental activities, and a net decrease of $(110,402) was associated with business-type activities. The decrease in business-type activities is due largely to a transfer of funds to the governmental activities of $185,364 due to shared general expenses transferred through an interfund between programs.

- As of the close of the current fiscal year, the City of Mansfield's governmental funds reported combined ending fund balances of $1,048,624, an increase of $320,150 in comparison with the prior year. Of this amount, $10,091 is non-spendable, $325,786 is restricted, and $712,747 is unassigned. The unassigned amount of $712,747 consists of various assets netted against their respective liabilities. See the attached Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position for additional detail.

Overview of the financial statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying even giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Mansfield include general government, public safety and courts, highways and streets, parks and recreation, community development, economic development, and code enforcement. The business-type activities of the City are water and sewer, solid waste management and electrical supply.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Mansfield can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal period. Such information may be useful in evaluating a government's near term financing requirements.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between the two.

The City maintains two major governmental funds. The City's major governmental funds are the General Fund and the Capital Projects Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for these major funds.

The City of Mansfield adopts an annual budget for all of its governmental funds. The financial statements contain a comparison of a budget to actual with the approved budget for fiscal year 2021. An appropriate budget for the non-major funds and a project length budget for the SPLOST Capital Projects Fund have been adopted by the City and are presented in the individual fund financial statements.

Proprietary funds. Enterprise funds (a component of proprietary funds) are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses utility enterprise funds to account for its water and sewer, and electrical supply activities. The City's Electric and Water and Sewer Funds are considered by the City to be major funds.

Proprietary funds provide the same type of information as government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the City's major funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statement and accompanying notes, this report also presents certain other supplementary information which consists of individual fund financial statements.

Government-wide financial analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Mansfield, assets exceeded liabilities by $6,083,036 at the close of the most recent fiscal year.

A portion of the City's net position (59%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt that is still outstanding used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City'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.

City of Mansfield's Net Position

	Governmental Activities		
	2021	2020	Change
Current and other assets	$ 1,055,173	$ 742,091	$ 313,082
Capital assets	939,035	930,707	8,328
Total assets	$ 1,994,208	$ 1,672,798	$ 321,410
Current liabilities	$ 14,613	$ 12,835	$ 1,778
Long-term liabilities	8,658	16,732	(8,074)
Total liabilities	23,271	29,567	(6,296)
Net position			
Net investment in capital assets	922,313	906,233	16,080
Restricted	325,786	217,761	108,025
Unrestricted	722,838	519,237	203,601
Total net position	1,970,937	1,643,231	327,706
Total liabilities & net position	$ 1,994,208	$ 1,672,798	$ 321,410

	Business-Type Activities		
	2021	2020	Change
Current and other assets	$ 1,539,039	$ 1,606,276	$ (67,237)
Capital assets	2,821,953	2,885,599	(63,646)
Total assets	$ 4,360,992	$ 4,491,875	$ (130,883)
Current liabilities	$ 112,393	$ 113,874	$ (1,481)
Long-term liabilities	136,500	155,500	(19,000)
Total liabilities	248,893	269,374	(20,481)
Net position			
Net investment in capital assets	2,666,453	2,712,099	(45,646)
Restricted	18,487	15,486	3,001
Unrestricted	1,427,159	1,494,916	(67,757)
Total net position	4,112,099	4,222,501	(110,402)
Total liabilities & net position	$ 4,360,992	$ 4,491,875	$ (130,883)

City of Mansfield's Net Position

	Total		
	2021	2020	Change
Current and other assets	$ 2,594,212	$ 2,348,367	$ 245,845
Capital assets	3,760,988	3,816,306	(55,318)
Total assets	$ 6,355,200	$ 6,164,673	$ 190,527
Current liabilities	$ 127,006	$ 126,709	$ 297
Long-term liabilities	145,158	172,232	(27,074)
Total liabilities	272,164	298,941	(26,777)
Net position			
Net investment in capital assets	3,588,766	3,618,332	(29,566)
Restricted	344,273	233,247	111,026
Unrestricted	2,149,997	2,014,153	135,844
Total net position	6,083,036	5,865,732	217,304
Total liabilities & net position	$ 6,355,200	$ 6,164,673	$ 190,527

A portion of the net position, $344,273, represents resources that are subject to external restrictions on how they may be used. The unrestricted net position balance of $2,149,997 may be used to meet the government's ongoing obligations to citizens and creditors. Additionally, the consolidated totals have the interfunds receivables and payables eliminated from the current assets and from the current liabilities.

City of Mansfield's Change in Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenue:						
Program Revenues -						
Charges for services	$ 28,378	$ 43,595	$ 1,099,328	$ 1,045,494	$ 1,127,706	$ 1,089,089
Grants & contributions	119,527	102,748	-	-	119,527	102,748
General Revenues -						
Property taxes	92,593	70,179	-	-	92,593	70,179
Sales taxes	110,505	80,981	-	-	110,505	80,981
Insurance premium taxes	-	-	-	-	-	-
Franchise fees	3,468	3,468	-	-	3,468	3,468
Interest	-	-	5,115	15,288	5,115	15,288
Other	12,679	68,827	12,456	12,685	25,135	81,512
Total Revenues	367,150	369,798	1,116,899	1,073,467	1,484,049	1,443,265
Expenses:						
General government	224,808	223,739	-	-	224,808	223,739
Public safety	-	-	-	-	-	-
Public works	-	41,595	-	-	-	41,595
Garbage	-	-	54,102	45,228	54,102	45,228
Electrical	-	-	646,740	662,358	646,740	662,358
Water and sewer	-	-	341,095	339,778	341,095	339,778
Total Expenses	224,808	265,334	1,041,937	1,047,364	1,266,745	1,312,698
(Decrease) increase in net position before transfers	142,342	104,464	74,962	26,103	217,304	130,567
Transfers/Prior Period Adjustment	185,364	192,471	(185,364)	(192,471)	-	-
(Decrease) increase in net position	327,706	296,935	(110,402)	(166,368)	217,304	130,567
Net position - beginning of period	1,643,231	1,346,296	4,222,501	4,388,869	5,865,732	5,735,165
Net position - end of period	$ 1,970,937	$ 1,643,231	$ 4,112,099	$ 4,222,501	$ 6,083,036	$ 5,865,732

Financial Analysis

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

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

As of the end of the current year, the City's governmental funds reported combined ending net position balances of $1,970,937, an increase of $327,706 in comparison with the prior year. Of this amount, the City has an *unassigned fund balance* of $712,747.

The general fund is the chief operating fund of the City. The general fund also shows a transfer of $185,364 of funds from the business-type activities to correctly allocate shared general expenses between the programs. At the end of the current fiscal year, unassigned fund balance of the general fund was $712,747. The combined net position for the City increased by $327,706 during the current fiscal year.

Capital assets and debt administration

Capital assets. The City's Capital Assets as of June 30, 2021, amounts to $3,760,988 (net of accumulated depreciation). This amount includes land, buildings, vehicles, equipment, and infrastructure.

City of Mansfield, Georgia

Capital Assets

	Governmental Activities	Business-Type Activities	Total Current	Total Prior
Land & land improvements	$ 609,016	$ 154,593	$ 763,609	$ 422,919
Infrastructure	102,952	5,100,278	5,203,230	5,097,492
Buildings	486,638	107,353	593,991	593,991
Vehicles	104,822	100,159	204,981	167,591
Equipment	41,461	43,965	85,426	115,541
Work in Process	-	-	-	233,951
Less accumulated depreciation	(405,854)	(2,684,395)	(3,090,249)	(2,800,780)
Net	$ 939,035	$ 2,821,953	$ 3,760,988	$ 3,830,705

During fiscal year 2020, the City began their City Center Project. During fiscal year 2021, the work was completed and Work in Process decreased to zero. Depreciation expense of the capital assets amounted to a combined $107,241 for the year. Additional information on the City of Mansfield's capital assets can be found in accompanying Notes to the Financial Statements.

Long-term debt. At the end of the current year, the City had total bonds outstanding of $155,500. The full amount comprises debt backed by the full faith and credit of the City. The current year reduction in bonds payable was $18,000.

During fiscal year 2018, the City financed a dump truck through Ally Bank for 60 months in the amount of $37,400. Principal and interest payments of $689.58 are due monthly. Additionally, during fiscal year 2019, the City recognized a lease with the Newton County Trails for land use, which consists of a net present value of $5,996.

Additional information on the City's long-term debt can be found in the accompanying Notes to the Financial Statements.

Requests for Information

This financial report is designed to provide a general overview of the City of Mansfield's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

City of Mansfield
P.O. Box 35
Mansfield, Georgia 30055

CITY OF MANSFIELD, GEORGIA
Mansfield, Georgia

GOVERNMENT-WIDE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

CITY OF MANSFIELD, GEORGIA
STATEMENT OF NET POSITION
June 30, 2021

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	$ 627,434	$ 731,540	$ 1,358,974
Investments	-	500,812	500,812
Accounts receivable, net	2,185	134,125	136,310
Taxes receivable	3,532	-	3,532
Intergovernmental receivable	18,647	-	18,647
Prepaid items	10,091	-	10,091
Interfund receivables	393,284	(393,284)	-
Restricted cash - noncurrent	-	18,487	18,487
Investments - noncurrent	-	547,359	547,359
Capital assets, not being depreciation	155,488	154,593	310,081
Capital assets, net of accumulated depreciation	783,547	2,667,360	3,450,907
Total Assets	$ 1,994,208	$ 4,360,992	$ 6,355,200
Liabilities			
Accounts payable	$ -	$ 34,943	$ 34,943
Due to other governmental agencies	2,415	-	2,415
Payroll liabilities	4,134	-	4,134
Accrued Interest	-	3,888	3,888
Unearned revenue	-	-	-
Liabilities payable from restricted assets:			
Customer deposits	-	54,562	54,562
Bonds and notes payable:			
Current within one year	8,064	19,000	27,064
Noncurrent due greater than one year	8,658	136,500	145,158
Total Liabilities	$ 23,271	$ 248,893	$ 272,164
Net Position			
Net investment in capital assets	$ 922,313	$ 2,666,453	$ 3,588,766
Restricted for:			
Debt service	-	18,487	18,487
Public safety	16,384	-	16,384
Roads and bridges	309,402	-	309,402
Unrestricted	722,838	1,427,159	2,149,997
Total Net Position	$ 1,970,937	$ 4,112,099	$ 6,083,036

See the accompanying notes to financial statements.

CITY OF MANSFIELD, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues: Fees, Fines, and Charges for Services	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Primary Government:						
Governmental activities:						
General government	$ 224,808	$ 28,378	$ -	$ (196,430)	$ -	$ (196,430)
Public safety	-	-	-	-	-	-
Public works	-	-	119,527	119,527	-	119,527
Total governmental activities	224,808	28,378	119,527	(76,903)	-	(76,903)
Business-type activities:						
Electric	646,740	744,593	-	-	97,853	97,853
Water and sewer	332,870	303,723	-	-	(29,147)	(29,147)
Water and sewer - interest expense	8,225	-	-	-	(8,225)	(8,225)
Garbage	54,102	51,012	-	-	(3,090)	(3,090)
Total business-type activities	1,041,937	1,099,328	-	-	57,391	57,391
Total primary government	$ 1,266,745	$ 1,127,706	$ 119,527	(76,903)	57,391	(19,512)
General revenues:						
Taxes						
Property Taxes, levied for general purpose				92,593	-	92,593
Sales Tax				110,505	-	110,505
Franchise fees				3,468	-	3,468
Investment earnings				-	5,115	5,115
Other				12,679	12,456	25,135
Total general revenues				219,245	17,571	236,816
Transfers				185,364	(185,364)	-
Total general revenues and transfers				404,609	(167,793)	236,816
Change in net position				327,706	(110,402)	217,304
Net position - July 1, 2020				1,643,231	4,222,501	5,865,732
Net position - June 30, 2021				$ 1,970,937	$ 4,112,099	$ 6,083,036

See the accompanying notes to financial statements.

CITY OF MANSFIELD, GEORGIA
Mansfield, Georgia

FUND FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

CITY OF MANSFIELD, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021

	General	SPLOST	Non-major Confiscated Assets Fund	Total
Assets				
Cash and cash equivalents	$ 334,029	$ 293,405	$ -	$ 627,434
Accounts receivable	2,185	-	-	2,185
Taxes receivable	3,532	-	-	3,532
Intergovernmental receivables	-	18,647	-	18,647
Interfund receivables	395,934	-	16,384	412,318
Prepaid items	10,091	-	-	10,091
Total Assets	$ 745,771	$ 312,052	$ 16,384	$ 1,074,207
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	$ -	$ -	$ -	$ -
Due to other governments	2,415	-	-	2,415
Payroll liabilities	4,134	-	-	4,134
Interfund payables	16,384	2,650	-	19,034
Total Liabilities	22,933	2,650	-	25,583
Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Non-spendable prepaid items	10,091	-	-	10,091
Restricted for:				
Roads and bridges	-	309,402	-	309,402
Law enforcement	-	-	16,384	16,384
Unassigned	712,747	-	-	712,747
Total Fund Balances	722,838	309,402	16,384	1,048,624
Total Liabilities, Deferred Inflows and Fund Balances	$ 745,771	$ 312,052	$ 16,384	$ 1,074,207

See the accompanying notes to financial statements.

CITY OF MANSFIELD, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2021

Amounts reported for governmental activities in the statement of Net Position are different due to:

Total fund balances - total governmental funds	$	1,048,624
Capital assets used in governmental activities are not financial resources, and therefore are not reported in the funds.		939,035
Debt related to capital assets acquired in governmental activities are not current obligations and therefore not reported in the funds.		(16,722)
Net position of governmental activities	$	1,970,937

See the accompanying notes to financial statements.

CITY OF MANSFIELD, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	General	SPLOST	Non-major Confiscated Assets Fund	Non-major CARES Revenue Fund	Total
Revenues					
Taxes	$ 211,621	$ -	$ -	$ -	$ 211,621
Licenses and permits	31,846	-	-	-	31,846
Intergovernmental	9,338	108,025	-	2,164	119,527
Charges for services	-	-	-	-	-
Investment income	-	-	-	-	-
Other revenue	12,679	-	-	-	12,679
Total Revenues	265,484	108,025	-	2,164	375,673
Expenditures					
Current:					
General government	188,265	-	-	-	188,265
Public Safety	-	-	-	2,164	2,164
Public works	-	-	-	-	-
Capital outlay:					
General government	-	-	-	-	-
Public works	50,458	-	-	-	50,458
Total Expenditures	238,723	-	-	2,164	240,887
Excess/(Deficiency) of revenues over expenditures	26,761	108,025	-	-	134,786
Other Financing Sources/(Uses)					
Transfers in/(out)	185,364	-	-	-	185,364
Net change in fund balance	212,125	108,025	-	-	320,150
Fund balance - July 1, 2020	510,713	201,377	16,384	-	728,474
Fund balance - June 30, 2021	$ 722,838	$ 309,402	$ 16,384	$ -	$ 1,048,624

See the accompanying notes to financial statements.

CITY OF MANSFIELD, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Amounts reported for governmental activities in the statement of activities is different due to:

Net changes in fund balances - total government funds	$	320,150
Some of the City's taxes reported as revenues in the funds when the resources are measurable and available. In the current period $8,523 was recognized from deferred sales tax in the government financial statements		(8,523)
Governmental funds are prepared using the modified accrual basis. Transactions which are not a current resource are not reported on the fund financial statements. Principal payments of debt during FY 2021 amounted to $7,752		7,752
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The total capital assets purchased during the year was $50,458 while this was offset with depreciation expense of ($42,131).		8,327
Change in net position of governmental activities	$	327,706

See the accompanying notes to financial statements.

CITY OF MANSFIELD, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budget Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Taxes	$ 187,419	$ 187,419	$ 211,621	$ 24,202
Licenses and permits	6,000	6,000	31,846	25,846
Intergovernmental	-	-	9,338	9,338
Charges for services	-	-	-	-
Investment income	-	-	-	-
Other revenue	25,882	25,882	12,679	(13,203)
Total Revenues	219,301	219,301	265,484	46,183
Expenditures				
Current:				
General government	170,101	163,245	188,265	(25,020)
Public works	-	-	-	-
Capital outlay:				
General government	-	-	-	-
Public works	49,200	56,056	50,458	5,598
Total Expenditures	219,301	219,301	238,723	(19,422)
Net change in fund balances	$ -	$ -	26,761	$ 26,761
Transfer from Business Activities Fund			185,364	
Fund balance - July 1, 2020			510,713	
Fund balance - June 30, 2021			$ 722,838	

See the accompanying notes to financial statements.

CITY OF MANSFIELD, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUND
June 30, 2021

	Electric Fund	Water and Sewer Fund	Garbage Fund	Total
Assets				
Current Assets				
Cash and cash equivalents	$ 584,375	$ 134,487	$ 12,678	$ 731,540
Investments	500,812	-	-	500,812
Accounts receivable, net	100,691	28,519	4,915	134,125
Total Current Assets	1,185,878	163,006	17,593	1,366,477
Restricted Assets				
Cash and cash equivalents	-	18,487	-	18,487
Interfund receivables	-	-	-	-
Total Restricted Assets	-	18,487	-	18,487
Noncurrent Assets				
Investments	547,359	-	-	547,359
Capital assets not being depreciated	30,000	124,593	-	154,593
Capital assets, net of accumulated depreciation	614,754	2,052,606	-	2,667,360
Total Noncurrent Assets	1,192,113	2,177,199	-	3,369,312
Total Assets	$ 2,377,991	$ 2,358,692	$ 17,593	$ 4,754,276
Liabilities				
Current Liabilities				
Accounts payable	$ 34,943	$ -	$ -	$ 34,943
Payroll liabilities	-	-	-	-
Unearned revenue	-	-	-	-
Interfund payables	73,199	245,958	74,127	393,284
Accrued Interest	-	3,888	-	3,888
Liabilities payable from restricted assets:				
Customer deposits	34,150	20,412	-	54,562
Current maturities of long-term debt	-	19,000	-	19,000
Total Current Liabilities	142,292	289,258	74,127	505,677
Noncurrent Liabilities				
Long-term debt	-	136,500	-	136,500
Total Liabilities	$ 142,292	$ 425,758	$ 74,127	$ 642,177
Net Position				
Net investment in capital assets	$ 644,754	$ 2,021,699	$ -	$ 2,666,453
Restricted - debt service	-	18,487	-	18,487
Unrestricted	1,590,945	(107,252)	(56,534)	1,427,159
Total Net Position	$ 2,235,699	$ 1,932,934	$ (56,534)	$ 4,112,099

See the accompanying notes to financial statements.

CITY OF MANSFIELD, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Business-Type Activities			
	Electric Fund	Water and Sewer Fund	Garbage Fund	Total
Operating Revenues:				
Sales	$ 744,593	$ 303,723	$ 51,012	$ 1,099,328
Other	12,456	-	-	12,456
Total Operating Revenues	757,049	303,723	51,012	1,111,784
Operating Expenses:				
Personnel services	94,077	38,449	5,912	138,438
Purchased/contracted	43,540	47,777	47,318	138,635
Supplies	479,531	139,637	-	619,168
Depreciation	18,933	88,308	-	107,241
Other	10,659	18,699	872	30,230
Total Operating Expenses	646,740	332,870	54,102	1,033,712
Operating income (loss)	110,309	(29,147)	(3,090)	78,072
Non-operating revenues (expenses):				
Interest and gain on investments	5,102	13	-	5,115
Interest expense	-	(8,225)	-	(8,225)
Total non-operating revenues (expenses)	5,102	(8,212)	-	(3,110)
Change in net position	115,411	(37,359)	(3,090)	74,962
Transfers	(150,000)	(30,000)	(5,364)	(185,364)
Net position - beginning of year	2,270,288	2,000,293	(48,080)	4,222,501
Net position - end of year	$ 2,235,699	$ 1,932,934	$ (56,534)	$ 4,112,099

See the accompanying notes to financial statements.

CITY OF MANSFIELD, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Business-Type Activities			
	Electric Fund	Water and Sewer Fund	Garbage Fund	Total
Cash flows from operating activities:				
Cash sales to customers	$ 744,593	$ 303,723	$ 51,012	$ 1,099,328
Cash payments to suppliers	(444,025)	(179,232)	(43,114)	(666,371)
Cash payments to employees for services	(94,077)	(38,449)	(5,912)	(138,438)
Net cash provided (used) by operating activities	206,491	86,042	1,986	294,519
Cash flows from investing activities:				
Interest income received	5,102	13	-	5,115
Purchase of investments	(190,174)	-	-	(190,174)
Net cash provided (used) provided by investing activities	(185,072)	13	-	(185,059)
Cash flows from noncapital financing activities:				
Cash payments through transfers to other funds	(150,000)	(30,000)	(5,364)	(185,364)
Cash flows from capital and related financing activities:				
Purchase of capital assets	(43,595)	-	-	(43,595)
Principal payment on debt	-	(18,000)	-	(18,000)
Interest paid	-	(8,225)	-	(8,225)
Net cash provided (used) in capital and related financing activities	(43,595)	(26,225)	-	(69,820)
Net change in cash and cash equivalents	(172,176)	29,830	(3,378)	(145,724)
Cash and cash equivalents at beginning of year	756,551	123,144	16,056	895,751
Cash and cash equivalents at end of year	$ 584,375	$ 152,974	$ 12,678	$ 750,027
Reported on the Statement of Net Position as:				
Unrestricted cash	$ 584,375	$ 134,487	$ 12,678	$ 731,540
Restricted cash	-	18,487	-	18,487
Total cash	$ 584,375	$ 152,974	$ 12,678	$ 750,027
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	$ 110,309	$ (29,147)	$ (3,090)	$ 78,072
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	18,933	88,308	-	107,241
Changes in assets and liabilities:				-
Accounts receivable	(24,833)	(3,985)	(1,292)	(30,110)
Interfund accounts	96,980	38,449	6,368	141,797
Accounts payable	9,799	(7,700)	-	2,099
Unearned revenue	(4,852)	-	-	(4,852)
Customer deposits	155	567	-	722
Accrued Interest	-	(450)	-	(450)
Net cash provided (used) by operating activities	$ 206,491	$ 86,042	$ 1,986	$ 294,519

See the accompanying notes to financial statements.

NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY:

1. Introduction:

The financial statements of the City of Mansfield, Georgia (the City) have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

2. Organization:

The City was incorporated under the laws of the State of Georgia in 1903 and operates under a mayor-council form of government. The City provides the following services as authorized by its charter: general government (legislative, elections, financial administration, and general government buildings and plant); public safety (police and fire) and Public Works (highways and streets, sanitation and wastewater, water and solid waste). As required by GAAP, the financial statements of the reporting entity include those of the City (the primary government).

3. Reporting Entity:

In determining how to define the reporting entity, management has considered all potential component units by applying the criteria set forth in Section 2100 and 2600 of the *Codification of Government Accounting Standards Board and Financial Accounting Standards Board and Statement Number 14 and 61 of the Government Accounting Standards Board, the Financial Reporting Entity.* Based on GASB criteria, the City has no entities that qualify as discretely presented or blended component units.

4. Basis of Presentation, Basis of Accounting and Measurement Focus:

Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government (the City) and its component units. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type* activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associate with a program or function and, made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines and charges paid by the recipients of goods or services offered by the programs and (b) grants an contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The City first uses restricted assets for expenses incurred for which both restricted and unrestricted assets are available. The City may defer the use of restricted assets based on a review of the specific transaction.

Fiduciary funds and component units that are fiduciary in nature are not reported in the government-wide financial statements. The City does not report any fiduciary funds or component units.

NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Cont'd)

4. Basis of Presentation, Basis of Accounting and Measurement Focus: (Cont'd)

Fund Financial Statements: The fund financial statements provide information about the City's funds. Separate statements for each fund category – *governmental and proprietary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Proprietary fund operating reserves, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The City reports the following major governmental fund:

- *General Fund* – This is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- *Capital Projects Fund* – This fund is for SPLOST activities. It accounts for all financial resources of SPLOST projects such as roads, bridges and recreational facilities.

The City reports the following major enterprise funds:

- *Electric Fund* – This fund accounts for the operation, maintenance and development of the City's electrical system.
- *Water and Sewer Fund* – This fund accounts for the operation, maintenance and development of the City's water and sewer system.
- *Garbage Fund* – This fund accounts for the operation, maintenance and development of the City's garbage system.

Measurement Focus, Basis of Accounting:
Government-wide and Proprietary Fund Financial Statements – The government-wide and proprietary fund financial statements are reported using accrual basis of accounting and the economic resources measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions are transactions in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange. Non-exchange transactions include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. The proprietary fund activities statements are divided into operating and non-operation sections. Operating revenues and expenses are the result of activities that are integral to the purpose of the proprietary fund. Non-operating revenues and expense are the results of activities that are related to the proprietary funds, but are not integral to the purpose of the fund, such as interest revenues and expenses.

NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Cont'd)

4. Basis of Presentation, Basis of Accounting and Measurement Focus: (Cont'd)

Governmental Fund Financial Statements – Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measureable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, insurance premium tax, franchise taxes, licenses and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

All governmental and business-type activities and enterprise funds of the City follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements. Governments also have the option of following subsequent private-sector guidance for their business-type activities, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

5. Budgets and Budgetary Accounting:

The City follows these procedures in establishing budgetary data reflected in the financial statements:

1. Prior to July 1, the Mayor and the Council Budget Committee prepare a proposed budget for the fiscal year commencing July 1.

2. Public hearings are held to obtain taxpayer's comments.

3. The budget is legally enacted through the passage of a resolution.

4. All revisions to the budget must be submitted to the City Council for approval.

5. The budget is prepared and adopted on a basis consist with generally accepted accounting principles. An annual budget is adopted for the General Fund and Special Revenue Funds. An operating budget is prepared for each Enterprise Fund for planning, control, cost allocation, and evaluation purposes. Budgetary amounts are not formally integrated into the Enterprise Fund general ledgers.

6. Budgetary appropriations lapse at the end of the fiscal year.

6. Encumbrances:

Encumbrances represent commitments related to unperformed contracts for goods or services. The City does not utilize encumbrance accounting.

NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Cont'd)

7. Deposits and Investments:

Cash consists of demand and interest-bearing deposits held in banks. All deposits with financial institutions must be collateralized in an amount equal to 110% of uninsured deposits. In lieu of a surety bond, a depository of public funds may pledge as collateral any one or more of the following securities as enumerated in OCGA 50-17-59:

- Bonds, bills, certificates of indebtedness, notes, or other direct obligations of the United States or State of Georgia;
- Bonds, bills, certificates of indebtedness, notes, or other direct obligations of the counties or municipalities of the State of Georgia;
- Bonds of any public authority created by Georgia law, if the statute authorizes such use off the bonds and they have been duly validated and there has been no default in the payment of either principal or interest
- Industrial revenue bonds or bonds of development authorities, created by Georgia law that have been duly validated and for which there has been no default in the payment of either principal or interest; or
- Bonds, bills, certificates of indebtedness, notes, or other obligations of a subsidiary corporation of the U.S. government that are fully guaranteed by the U.S. government both as to principal and interest; and debt obligations issued by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, the Central Bank for cooperatives, the Farm Credit Banks, the Federal Home Loan Mortgage corporation, and the Federal National Mortgage Association.

For purposes of the statement of cash flows, cash and cash equivalents include all highly liquid investments with original maturities of three months or less.

8. Receivables and Payables:

All trade and property tax receivables are shown net of an allowance for uncollectibles, when material.

9. Property Tax Calendar:

Property taxes attach as an enforceable lien on property as of January 1. City property tax revenues are recognized when levied to the extent that they result in current receivables.

Property taxes are levied on September 30. The assessed values are an approximation of market value as determined by the Newton County Tax Assessor. Tax bills are mailed at least 60 days prior to the due date of December 20.

Taxes receivable at June 30, 2021, amounted to $3,532 which was due from the 2020 assessment.

Property Tax Year	**2020**
Lien Date	January 1, 2020
Levy Date	September 30, 2020
Collection period	October – December
Due date	December 20, 2020

NOTE A - SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY: (Cont'd)

10. Prepaid Items:

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

11. Capital Assets:

Capital assets, which include property, plant, equipment and infrastructure assets (roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Property, plant and equipment, for governmental funds, except for infrastructure, with individual costs that equal or exceed $2,500 are recorded as capital assets. Property, plant and equipment for proprietary funds with individual costs that equal or exceed $25,000 are recorded as capital assets. Capital assets are recorded at costs or estimate historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, net of related interest earned, is included as part of the capitalized value of the assets constructed.

Property, plant and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Infrastructure	15-99
Buildings and Improvements	20-50
Water and sewer distribution system	20-50
Heavy machinery and vehicles	3-15
Equipment, furniture and fixtures	5-10
Computer equipment	5-7

Pursuant to GASB Statement No. 34, Phase 3 governments are not required to report major general infrastructure assets retroactively. As a result, the governmental activities column in the government-wide financial statements does not reflect those infrastructure asset projects completed before December 31, 2004. However, they do reflect those assets that were either completed during the fiscal year or considered construction in progress at year end.

12. Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefit Amounts:

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated annual vacation. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits. The City adopted a policy that allows employees to accumulate unused vacation time up to 40 hours per year which is payable upon termination of employment.

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY:

1. Excess of expenditures over appropriation in individual departments:

The General Fund's revenue exceeded budgeted amounts by $46,183 and total expenses were also over budget by $19,422. The net effect to the total budget was an increase in fund balance of $26,761, however, the general fund received a transfer from Business Activities of $185,364 to cover the costs associated there. Adequate budget oversighted over revenue and costs were noted during the year.

2. Net position restricted by enabling legislation:

The City has a fund balance of $16,384 in the Confiscated Assets Special Revenue Fund and $309,402 in the SPLOST Capital Projects Fund. The net position in the Confiscated Assets Fund is restricted by enabling legislation to be used in support of law enforcement. The net position in the SPLOST fund is restricted by enabling legislation to be spent on road and bridge improvements.

NOTE C - DEPOSIT AND INVESTMENTS:

The carrying amount of the City's deposits with financial institutions was $2,425,632 and the bank balance was $2,476,390. All of the uninsured bank deposits are collateralized by securities that are not held by the pledging financial institution. The securities that secure the City's deposits are held as part of a pool of pledged securities administered under the direction of the Georgia Office of Treasury and Fiscal Services. Because all the City's uninsured deposits are collateralized by assets not held by the pledging financial institution, the City is not exposed to custodial credit risk. The City does not have a custodial credit risk policy other than a policy to comply with state law.

Investments in the Enterprise Funds of $500,812 represents Certificates of Deposits held at Fidelity Bank and are automatically renewed every three months.

Restricted cash in the enterprise funds represent funds held by a trustee bank for debt service payment activities and future capital expenditures as well as funds held to repay utility deposits to customers.

Municipal Competitive Trust – MEAG Power formed a trust known as the "Municipal Competitive Trust" for the benefit of its Participants (which includes the City of Mansfield, Georgia, along with 40 other cities and counties) and has funded the Competitive Trust with certain monies which have been accumulated in MEAG Power reserves, including certain rate stabilization monies and sums from the debt service reserves which were released following a successful effort to obtain bondholder consent to amend the Project One and General Resolution Projects Resolutions. Surety bonds are substituted for the debt service reserves to preserve the security of the bond holders, thus allowing the accumulated debt service reserves to be transferred to the Competitive Trust. Funds in the Competitive Trust will be invested and reinvested, and will be available to reduce future power supply costs of the Participants to meet retail competition.

NOTE C - DEPOSITS AND INVESTMENTS: (Cont'd)

Discretionary funds from the Participants were deposited in the Flexible Trust Account, which is part of the Municipal Competitive Trust established by MEAG and represents an involuntary participation external investment pool that is not registered with the S.E.C. as an investment company. The City of Mansfield, Georgia, has recorded the investments in the Flexible Trust Account as investments in the Utilities fund at fair market value, which was $547,359 in short-term obligations at the balance sheet date. Fair market value is determined based on the fair value of the underlying portfolio calculated daily with earnings distributed monthly. The fair value of the position in the external investment pool is the same as the value of the pool shares. The Municipal Competitive Trust permits the investment of funds in direct obligations of the United States Government, certain government agencies if guaranteed by the United States Government, direct and general obligations of states, certain Federal Agency discount notes and repurchase agreements collateralized by securities which would otherwise by permissible under the laws of the State.

Under the above parameters, investments are made in mortgage and derivative securities. These securities principally include agency-issued mortgages, collateralized mortgage obligations, principal-only strips and interest only securities that are required to repay 100% of their principal investment at maturity. The yield on derivative securities is based on cash flows received as determined by a specified formula or index, and/or cash flows from principal repayments on underlying mortgages. Therefore, the rate of return and market value of these securities may be sensitive to changes in their respective index or formula and/or in prepayment on mortgages, which may result from changing interest rates. At June 30, 2021, the average remaining terms of the investments in collateralized mortgage obligations is approximately five years.

MEAG Power and therefore the City of Mansfield, Georgia, to the extent of its portion of the Flexible Trust Account is exposed to credit and market risk relating to its investments. Credit risk arises when an entity is unable to recover its investments either by an inability to withdraw the funds through nonperformance of a counterparty or an inability to recover collateral. Market risk could affect the investments adversely when either the value of items purchased or the value of underlying collateral securities declines. As of June 30, 2021, MEAG Power and the city of Mansfield, Georgia, were not exposed to any known economic losses due to these risks.

Derivative Financial Instruments – Derivative financial instruments are used primarily in the management of interest rate exposure and include interest rate swap transaction. Derivative financial instruments are not held or issued for trading purposes. The counterparties to derivative transactions are major financial institutions with either high investment grade credit ratings or agreements to collateralize their net position.

Swap transactions are accrued to interest expense for the difference between the agreed upon fixed and floating rates. Options are recorded at fair value based on the estimated amount that would be received or paid to terminate the options and the reporting dated based on broker quotes. Options are revalued and marked to market.

MEAG Power and the City's portion of the Flexible Trust Account will be exposed to less variable rate exposure if the counterparty to the swap transaction defaults or if the swap is terminated. Any termination of the swap agreements may also result in MEAG Power through the appropriate trust account making or receiving a settlement payment.

NOTE D - CAPITAL ASSETS:

A summary of changes in capital assets are as follows:

	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Governmental Activities:					
Capital Assets, not being depreciated:					
Land	$ 155,488	$ -	$ -	$ -	$ 155,488
Work in Process	297,507	-	(297,507)	-	-
Total Capital Assets, not being depreciated	452,995	-	(297,507)	-	155,488
Capital Assets, being depreciated:					
Land improvements	112,838	43,183	297,507	-	453,528
Infrastructure	102,952	-	-	-	102,952
Buildings	486,638	-	-	-	486,638
Vehicles	104,822	-	-	-	104,822
Equipment	34,186	7,275	-	-	41,461
Total Capital Assets, being depreciated	841,436	50,458	297,507	-	1,189,401
Less accumulated depreciation for:					
Land improvements	27,474	21,983	-	-	49,457
Infrastructure	16,161	2,267	-	-	18,428
Buildings	206,639	11,924	-	-	218,563
Vehicles	84,324	3,905	-	-	88,229
Equipment	29,126	2,051	-	-	31,177
Total accumulated depreciation	363,724	42,130	-	-	405,854
Total Capital Assets, being depreciated, net	477,712	8,328	297,507	-	783,547
Governmental activities Capital Assets, net	$ 930,707	$ 8,328	$ -	$ -	$ 939,035

Depreciation expense for governmental activities was charged to functions as follows:

General government	$ 42,130
Public safety	0
Public works	0
Total governmental activities depreciation expense	$ 42,130

NOTE D - CAPITAL ASSETS: (Cont'd)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Electric Fund:				
Capital Assets, not being depreciated:				
Land	$ 30,000	$ -	$ -	$ 30,000
Work in Process	37,120	-	(37,120)	-
Total Capital Assets, not being depreciated	67,120	-	(37,120)	30,000
Capital Assets, being depreciated:				
Infrastructure	768,892	80,715	-	849,607
Buildings	107,353	-	-	107,353
Vehicles	100,159	-	-	100,159
Total Capital Assets, being depreciated	976,404	80,715	-	1,057,119
Less accumulated depreciation for:				
Infrastructure	278,056	16,249	-	294,305
Buildings	45,217	2,684	-	47,901
Vehicles	100,159	-	-	100,159
Total accumulated depreciation	423,432	18,933	-	442,365
Total Capital Assets, being depreciated, net	552,972	61,782	-	614,754
Electric Capital Assets, net	$ 620,092	$ 61,782	$ (37,120)	$ 644,754
Water and Sewer Fund:				
Capital Assets, not being depreciated:				
Land	$ 124,593	$ -	$ -	$ 124,593
Work in Process	12,373	-	(12,373)	-
Total Capital Assets, not being depreciated	136,966	-	(12,373)	124,593
Capital Assets, being depreciated:				
Infrastructure	4,238,298	12,373	-	4,250,671
Equipment	43,965	-	-	43,965
Total Capital Assets, being depreciated	4,282,263	12,373	-	4,294,636
Less accumulated depreciation for:				
Infrastructure	2,108,271	89,794	-	2,198,065
Equipment	45,451	(1,486)	-	43,965
Total accumulated depreciation	2,153,722	88,308	-	2,242,030
Total Capital Assets, being depreciated, net	2,128,541	(75,935)	-	2,052,606
Water and Sewer Capital Assets, net	$ 2,265,507	$ (75,935)	$ (12,373)	$ 2,177,199
Total Business-type Capital Assets, net	$ 2,885,599	$ (14,153)	$ (49,493)	$ 2,821,953

NOTE E - INTERFUND BALANCES AND ACTIVITY:

Interfund balances:

	Due to:						
Due from:	Non-major Gov't funds	SPLOST Fund	General Fund	Electric Fund	Water and Sewer Fund	Garbage Fund	Total
Governmental activities:							
General fund	$ (16,384)	$ 2,650	$ -	$ 73,199	$ 245,958	$ 74,127	$ 379,550
Non-major Gov't funds	-	-	16,384	-	-	-	16,384
SPLOST Fund	-	-	(2,650)				(2,650)
Business-type activities:							
Electric fund	-	-	(73,199)	-	-	-	(73,199)
Garbage fund	-	-	(74,127)	-	-	-	(74,127)
Water and sewer fund	-	-	(245,958)	-	-	-	(245,958)
	$ (16,384)	$ 2,650	$ (379,550)	$ 73,199	$ 245,958	$ 74,127	$ -

General fund is holding the Confiscated Assets money until a need arises. There is currently no police service being offered. It is not expected that this balance will be repaid within one year. The General Fund makes all of the original payroll payments. The Electric and Water Funds then reimburse the General Fund for each funds respective share of the payroll costs. The interfund balances between the Electric, Garbage, Water and SPLOST Funds and the General Fund represent such repayments that were not made by end of the year.

For this fiscal year, the transfers to the General Fund were $185,364, consequently, the transfers out of the Business-Type Activities fund were $185,364. These transfers are for payments made by the general fund which are in turn reimbursed or transferred to the general fund.

	Transfers:				
	General Fund	Electric Fund	Water and Sewer Fund	Garbage Fund	Total
Operating Transfer In (Out):	$ 185,364	$ (150,000)	$ (30,000)	$ (5,364)	$ -

NOTE F - CLAIMS, JUDGEMENTS AND OTHER COMMITMENTS:

Litigation: Based on the advice of the City attorney, management believes that any Unasserted claims against the City are either immaterial or without merit. The City is exposed to various risks of losses related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries commercial insurance.

The City participates in the Georgia Municipal Association Group Self-Insurance Workers' Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

As part of these risk pools, the City is obligated to pay all contributions and assessments as prescribed by the pool, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the fund, and to report as promptly as possible, an in accordance with any coverage loss. The City is also to allow the pool's agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the fund.

NOTE F - CLAIMS, JUDGEMENTS AND OTHER COMMITMENTS: (Cont'd)

The funds are to defend and protect the members of the fund against liability or loss as prescribed in the member government contract and in accordance with the worker's compensation law of Georgia. The fund is to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

Settled claims in the past three years have not exceeded coverages.

Commitments: Municipal Electric Authority of Georgia – The City of Mansfield, Georgia is one of 47 participants who have entered into Power Sales Contracts with the Municipal Electrical Authority of Georgia (MEAG). Under these contracts, the Authority has agreed to provide to the participants, and the participants have agreed to take from the Authority, such output and services from the various projects of the Authority as may be available for the useful life thereof. The participants are required to make payments therefore according to rates and charges established by the Authority to produce revenues sufficient to pay the Authority's cost attributable to such projects. In general, the Power Sales Contracts provide that if, at any time, (i) a project is terminated prior to completion, or (ii) a project is declared by the Authority to be totally and permanently retired from service, or (iii) a project is totally, but no permanently, out of service and the Authority is unable to provide service from alternative sources, then each participant will remain liable to pay a fixed percentage referred to as an "obligation share" of the Authority's costs attributable to such projects. In case of default by a participant under its Contracts relating to any of the various projects such participant would remain liable to pay the greater of its obligation share of the Authority's costs attributable to such project of the amount determined to be due under the rates and charges established by the Authority.

Payments under the Power Sales Contracts are not subject to reduction whether by offset or otherwise, and will not be conditional upon the performance or nonperformance by any party of any agreement for any cause whatsoever. Each Power Sales Contract will continue in full force and effect at least until such time, not to exceed 50 years, as all bonds issued for the purpose of financing the costs of acquisition and construction of the applicable project, and notes issued for such purpose in anticipation of the bonds, have been paid or provision has been made for their payment.

NOTE G - LONG-TERM OBLIGATIONS:

Governmental Activities

Long-term obligations for governmental activities consist of compensated absences that will not be paid during the subsequent fiscal year. The compensated absences are expected to be retired using monies held in the general fund.

During fiscal year 2018, the City financed a dump truck through Ally Bank for 60 months in the amount of $37,400. Principal and interest payments of $689.58 are due monthly. Additionally, during fiscal year 2019, the City recognized a lease with the Newton County Trails for land use, which consists of a net present value of $5,996.

NOTE G - LONG-TERM OBLIGATIONS: (Cont'd)

The balance of both as of June 30, 2021, was $16,722, of which $8,064 is considered current in the next year. A schedule of maturities follows:

Year ending June 30,	Principal	Interest	Total
2022	$ 8,064	$ 437	$ 8,501
2023	2,823	169	2,992
2024	90	146	236
2025	97	144	241
2026	104	141	245
Thereafter	5,544	2,072	7,616
	$ 16,722	$ 3,109	$ 19,831

Business-type Activities

Bonds Payable

In 1988, the City issued $453,000 Water and Sewer Revenue Bonds, Series A and B for the purpose of system improvements. The bonds bear interest at a rate of 5% and are payable in annual installments with the final payment due in 2027.

Debt Service Requirements

Debt service requirements on long-term debt at June 30, 2021, are as follows:

Year ending June 30,	Series A		Series B		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	$ 13,000	$ 5,300	$ 6,000	$ 2,475	$ 19,000	$ 7,775
2023	13,000	4,650	6,500	2,175	19,500	6,825
2024	14,000	4,000	7,000	1,850	21,000	5,850
2025	15,000	3,300	7,000	1,500	22,000	4,800
2026	16,000	2,550	7,500	1,150	23,500	3,700
2027-2028	35,000	2,650	15,500	1,175	50,500	3,825
	$ 106,000	$ 22,450	$ 49,500	$ 10,325	$ 155,500	$ 32,775

The City incurred interest costs of $8,225, all of which was recorded as a current period cost.

NOTE G - LONG-TERM OBLIGATIONS: (Cont'd)

Changes in long-term obligations for the year ended June 30, 2021, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Business-type activities:					
Series A	$ 118,000	$ -	$ 12,000	$ 106,000	$ 13,000
Series B	55,500	-	6,000	49,500	6,000
	$ 173,500	$ -	$ 18,000	$ 155,500	$ 19,000
Governmental activities:					
Note payable	$ 24,474	$ -	$ 7,752	$ 16,722	$ 8,064

NOTE H - FUND BALANCE – GOVERNMENTAL FUNDS:

The City adopted early implantation of GASB Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definitions in an effort to improve the consistency in reporting fund balance components, enhance fund balance presentation, improve the usefulness of fund balance information, and clarify the definitions of the governmental fund types. As a result of the implementation, the governmental funds now report the following five categories of fund balance: Non-spendable, Restricted, Committed, Assigned and Unassigned.

As of June 30, 2021, fund balances of the governmental funds are classified as follows:

Non-spendable – amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of City Council. City Council is the highest level of decision-making authority for the City. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by City Council. At year end, the city did not have any committed fund balance amounts.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. At year end, the City did not have any Assigned fund balance amounts.

Unassigned – all other spendable amounts.

NOTE H - FUND BALANCE – GOVERNMENTAL FUNDS: (Cont'd)

In June 2011, GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement is effective for financial statements for periods beginning after December 15, 2011. This statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined those elements as a consumption of net position by the government that is applicable to a future reporting period, and an acquisition of net position by the government. This statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position. This City implemented GASB 63 during FY2012. This statement had no significant impact on the City.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City has provided otherwise in its commitment or assigned actions.

NOTE I - JOINT VENTURES:

Northeast Georgia Regional Commission: The City of Mansfield, Georgia, in conjunction with cities and counties in the 12 county Northeast Georgia area, is a member of the Northeast Georgia Regional Commission (RC). Membership in an RC is automatic for each municipality and county in the state. The Official Code of Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the RCs. Each county and municipality in the state is required by law to pay minimum annual dues to the RC. The RC Board membership includes the Chief elected official (or a designated government official) of each county, the chief elected official (or a designated government official) of each municipality, one elected or appointed municipal government official from each county (or a designee of the municipalities of the county), not less than 10 nor more than 20 nonpublic members, and shall include a minority representation, the percentage of which is at least equal to the minority population of the geographic region served by the Board. Financial statements can be obtained from the Northeast Georgia Regional Commission, 305 Research Drive, Athens, GA 30605.

The Georgia Planning Act of 1989 (OCGA 50-8-34) defines RCs as "public agencies and instrumentalities of their members." Georgia laws also provide that the member governments are liable for any debts or obligations of an RC beyond its resources. (OCGA 50-8-39.1)

NOTE J - MUNICIPAL ELECTRIC AUTHORITY OF GEORGIA (MEAG) TRUST:

On May 3, 1999, the City approved a resolution adopting the provisions of the Municipal Competitive Trust (the "Trust").

The Trust was created by MEAG in anticipation of future deregulation of the electric industry, which will provide customers with a choice among electric suppliers for their retail electric power supply. This is expected to include customers assigned to electric systems of political subdivisions, which are wholesale power customers of MEAG, such as the City of Mansfield. MEAG expects that after such legislation is effective, market rates for power will result which will likely be lower for some period of time than the costs of power generated by MEAG facilities. The purpose of the Trust is to provide a means for MEAG and its wholesale customers who elect to become beneficiaries of the Trust to deposit funds to be invested at the best prudent rates of return and be applied, in accordance with the provisions of the Trust, to mitigate the change to full competition as a result of anticipated deregulation.

NOTE J - MUNICIPAL ELECTRIC AUTHORITY OF GEORGIA (MEAG) TRUST: (Cont'd)

The Trust creates an account for the City of Mansfield, and within the account creates the following three subaccounts in which the City of Mansfield participates:

1. Flexible Operating Trust Account – This type of subaccount may be funded from contributions by the City, from the City's Discretionary Reserve Fund with MEAG, or from other available funds.

According to Trust provisions, the City has the following withdrawal rights with respect to this fund: The City has, at any time, the right to withdraw part or all funds from the Flexible Operating Trust Account.

The City also has the right to borrow, if certain conditions are met, part or all of the funds in the Credit Support Operating Trust Account for the purpose of paying the cost of a capital expenditure, provided that the City executes and delivers to the Trustee a promissory note and such other documents reasonably satisfactory to MEAG in which the City agrees to repay the withdrawn amount to the Trustee.

The balance of the account on June 30, 2021, is $446,409 and is reported as an asset in the Electric Fund.

2. Credit Support Operating Trust Account – This type of subaccount may be funded from the funds allocated to the City's account in MEAG's Rate Stabilization Reserve Fund or the City's Discretionary Reserve with MEAG, or from any other available funds. The City has the right to borrow, if certain conditions are met, part or all of the funds in the Credit Support Operating Trust Account for the purpose of paying the cost of a capital expenditure, provided that the City executes and delivers to the Trustee a promissory note and such other documents reasonably satisfactory to MEAG in which the City agrees to repay the withdrawn amount to the Trustee.

   The balance of the account on June 30, 2021, is $547,359.

3. Reserve Fund Debt Trust – This type of subaccount may be funded from contributions by MEAG form contributors by MEAG form any funds it has available for such purposes.

   The balance of the account on June 30, 2021, is $0.

According to the original Trust provisions, the City had no right to withdraw amounts from the Reserve Funded Debt Trust Account unless MEAG consented in writing thereto, and in the event MEAG should consent to a withdrawal, the withdrawn funds must be applied to the outstanding balance of the City's current monthly billing on account of its entitlement or obligation share(s) under its Power Sales Contract(s) of MEAG's Annual Project Generation Fixed Charges. Prior to the anticipated actual deregulation date, the City shall have the right to cause the Trustee to use funds from the Credit Support Operating Trust Account to reduce, or as credit against, its monthly billings (i) to mitigate wholesale rate increases which have an impact of greater than 20% on the City's wholesale cost in any year (ii) to mitigate the adverse impact of any wholesale cost increase which results from the phase-out of special rates in any year, and (iii) to mitigate the impact of wholesale costs which exceed the system average wholesale cost by more than 20% in any year, all as set forth in a certificate of the City and MEAG.

Amendments were passed as of January 1, 2009, that allowed subsequent limited access to the Credit Support and Reserve Funded accounts.

NOTE K - PENSION PLAN:

The City does not participate in Other Post-Employment Benefits.

NOTE L - SUBSEQUENT EVENTS:

Events that occur after the statement of net position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of net position are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of net position date require disclosure in the accompanying notes. Management evaluated the activity of the Authority through November 30, 2021 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statement.

The spread of a novel strain of coronavirus (COVID-19) in 2020 has caused significant volatility in the U.S. Markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. economy. The extent of the impact of COVID-19 on the financial performance will depend on certain developments, including the duration and spread of the outbreak, and the impact on residents, employees and vendors, all of which are uncertain and cannot be determined at this time.

CITY OF MANSFIELD, GEORGIA
Mansfield, Georgia

FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS

YEAR ENDED JUNE 30, 2021

CITY OF MANSFIELD, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
SPLOST CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budget	Prior Years	Current Year	Total
Revenues				
Intergovernmental	$ 763,574	$ 525,777	$ 108,025	$ 633,802
Total Revenues	763,574	525,777	108,025	633,802
Expenditures				
Capital outlay:				
Public works	763,574	457,133	-	457,133
Total Expenditures	763,574	457,133	-	457,133
Net change in fund balances	$ -	$ 68,644	108,025	$ 176,669
Fund balance - beginning of year			201,377	
Fund balance - end of year			$ 309,402	

CITY OF MANSFIELD, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
CONFISCATED ASSETS FUND - SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budget	Prior Years	Current Year	Total
Revenues	$ -	$ -	$ -	$ -
Expenditures	-	-	-	-
Net change in fund balances	$ -	$ -	-	$ -
Fund balance - beginning of year			16,384	
Fund balance - end of year			$ 16,384	

CITY OF MANSFIELD, GEORGIA
Mansfield, Georgia

COMPLIANCE SECTION

YEAR ENDED JUNE 30, 2021

RECTOR & LOFTON REEDER PC

INDEPENDENT AUDITOR'S 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*

To the Honorable Mayor and Members of City Council
City of Mansfield, Georgia

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, each major fund, the aggregate remaining fund information of the City of Mansfield, Georgia, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Mansfield, Georgia's basic financial statements, and have issued our report thereon dated November 30, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Mansfield, Georgia's internal control over financial reporting (internal control) as a basis for designing 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 opinions on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Mansfield, Georgia'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Mansfield, Georgia's financial statements are free of 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 financial statements. However, providing an opinions on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinions. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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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.

Rector, Reeder & Lofton, P.C.

Rector, Reeder & Lofton, PC
Certified Public Accountants

Loganville, Georgia
November 30, 2021

CITY OF MANSFIELD, GEORGIA
Mansfield, Georgia

STATUS OF PRIOR AUDIT FINDINGS

The prior audit report for the period ended June 30, 2020, contained no formal audit findings.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results:

Financial Statements

Type of report issued on the financial statements:	**Unmodified**
Internal control over financial reporting:	
Material weakness(es) identified?	**No**
Significant deficiency(ies) identified not considered to be material weaknesses?	**None reported**
Noncompliance material to the financial statements noted?	**No**

Federal Awards

Internal controls over major programs:	
Material weakness(es) identified?	**N/A**
Significant deficiency(ies) identified not considered to be material weaknesses?	**N/A**
Type of report issued on the compliance for major programs:	**N/A**
Any audit findings disclosed that are required to be reported under 2 CFR §200.516(a)?	**N/A**

Section II – Financial Statement Findings

None Reported

Section III – Federal Award Findings and Questioned Costs

N/A