

OFFICE OF THE STATE AUDITOR REPORT NOTE:

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

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

TOWN OF RALEIGH, MISSISSIPPI

Audited Financial Statements

For the Year Ended September 30, 2020

TOWN OF RALEIGH, MISSISSIPPI

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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Aldermen
and Honorable Mayor
Town of Raleigh, Mississippi

Report on the Financial Statements

We have audited the accompanying cash basis financial statements of the governmental activities, the business-type activities, and the major fund, of the Town of Raleigh, Mississippi, ("Town") as of and for the year ended September 30, 2020, 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 the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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. 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 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 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the business-type activities, and the major fund, information of the Town as of September 30, 2020, and the respective changes in cash basis financial position thereof for the year then ended in accordance with the basis of accounting described in Note 1.



Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 20 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Raleigh, Mississippi's basic financial statements. The other information section, which include the Schedule of Investments, Schedule of Changes in Long-Term Debt and Schedule of Surety Bonds for Municipal Officials and Employees are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Basis of Accounting

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

Other Reporting Requirements required by the Office of State Auditor

In accordance with requirements set forth by the Office of State Auditor of Mississippi, we have issued our report dated November 22, 2023, on our consideration of the Town of Raleigh, Mississippi's compliance with state laws and regulations. The purpose of this report is to describe the scope of our testing of compliance with certain laws and regulations and the result of that testing, and not provide an opinion on compliance.

River CPA Firm, PLLC

November 22, 2023
Magee, Mississippi

FINANCIAL STATEMENTS

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TOWN OF RALEIGH, MISSISSIPPI
Statement of Net Position-Cash Basis
September 30, 2020

Exhibit 1

ASSETS	Primary Government		
	Governmental Activities	Business- type Activities	Total
Cash and Cash Equivalents	\$ 180,412	393,965	574,377
Total Assets	\$ 180,412	393,965	574,377
NET POSITION			
Restricted for:			
Public works	\$	393,965	393,965
Unrestricted	180,412		180,412
Total Net Position	\$ 180,412	393,965	574,377

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

TOWN OF RALEIGH, MISSISSIPPI
Statement of Activities-Cash Basis
As of and For the Year Ended September 30, 2020

Exhibit 2

Functions/Programs	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Position		
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 392,709	-	-	-	(392,709)		(392,709)
Public safety	203,755	9,468	-	85,126	(109,161)		(109,161)
Public works	73,785	-	-	-	(73,785)		(73,785)
Culture and recreation	182,000	-	-	-	(182,000)		(182,000)
Total Governmental Activities	852,249	9,468	-	85,126	(757,655)		(757,655)
Business-type activities:							
Water, Sewer and Gas	458,285	711,699	-	-		253,414	253,414
Total Primary Government	\$ 1,310,534	721,167	-	85,126	(757,655)	253,414	(504,241)
General Receipts and Transfers:							
Property taxes					\$ 169,327	-	169,327
Sales					230,120	-	230,120
Franchise fees					37,832	-	37,832
Licenses and permits					2,617	-	2,617
Grants and contributions not restricted to specific programs					61,529	-	61,529
Unrestricted interest income					732	206	938
Miscellaneous					156,050	22,079	178,129
Transfers					158,873	(158,873)	-
Total General Receipts and Transfers					817,080	(136,588)	680,492
Changes in Net Position					59,425	116,826	176,251
Net Position - Beginning					120,987	277,139	398,126
Net Position - Ending					\$ 180,412	393,965	574,377

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

TOWN OF RALEIGH, MISSISSIPPI
 Statement of Cash Basis Assets and Fund Balances
 Governmental Funds
 As of and For the Year Ended September 30, 2020

Exhibit 3

	<u>Major Funds</u>	Total
	General	Governmental
	Fund	Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and Cash Equivalents	\$ <u>180,412</u>	<u>180,412</u>
Total Cash Basis Assets	\$ <u><u>180,412</u></u>	<u><u>180,412</u></u>
FUND BALANCES		
Restricted for:		
Unassigned	<u>180,412</u>	<u>180,412</u>
	\$ <u><u>180,412</u></u>	<u><u>180,412</u></u>

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

TOWN OF RALEIGH, MISSISSIPPI
Statement of Cash Basis Assets and Fund Balances and
Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental Funds
As of and For the Year Ended September 30, 2020

Exhibit 4

	<u>Major Funds</u>	<u>Total</u>
	<u>General</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Funds</u>
RECEIPTS		
Property taxes	\$ 169,327	169,327
Sales Taxes	230,120	230,120
Franchise Fees	37,832	37,832
Licenses, commissions and other revenue	2,617	2,617
Fines and forfeitures	9,468	9,468
Intergovernmental receipts	146,655	146,655
Interest income	732	732
Miscellaneous receipts	156,050	156,050
Total Receipts	<u>752,801</u>	<u>752,801</u>
DISBURSEMENTS		
Current:		
General government	392,709	392,709
Public safety	203,755	203,755
Public works	73,785	73,785
Culture and recreation	182,000	182,000
Total Disbursements	<u>852,249</u>	<u>852,249</u>
Excess of Receipts over (under) Disbursements	<u>(99,448)</u>	<u>(99,448)</u>
OTHER FINANCING SOURCES (USES)		
Transfers	158,873	158,873
Total Other Financing Sources and Uses	<u>158,873</u>	<u>158,873</u>
Net Changes in Fund Balances	59,425	59,425
Fund Balances - Beginning	<u>120,987</u>	<u>120,987</u>
Fund Balances - Ending	<u>\$ 180,412</u>	<u>180,412</u>

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

TOWN OF RALEIGH, MISSISSIPPI
Statement of Cash Basis Assets and Net Position
September 30, 2020

Exhibit 5

		Business-type Activities Enterprise Funds
		<u>Water, Sewer, and Gas Fund</u>
ASSETS		
Restricted Cash and Cash Equivalents	\$	<u>393,965</u>
Total Assets		<u><u>393,965</u></u>
NET POSITION		
Restricted for:		
Public works		<u>393,965</u>
Total Net Position	\$	<u><u>393,965</u></u>

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

Statement of Cash Basis Assets and Net Position and
 Cash Receipts, Disbursements and Changes in Cash Basis Net Position-Proprietary Funds
 As of and For the Year Ended September 30, 2020

	Business-type Activities Enterprise Funds
	Water, Sewer, and Gas Fund
Operating Receipts	
Charges for services	\$ 711,699
Miscellaneous	22,079
Total Operating Receipts	<u>733,778</u>
Operating Disbursements:	
Water system	286,533
Sewer	30,242
Natural gas	141,510
Total Operating Disbursements	<u>458,285</u>
Excess Operating Receipts Over (Under) Operating Disbursements	<u>275,493</u>
Nonoperating Receipts/(Disbursements):	
Investment income	206
Net Nonoperating Receipts/(Disbursements)	<u>206</u>
Excess Receipts Over (Under) Disbursements Before Transfers	<u>275,699</u>
Transfers	<u>(158,873)</u>
Changes in Net Position	116,826
Net Position - Beginning	<u>277,139</u>
Net Position - Ending	<u>\$ 393,965</u>

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

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TOWN OF RALEIGH, MISSISSIPPI
Notes to the Financial Statements
For the Year Ended September 30, 2020

Note 1: Summary of Significant Accounting Policies

A. Financial Reporting Entity.

The Town of Raleigh, Mississippi (the Town) situated in Smith County, a municipal corporation governed by a mayor elected from the citizens of the City at-large and a five member board of alderman. The following services are provided by the town: Public Safety (Police, Fire, and Protection/Inspection), Street Maintenance, Garbage Collection, Water and Sewer, Culture and Recreation, Public Improvements, Planning and Zoning, and General Administrative Services.

The financial statements of the Town are presented on a cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America as established by the Governmental Accounting Standards Board. These accounting principles require the Town to present these financial statements on the primary government and its component units which have significant operational or financial relationships with the Town. There are no outside organizations that should be included as component units of the Town's reporting entity.

B. Basis of Presentation.

The Town's basic financial statements consist of government-wide statements, including a Statement of Net Position – Cash Basis and a Statement of Activities – Cash Basis, fund financial statements and accompanying note disclosures which provide a detailed level of financial information.

Government-wide Financial Statements:

The Statement of Net Position – Cash Basis and Statement of Activities – Cash Basis display information concerning the Town as a whole. The statements include all non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are generally financed through taxes, intergovernmental receipts, and other non-exchange receipts and are reported separately from business-type activities. Business-type activities rely mainly on fees and charges for services.

The Statement of Net Position – Cash Basis presents the financial condition of the governmental activities and business-type activities of the Town at year-end. The Government-wide Statement of Activities – Cash Basis presents a comparison between direct disbursements and program receipts for each function or program of the Town's governmental activities and business-type activities. Direct disbursements are those that are specifically associated with a service, program, or department and therefore, are clearly identifiable to a particular function. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other receipts not classified as program receipts are presented as general receipts of the Town, with certain limited exceptions. Internal service fund balances have been eliminated against the disbursements and program receipts. The comparison of direct disbursements with program receipts identifies the extent to which each business-type activity or governmental function is self-financing or draws from the general receipts of the Town.

Fund Financial Statements:

Fund financial statements of the Town are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, fund balances, receipts and disbursements. Funds are organized into governmental and proprietary. Major individual Governmental Funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements.

TOWN OF RALEIGH, MISSISSIPPI
Notes to the Financial Statements
For the Year Ended September 30, 2020

C. Measurement Focus and Basis of Accounting.

The Government-wide, Governmental Funds, Proprietary Funds financial statements are presented on a cash basis of accounting which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. This basis of accounting involves the reporting of only cash and cash equivalents and the changes therein resulting from cash inflows (cash receipts) and cash outflows (cash disbursements) reported in the period in which they occurred. The cash basis of accounting differs from GAAP primarily because revenues (cash receipts) are recognized when received in cash rather than when earned and susceptible to accrual, and expenditures or expenses (cash disbursements) are recognized when paid rather than when incurred or subject to accrual.

The Town reports the following major Governmental Fund:

General Fund – This fund is used to account for and report all financial resources not accounted for and reported in another fund.

The Town reports the following major Enterprise Funds:

Water, Sewer, and Gas Fund – This fund is used to account for the activities associated with the Town's water distribution, sewage collection, and gas systems.

Additionally, the Town reports the following fund types:

GOVERNMENTAL FUND TYPES

Special Revenue Funds – These funds are used to account for and report the proceeds of specific cash sources that are restricted or committed to disbursement for specified purposes other than debt service or capital projects.

Debt Service Funds – These funds are used to account for and report financial resources that are restricted, committed, or assigned to disbursement for principal and interest.

Capital Projects Funds – These funds are used to account for and report financial resources that are restricted, committed, or assigned to disbursement for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

PROPRIETARY FUND TYPE

Enterprise Funds – These funds are used to account for those operations that are financed and operated in a manner similar to private business enterprises or where the Town has decided that periodic determination of receipts collected, disbursements paid and/or net income is necessary for management accountability.

D. Account Classifications.

The account classifications used in the financial statements conform to the board classifications recommended in *Governmental Accounting, Auditing and Financial Reporting* as issued in 2012 by the Government Finance Officers Association.

TOWN OF RALEIGH, MISSISSIPPI
Notes to the Financial Statements
For the Year Ended September 30, 2020

E. Deposits.

State law authorizes the Town to invest in interest bearing time certificates of deposit for periods of fourteen days to one year with depositories and in obligations of the U.S. Treasury, State of Mississippi, or any county, municipality or school district of this state. Further, the Town may invest in certain repurchase agreements.

Cash includes cash on hand, demand deposits, and all certificates of deposit and cash equivalents, which are short-term highly liquid investments that are readily convertible to cash (generally twelve months or less).

F. Equity Classifications.

Government-wide Financial Statements:

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

Restricted net position – Consists of net position with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or law through constitutional provisions or enabling legislation.

Unrestricted net position – All other net position not meeting the definition of “restricted”.

Net Position Flow Assumption:

When a disbursement is paid 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 disbursements are paid 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 unassigned amounts.

Fund Financial Statements:

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

Government fund balance is classified as nonspendable, restricted, committed, assigned or unassigned. The following are descriptions of fund classifications used by the Town:

Restricted fund balance includes amounts that have constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.

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

Fund Balance Flow Assumption:

When a disbursement is paid 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 disbursements are paid for purposes for which unrestricted (committed, assigned and unassigned) resources are

TOWN OF RALEIGH, MISSISSIPPI
Notes to the Financial Statements
For the Year Ended September 30, 2020

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 unassigned amounts.

G. Property Tax Receipts.

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

The Board of Aldermen, each year at a meeting in September, levies property taxes for the ensuing fiscal year which begins on October 1. Real property taxes become a lien on January 1 of the current year, and personal property taxes become a lien as of March 1 of the current year. Taxes on both real and personal property, however, are due on or before February 1 of the next succeeding year. Taxes on motor vehicles and mobile homes become a lien and are due in the month that coincides with the month of original purchase. All property taxes are recognized as receipts when collected. The Smith County Tax Collector serves as the collector for the Town's property taxes and remits the collections monthly to the Town.

Note 2: Deposits.

The carrying amount of the Town's total deposits with financial institutions at September 30, 2020, was \$574,377, and the bank balance was \$583,262. 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 Companies (FDIC).

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of the failure of a financial institution, the Town will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Town does not have a formal policy for custodial credit risk. 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). Deposits above FDIC coverage are collateralized by the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on behalf of the Town.

Note 3: Transfers.

The following is a summary of interfund transfers at September 30, 2020:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Water, Sewer, and Gas Fund	\$ 158,873
Total		\$ <u>158,873</u>

The principal purpose of the interfund transfers was to refund General Fund for operations of the Water, Sewer, and Gas Fund. All interfund transfers were routine and consistent with the activities of the fund making the transfer.

TOWN OF RALEIGH, MISSISSIPPI
Notes to the Financial Statements
For the Year Ended September 30, 2020

Note 4: Claims and Judgments.

Risk Management.

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

Note 5: Contingencies.

Federal Grants – The Town has received federal grants for specific purposes that are subject to audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the disbursements of resources for allowable purposes. Any disallowance resulting from a grantor audit may become a liability to the Town. Accordingly, no provision for any liability that may result has been recognized in the Town's financial statements.

Litigation - The Town of Raleigh, Mississippi is not a defendant in any lawsuits at this time.

Note 6: Defined Benefit Pension Plan.

Plan Description. Town of Raleigh, Mississippi, contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing, multiple-employer, defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. 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.

Funding Policy. At September 30, 2020, 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 rate at September 30, 2020 was 17.40% of annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The Town's contributions (employer share only) to PERS for the years ending September 30, 2020, 2019 and 2018 were \$45,570, \$45,176 and \$49,080, respectively, equal to the required contributions for each year.

Note 7: Subsequent Events.

Events that occur after the Statement of Net Position–Cash Basis date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The efforts of subsequent events that provide evidence about conditions that existed at the Statement of Net Position–Cash Basis date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position–Cash Basis date require disclosure in the accompanying notes. Management of the Town evaluated the activity of the Town through November 22, 2023, (the date the financial statements were available to be issued) and determined that the following subsequent events have occurred requiring disclosure in the notes to the financial statements.

On October 5, 2021, the Board approved a loan with MDA for the purchase of a new fire truck of \$305,721 at 2.00% for 120 months.

On September 6, 2022, the Board approved the lease purchase of a Von Tron water tank for \$66,043 with Trustmark Bank at 4.52% for 60 months.

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REQUIRED SUPPLEMENTARY INFORMATION

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Town of Raleigh
 Budgetary Comparison Schedule -
 Budget and Actual (Non-GAAP Basis)
 General Fund
 For the Year Ended September 30, 2020

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 149,600	149,600	169,327	19,727
Sales taxes	216,000	216,000	230,120	14,120
Licenses, commissions and other revenue	39,399	39,399	40,449	1,050
Fines and forfeitures	8,000	8,000	9,468	1,468
Intergovernmental revenues	613,768	615,968	146,655	(469,313)
Interest income	500	500	732	232
Miscellaneous revenues	51,702	110,702	156,050	45,348
Total Revenues	1,078,969	1,140,169	752,801	(387,368)
EXPENDITURES				
Current:				
General government	891,670	896,670	392,709	503,961
Public Safety	215,450	220,450	203,755	16,695
Public works	112,429	112,429	73,785	38,644
Culture and Recreation	59,420	59,420	182,000	(122,580)
Total Expenditures	1,278,969	1,288,969	852,249	436,720
Excess of Revenues				
over (under) Expenditures	(200,000)	(148,800)	(99,448)	49,352
OTHER FINANCING SOURCES (USES)				
Transfers in	200,000	100,000	158,873	58,873
Total Other Financing Sources and Uses	200,000	100,000	158,873	58,873
Net Change in Fund Balance	-	(48,800)	59,425	108,225
Fund Balances - Beginning	-	-	120,987	120,987
Fund Balances - Ending	\$ -	(48,800)	180,412	229,212

The accompanying notes to the Required Supplementary Information are an integral part of this statement.

TOWN OF RALEIGH, MISSISSIPPI
Notes to the Required Supplemental Information
For the Year Ended September 30, 2020

Budgetary Comparison Information.

A. Budgetary Information.

The Town Clerk submits an annual budget to the Board of Aldermen on or before the last Tuesday of August in accordance with the State of Mississippi's statutory requirements. The budget is presented to the Board of Aldermen for review, and public hearings are held to address priorities and the allocation of resources. In September, the Board of Aldermen adopts the annual fiscal budget for Board of Aldermen operating funds.

B. Basis of Budgeting.

The Town's budget is prepared principally on the cash basis of accounting. All appropriations lapse at year end, and there are no encumbrances to budget because state law does not require that funds be available when goods or services are ordered, only when payment is made.

Each fund's appropriated budget is prepared on a detailed line item basis. Receipts are budgeted by source. Expenditures are budgeted by department within a fund as follows: personal services, contracted services, supplies, other services and charges, and capital outlay. Budget revisions are subject to final review by the appropriations at his level. One revision to the budget was made throughout the year.

C. Basis of Presentation.

The Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis) presents the original legally adopted budget, the final legally adopted budget, actual amounts on a budgetary (Non-GAAP) basis and variances between the final budget and the actual amounts. The schedule is presented for the General Fund.

OTHER INFORMATION

Town of Raleigh, Mississippi
 Schedule of Investments - Unaudited
 For the Fiscal Year Ended September 30, 2020

<u>Governmental Fund Type</u>	<u>Interest Rate</u>	<u>Acquisition Date</u>	<u>Maturity Date</u>	<u>Other Information</u>	<u>Investment Cost/Value</u>
General Fund - Certificate of Deposit	0.16%	9/25/2020	3/26/2021	Community Bank	\$ 37,033
General Fund - Certificate of Deposit	0.16%	5/7/2020	11/5/2021	Community Bank	7,643
General Fund - Certificate of Deposit	0.70%	5/14/2020	11/14/2021	Community Bank	24,197
Total Governmental Fund Type Investments					\$ 68,873

Town of Raleigh, Mississippi
 Schedule of Long-Term Debt - Unaudited
 For the Fiscal Year Ended September 30, 2020

<u>Description and Purpose</u>	<u>Issue Date</u>	<u>Original Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance 10/1/2019</u>	<u>Issued</u>	<u>Principal Payments</u>	<u>Balance 9/30/2020</u>
Governmental Activities:								
A. Capital Leases:								
Generator	4/3/2017	\$ 142,500	4/3/2022	2.17%	\$ 41,660	-	15,564	26,096
Total Governmental Activities Debt					\$ 41,660	-	15,564	26,096

Town of Raleigh, Mississippi
 Schedule of Surety Bond for Town Official - Unaudited
 For the Fiscal Year Ended September 30, 2020

<u>Name</u>	<u>Position</u>	<u>Company</u>	<u>Bond Amount</u>
John L. Butler	Alderman	Travelers Casualty & Surety Company	\$ 50,000
John Lawrence Crumpton	Alderman	Travelers Casualty & Surety Company	50,000
Griff Kelly	Alderman	Travelers Casualty & Surety Company	50,000
Otis Seaberry	Alderman	Travelers Casualty & Surety Company	50,000
E.B. Keyes	Alderman	Travelers Casualty & Surety Company	50,000
Bobby Ray Boykin	Mayor	Travelers Casualty & Surety Company	50,000
Judy Upton	City Clerk	Travelers Casualty & Surety Company	50,000
Laura Thorton	Deputy Clerk	Travelers Casualty & Surety Company	50,000
Cynthia Woods	Deputy Clerk	Travelers Casualty & Surety Company	50,000
Terry Miller	Police Chief	Travelers Casualty & Surety Company	50,000

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SPECIAL REPORTS

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

Members of the Board of Aldermen
and Honorable Mayor
Town of Raleigh, Mississippi

We have audited, 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, the cash basis financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of the Town of Raleigh, Mississippi ("Town"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated November 22, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Raleigh, 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 the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town'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 Responses as 2020-001 and 2020-002 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Raleigh, 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 no instances of noncompliance or

other matters that are required to be reported under *Government Auditing Standards*.

Town of Raleigh's Responses to Findings

Town of Raleigh, Mississippi's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. Town of Raleigh, Mississippi's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 result 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. However, this report is a matter of public record and its distribution is not limited.

Prince CPA Firm, PLLC

Prince CPA Firm, PLLC
Magee, Mississippi
November 22, 2023



PRINCE CPA FIRM, PLLC

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

Members of the Board of Aldermen
and Honorable Mayor
Town of Raleigh, Mississippi

We have audited the cash basis financial statements of the governmental activities, the business-type activities and the aggregate remaining fund information of the Town of Raleigh, Mississippi, as of and for the year ended September 30, 2020, and have issued our report thereon, dated November 22, 2023. We conducted our audit in accordance with the auditing standards generally accepted in the United States of America and the procedures prescribed by the Office of the State Auditor, and accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As required by the state legal compliance audit program prescribed by the Office of the State Auditor, we have also performed procedures to test compliance with certain state laws and regulations. Our procedures were substantially less in the scope than an audit, the objective of which is the expression of an opinion on the Town's compliance with these requirements. Accordingly, we do not express such an opinion.

The results of those procedures and our audit of the financial statements disclosed the following material instance of noncompliance with state laws and regulations. Our finding and recommendation and your response are as follows:

1. Finding

Material Weakness

As reported in prior years, the Town is not in compliance with Section 7-7-211 of the Municipal Audit and Accounting Guide, as the fixed assets are not properly accounted for in the financial records. The Town does not maintain a fixed asset inventory listing, take a fixed asset inventory, or track fixed assets.

Repeat Finding Yes

Criteria The Town should establish procedures to properly account for fixed assets.

Condition The Town does not maintain a comprehensive fixed asset listing or track fixed assets.

Cause The Town does not have the staff to prepare or maintain a fixed asset inventory.

Effect The Town is not in compliance with Section 7-7-211.

Recommendation The Town should comply with Section 7-7-211.

Response of Responsible Official/Officials We have a listing of fixed assets, but we do not have the capabilities to track fixed assets.

2. Finding

Material Weakness

As reported in prior years, the Town does not have a listing of meter deposit amounts.

Repeat Finding Yes

Criteria The Town should establish procedures to develop a complete meter deposit listing.

Condition The Town does not have a listing of meter deposit amounts.

Cause The Town has not prepared a complete listing of meter deposits on hand.

Effect The Town cannot provide a detailed list of meter deposits.

Recommendation The Town should prepare a listing of meter deposit amounts.

Response of Responsible Official/Officials The Town will start to prepare a listing of meter deposits.

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.

Prince CPA Firm, PLLC

Prince CPA Firm, PLLC
Magee, Mississippi
November 22, 2023

SCHEDULE OF FINDINGS AND RESPONSES

TOWN OF RALEIGH, MISSISSIPPI
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Section 1: Summary of Auditors' Results

Financial Statements:

1. Type of auditor's report issued on the financial statements:

Governmental activities	Unmodified
Business-type activities	Unmodified

2. Internal control over financial reporting:

a. Material weakness identified?	Yes
b. Significant deficiency(ies) identified?	None Reported

3. Noncompliance material to the financial statements noted? No

**TOWN OF RALEIGH, MISSISSIPPI
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Section 2: Financial Statement Findings

2020-001. Finding

Material Weakness

As reported in prior years, the Town is not in compliance with Section 7-7-211 of the Municipal Audit and Accounting Guide, as the fixed assets are not properly accounted for in the financial records. The Town does not maintain a fixed asset inventory listing, take a fixed asset inventory, or track fixed assets.

Repeat Finding: Yes, 2019-002.

Criteria: The Town should establish procedures to properly account for fixed assets.

Condition: The Town does not maintain a comprehensive fixed asset listing or track fixed assets.

Cause: The Town does not have the staff to prepare or maintain a fixed asset inventory.

Effect: The Town is not in compliance with Section 7-7-211.

Recommendation: The Town should comply with Section 7-7-211.

Response of Responsible Official/Officials: We have a listing of fixed assets, but we do not have the capabilities to track fixed assets.

2020-002. Finding

Material Weakness

As reported in prior years, the Town does not have a listing of meter deposit amounts.

Repeat Finding: Yes, 2019-003.

Criteria: The Town should establish procedures to develop a complete meter deposit listing.

Condition: The Town does not have a listing of meter deposit amounts.

Cause: The Town has not prepared a complete listing of meter deposits on hand.

Effect: The Town cannot provide a detailed list of meter deposits.

Recommendation: The Town should prepare a listing of meter deposit amounts.

Response of Responsible Official/Officials: The Town will start to prepare a listing of meter deposits.