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TOWN OF FLORA
AUDITED FINANCIAL STATEMENTS
And
SPECIAL REPORTS

SEPTEMBER 30, 2019

TOWN OF FLORA
TABLE OF CONTENTS

FINANCIAL SECTION.....	1
INDEPENDENT AUDITOR’S REPORT.....	2-3
FINANCIAL STATEMENTS.....	4
Statement of Activities and Net Position – Cash Basis.....	5-6
Statement of Cash Basis Assets and Fund Balances and	
Cash Receipts, Disbursements and Changes in Cash Basis	
Fund Balances – Governmental and Business-type Funds	7-8
Notes to Financial Statements	9-12
REQUIRED SUPPLEMENTARY INFORMATION	13
Budgetary Comparison Schedule - Budget and Actual (Non-GAAP Basis)	
General Fund.....	14
Notes to the Required Supplementary Information.....	15
OTHER REQUIRED SUPPLEMENTARY INFORMATION	16
Schedule of Surety Bonds for Municipal Officials and Employees	17
Schedule of Capital Assets	18
Schedule of Changes in Long-term Debt	19
SPECIAL REPORTS	20
Independent Auditor’s Report on Internal Control Over Financial	
Reporting and on Compliance and Other Matters	
Based on an Audit of the Basic Financial Statements Performed in	
Accordance with <i>Government Auditing Standards</i>	21-22
Independent Auditor’s Report on Compliance with State Laws and Regulations.....	23
SCHEDULE OF FINDINGS.....	24-25

TOWN OF FLORA

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, and the major fund of the Town of Flora, Mississippi, as of and for the year ended September 30, 2019 and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the business-type activities, the major fund and the aggregate remaining fund information of the Town of Flora as of September 30, 2019, and the respective changes in cash basis financial position thereof for the year then ended in accordance with the basis of accounting described in Note 1.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedules be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Required Supplementary Information

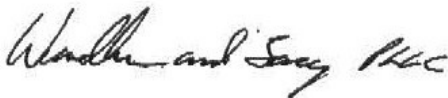
The Schedule of Surety Bonds for Municipal Officials and Employees, the Schedule of Capital Assets, and the Schedule of Changes in Long-term Debt for the Town of Flora have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Requirements Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2020, on our consideration of the Town of Flora, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Flora's internal control over financial reporting and compliance.

Emphasis of Matter

As discussed in Note 1, the Town of Flora prepares its financial statements on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.



Windham and Lacey, PLLC
October 6, 2020

TOWN OF FLORA

FINANCIAL STATEMENTS

TOWN OF FLORA
Statement of Activities and Net Position - Cash Basis
As of and for the Year Ended September 30, 2019

	Cash Disbursements	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs							
Governmental Activities:							
General government	\$ 218,141	28,189			(189,952)		(189,952)
Public safety	710,552	62,618	11,131		(636,803)		(636,803)
Public works	134,578			238,727	104,149		104,149
Culture and recreation	24,019				(24,019)		(24,019)
Principal and interest on long-term debt	10,760				(10,760)		(10,760)
Total Governmental Activities	<u>1,098,050</u>	<u>90,807</u>	<u>11,131</u>	<u>238,727</u>	<u>(757,385)</u>	<u>0</u>	<u>(757,385)</u>
Business-type Activities:							
Water/Sewer Utility	<u>777,537</u>	<u>494,589</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(282,948)</u>	<u>(282,948)</u>
Total Government	<u>\$ 1,875,587</u>	<u>585,396</u>	<u>11,131</u>	<u>238,727</u>	<u>(757,385)</u>	<u>(282,948)</u>	<u>(1,040,333)</u>
General Receipts and Transfers							
Taxes:							
Property taxes					\$ 423,696		423,696
In lieu of taxes					14,710		14,710
Sales tax					358,503		358,503
Franchise taxes					48,024		48,024
Grants and contributions not restricted to specific programs					17,371		17,371
Unrestricted investment income					2,695	1,672	4,367
Receipts from developers for infrastructure						259,056	259,056
Miscellaneous					441,461	11,367	452,828
Total General Receipts and Transfers					<u>1,306,460</u>	<u>272,095</u>	<u>1,578,555</u>
Change in Net Position					<u>549,075</u>	<u>(10,853)</u>	<u>538,222</u>
Net Position - Beginning					787,269	405,320	1,192,589
Prior Period Adjustment						120,931	120,931
Net Position - Beginning, Restated					<u>787,269</u>	<u>526,251</u>	<u>1,313,520</u>
Net Position - Ending					<u>\$ 1,336,344</u>	<u>515,398</u>	<u>1,851,742</u>

(Continued)

TOWN OF FLORA

Statement of Activities and Net Position - Cash Basis

As of and for the Year Ended September 30, 2019

ASSETS

Cash and cash equivalents	\$ 1,340,192
Restricted cash	<u>511,550</u>
Total Assets	\$ <u><u>1,851,742</u></u>

NET POSITION

Restricted:	
Restricted for fire protection	\$ 23,224
Restricted for meter deposits	36,009
Restricted for unemployment compensation	5,060
Restricted for developers' infrastructure	146,852
Restricted for infrastructure	300,405
Unrestricted	<u>1,340,192</u>
Total Net Position	\$ <u><u>1,851,742</u></u>

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

TOWN OF FLORA
Statement of Cash Basis Assets and Fund Balances and
Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental and Business-type Funds
As of and for the Year Ended September 30, 2019

	Governmental Activities			Business-type Activities
	Major Fund			
	General Fund	Other Governmental Fund	Total Governmental Activities	Water/Sewer
RECEIPTS				
Ad valorem taxes	\$ 423,696		423,696	
License and permits	30,622		30,622	
Franchise taxes on utilities	48,024		48,024	
State shared revenues:				
Sales taxes	358,503		358,503	
Homestead exemption reimbursement	10,890		10,890	
Fire insurance premium tax distribution		11,131	11,131	
General municipal aid	6,481		6,481	
Grand Gulf in lieu of taxes	14,710		14,710	
Local grant	238,727		238,727	
Charges for services:				
Garbage				95,400
Water and sewer utility				361,262
Fines and forfeits	62,886		62,886	
Interest income	2,614	81	2,695	1,672
Miscellaneous revenue	438,762		438,762	49,294
Total Receipts	<u>1,635,915</u>	<u>11,212</u>	<u>1,647,127</u>	<u>507,628</u>
DISBURSEMENTS				
General government	206,618		206,618	
Public safety	627,582	778	628,360	
Public works	110,372		110,372	
Culture and recreation	24,019		24,019	
Water and sewer utility:				
Personal services				143,681
Supplies				16,936
Utilities				42,181
Garbage contract services				86,077
Other services and charges				207,544
Total Disbursements	<u>968,591</u>	<u>778</u>	<u>969,369</u>	<u>496,419</u>
Excess of Receipts Over (Under) Disbursements	<u>667,324</u>	<u>10,434</u>	<u>677,758</u>	<u>11,209</u>
OTHER CASH SOURCES (USES)				
Cash received from developers				259,056
Cash paid for infrastructure contracts				(165,116)
Capital outlay	(98,518)	(19,404)	(117,922)	(74,686)
Principal and interest paid on long-term debt	(10,760)		(10,760)	(41,316)
Total Other Cash Sources and (Uses)	<u>(109,278)</u>	<u>(19,404)</u>	<u>(128,682)</u>	<u>(22,062)</u>
Excess (Deficiency) of Receipts and Other Cash Sources Over Disbursements and Other Cash Uses	<u>558,046</u>	<u>(8,970)</u>	<u>549,076</u>	<u>(10,853)</u>

(Continued)

TOWN OF FLORA
Statement of Cash Basis Assets and Fund Balances and
Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental and Business-type Funds
As of and for the Year Ended September 30, 2019

	Governmental Activities			Business-type Activities
	Major Fund			
	General Fund	Other Governmental Fund	Total Governmental Activities	Water/Sewer
CASH BASIS FUND BALANCE – Beginning of Year	755,075	32,194	787,269	405,320
Prior period adjustment				120,931
CASH BASIS FUND BALANCE – Beginning of Year, Restated	755,075	32,194	787,269	526,251
CASH BASIS FUND BALANCE - End of Year	<u>\$ 1,313,121</u>	<u>23,224</u>	<u>1,336,345</u>	<u>515,398</u>
CASH BASIS ASSETS - End of Year				
Cash and cash equivalents	\$ 1,007,654	23,224	1,030,878	332,537
Restricted cash	<u>305,466</u>		<u>305,466</u>	<u>182,861</u>
Total Cash Basis Assets	<u>\$ 1,313,120</u>	<u>23,224</u>	<u>1,336,344</u>	<u>515,398</u>
CASH BASIS FUND BALANCES - End of Year				
Restricted:				
Restricted for fire protection	\$	23,224	23,224	
Restricted for meter deposits				36,009
Restricted for unemployment compensation	5,060		5,060	
Restricted for infrastructure	300,405		300,405	146,852
Unassigned	<u>1,007,655</u>		<u>1,007,655</u>	<u>332,537</u>
Total Cash Basis Fund Balances	<u>\$ 1,313,120</u>	<u>23,224</u>	<u>1,336,344</u>	<u>515,398</u>

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

TOWN OF FLORA

Notes to Financial Statements For the Year Ended September 30, 2019

(1) Summary of Significant Accounting Policies.

A. Financial Reporting Entity.

The Town of Flora, Mississippi, (the Town) was incorporated in 1886. The Town operates under an alderman/mayor form of government and provides all of the rights and privileges provided by statute for municipalities.

The financial statements of the Town have been prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

B. Government-wide and Fund Financial Statements.

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Changes in Net Position) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Town combines the Statement of Activities and Statement of Net Position.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct disbursements* are those that are clearly identifiable with a specific function or segment. *Program receipts* include (1) receipts from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program receipts are reported instead as *general receipts*.

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

The government-wide financial statements are reported using the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when collected and expenditures are recorded when cash is spent.

Governmental fund financial statements are reported using the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recognized as soon as they are collected. Expenditures generally are recorded when cash is spent.

The Town reports the following major Governmental Fund:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

TOWN OF FLORA

Notes to Financial Statements For the Year Ended September 30, 2019

The Town reports the following major proprietary fund:

The *water and sewer fund* accounts for the activities of the water and sewer system.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Amounts reported as *program receipts* include (1) receipts from customers or applicants for goods, services or privileges provided, (2) operating grants and contributions and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general receipts* rather than as program receipts.

D. Assets and Net Position or Fund Balance.

1. *Cash and Investments.*

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

2. *Net Position.*

Restricted net position - Consists of cash 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".

3. *Fund Balances.*

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the Town classifies governmental fund balances as follows:

Non-spendable - Includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints. The Town has no fund balance reported in this category.

Restricted - Includes fund balance amounts that are constrained for specific purposes which are internally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation. The Town has \$511,550 reported as restricted fund balances.

Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority and does not lapse at year-end. The Town has no fund balance reported in this category.

Assigned - Includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted nor committed. Fund balance may be assigned by management other than the highest decision-making authority of the Town. The Town has no fund balance reported in this category.

TOWN OF FLORA

Notes to Financial Statements For the Year Ended September 30, 2019

Unassigned - Includes positive fund balance with the General Fund which has not been classified within the abovementioned categories and negative fund balances in other governmental funds.

The Town uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the Town would first use committed, then assigned, and lastly, unassigned amounts of unrestricted fund balance when expenditures are made.

(2) Prior Period Adjustments.

Exhibit 2 - Statement of Activities and Net Position - Cash Basis - Business-type Activities

<u>Explanation</u>	<u>Amount</u>
To record beginning cash for developers' infrastructure	\$ <u>120,931</u>
Total prior period adjustments	\$ <u><u>120,931</u></u>

Exhibit 4 - Statement of Cash Basis Assets and Fund Balances and Cash Receipts,
Disbursements and Changes in Cash Basis Fund Balances –
Governmental and Business-type Funds

<u>Explanation</u>	<u>Amount</u>
To record beginning cash for developers' infrastructure	\$ <u>120,931</u>
Total prior period adjustments	\$ <u><u>120,931</u></u>

(3) Cash and Cash Equivalents.

At year-end, the Town's carrying amount of deposits was \$1,851,742 and the bank balance was \$1,864,928. The collateral for public entities' deposits in financial institutions are held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the Town's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Depository Insurance Corporation.

Custodial Credit Risk - Deposits and Investments: Custodial credit risk is defined as the risk that, in the event of a failure of a financial institution, the Town will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Town does not have a formal policy for custodial credit risk. However, the Mississippi State Treasury manages the risk on behalf of the Town. Deposits above FDIC coverage are collateralized by the pledging financial institution trust department or agent in the name of the Mississippi State Treasurer on behalf of the Town. As of September 30, 2019, none of the Town's bank balance of \$1,864,928 was exposed to custodial risk.

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

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

TOWN OF FLORA

Notes to Financial Statements For the Year Ended September 30, 2019

(4) Defined Benefit Pension Plan.

Plan Description: The Town of Flora contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State law and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to Public Employees' Retirement System, PERS Building, at 429 Mississippi Street, Jackson, MS 39201-1005 or by calling (601) 359-3589 or 1-800-444-PERS.

Funding Policy: PERS members are required to contribute 9.00% of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The current rate is 15.75% 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 to PERS for the years ended September 30, 2019 and 2018 were \$95,680 and \$87,208, respectively, which is equal to the required contributions for each year.

(5) Tax Abatements.

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

The Town of Flora's Board of Aldermen and the Madison County Board of Supervisors negotiates property tax abatements on an individual basis. The Town has no tax abatement agreements with any entities as of September 30, 2019.

(6) Subsequent Events.

Events that occur after the Statement of Net Cash Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Cash Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management of the Town of Flora evaluated the activity of the Town through October 6, 2020, and determined that no subsequent events met the disclosure requirements.

TOWN OF FLORA

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF FLORA
Budgetary Comparison Schedule -
Budget and Actual
General Fund
For the Year Ended September 30, 2019 - UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUE				
General property taxes	\$ 414,700	414,700	430,176	15,476
State shared revenues	391,875	379,650	384,103	4,453
License and permits	81,050	92,925	78,646	(14,279)
Fines and forfeits	35,000	38,250	62,886	24,636
Interest income		400	2,161	1,761
Miscellaneous revenue	24,650	141,000	677,488	536,488
Total Revenue	<u>947,275</u>	<u>1,066,925</u>	<u>1,635,460</u>	<u>568,535</u>
EXPENDITURES				
General government	245,014	261,443	257,102	4,341
Public safety	706,740	771,841	742,559	29,282
Public works	66,362	97,635	330,811	(233,176)
Total Expenditures	<u>1,018,116</u>	<u>1,130,919</u>	<u>1,330,472</u>	<u>(199,553)</u>
Excess of Revenue Over (Under) Expenditures	<u>(70,841)</u>	<u>(63,994)</u>	<u>304,988</u>	<u>368,982</u>
OTHER CASH SOURCES (USES)				
Capital outlay			(4,021)	(4,021)
Insurance claims			(29,469)	(29,469)
Loan payment principal and interest			(17,869)	(17,869)
Total Other Cash Sources and Uses	<u>0</u>	<u>0</u>	<u>(51,359)</u>	<u>(51,359)</u>
Net Change in Cash Basis Fund Balance	(70,841)	(63,994)	253,629	317,623
Cash Basis Fund Balances - Beginning	<u>750,000</u>	<u>755,075</u>	<u>755,075</u>	
Cash Basis Fund Balances - Ending	<u>\$ 679,159</u>	<u>691,081</u>	<u>1,008,704</u>	<u>317,623</u>

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

TOWN OF FLORA

Notes to the Required Supplementary Information For the Year Ended September 30, 2019 UNAUDITED

A. Budgetary Information.

Generally, in the month of August, prior to the ensuing fiscal year beginning each October 1, the Board of Aldermen of the Town, using historical and anticipated fiscal data, prepares an original budget for the General Fund for said fiscal year. The completed budget for the fiscal year includes every source of revenue, each general item of expenditure, and the unencumbered cash and investment balances. When during the fiscal year it appears to the Board of Aldermen that budgetary estimates will not be met, it may make revisions to the budget.

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

B. Basis of Presentation.

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

C. Budget Reconciliation.

As discussed in Note 1, the financial statements are prepared on the basis of cash receipts and disbursements which is the same as the basis used for budget preparation.

TOWN OF FLORA

OTHER REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF FLORA
Schedule of Surety Bonds for Municipal Officials and Employees
September 30, 2019 - UNAUDITED

<u>Name</u>	<u>Position</u>	<u>Company</u>	<u>Coverage</u>
James Leslie Childress	Mayor	Travelers Casualty	\$50,000
Joseph Ray Allard	Alderman	Travelers Casualty	\$50,000
Mary L. Sumler	Alderwoman	Travelers Casualty	\$50,000
Alvin Lunsford	Alderman	Travelers Casualty	\$50,000
Kenneth Jenkins	Alderman	Travelers Casualty	\$50,000
Thomas Michael Westbrook	Alderman	Travelers Casualty	\$50,000
April Dunlap	City Clerk	Travelers Casualty	\$50,000
Cindy Eckler	Court Clerk	Travelers Casualty	\$50,000
Ivan Holder	Public Works Director	Travelers Casualty	\$50,000
Jeanette Burgess	Water Clerk	Travelers Casualty	\$50,000
Arty Girod	Police Chief	Travelers Casualty	\$50,000
Justin Elliot	Police Officer	Travelers Casualty	\$25,000
Clifton Nelsons	Police Officer	Travelers Casualty	\$25,000
Patrick Echols	Police Officer	Travelers Casualty	\$25,000
Keddrick Crowley	Police Officer	Travelers Casualty	\$25,000
Kenneth White	Police Officer	Travelers Casualty	\$25,000
Patricia Mack	Police Officer	Travelers Casualty	\$25,000
Bruce Kirby	Police Officer	Travelers Casualty	\$25,000
Taylor Stanford	Police Officer	Travelers Casualty	\$25,000
James Shiers	Police Officer	Travelers Casualty	\$25,000
Rex King	Police Officer	Travelers Casualty	\$25,000
LaTayvin Taylor	Police Officer	Travelers Casualty	\$25,000
Jeffery Kelly	Police Officer	Travelers Casualty	\$25,000
Anthony Moore	Police Officer	Travelers Casualty	\$25,000
Christie Shoemaker	Police Officer	Travelers Casualty	\$25,000
Nolan Warrington	Police Officer	Travelers Casualty	\$25,000
Robert Gillon	Police Officer	Travelers Casualty	\$25,000

TOWN OF FLORA
Schedule of Capital Assets -UNAUDITED
For the Year Ended September 30, 2019

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets:				
Land	\$ 183,784			\$ 183,784
Buildings	1,286,709			1,286,709
Improvements other than buildings	12,954			12,954
Machinery, equipment, and vehicles	1,418,467	127,641		1,546,108
Gas utility	589,575			589,575
Infrastructure	<u>3,046,806</u>			<u>3,046,806</u>
Total Governmental Activities Capital Assets	<u>6,538,295</u>	<u>127,641</u>	<u>0</u>	<u>6,665,936</u>
Business type Activities				
Capital Assets:				
Machinery, equipment, and vehicles	141,199			141,199
Water tanks, treatment plants, and lines	4,266,148			4,266,148
Construction In process	<u></u>	<u>286,047</u>		<u>286,047</u>
Total Business-type Activities Capital Assets	<u>\$ 4,407,347</u>	<u>286,047</u>	<u>0</u>	<u>\$ 4,693,394</u>

TOWN OF FLORA
Schedule of Changes in Long-term Debt
For the Year Ended September 30, 2019 - UNAUDITED

<u>Definition and Purpose</u>	<u>Balance Outstanding Oct. 1, 2018</u>	<u>Transactions During Fiscal Year</u>		<u>Adjustments</u>	<u>Balance Outstanding Sept. 30, 2019</u>
		<u>Issued</u>	<u>Redeemed</u>		
Governmental Activities:					
Lease purchase	\$ 14,789		8,652	(751)	5,386
Business-type Activities:					
Lease purchases	41,908	40,463	12,963		69,408
CAP loan	<u>440,922</u>	<u></u>	<u>22,158</u>	<u></u>	<u>418,764</u>
Total	\$ <u>497,619</u>	<u>40,463</u>	<u>43,773</u>	<u>(751)</u>	<u>493,558</u>

TOWN OF FLORA

SPECIAL REPORTS

Windham and Lacey, PLLC

Certified Public Accountants

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Crystal Springs, MS 39059
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Mississippi Society of CPAs

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

Honorable Mayor and
Members of the Board of Aldermen
Town of Flora, 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 financial statements of the governmental activities, the business-type activities, the major fund and the aggregate remaining fund information of the Town of Flora, Mississippi, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated October 6, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Flora, Mississippi's internal control over financial reporting (internal control) to determine the auditing 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 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.

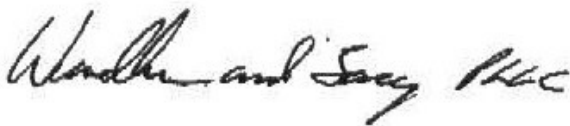
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 Town of Flora, Mississippi'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 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*.

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 Town'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 Town'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.

A handwritten signature in black ink, appearing to read "Windham and Lacey, PLLC". The signature is written in a cursive, flowing style.

Windham and Lacey, PLLC
October 6, 2020

Windham and Lacey, PLLC

Certified Public Accountants

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

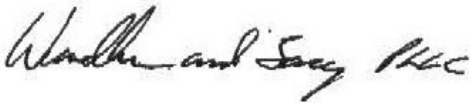
Honorable Mayor and
Members of the Board of Aldermen
Town of Flora, Mississippi

We have audited the financial statements of the governmental activities, the business-type activities, the major fund and the aggregate remaining fund information of the Town of Flora, Mississippi, as of and for the year ended September 30, 2019, and have issued our report thereon dated October 6, 2020. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the procedures prescribed by the Office of the State Auditor, and accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

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

With respect to the items tested, the results of those procedures and our audit of the basic financial statements disclosed no instances of noncompliance with state laws and regulations.

This report is intended solely for the information and use of 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.



Windham and Lacey, PLLC
October 6, 2020

TOWN OF FLORA

SCHEDULE OF FINDINGS

TOWN OF FLORA
Schedule of Findings
For the Year Ended September 30, 2019

Section 1: Summary of Auditor's Results

Financial Statements:

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

Section 2: Financial Statement Findings

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