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TOWN OF FLORA, MISSISSIPPI
AUDITED FINANCIAL STATEMENTS
And
SPECIAL REPORTS

SEPTEMBER 30, 2020

TOWN OF FLORA, MISSISSIPPI

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TOWN OF FLORA, MISSISSIPPI

FINANCIAL SECTION

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INDEPENDENT AUDITORS' 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, 2020 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

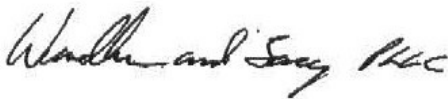
The Schedule of Surety Bonds for Municipal Officials and Employees, the Schedule of Capital Assets, and the Schedule of Changes in Long-term Debt for the Town of Flora, Mississippi, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, 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 September 15, 2021, 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, Mississippi's internal control over financial reporting and compliance.

Emphasis of Matter

As discussed in Note 1, the Town of Flora, Mississippi, 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
September 15, 2021

TOWN OF FLORA, MISSISSIPPI

FINANCIAL STATEMENTS

TOWN OF FLORA, MISSISSIPPI
Statement of Activities and Net Position - Cash Basis
As of and for the Year Ended September 30, 2020

Functions/Programs	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
Governmental Activities:							
General government	\$ 215,518	25,031			(190,487)		(190,487)
Public safety	777,628	90,678	31,378		(655,572)		(655,572)
Public works	294,148			45,542	(248,606)		(248,606)
Culture and recreation	27,496				(27,496)		(27,496)
Principal and interest on long-term debt	30,851				(30,851)		(30,851)
Total Governmental Activities	<u>1,345,641</u>	<u>115,709</u>	<u>31,378</u>	<u>45,542</u>	<u>(1,153,012)</u>	<u>0</u>	<u>(1,153,012)</u>
Business-type Activities:							
Water/sewer utility	<u>628,383</u>	<u>478,749</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(149,634)</u>	<u>(149,634)</u>
Total Government	<u>\$ 1,974,024</u>	<u>594,458</u>	<u>31,378</u>	<u>45,542</u>	<u>(1,153,012)</u>	<u>(149,634)</u>	<u>(1,302,646)</u>
General Receipts and Transfers							
Taxes:							
Property taxes					\$ 434,653		434,653
In lieu of taxes					16,623		16,623
Sales tax					399,640		399,640
Franchise taxes					44,844		44,844
Grants and contributions not restricted to specific programs					17,954		17,954
Unrestricted investment income					2,492	891	3,383
Transfers					(1,000)	1,000	
Miscellaneous					62,320	38,308	100,628
Total General Receipts and Transfers					<u>977,526</u>	<u>40,199</u>	<u>1,017,725</u>
Change in Net Position					(175,486)	(109,435)	(284,921)
Net Position - Beginning					<u>1,336,344</u>	<u>515,398</u>	<u>1,851,742</u>
Net Position - Ending					<u>\$ 1,160,858</u>	<u>405,963</u>	<u>1,566,821</u>

(Continued)

TOWN OF FLORA, MISSISSIPPI
Statement of Activities and Net Position - Cash Basis
As of and for the Year Ended September 30, 2020

ASSETS

Cash and cash equivalents	\$ 1,197,882
Restricted cash	<u>368,939</u>
Total Assets	\$ <u><u>1,566,821</u></u>

NET POSITION

Restricted:	
Restricted for fire protection	\$ 44,407
Restricted for meter deposits	21,235
Restricted for unemployment compensation	5,108
Restricted for developers' infrastructure	336
Restricted for infrastructure	297,853
Unrestricted	<u>1,197,882</u>
Total Net Position	\$ <u><u>1,566,821</u></u>

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

TOWN OF FLORA, MISSISSIPPI
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, 2020

	Governmental Activities				Business-type Activities
	Major Fund				
	General Fund	BP Fund	Other Governmental Fund	Total Governmental Activities	Water/Sewer
RECEIPTS					
Ad valorem taxes	\$ 434,653			434,653	
License and permits	26,427			26,427	
Franchise taxes on utilities	44,844			44,844	
State shared revenues:					
Sales and use taxes	365,807		33,832	399,639	
Homestead exemption reimbursement	11,473			11,473	
Fire insurance premium tax distribution			11,378	11,378	
General municipal aid	6,481			6,481	
Grand Gulf in lieu of taxes	14,823			14,823	
Local grant	45,542		20,000	65,542	
Charges for services:					
Garbage					95,974
Water and sewer utility					382,775
Fines and forfeits	91,083			91,083	
Interest income	1,939	435	117	2,056	891
Miscellaneous revenue	57,863	313		57,863	38,308
Total Receipts	<u>1,100,935</u>	<u>748</u>	<u>65,327</u>	<u>1,166,262</u>	<u>517,948</u>
DISBURSEMENTS					
General government	215,518			215,518	
Public safety	757,306		3,000	760,306	
Public works	290,848	3,300		294,148	
Culture and recreation	27,496			27,496	

(Continued)

TOWN OF FLORA, MISSISSIPPI
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, 2020

	Governmental Activities				Business-type Activities
	Major Fund				
	General Fund	BP Fund	Other Governmental Fund	Total Governmental Activities	Water/Sewer
Water and sewer utility:					
Personal services					160,283
Supplies					10,992
Utilities					29,714
Garbage contract services					78,991
Other services and charges					79,813
Principal retirement					45,290
Interest expense					6,925
Total Disbursements	1,291,168	3,300	3,000	1,297,468	412,008
Excess of Receipts Over (Under) Disbursements	(190,233)	(2,552)	62,327	(131,206)	105,940
OTHER CASH SOURCES (USES)					
Insurance proceeds	4,391			4,391	
Transfers in		300,405		300,405	1,000
Transfers out	(301,405)			(301,405)	
Capital outlay	(10,040)		(7,281)	(17,321)	(210,754)
Subdivision contractor funds not spent on construction					(5,621)
Principal and interest paid on long-term debt	(30,851)			(30,851)	
Total Other Cash Sources and (Uses)	(337,905)	300,405	(7,281)	(44,781)	(215,375)

(Continued)

TOWN OF FLORA, MISSISSIPPI
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, 2020

	Governmental Activities				Business-type Activities
	Major Fund				
	General Fund	BP Fund	Other Governmental Fund	Total Governmental Activities	Water/Sewer
Excess (Deficiency) of Receipts and Other Cash Sources Over Disbursements and Other Cash Uses	(528,138)	297,853	55,046	(175,239)	(109,435)
CASH BASIS FUND BALANCE - Beginning of Year	<u>1,313,121</u>	<u>0</u>	<u>23,224</u>	<u>1,336,345</u>	<u>515,398</u>
CASH BASIS FUND BALANCE - End of Year	<u>\$ 784,983</u>	<u>297,853</u>	<u>78,270</u>	<u>1,161,106</u>	<u>405,963</u>
CASH BASIS ASSETS - End of Year					
Cash and cash equivalents	\$ 784,983	297,853	78,270	1,161,106	384,392
Restricted cash					21,571
Total Cash Basis Assets	<u>\$ 784,983</u>	<u>297,853</u>	<u>78,270</u>	<u>1,161,106</u>	<u>405,963</u>
CASH BASIS FUND BALANCES - End of Year					
Restricted:					
Restricted for fire protection	\$		44,408	44,408	
Restricted for meter deposits					21,235
Restricted for unemployment compensation	5,108			5,108	
Restricted for infrastructure		297,853		297,853	336
Unassigned	<u>779,875</u>		<u>33,863</u>	<u>813,738</u>	<u>384,392</u>
Total Cash Basis Fund Balances	<u>\$ 784,983</u>	<u>297,853</u>	<u>78,271</u>	<u>1,161,107</u>	<u>405,963</u>

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

TOWN OF FLORA, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2020

(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, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2020

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, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2020

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) Cash and Cash Equivalents.

At year-end, the Town's carrying amount of deposits was \$1,590,425 and the bank balance was \$1,567,069. 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's trust department or agent in the name of the Mississippi State Treasurer on behalf of the Town. As of September 30, 2020, none of the Town's bank balance of \$1,590,425 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.

(3) Defined Benefit Pension Plan.

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

TOWN OF FLORA, MISSISSIPPI

**Notes to Financial Statements
For the Year Ended September 30, 2020**

(4) 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, 2020.

(5) 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, Mississippi evaluated the activity of the Town through September 15, 2021, and determined that no subsequent events met the disclosure requirements.

TOWN OF FLORA, MISSISSIPPI

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF FLORA
Budgetary Comparison Schedule -
Budget and Actual
General Fund
For the Year Ended September 30, 2020 - UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUE				
General property taxes	\$ 433,000	446,126	446,126	
State shared revenues	390,705	387,110	387,110	
License and permits	81,575	71,270	71,270	
Fines and forfeits	36,000	91,083	91,083	
Interest income		1,892	1,892	
Miscellaneous revenue	23,850	106,672	106,672	
Total Revenue	<u>965,130</u>	<u>1,104,153</u>	<u>1,104,153</u>	<u>-</u>
EXPENDITURES				
General government	242,945	226,067	226,067	
Public safety	697,993	748,249	748,249	
Public works	68,180	106,440	106,440	
Total Expenditures	<u>1,009,118</u>	<u>1,080,756</u>	<u>1,080,756</u>	<u>-</u>
Excess of Revenue Over (Under) Expenditures	<u>(43,988)</u>	<u>23,397</u>	<u>23,397</u>	<u>-</u>
OTHER CASH SOURCES (USES)				
Capital outlay				
Insurance claims				
Loan payment principal and interest				
Total Other Cash Sources and Uses	<u>0</u>	<u>0</u>	<u>0</u>	<u>-</u>
Net Change in Cash Basis Fund Balance	(43,988)	23,397	23,397	
Cash Basis Fund Balances - Beginning	<u>679,159</u>	<u>1,008,704</u>	<u>1,008,704</u>	
Cash Basis Fund Balances - Ending	<u>\$ 635,171</u>	<u>1,032,101</u>	<u>1,032,101</u>	<u>-</u>

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

TOWN OF FLORA, MISSISSIPPI

Notes to the Required Supplementary Information For the Year Ended September 30, 2020 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, MISSISSIPPI

OTHER REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF FLORA
Schedule of Surety Bonds for Municipal Officials and Employees
September 30, 2020 - 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
Various	Police Officer, each	Travelers Casualty	\$25,000

TOWN OF FLORA
Schedule of Capital Assets -UNAUDITED
For the Year Ended September 30, 2020

	<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	1,546,108	7,281		1,553,389
Gas utility	589,575			589,575
Infrastructure	<u>3,046,806</u>			<u>3,046,806</u>
Total Governmental Activities Capital Assets	<u>6,665,936</u>	<u>7,281</u>	<u>0</u>	<u>6,673,217</u>
Business type Activities				
Capital Assets:				
Machinery, equipment, and vehicles	141,199	24,979		166,178
Water tanks, treatment plants, and lines	4,266,148			4,266,148
Construction In process	<u>286,047</u>	<u>43,822</u>		<u>329,869</u>
Total Business-type Activities Capital Assets	<u>\$ 4,693,394</u>	<u>68,801</u>	<u>0</u>	<u>\$ 4,762,195</u>

TOWN OF FLORA, MISSISSIPPI
Schedule of Changes in Long-term Debt - UNAUDITED
For the Year Ended September 30, 2020

<u>Definition and Purpose</u>	<u>Balance Outstanding Oct. 1, 2019</u>	<u>Transactions During Fiscal Year</u>		<u>Adjustments</u>	<u>Balance Outstanding Sept. 30, 2020</u>
		<u>Issued</u>	<u>Redeemed</u>		
Governmental Activities:					
Lease purchase	\$ 5,386		26,503	61,713	40,596
Business-type Activities:					
Lease purchases	69,408		22,627		46,781
CAP loan	<u>418,764</u>	<u></u>	<u>22,663</u>	<u></u>	<u>396,101</u>
Total	\$ <u>493,558</u>	<u>0</u>	<u>71,793</u>	<u>61,713</u>	<u>483,478</u>

TOWN OF FLORA, MISSISSIPPI

SPECIAL REPORTS

Windham and Lacey, PLLC

Certified Public Accountants

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Mississippi Society of CPAs

INDEPENDENT AUDITORS' 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, 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 September 15, 2021.

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.

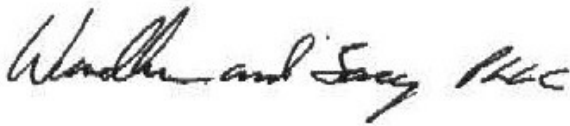
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 that reads "Windham and Lacey, PLLC". The signature is written in a cursive, flowing style.

Windham and Lacey, PLLC
September 15, 2021

Windham and Lacey, PLLC

Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

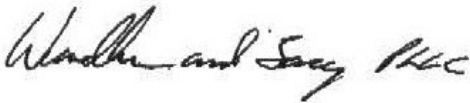
Honorable Mayor and
Members of the Board of Aldermen
Town of Flora, Mississippi

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, 2020, and have issued our report thereon dated September 15, 2021. 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
September 15, 2021

TOWN OF FLORA, MISSISSIPPI

SCHEDULE OF FINDINGS

TOWN OF FLORA, MISSISSIPPI
Schedule of Findings
For the Year Ended September 30, 2020

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*.