

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.

CITY OF MOORHEAD, MISSISSIPPI

**Financial Statement and
Supplemental Information**

For the Year Ended September 30, 2020

CITY OF MOORHEAD, MISSISSIPPI
FINANCIAL STATEMENT AND SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2020

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BROWN, EWING & CO.
P. A.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor George Holland
and Honorable Members of the Board of Alderpersons
City of Moorhead, Mississippi

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Moorhead, Mississippi (the City), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express 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

As described in Note 1, the financial statements have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash receipts and disbursements of the City of Moorhead, Mississippi, for the year ended September 30, 2020 on the basis of accounting described in Note 1.

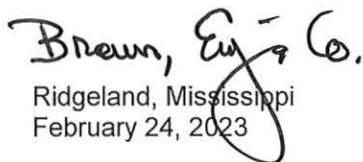
Other Matters

Required Supplemental Information

The City of Moorhead, Mississippi, Mississippi has not presented the Management's and Discussion and Analysis or budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the basis financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational economic or historical context. Our opinion on the basic financial statements is not affected by the missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2023, on our consideration of the City of Moorhead, 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 the *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.


Ridgeland, Mississippi
February 24, 2023

CITY OF MOORHEAD, MISSISSIPPI
Statement of Activities and Net Position - Cash Basis
For the Year Ended September 30, 2020

	Program Revenues			Net (Expenses) Revenues Changes in Net Position			
	Expenses	Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Primary Government:							
Governmental activities:							
Administration	\$ 209,995	-	-	-	(209,995)	-	\$ (209,995)
Public safety	309,119	-	436,330	-	127,211	-	127,211
Public works	164,186	-	-	-	(164,186)	-	(164,186)
Health and welfare	-	-	100,126	-	100,126	-	100,126
Culture/parks and recreation	14,629	-	-	-	(14,629)	-	(14,629)
Principal payment on debt	13,939	-	-	-	(13,939)	-	(13,939)
Interest on long-term debt	19,888	-	-	-	(19,888)	-	(19,888)
Total governmental activities	<u>731,756</u>	<u>-</u>	<u>536,456</u>	<u>-</u>	<u>(195,300)</u>	<u>-</u>	<u>(195,300)</u>
Business-type activities:							
Water/Sewer	1,728,146	452,383	-	1,443,856	-	168,093	168,093
Garbage	102,551	132,486	-	-	-	29,935	29,935
Principal payment on debt	67,528	-	-	-	-	(67,528)	(67,528)
Interest on long-term debt	71,566	-	-	-	-	(71,566)	(71,566)
Total Business-type activities	<u>1,969,791</u>	<u>584,869</u>	<u>-</u>	<u>1,443,856</u>	<u>-</u>	<u>58,934</u>	<u>58,934</u>
Total Primary Government	<u>\$ 2,701,547</u>	<u>584,869</u>	<u>536,456</u>	<u>1,443,856</u>	<u>(195,300)</u>	<u>58,934</u>	<u>\$ (136,366)</u>
General Revenues:							
Property taxes					\$ 274,802	-	\$ 274,802
Sales tax revenue					95,780	-	95,780
Other intergovernmental revenues					65,607	-	65,607
Franchise taxes					26,084	-	26,084
Fines and report fees					16,650	-	16,650
License and permits					1,139	-	1,139
Miscellaneous					46,323	-	46,323
Proceeds from long-term borrowing					19,436	-	19,436
Unrestricted investment earnings					1,295	1,462	2,757
Transfers					(351,424)	(100,226)	(451,650)
Total general revenues, special items, and transfers					<u>195,692</u>	<u>(98,764)</u>	<u>96,928</u>
Change in net assets					392	(39,830)	(39,438)
Net Position - Beginning					<u>213,355</u>	<u>684,148</u>	<u>897,503</u>
Net Position - Ending					<u>\$ 213,747</u>	<u>644,318</u>	<u>\$ 858,065</u>

CITY OF MOORHEAD, MISSISSIPPI
Balance Sheet and Net Assets - Cash Basis
Governmental Funds
For the Year Ended September 30, 2020

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalent	\$ 213,747	239,912	\$ 453,659
Cash, restricted	-	401,997	401,997
TOTAL ASSETS	<u>\$ 213,747</u>	<u>641,909</u>	<u>\$ 855,656</u>
NET ASSETS			
Restricted for debt service	\$ 13,547	387,001	\$ 400,548
Restricted for customers deposits	-	14,996	14,996
Restricted for fire protection	70,408	-	70,408
Unassigned	<u>129,792</u>	<u>239,912</u>	<u>369,704</u>
Total Net Assets	<u>213,747</u>	<u>641,909</u>	<u>855,656</u>
TOTAL NET ASSETS	<u>\$ 213,747</u>	<u>641,909</u>	<u>\$ 855,656</u>

CITY OF MOORHEAD, MISSISSIPPI
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Cash Basis
Governmental Funds
For the Year Ended September 30, 2020

	General Fund	Debt Service Fund	Total Governmental Funds
REVENUES:			
General property taxes	\$ 274,802	-	\$ 274,802
Privilege licenses and permits	1,139	-	1,139
Intergovernmental revenues	699,221	-	699,221
Franchise taxes	26,084	-	26,084
Fines and report fees	16,650	-	16,650
Interest income	1,207	88	1,295
Miscellaneous	42,489	-	42,489
Total Revenues	<u>1,061,592</u>	<u>88</u>	<u>1,061,680</u>
EXPENDITURES:			
General Government:			
Administration and finance	201,184	-	201,184
Public Safety			
Police department	298,642	-	298,642
Fire department	10,477	-	10,477
Public works	83,561	-	83,561
Culture and recreation	14,629	-	14,629
Debt services:			
Principal	13,939	-	13,939
Interest and service charges	2,629	17,259	19,888
Capital outlay:			
General government	8,811	-	8,811
Public works	80,625	-	80,625
TOTAL EXPENDITURES	<u>714,497</u>	<u>17,259</u>	<u>731,756</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>347,095</u>	<u>(17,171)</u>	<u>329,924</u>
OTHER CASH SOURCES (USES):			
Sale of fixed assets	2,490	-	2,490
Proceeds from bank loan	19,436	-	19,436
Operating transfers out	(351,458)	-	(351,458)
Total Other Financing Sources (Uses)	<u>(329,532)</u>	<u>-</u>	<u>(329,532)</u>
Excess (Deficiency) of Receipts and Other Cash Sources Over Disbursements and Other Cash Uses	17,563	(17,171)	392
Cash Basis Fund Balance, October 1	182,637	30,718	213,355
Cash Basis Fund Balance, September 30	<u>\$ 200,200</u>	<u>13,547</u>	<u>\$ 213,747</u>
CASH BASIS FUND BALANCES - END OF YEAR			
Restricted for:			
Debt service	-	13,547	13,547
Fire protection	70,408	-	70,408
Unassigned	129,792	-	129,792
Total Fund Balances	<u>\$ 200,200</u>	<u>13,547</u>	<u>\$ 213,747</u>

CITY OF MOORHEAD, MISSISSIPPI
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund - Cash Basis
For the Year Ended September 30, 2020

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Property taxes	\$ 365,000	368,648	246,785	\$ (121,863)
Homestead exemption	16,000	28,000	28,017	17
Licenses and permits	1,500	7,350	1,139	(6,211)
Other intergovernmental revenues	1,301,814	25,765	565,182	539,417
Franchise taxes	40,000	40,000	26,084	(13,916)
Sales tax revenue	102,500	100,000	95,780	(4,220)
Grand gulf	15,150	15,200	13,904	(1,296)
Fines and report fees	28,500	25,000	16,640	(8,360)
Charges for services	25,367	-	-	-
Interest	1,250	600	1,207	607
Rent income	11,500	12,700	11,587	(1,113)
Miscellaneous	250	1,090	42,489	41,399
TOTAL REVENUES	<u>1,908,831</u>	<u>624,353</u>	<u>1,048,814</u>	<u>424,461</u>
OPERATING DISBURSEMENTS:				
General Government				
Administration	247,386	486,123	201,184	284,939
Public Safety				
Police protection	454,601	264,471	298,642	(34,171)
Fire protection	16,350	16,810	10,477	6,333
Public Works				
Streets improvements	115,800	95,003	83,561	11,442
Health and welfare	18,350	14,150	-	14,150
Culture and recreation	13,180	14,183	14,629	(446)
Capital outlays	65,000	20,000	89,436	(69,436)
Debt service	1,164	1,117	16,568	(15,451)
Total Expenditures	<u>931,831</u>	<u>911,857</u>	<u>714,497</u>	<u>197,360</u>
Excess (deficiency) of Revenues Over (Under) Expenditures	<u>977,000</u>	<u>(287,504)</u>	<u>334,317</u>	<u>621,821</u>
Other Financing Sources (Uses):				
Operating transfers in	17,600	136,816	-	(136,816)
Operating transfer out	-	-	(338,680)	(338,680)
Sale of real property/equipment	13,000	-	2,490	2,490
Proceeds from bank loan	-	-	19,436	19,436
Total Other Financing Sources (Uses)	<u>30,600</u>	<u>136,816</u>	<u>(316,754)</u>	<u>(453,570)</u>
Net Change in Fund Balances	1,007,600	(150,688)	17,563	168,251
Cash Basis Fund Balance, Oct. 1	<u>182,637</u>	<u>182,637</u>	<u>182,637</u>	<u>-</u>
Cash Basis Fund Balance, Sept. 30	<u>\$1,190,237</u>	<u>31,949</u>	<u>200,200</u>	<u>\$ 168,251</u>

CITY OF MOORHEAD, MISSISSIPPI
Combined Statement of Revenues, Expenses, and Changes in Net Position - Cash Basis
Proprietary Funds
For the Year Ended September 30, 2020

	<u>Business -Type Activities</u>		
	<u>Water/Sewer Fund</u>	<u>Garbage Fund</u>	<u>Total</u>
Operating Revenues:			
Sales to customers	\$ <u>452,383</u>	<u>132,486</u>	\$ <u>584,869</u>
Total Operating Revenues	<u>452,383</u>	<u>132,486</u>	<u>584,869</u>
Operating Expenses:			
Personnel services	222,201	-	222,201
Supplies	125,772	-	125,772
Other services and charges	<u>182,180</u>	<u>102,551</u>	<u>284,731</u>
Total Operating Expenses	<u>530,153</u>	<u>102,551</u>	<u>632,704</u>
Operating income (loss)	<u>(77,770)</u>	<u>29,935</u>	<u>(47,835)</u>
Nonoperating revenues (expenses)			
Contribution from federal grant	1,443,856	-	1,443,856
Interest income	1,452	10	1,462
Principal payment on debt	(67,528)	-	(67,528)
Interest and service charges on long-term debt	(71,566)	-	(71,566)
Capital outlays	<u>(1,197,993)</u>	<u>-</u>	<u>(1,197,993)</u>
Total nonoperating revenues	<u>108,221</u>	<u>10</u>	<u>108,231</u>
Net Income Before Operating Transfers	<u>30,451</u>	<u>29,945</u>	<u>60,396</u>
Operating Transfers In	146,237	-	146,237
Operating Transfers (Out)	<u>(333,717)</u>	<u>(32,014)</u>	<u>(365,731)</u>
Change in Net Position	(157,029)	(2,069)	(159,098)
Cash Basis Net Position, October 1	<u>680,274</u>	<u>3,874</u>	<u>684,148</u>
Cash Basis Net Position, September 30	\$ <u>523,245</u>	<u>1,805</u>	\$ <u>525,050</u>
CASH BASIS NET POSITION - END OF YEAR			
Restricted for:			
Customer deposits	\$ 14,996	-	\$ 14,996
Debt service	387,001	-	387,001
Unassigned	<u>121,248</u>	<u>1,805</u>	<u>123,053</u>
Total Net Position	\$ <u>523,245</u>	<u>1,805</u>	\$ <u>525,050</u>

CITY OF MOORHEAD, MISSISSIPPI
Combining Balance Sheet and Nets Assets - Cash Basis
All Agency Funds
For the Year Ended September 30, 2020

Assets:	Payroll Clearing Fund	Accounts Payable Clearing	Total
Cash and cash equivalents	\$ 44,483	3,702	\$ 48,185
Total Assets	<u>\$ 44,483</u>	<u>3,702</u>	<u>\$ 48,185</u>
Net Assets			
Held for other	\$ 44,483	3,702	\$ 48,185
Total Net Assets	<u>\$ 44,483</u>	<u>3,702</u>	<u>\$ 48,185</u>

CITY OF MOORHEAD, MISSISSIPPI
Combining Statement of Changes in Net Assets - Cash Basis
All Agency Funds
For the Year Ended September 30, 2020

	Payroll Clearing Fund	Accounts Payable Clearing	Total
Additions			
Interest	\$ 197	31	\$ 228
Other additions	<u>26,786</u>	<u>6,421</u>	<u>33,207</u>
Total Additions	<u>26,983</u>	<u>6,452</u>	<u>33,435</u>
Deductions			
General government	<u>156</u>	<u>42,365</u>	<u>42,521</u>
Total Deductions	<u>156</u>	<u>42,365</u>	<u>42,521</u>
Change in Net Assets	26,827	(35,913)	(9,086)
Net Asset at beginning of year	<u>17,656</u>	<u>39,615</u>	<u>57,271</u>
Net Asset at end of year	<u>\$ 44,483</u>	<u>3,702</u>	<u>\$ 48,185</u>

CITY OF MOORHEAD, MISSISSIPPI
Notes to the Financial Statements
September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Moorhead operates under a Council-Manager form of government and provides services authorized by its charter. The City's population is less than 2,500 citizens.

The financial statements of the City of Moorhead, Mississippi, (the City) have been prepared in conformity with the cash basis of accounting. Consequently, certain revenues are recognized when received rather than when earned and certain expenses and requisition of assets are recognized when cash is disbursed rather than when the obligation is incurred. The City's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary funds and similar component units apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The City does not apply FASB pronouncements issued after November 30, 1989. The more significant of the government's accounting policies are described below.

A. Fund Accounting

The financial statements consist of all the funds of the City of Moorhead: General Fund, Special Revenue Funds, Debt Services and the Enterprise Funds.

The accounts of the City of Moorhead are organized on the basis of funds, each of which is considered a separate accounting entity.

GOVERNMENTAL FUNDS

General Fund: The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund: The Special Revenue Funds are used to account for the proceeds of special revenue sources that are legally restricted for specific expenditure purposes. The Special Revenue Fund in this financial statement is used to account for receipts and disbursements of the City's restricted resources.

Debt Service Fund: The Debt Service Fund is used to account for the accumulation of resources and the subsequent disbursement of such resources to pay principal and interest on long-term debt of the City (other than debt of the Proprietary Funds). Bond ordinances require the City to account for debt service transactions in separate funds, restrict the flow of cash between such funds, and comply with various other covenants. For financial statement reporting, the various debt service funds have been combined.

PROPRIETARY FUNDS

Enterprise Fund: The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the cost and expenses of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges. The City's Water and Sewer Funds are included in this category.

CITY OF MOORHEAD, MISSISSIPPI
Notes to the Financial Statements
September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MAJOR FUNDS

For 2018, the City reports the following major funds:

General Fund - reports as the primary fund of the City. This fund is used to account for all financial resources not reported in other funds.

Debt Service Fund - accounts for the debt service transaction of the governmental fund type.

Water and Sewer Fund - accounts for the operating activities of the City's water and sewer utility services.

Garbage Fund - accounts for the operating activities of the City's garbage services.

B. Measurement Focus and Financial Statement Presentation

In the government-wide financial statement, both governmental and business-type activities are presented using the economic resources measurement focus, within the limitations of the cash basis of accounting which refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The financial statements are prepared on a cash receipts and disbursements basis, according to requirements for small towns in the State of Mississippi as prescribed by the Office of the State Auditor. Consequently, certain revenues are recognized when received rather than when earned, and certain expenditures or expenses are recognized when paid rather than when the obligation is incurred.

Amounts reported as program receipts included (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 report as general receipts rather than as program receipts.

Proprietary funds distinguish operating receipts and disbursements from nonoperating items. Operating receipts and disbursements generally result from providing services in connection with a proprietary fund's principal ongoing operations. All receipts and disbursements not meeting this definition are reported as nonoperating receipts and disbursements.

As permitted by generally accepted accounting principles, the City of Moorhead has elected to apply only applicable FASB Statement and Interpretations issued on or before November 30, 1989 that do not contradict GASB pronouncements in its accounting and reporting practices for its proprietary operations.

CITY OF MOORHEAD, MISSISSIPPI
Notes to the Financial Statements
September 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Cash and Cash Equivalents

The City deposits excess funds in the financial institutions selected by the board. State statutes specify how these depositories are to be selected.

Cash and cash equivalents consist of amounts on deposit in demand accounts and certificates of deposits with maturities greater than 12 months when acquired.

D. Investments

The City can invest its excess funds, as permitted by Section 29-3-113, Miss. Code Ann. (1972), in interest-bearing deposits or other obligations of the types described in Section 27-105-33, Miss. Code Ann. (1972), or in any other type investment in which any other agency, instrumentality or subdivision of the State of Mississippi may invest, except that 100% of said funds are authorized to be so invested.

For accounting purposes, certificates of deposits are classified as investments if they have a maturity greater than 12 months when acquired.

Investments are reported at fair value.

E. Report Classification

Receipts and disbursements were classified according to requirements for small Towns in the State of Mississippi as prescribed by the Office of the State Auditor.

F. Property Tax

Property taxes attach as an enforceable lien on property January 1. Taxes are levied on October 1 and are due and payable at that time. All unpaid taxes levied October 1 become delinquent February 1 of the following year. The millage rate for the City for the fiscal year ended September 30, 2020 was as follows for general purposes.

Tax Years	2020	2019
General Fund	81.00	81.00
Debt Service	9.00	9.00
Total Millage	<u>90.00</u>	<u>90.00</u>

CITY OF MOORHEAD, MISSISSIPPI
Notes to the Financial Statements
September 30, 2020

NOTE 2 - BUDGET POLICY

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

- ◆ Prior to September 30, the City Clerk submits to the Mayor and Alderpersons a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenses and expenditures and the means of financing them.
- ◆ Public notice is given of the City's budget meetings being open to the public, so that a public hearing is conducted on the budget.
- ◆ The budget as submitted is reviewed by the Mayor and Alderpersons and necessary revisions are made to the budget. Then, the budget is approved prior to September 15.
- ◆ The Budget is formally revised during July of each year or anytime a deficit is indicated.
- ◆ Budgetary comparisons are employed by management as a management control device during the year for all funds.
- ◆ Appropriations lapse at the end of each fiscal year.

Mississippi laws require that municipalities budget on a modified-cash basis. Claims that have been incurred prior to the end of the year and that are paid within 30 days are recorded under the accrual basis. Prior year claims that are paid after 30 days revert to the cash basis. All revenue is accounted for under the cash basis. The required budgetary basis is therefore not considered a generally accepted accounting principle. Governmental accounting requires that the "budget to actual" statements be prepared according to budgetary laws. The major reconciling items between the budgetary and cash basis presentations are presented on the "budget to actual" statements.

NOTE 3 - CASH AND CASH EQUIVALENTS

The collateral for public entities, deposits in financial institutions, is now held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Mississippi 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.

The carrying amount of the City's deposits with financial institutions in the governmental activities, business-type activities funds, and the agency funds were \$213,747, \$641,909, and \$48,185 respectively. The bank balance was \$813,091.

CITY OF MOORHEAD, MISSISSIPPI
Notes to the Financial Statements
September 30, 2020

NOTE 3 - CASH AND CASH EQUIVALENTS (Continued)

Custodial Credit Risk - Deposits. Custodial credit risk is defined as the risk that, in the event of a failure of a financial institution, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City does not have a formal policy for custodial credit risk. However, the Mississippi State Treasury manages the risk on behalf of the City. Deposits above FDIC coverage are collateralized by the pledging financial institutions trust department or agent in the name of the Mississippi State Treasurer on behalf of the City. As of September 30, 2020, none of the City's bank balance of \$813,091 was exposed to custodial credit risk.

NOTE 4 - GASB 54 FUND BALANCE PRESENTATION - CLASSIFICATION TOTAL

The City has implemented GASB Statement 54, as such, the fund balances of the governmental funds are classified by specific purpose as follows:

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

Unassigned - amounts that have not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

NOTE 5 - LONG-TERM DEBT

CHANGES IN LONG-TERM LIABILITIES

A. Governmental Type Activities

During the year ended September 30, 2020, the following changes occurred in liabilities reported for the General Government:

	Balance 10/01/2019	Additions	Retirements	Balance 09/30/2020	Amount due Within one Year
General obligation bonds	\$ 78,000	-	-	\$ 78,000	\$ 37,000
Bank note payable	6,838	-	2,308	4,530	2,430
Bank note payable	-	13,598	2,686	10,912	5,657
Bank note payable	-	19,656	-	19,656	4,594
Obligation Under capital lease	36,031	-	11,254	24,777	13,793
Total	\$ 120,869	33,254	16,248	\$ 137,875	\$ 63,474

CITY OF MOORHEAD, MISSISSIPPI
Notes to the Financial Statements
September 30, 2020

NOTE 5 - LONG-TERM DEBT (Continued)

General Obligation Bonds

The government issues general obligation bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds have been issued for general government activities.

General obligation bonds and notes are direct obligations and pledge the full faith and credit of the government. General obligation bonds and notes currently outstanding are as follows:

1. Bank Notes Payable and General Obligation Bonds Payable

The outstanding Bank Notes and General Obligation Bonds are as follows as of September 30, 2020.

	<u>Amount Outstanding</u>
<i>Bank Note Payable (Note 1)</i>	
On February 8, 2018, the Mayor and Board of Alderman authorized the issuance of \$11,800 promissory note with Guaranty Bank and Trust Company due in thirty six monthly payments of \$224 which includes principal and accrued interest, with an interest rate of 5.150%, maturing February 5, 2023. This note represents 50% of the total proceeds that were used to acquire BBI computer software. This debt will be retired from the City's General Fund.	\$ <u>4,530</u>
<i>Bank Note Payable (Note 2)</i>	
On October 24, 2018, the Mayor and Board of Alderman authorized the issuance of \$33,585 promissory note with Guaranty Bank and Trust Company due in forty eight monthly payments of \$778.54 which includes principal and accrued interest, with an interest rate of 5.175%, maturing November 5, 2022. This note represents 50% of the total proceeds that were used to acquire a dump truck. 50% of this debt will be retired from the City's General Fund.	\$ <u>10,912</u>
<i>Bank Note Payable (Note 3)</i>	
On September 1, 2020, the Mayor and Board of Alderman authorized the issuance of \$19,656 promissory note with Guaranty Bank and Trust Company due in forty eight monthly payments of \$452.24 which includes principal and accrued interest, with an interest rate of 4.680%, maturing September 5, 2024. The total proceeds that were used to acquire a tractor. This debt will be retired from the City's General Fund.	\$ <u>19,656</u>

General Obligation Bonds

\$490,000, 2001 Public Improvement Bonds; original issue dated February 1, 2001, in denominations of \$5,000 each. Interest is variable from 4.375% to 5.70% and is payable annually on February 1 and August 1 beginning February 1, 2002. The Bonds shall mature and become due between February 1, 2002 and February 1, 2021. This debt will be retired from the City's General Fund.

\$ 78,000

Annual debt service requirements to maturity for the bank note and general obligation bonds for the General Government are as follows:

Bank Note Payable

Fiscal year ending September 30	<u>Bank Note 1</u>		<u>Bank Note 2</u>		<u>Bank Note 3</u>	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 2,430	255	5,656	572	4,594	\$ 833
2022	2,100	127	4,505	166	4,825	602
2023	-	-	751	10	5,055	372
2024	-	-	-	-	5,182	130
Total	\$ <u>4,530</u>	<u>382</u>	<u>10,912</u>	\$ <u>748</u>	\$ <u>19,656</u>	\$ <u>1,937</u>

CITY OF MOORHEAD, MISSISSIPPI
Notes to the Financial Statements
September 30, 2020

NOTE 5 - LONG-TERM DEBT (Continued)

General Obligation Bonds

Fiscal year ending September 30	Principal	Interest	Total
2021	\$ 37,000	3,378	\$ 40,378
2022	41,000	1,169	42,169
Total	<u>\$ 78,000</u>	<u>4,547</u>	<u>\$ 82,547</u>

Obligations Under Capital Leases

The outstanding Obligations Under Capital Leases are as follows as of September 30, 2020.

During July 2018, the City executed a capital lease agreement with BancorpSouth Equipment Finance, a division of Bancorp South Bank for the purpose of acquiring two police vehicle. The agreement is in the amount of \$53,017 with an interest rate of 3.640.%, with annual installment payments of \$1,117, which includes principal and interest payable from the General Fund. The agreement has a maturity dated of July 2022. The lease-purchase agreement qualifies as a capital lease for accounting purposes. This debt will be retired from the general fund.

Amount
Outstanding

\$ 24,777

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2020, were as follows:

Fiscal year ending September 30	Principal	Interest	Total
2021	\$ 13,793	1,760	\$ 15,553
2022	10,984	184	11,168
Total minimum lease payments	<u>\$ 24,777</u>	<u>1,944</u>	26,721
Less: amount representing interest			(1,944)
Present value of minimum lease payments			<u>\$ 24,777</u>

Included in capital assets is a motor vehicle with costs totaling \$53,017 under capital lease. The accumulated amortization for this capital asset is \$20,974 as of September 30, 2020, and is recorded as a component of depreciation expense. Amortization expense was \$6,139 for the year ended September 30, 2020.

CITY OF MOORHEAD, MISSISSIPPI
Notes to the Financial Statements
September 30, 2020

NOTE 5 - LONG-TERM DEBT (Continued)

B. Business-Type Activities

During the year ended September 30, 2020, the following changes occurred in liabilities reported for the Water/Sewer Fund:

	Balance 10/01/2019	Additions	Retirements	Balance 9/30/2020	Amount due within one year
Bank note payable	\$ 6,838	-	2,308	4,530	\$ 2,430
Bank note payable	-	13,597	2,686	10,911	5,656
Combined water/sewer revenue bond	214,454	-	11,138	203,316	11,571
Combined water/sewer revenue bond	600,000	-	10,432	589,568	11,558
Combined water/sewer revenue bond	1,122,000	-	18,534	1,103,466	21,126
Total	\$ 1,943,292	13,597	45,098	1,911,791	\$ 52,341

The following is outstanding debt related to Business-Type Activities as of September 30, 2020.

Bank Notes and Revenue Bonds Payable

The outstanding Bank Notes and Revenue Bond Payable is as follows as of September 30, 2020.

	Amount Outstanding
<u>Loan Number 1</u> On February 8, 2018, the Mayor and Board of Alderman authorized the issuance of \$11,800 promissory note with Guaranty Bank and Trust Company due in thirty six monthly payments of \$224 which includes principal and accrued interest, with an interest rate of 5.150%, maturing February 5, 2023. This note represents 50% of the total proceeds that were used to acquire BBI computer software. This debt will be retired from the City's Water/Sewer Fund.	\$ 4,530
<u>Loan Number 2</u> On October 24, 2018, the Mayor and Board of Alderman authorized the issuance of \$33,585 promissory note with Guaranty Bank and Trust Company due in forty eight monthly payments of \$778.54 which includes principal and accrued interest, with an interest rate of 5.175%, maturing November 5, 2022. This note represents 50% of the total proceeds that were used to acquire a dump truck. 50% of this debt will be retired from the City's Water/Sewer Fund.	10,911
<u>Loan Number 3</u> \$438,000, 1999 Water Junior Lien Revenue Bonds, issued January 22, 1999, due in monthly installments of \$1,710 including interest at 4.50% beginning on the third anniversary date of the bond, with interest only on the first and second annual dates. The bonds mature on January 22, 2034. This debt will be retired from the City's Water/Sewer Fund.	203,316
<u>Loan Number 4</u> \$600,000, 2019 combined water/sewer revenue bond, issued March 13, 2019, due in monthly installments of \$2,120 including interest at 2.375% beginning on the third anniversary date of the bond, with interest only on the first and second annual dates. The bonds mature on March 13, 2054. This debt will be retired from the City's Water/Sewer Fund.	589,568
<u>Loan Number 5</u> \$1,122,000, 2019 combined water/sewer revenue bond, issued March 13, 2019, due in monthly installments of \$4,040 including interest at 2.50% beginning on the third anniversary date of the bond, with interest only on the first and second annual dates. The bonds mature on March 13, 2054. This debt will be retired from the City's Water/Sewer Fund.	1,103,466
Total Notes Payable and Revenue Bonds Payable	<u>\$ 1,911,791</u>

CITY OF MOORHEAD, MISSISSIPPI
Notes to the Financial Statements
September 30, 2020

NOTE 5 - LONG-TERM DEBT (Continued)

Annual debt service requirements to maturity for the bank note and revenue refunding bonds for the Proprietary Fund are as follows:

Bank Note Payable

Fiscal year ending September 30	Bank Note 1		Bank Note 2	
	Principal	Interest	Principal	Interest
2021	\$ 2,430	255	5,656	\$ 572
2022	2,100	127	4,505	166
2023	-	-	750	10
Total	<u>\$ 4,530</u>	<u>382</u>	<u>10,911</u>	<u>\$ 748</u>

Revenue Bond - Loan # 3

Fiscal year Ending September 30	Principal	Interest	Total
2021	\$ 11,571	8,949	\$ 20,520
2022	12,105	8,415	20,520
2023	12,663	7,857	20,520
2024	13,247	7,273	20,520
2025	13,858	6,662	20,520
2026-2030	79,485	23,115	102,600
2031-2034	60,387	4,536	64,923
Total	<u>\$ 203,316</u>	<u>66,807</u>	<u>\$ 270,123</u>

Fiscal Year Ending September 30,	Loan # 4		Loan # 5	
	Principal	Interest	Principal	Interest
2021	\$ 11,558	13,882	21,126	\$ 27,356
2022	11,835	13,604	21,660	26,822
2023	12,120	13,320	22,208	26,274
2024	12,411	13,029	22,770	25,712
2025	12,709	12,426	23,345	25,136
2026-2030	68,272	58,928	125,888	116,522
2031-2035	76,871	50,329	142,632	99,778
2036-2040	86,554	40,646	161,602	80,808
2041-4045	97,456	29,744	183,095	59,315
2046-4050	109,731	17,469	207,447	34,963
2051-2054	90,051	4,204	171,693	8,267
Totals	<u>\$ 589,568</u>	<u>267,581</u>	<u>1,103,466</u>	<u>\$ 530,953</u>

CITY OF MOORHEAD, MISSISSIPPI
Notes to the Financial Statements
September 30, 2020

NOTE 6 - CAPITAL OUTLAY DISBURSEMENTS

The City of Moorhead had \$1,197,993 in capital outlay disbursements during the current fiscal year.

NOTE 7 - DEFINED BENEFIT PENSION PLAN

A. General Information

Plan Description and Provisions: The City of Moorhead, 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 Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Public Employees' Retirement System of Mississippi, PERS Building, 429 Mississippi Street, Jackson, MS 39201 or by calling (601) 359-3589 or 1-800-444- PERS.

Plan Funding Policy: PERS members are required to contribute 9.00% of their annual covered salary and the City of Moorhead, Mississippi is required to contribute at an actuarially determined rate. This rate was 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 City of Moorhead, Mississippi, contributions to PERS for the years ended September 30, 2020, 2019, and 2018 were \$80,459, \$78,912, and \$76,628, respectively, equal to the required contributions for each year.

NOTE 8 - FEDERAL GRANTS

During the fiscal year ended September 30, 2020, the City received federal grant and federal loan funds in the amount of \$394,794 and incurred grant expenditures in the same amount.

<u>Funding Source</u>	<u>Grant Name</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Federal Award Expended</u>
MS Development Authority	Community Development Block Grant	14.228	1133-16-264-PF-01	394,794
				<u>\$ 394,794</u>

A single audit in accordance with Uniform Guidance was not required for the year ended September 30, 2020.

CITY OF MOORHEAD, MISSISSIPPI
Notes to the Financial Statements
September 30, 2020

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Federal Grants

The City 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 expenditures of resources for allowable purposes. Any disallowance resulting from a grantor audit may become a liability of the City. No provisions for any liability that may result has been recognized in the City's financial statements

NOTE 10 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks of loss are covered by participation in a public entity risk pool that operates as a common insurance program and by acquiring commercial insurance coverage. Claims resulting from these risks have historically not exceeded insurance coverage.

NOTE 11 - ECONOMIC DEPENDENCY

The City is a rural community in the Mississippi Delta. It is dependent on ad valorem taxes and user fees from its residents to remain viable.

NOTE 12 - SUBSEQUENT EVENTS

Events that occur after the Statement of Financial 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 Financial Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Financial Position date require disclosure in the accompanying notes. Management of City of Moorhead, Mississippi evaluated the activity of the City through February 24, 2023, which is the date the financial statements are available to be issued.

NOTE 13 - COVID-19 FINANCIAL STATEMENT IMPACTS

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. The extent of the impact of COVID-19 on the City's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the Town's, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the City's net position and changes in net assets/fund balance and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

SUPPLEMENTAL INFORMATION

CITY OF MOORHEAD, MISSISSIPPI
Schedule of Capital Assets
For the Year Ended September 30, 2020

Governmental Activities:	Balance at 10/01/19	Additions	Deletions	Balance at 09/30/20
<i>Non-Depreciable Assets</i>				
Land	\$ 29,990	-	-	\$ 29,990
Construction in progress	562,941	22,428	-	585,369
Total Non-Depreciable Assets	<u>592,931</u>	<u>22,428</u>	<u>-</u>	<u>615,359</u>
<i>Depreciable Capital Assets</i>				
Buildings	485,630	-	-	485,630
Improvements other than buildings	566,370	-	-	566,370
Machinery and equipment	11,801	37,436	-	49,237
Motor vehicles	53,017	-	-	53,017
Infrastructure	464,913	-	-	464,913
Total Depreciable Capital Assets	<u>1,581,731</u>	<u>37,436</u>	<u>-</u>	<u>1,619,167</u>
Total Governmental Capital Assets	<u>\$ 2,174,662</u>	<u>59,864</u>	<u>-</u>	<u>\$ 2,234,526</u>
Business - Type Activities:				
<i>Non-Depreciable Assets</i>				
Land	\$ 83,196	-	-	\$ 83,196
Construction in progress	1,864,992	1,197,993	-	3,062,985
Total Non-Depreciable Assets	<u>1,948,188</u>	<u>1,197,993</u>	<u>-</u>	<u>3,146,181</u>
<i>Depreciable Capital Assets</i>				
Infrastructure	3,098,780	-	-	3,098,780
Machinery and equipment	189,706	-	-	189,706
Total Depreciable Capital Assets	<u>3,288,486</u>	<u>-</u>	<u>-</u>	<u>3,288,486</u>
Total Business-Type Capital Assets	<u>\$ 5,236,674</u>	<u>1,197,993</u>	<u>-</u>	<u>\$ 6,434,667</u>

Schedule 2

CITY OF MOORHEAD, MISSISSIPPI
Schedule of Long -Term Debt
September 30, 2020

	Interest Rates	Issue Date	Final Maturity Date	Authorized	Issued	Balance at 10/01/19	Additions	Deletion	Balance at 09/30/20
General Government:									
General Obligations Bonds:									
Public improvement bonds	4.375% - 5.70%	02/01/2001	02/01/2021	\$ 490,000	\$ 490,000	\$ 78,000	-	-	\$ 78,000
Notes Payable									
Bank note payable	5.150%	02/08/2018	02/05/2023	11,800	11,800	6,838	-	2,308	4,530
Bank note payable	4.860%	09/01/2020	09/05/2024	19,656	19,656	-	19,656	-	19,656
Bank note payable	5.175%	10/24/2018	11/05/2022	16,793	16,793	13,597	-	2,685	10,912
Obligations Under Capital Leases:									
Capital lease - two police cars	3.640%	07/12/2018	07/12/2022	49,822	49,822	36,031	-	11,254	24,777
Total General Government Debt				\$ 588,071	\$ 588,071	\$ 134,466	19,656	16,247	\$ 137,875
Business Type - Activities									
Revenue Bonds									
1999 Water Junior Lien Revenue	4.50%	01/22/1999	01/22/2034	\$ 349,200	\$ 349,200	\$ 214,454	-	11,138	\$ 203,316
Combined Water/Sewer Bond	2.50%	03/13/2019	03/13/2054	1,122,000	1,122,000	1,122,000	-	18,534	1,103,466
Combined Water/Sewer Bond	2.375%	03/13/2019	03/13/2054	600,000	600,000	600,000	-	10,432	589,568
Total Revenue Bonds				2,071,200	2,071,200	1,936,454	-	40,104	1,896,350
Notes Payable:									
Note Payable - Guaranty Bank	5.150%	02/08/2018	2/05/2023	11,800	11,800	6,838	-	2,308	4,530
Note Payable - Guaranty Bank	5.175%	10/24/2018	11/05/2022	16,793	16,793	13,597	-	2,686	10,911
Total Proprietary Debt				\$ 2,099,793	\$ 2,099,793	\$ 1,956,889	-	45,098	\$ 1,911,791
Grand Total				\$ 2,687,864	\$ 2,687,864	\$ 2,091,355	19,656	61,345	\$ 2,049,666

CITY OF MOORHEAD, MISSISSIPPI
Schedule of Surety Bonds for Municipal Officials
September 30, 2020

Name	Position	Company	Amount of Bond
George Holland	Mayor	Brierfield and Scott Municipal Insurance	\$ 50,000
T. J. Fairley	Alderman	Brierfield and Scott Municipal Insurance	50,000
Annette Washington-Fields	Alderwoman	Brierfield and Scott Municipal Insurance	50,000
Robin Roberts	Alderman	Brierfield and Scott Municipal Insurance	50,000
Shericka Hayes	Alderwoman	Brierfield and Scott Municipal Insurance	50,000
Robert Martin	City Manager	Brierfield and Scott Municipal Insurance	50,000
Lakeshia Jones	City Clerk	Brierfield and Scott Municipal Insurance	50,000
Constance Sanders	Deputy Clerk	Brierfield and Scott Municipal Insurance	50,000
Fredrick Randle	Chief of Police	Brierfield and Scott Municipal Insurance	100,000
Position Bond	Police officers	Brierfield and Scott Municipal Insurance	60,000

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

The Honorable Mayor George Holland and
Honorable Members of the Board of Alderpersons
City of Moorhead, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Moorhead, Mississippi, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise City of Moorhead, Mississippi cash financial statements and have issued our report thereon dated February 24, 2023.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Moorhead, 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 Standard*.

Purpose of this Report

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


Ridgeland, Mississippi
February 24, 2023

CITY OF MOORHEAD, MISSISSIPPI
SCHEDULE OF AUDIT FINDINGS AND RESPONSES
Year Ended September 30, 2020

For the year ended September 30, 2019, we did not identify any deficiencies other than those that were not corrected from prior years.

CITY OF MOORHEAD, MISSISSIPPI
AUDITEE'S SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended September 30, 2020

Finding 2016-001 - Financial Statements and Related Disclosures

Statement of Condition

Management requested the auditors prepare a draft of the City's financial statements, including the related notes to the financial statements. Outsourcing of this service is not unusual in Cities of your size and is a result of the City's cost benefit decision to use our accounting expertise rather than to ensure internal resource costs.

Current Status: Not Corrected

Finding 2016-002 - Capital Assets

Statement of Condition

The City does not maintain an adequate capital asset subsidiary ledger that properly tracks capital asset activity.

Current Status: Not Corrected

STATE LEGAL COMPLIANCE SECTION



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

The Honorable Mayor George Holland and
Honorable Members of the Board of Alderpersons
City of Moorhead, Mississippi

We have audited the cash basis financial statements of the City of Moorhead, Mississippi, (the City) as of and for the year ended September 30, 2020, and have issued our report thereon dated February 24, 2023.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States America, *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

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

The results of procedures performed to test compliance with certain other laws and regulations and our audit of the financial statements disclosed no instances of noncompliance with other state laws and regulations.

This report is intended solely for the information and use of the Mayor, Board of Alderpersons, management and federal awarding agencies and pass-through entities 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.

A handwritten signature in black ink that reads "Brown, Ewing & Co." in a cursive script.

Ridgeland, Mississippi
February 24, 2023