

## OFFICE OF THE STATE AUDITOR REPORT NOTE:

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

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

**TOWN OF FLORA, MISSISSIPPI**  
**AUDITED FINANCIAL STATEMENTS**  
**And**  
**SPECIAL REPORT**

**SEPTEMBER 30, 2021**

# **TOWN OF FLORA, MISSISSIPPI**

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**TOWN OF FLORA, MISSISSIPPI**

**FINANCIAL SECTION**

# Windham and Lacey, PLLC

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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, 2021 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.

#### **Auditors' 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. 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 auditors consider 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, 2021, 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*

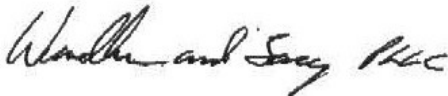
Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedules be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements is required by the Governmental Accounting Standards 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.

## 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  
July 14, 2022

**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, 2021**

Functions/Programs	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Position		
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General government	\$ 281,793	27,002	228,882		(25,909)		(25,909)
Public safety	745,651	216,538		724,287	195,174		195,174
Public works	806,323				(806,323)		(806,323)
Culture and recreation	29,183				(29,183)		(29,183)
Principal and interest on long-term debt	22,203				(22,203)		(22,203)
Total Governmental Activities	<u>1,885,153</u>	<u>243,540</u>	<u>228,882</u>	<u>724,287</u>	<u>(688,444)</u>	<u>0</u>	<u>(688,444)</u>
Business-type Activities:							
Water/sewer utility	<u>531,260</u>	<u>528,205</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(3,055)</u>	<u>(3,055)</u>
Total Government	<u>\$ 2,416,413</u>	<u>771,745</u>	<u>228,882</u>	<u>724,287</u>	<u>(688,444)</u>	<u>(3,055)</u>	<u>(691,499)</u>
General Receipts and Transfers							
Taxes:							
Property taxes					\$ 433,879		433,879
In lieu of taxes					15,883		15,883
Sales tax					449,313		449,313
Franchise taxes					45,160		45,160
Grants and contributions not restricted to specific programs					18,243		18,243
Unrestricted investment income					3,243	863	4,106
Miscellaneous					<u>153,816</u>	<u>305</u>	<u>154,121</u>
Total General Receipts and Transfers					<u>1,119,537</u>	<u>1,168</u>	<u>1,120,705</u>
Change in Net Position					431,093	(1,887)	429,206
Net Position - Beginning					<u>1,161,107</u>	<u>405,963</u>	<u>1,567,070</u>
Net Position - Ending					<u>\$ 1,592,200</u>	<u>404,076</u>	<u>1,996,276</u>

**(Continued)**



**TOWN OF FLORA, MISSISSIPPI**  
**Statement of Activities and Net Position - Cash Basis**  
**As of and for the Year Ended September 30, 2021**

<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,652,621
Restricted cash	<u>343,655</u>
Total Assets	\$ <u><u>1,996,276</u></u>
<b>NET POSITION</b>	
Restricted:	
Restricted for fire protection	\$ 29,377
Restricted for meter deposits	21,235
Restricted for unemployment compensation	5,110
Restricted for public works	287,933
Unrestricted	<u>1,652,621</u>
Total Net Position	\$ <u><u>1,996,276</u></u>

The accompanying 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, 2021**

	<b>Governmental Activities</b>					<b>Business-type Activities</b>
	<b>Major Fund</b>					
	<b>General Fund</b>	<b>BP Fund</b>	<b>ARPA Fund</b>	<b>Other Governmental Fund</b>	<b>Total Governmental Activities</b>	<b>Water/Sewer</b>
<b>RECEIPTS</b>						
Ad valorem taxes	\$ 433,879				433,879	
License and permits	27,831				27,831	
Franchise taxes on utilities	45,160				45,160	
State shared revenues:						
Sales and use taxes	419,084			59,276	478,360	
Homestead exemption reimbursement	11,762				11,762	
General municipal aid	6,481				6,481	
Grand Gulf in lieu of taxes	14,533				14,533	
Local grant	649,673				649,673	
CARES Act	44,174				44,174	
Charges for services:						
Garbage						98,819
Water and sewer utility						429,386
BP grant		44,660		45,566	90,226	
ARPA grant			228,882		228,882	
Fines and forfeits	172,885				172,885	
Interest income	2,236	760		246	3,242	863
Miscellaneous revenue	108,808				108,808	305
Total Receipts	<u>1,936,506</u>	<u>45,420</u>	<u>228,882</u>	<u>105,088</u>	<u>2,315,896</u>	<u>529,373</u>

**(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**  
**For the Year Ended September 30, 2021**

	<b>Governmental Activities</b>					<b>Business-type Activities</b>
	<b>Major Fund</b>					
	<b>General Fund</b>	<b>BP Fund</b>	<b>ARPA Fund</b>	<b>Other Governmental Fund</b>	<b>Total Governmental Activities</b>	<b>Water/Sewer</b>
<b>DISBURSEMENTS</b>						
General government	281,793				281,793	
Public safety	663,340			5,992	669,332	
Public works	741,082	55,340		9,901	806,323	
Culture and recreation	29,183				29,183	
Water and sewer utility:						
Personal services						170,004
Supplies						11,943
Utilities						33,645
Garbage contract services						91,284
Other services and charges						145,804
Principal retirement	20,719				20,719	14,305
Interest expense	1,484				1,484	31,947
Total Disbursements	<u>1,737,601</u>	<u>55,340</u>	<u>0</u>	<u>15,893</u>	<u>1,808,834</u>	<u>498,932</u>
Excess of Receipts Over (Under) Disbursements	<u>198,905</u>	<u>(9,920)</u>	<u>228,882</u>	<u>89,195</u>	<u>507,062</u>	<u>30,441</u>
<b>OTHER CASH SOURCES (USES)</b>						
Insurance proceeds	350				350	
Capital outlay	(67,185)			(9,134)	(76,319)	(32,328)
Total Other Cash Sources and (Uses)	<u>(66,835)</u>	<u>0</u>	<u>0</u>	<u>(9,134)</u>	<u>(75,969)</u>	<u>(32,328)</u>

**(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**  
**For the Year Ended September 30, 2021**

	<b>Governmental Activities</b>					<b>Business-type Activities</b>
	<b>Major Fund</b>					
	<b>General Fund</b>	<b>BP Fund</b>	<b>ARPA Fund</b>	<b>Other Governmental Fund</b>	<b>Total Governmental Activities</b>	<b>Water/Sewer</b>
Excess (Deficiency) of Receipts and Other Cash Sources Over Disbursements and Other Cash Uses	132,070	(9,920)	228,882	80,061	431,093	(1,887)
<b>CASH BASIS FUND BALANCE - Beginning of Year</b>	<u>784,983</u>	<u>297,853</u>	<u>0</u>	<u>78,271</u>	<u>1,161,107</u>	<u>405,963</u>
<b>CASH BASIS FUND BALANCE - End of Year</b>	<u>\$ 917,053</u>	<u>287,933</u>	<u>228,882</u>	<u>158,332</u>	<u>1,592,200</u>	<u>404,076</u>
<b>CASH BASIS ASSETS - End of Year</b>						
Cash and cash equivalents	\$ 917,053	287,933	228,882	158,332	1,592,200	382,841
Restricted cash						21,235
Total Cash Basis Assets	<u>\$ 917,053</u>	<u>287,933</u>	<u>228,882</u>	<u>158,332</u>	<u>1,592,200</u>	<u>404,076</u>
<b>CASH BASIS FUND BALANCES - End of Year</b>						
Restricted:						
Restricted for fire protection	\$			54,953	54,953	
Restricted for meter deposits						21,235
Restricted for unemployment compensation	5,110				5,110	
Restricted for capital projects		287,933		103,379	391,312	
Unassigned	<u>911,943</u>		<u>228,882</u>		<u>1,140,825</u>	<u>382,841</u>
Total Cash Basis Fund Balances	<u>\$ 917,053</u>	<u>287,933</u>	<u>228,882</u>	<u>158,332</u>	<u>1,592,200</u>	<u>404,076</u>

The accompanying 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, 2021

#### (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, 2021

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, 2021**

**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, 2021, 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, 2021**

**(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, 2021.

**(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 July 14, 2022, and determined that no subsequent events met the disclosure requirements.



**TOWN OF FLORA, MISSISSIPPI**

**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF FLORA, MISSISSIPPI**  
**Budgetary Comparison Schedule -**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended September 30, 2021 - UNAUDITED**

		<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUE</b>					
General property taxes	\$	435,300	871,206	871,206	
Other taxes			17,215	17,215	
Intergovernmental revenues		391,080	694,979	694,979	
License and permits		79,600	70,309	70,309	
Fines and forfeits		40,000	173,103	173,103	
Interest income			2,236	2,236	
Miscellaneous revenue		24,475	343,387	343,387	
Total Revenue		<u>970,455</u>	<u>2,172,435</u>	<u>2,172,435</u>	<u>0</u>
<b>EXPENDITURES</b>					
General government		278,584	318,434	318,434	
Public safety		666,825	752,729	752,729	
Public works		68,080	741,082	741,082	
Total Expenditures		<u>1,013,489</u>	<u>1,812,245</u>	<u>1,812,245</u>	<u>0</u>
Excess of Revenue					
Over (Under) Expenditures		<u>(43,034)</u>	<u>360,190</u>	<u>360,190</u>	<u>0</u>
Net Change in Cash Basis Fund Balance		<u>(43,034)</u>	<u>360,190</u>	<u>360,190</u>	<u>0</u>
Cash Basis Fund Balances - Beginning		<u>635,171</u>	<u>1,032,101</u>	<u>1,032,101</u>	<u>0</u>
Cash Basis Fund Balances - Ending	\$	<u><u>592,137</u></u>	<u><u>1,392,291</u></u>	<u><u>1,392,291</u></u>	<u><u>0</u></u>

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

**TOWN OF FLORA, MISSISSIPPI**  
**Budgetary Comparison Schedule -**  
**Budget and Actual**  
**ARPA Fund**  
**For the Year Ended September 30, 2021 - UNAUDITED**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Intergovernmental revenues:				
Federal revenues:				
American Rescue Plan Act (ARPA)	\$ <u>0</u>	<u>228,882</u>	<u>228,882</u>	<u></u>
Total Receipts	<u>0</u>	<u>228,882</u>	<u>228,882</u>	<u>0</u>
<b>DISBURSEMENTS</b>				
Total Disbursements	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenue				
Over (Under) Expenditures	<u>0</u>	<u>228,882</u>	<u>228,882</u>	<u>0</u>
Net Change in Cash Basis Fund Balance	<u>0</u>	<u>228,882</u>	<u>228,882</u>	<u>0</u>
Cash Basis Fund Balances - Beginning	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Basis Fund Balances - Ending	\$ <u><u>0</u></u>	<u><u>228,882</u></u>	<u><u>228,882</u></u>	<u><u>0</u></u>

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

**TOWN OF FLORA**  
**Budgetary Comparison Schedule -**  
**Budget and Actual**  
**BP Fund**  
**For the Year Ended September 30, 2021 - UNAUDITED**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Miscellaneous revenue:				
BP grant	\$ 100,000	44,660	44,660	
Interest income	120	760	760	
Total Receipts	<u>100,120</u>	<u>45,420</u>	<u>45,420</u>	<u>0</u>
<b>DISBURSEMENTS</b>				
Public works	<u>299,880</u>	<u>55,340</u>	<u>55,340</u>	
Total Disbursements	<u>299,880</u>	<u>55,340</u>	<u>55,340</u>	<u>0</u>
Excess of Revenue				
Over (Under) Expenditures	<u>(199,760)</u>	<u>(9,920)</u>	<u>(9,920)</u>	<u>0</u>
Net Change in Cash Basis Fund Balance	(199,760)	(9,920)	(9,920)	0
Cash Basis Fund Balances - Beginning	<u>0</u>	<u>0</u>	<u>297,853</u>	<u>297,853</u>
Cash Basis Fund Balances - Ending	\$ <u>(199,760)</u>	<u>(9,920)</u>	<u>287,933</u>	<u>297,853</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, 2021 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, the ARPA Fund and the BP 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, MISSISSIPPI**  
**Schedule of Surety Bonds for Municipal Officials and Employees**  
**September 30, 2021**

<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**  
**For the Year Ended September 30, 2021 - UNAUDITED**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital Assets:				
Land	\$ 183,784			183,784
Construction in progress		35,000		35,000
Buildings	1,286,709			1,286,709
Improvements other than buildings	12,954			12,954
Machinery, equipment, and vehicles	1,553,389	76,319	20,648	1,650,356
Gas utility	589,575			589,575
Infrastructure	<u>3,046,806</u>			<u>3,046,806</u>
Total Governmental Activities Capital Assets	\$ <u>6,673,217</u>	<u>111,319</u>	<u>20,648</u>	<u>6,805,184</u>
<b>Business type Activities</b>				
Capital Assets:				
Machinery, equipment, and vehicles	\$ 166,178			166,178
Water tanks, treatment plants, and lines	4,266,148	32,328		4,298,476
Construction in progress	<u>329,869</u>	<u>649,673</u>		<u>979,542</u>
Total Business-type Activities Capital Assets	\$ <u>4,762,195</u>	<u>682,001</u>	<u>0</u>	<u>5,444,196</u>



**TOWN OF FLORA, MISSISSIPPI**  
**Schedule of Changes in Long-term Debt**  
**For the Year Ended September 30, 2021 - UNAUDITED**

<u>Definition and Purpose</u>	<u>Balance Outstanding Oct. 1, 2020</u>	<u>Transactions During Fiscal Year</u>		<u>Adjustments</u>	<u>Balance Outstanding Sept. 30, 2021</u>
		<u>Issued</u>	<u>Redeemed</u>		
Governmental Activities:					
Lease purchase	\$ 40,596		20,720		19,876
Business-type Activities:					
Lease purchases	46,781		37,814		8,967
CAP loan	<u>396,101</u>	<u></u>	<u>23,002</u>	<u>(180)</u>	<u>373,099</u>
Total	\$ <u>483,478</u>	<u>0</u>	<u>81,536</u>	<u>(180)</u>	<u>401,942</u>

**TOWN OF FLORA, MISSISSIPPI**

**SPECIAL REPORT**

# Windham and Lacey, PLLC

## *Certified Public Accountants*

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Members:  
American Institute of CPAs  
Mississippi Society of CPAs

### **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS**

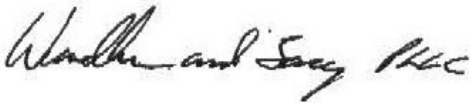
Honorable Mayor and  
Members of the Board of Aldermen  
Town of Flora, Mississippi

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, 2021, and have issued our report thereon dated July 14, 2022. 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  
July 14, 2022

**TOWN OF FLORA, MISSISSIPPI**

**SCHEDULE OF FINDINGS**

**TOWN OF FLORA, MISSISSIPPI**  
**Schedule of Findings**  
**For the Year Ended September 30, 2021**

Section 1: Summary of Auditors' Results

*Financial Statements:*

- |    |                                                                                        |               |
|----|----------------------------------------------------------------------------------------|---------------|
| 1. | Type of auditors' 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*.