

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, 2023

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

Opinion

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 Town of Flora, Mississippi, as of and for the year ended September 30, 2023, and the related Notes to the Financial Statements, which collectively comprise the Town of Flora, Mississippi's cash basis financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Flora, Mississippi, as of September 30, 2023, and the respective changes in cash basis financial position thereof for the year then ended in accordance with cash basis of accounting.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Flora, Mississippi, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with cash basis of accounting, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Flora, Mississippi's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

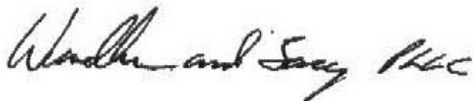
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town of Flora, Mississippi's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Flora, Mississippi's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Budgetary Comparison Schedules, the Schedule of Surety Bonds for Municipal Officials and Employees, the Schedule of Capital Assets, the Schedule of Changes in Long-term Debt of Flora, Mississippi, and the corresponding notes but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



Windham and Lacey, PLLC
September 24, 2024

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, 2023

| | | 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 |
| Functions/Programs | | | | | | | |
| Governmental Activities: | | | | | | | |
| General government | \$ | 445,807 | 50,269 | | | (395,538) | (395,538) |
| Public safety | | 1,212,477 | 114,230 | 50,549 | | (1,047,698) | (1,047,698) |
| Public works | | 894,949 | | | 2,519,211 | 1,624,262 | 1,624,262 |
| Culture and recreation | | 39,978 | | | | (39,978) | (39,978) |
| Principal and interest on long-term debt | | 15,071 | | | | (15,071) | (15,071) |
| Total Governmental Activities | | <u>2,608,282</u> | <u>164,499</u> | <u>50,549</u> | <u>2,519,211</u> | <u>125,977</u> | <u>0</u> |
| Business-type Activities: | | | | | | | |
| Water/Sewer Utility | | <u>686,147</u> | <u>826,876</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>140,729</u> |
| Total Government | \$ | <u>3,294,429</u> | <u>991,375</u> | <u>50,549</u> | <u>2,519,211</u> | <u>125,977</u> | <u>140,729</u> |
| General Receipts and Transfers | | | | | | | |
| Taxes: | | | | | | | |
| Property taxes | | | | | \$ | 602,555 | 602,555 |
| In lieu of taxes | | | | | | 13,996 | 13,996 |
| Sales tax | | | | | | 514,190 | 514,190 |
| Modernization use tax | | | | | | 109,698 | 109,698 |
| Franchise taxes | | | | | | 49,403 | 49,403 |
| Grants and contributions not restricted to specific programs | | | | | | 20,526 | 20,526 |
| Unrestricted investment income | | | | | | 10,727 | 3,876 |
| Miscellaneous | | | | | | 158,260 | 188 |
| Total General Receipts and Transfers | | | | | | <u>1,479,355</u> | <u>4,064</u> |
| Change in Net Position | | | | | | <u>1,605,332</u> | <u>144,793</u> |
| Net Position - Beginning, as Previously Reported | | | | | | 2,960,649 | 486,133 |
| Prior Period Adjustment | | | | | | 2,419 | (7,179) |
| Net Position - Beginning, as Restated | | | | | | <u>2,963,068</u> | <u>478,954</u> |
| Net Position - Ending | \$ | | | | | <u>4,568,400</u> | <u>623,747</u> |

(Continued)

TOWN OF FLORA, MISSISSIPPI
Statement of Activities and Net Position - Cash Basis
As of and for the Year Ended September 30, 2023

ASSETS

| | |
|---------------------------|---------------------|
| Cash and cash equivalents | \$ 757,085 |
| Restricted cash | <u>4,435,062</u> |
| Total Assets | \$ <u>5,192,147</u> |

NET POSITION

| | |
|--|---------------------|
| Restricted: | |
| Restricted for fire protection | \$ 14,683 |
| Restricted for meter deposits | 21,235 |
| Restricted for unemployment compensation | 5,152 |
| Restricted for public safety | 7,501 |
| Restricted for public works | 602,512 |
| Restricted for capital projects | 3,783,980 |
| Unrestricted | <u>757,084</u> |
| Total Net Position | \$ <u>5,192,147</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, 2023

| | Governmental Activities | | | | | | Business-type Activities |
|---|--------------------------------|---------------------|--------------------|-------------------------------|---------------------------------|--------------------------------------|---------------------------------|
| | Major Funds | | | | | | Major Fund |
| | General Fund | HB 1353 Fund | HB 603 Fund | Senate Bill #2971 Fund | Other Governmental Funds | Total Governmental Activities | Water/Sewer |
| RECEIPTS | | | | | | | |
| Ad valorem taxes | \$ 602,555 | | | | | 602,555 | |
| License and permits | 53,995 | | | | | 53,995 | |
| Franchise taxes on utilities | 49,403 | | | | | 49,403 | |
| State shared revenues: | | | | | | | |
| Sales and use taxes | 514,190 | | | | | 514,190 | |
| Homestead exemption reimbursement | 14,865 | | | | | 14,865 | |
| Fire insurance premium tax distribution | 15,217 | | | | | 15,217 | |
| General municipal aid | 5,661 | | | | | 5,661 | |
| Grand Gulf in lieu of taxes | 13,996 | | | | | 13,996 | |
| Modernization infrastructure | | | | | 109,698 | 109,698 | |
| Other grants | 40,549 | | 2,500,000 | | 29,211 | 2,569,760 | |
| Charges for services: | | | | | | | |
| Garbage | | | | | | | 133,807 |
| Water and sewer utility | | | | | | | 651,597 |
| Fines and forfeits | 122,165 | | | | | 122,165 | |
| Interest income | 7,486 | 2,559 | 154 | | 528 | 10,727 | 3,877 |
| Miscellaneous revenue | 105,558 | | | | | 105,558 | 41,660 |
| Total Receipts | <u>1,545,640</u> | <u>2,559</u> | <u>2,500,154</u> | <u>0</u> | <u>139,437</u> | <u>4,187,790</u> | <u>830,941</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, 2023

| | Governmental Activities | | | | | | Business-type Activities |
|--|--------------------------------|---------------------|--------------------|-------------------------------|---------------------------------|--------------------------------------|---------------------------------|
| | Major Funds | | | | | | Major Fund |
| | General Fund | HB 1353 Fund | HB 603 Fund | Senate Bill #2971 Fund | Other Governmental Funds | Total Governmental Activities | Water/Sewer |
| DISBURSEMENTS | | | | | | | |
| General government | 439,407 | | | | | 439,407 | |
| Public safety | 974,649 | | | | 49,823 | 1,024,472 | |
| Public works | 69,745 | 325,298 | | 323,550 | 124,436 | 843,029 | |
| Culture and recreation | 39,978 | | | | | 39,978 | |
| Water and sewer utility: | | | | | | | |
| Personal services | | | | | | | 218,422 |
| Supplies | | | | | | | 23,366 |
| Utilities | | | | | | | 59,559 |
| Garbage contract services | | | | | | | 139,879 |
| Other services and charges | | | | | | | 127,680 |
| Principal retirement | 15,071 | | | | | 15,071 | 24,246 |
| Interest expense | | | | | | | 7,702 |
| Total Disbursements | <u>1,538,850</u> | <u>325,298</u> | <u>0</u> | <u>323,550</u> | <u>174,259</u> | <u>2,361,957</u> | <u>600,854</u> |
| Excess of Receipts over (under) Disbursements | <u>6,790</u> | <u>(322,739)</u> | <u>2,500,154</u> | <u>(323,550)</u> | <u>(34,822)</u> | <u>1,825,833</u> | <u>230,087</u> |
| OTHER CASH SOURCES (USES) | | | | | | | |
| Insurance proceeds | 25,825 | | | | | 25,825 | |
| Capital outlay | (246,326) | | | | | (246,326) | (85,294) |
| Total Other Cash Sources and (Uses) | <u>(220,501)</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>(220,501)</u> | <u>(85,294)</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, 2023

| | Governmental Activities | | | | | | Business-type Activities |
|---|--------------------------------|---------------------|--------------------|-------------------------------|---------------------------------|--------------------------------------|---------------------------------|
| | Major Funds | | | | | | Major Fund |
| | General Fund | HB 1353 Fund | HB 603 Fund | Senate Bill #2971 Fund | Other Governmental Funds | Total Governmental Activities | Water/Sewer |
| Excess (Deficiency) of Receipts and Other Cash Sources Over Disbursements and Other Cash Uses | (213,711) | (322,739) | 2,500,154 | (323,550) | (34,822) | 1,605,332 | 144,793 |
| CASH BASIS FUND BALANCE - Beginning of Year | 981,477 | 1,000,130 | | 323,550 | 655,492 | 2,960,649 | 486,133 |
| Prior Period Adjustment | 1,972 | | | | 447 | 2,419 | (7,179) |
| CASH BASIS FUND BALANCE - As restated | 983,449 | 1,000,130 | 0 | 323,550 | 655,939 | 2,963,068 | 478,954 |
| CASH BASIS FUND BALANCE - End of Year | <u>\$ 769,738</u> | <u>677,391</u> | <u>2,500,154</u> | <u>0</u> | <u>621,117</u> | <u>4,568,400</u> | <u>623,747</u> |
| CASH BASIS ASSETS - End of Year | | | | | | | |
| Cash and cash equivalents | \$ 764,586 | 677,391 | 2,500,154 | | 621,117 | 4,563,248 | 602,512 |
| Restricted cash | 5,152 | | | | | 5,152 | 21,235 |
| Total Cash Basis Assets | <u>\$ 769,738</u> | <u>677,391</u> | <u>2,500,154</u> | <u>0</u> | <u>621,117</u> | <u>4,568,400</u> | <u>623,747</u> |
| CASH BASIS FUND BALANCES - End of Year | | | | | | | |
| Restricted: | | | | | | | |
| Fire protection | \$ | | | | 14,683 | 14,683 | |
| Public safety | 7,501 | | | | | 7,501 | |
| Public works | | | | | | | 602,512 |
| Unemployment compensation | 5,152 | | | | | 5,152 | |
| Capital projects | | 677,391 | 2,500,154 | | 606,434 | 3,783,979 | |
| Meter deposits | | | | | | | 21,235 |
| Unassigned | 757,085 | | | | | 757,085 | |
| Total Cash Basis Fund Balances | <u>\$ 769,738</u> | <u>677,391</u> | <u>2,500,154</u> | <u>0</u> | <u>621,117</u> | <u>4,568,400</u> | <u>623,747</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, 2023

(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 Funds:

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.

The *House Bill #1353 Grant fund* accounts for funds from the Capital Expense Fund to local governments and Rural Water System Improvements Revolving Loan Funds.

The *HB #603 fund* accounts for House Bill 603 grant funds.

TOWN OF FLORA, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2023

The *Senate Bill #2971 fund* accounts for grant funds from the State of Mississippi.

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 \$4,435,062 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, 2023

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

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

(2) Prior Period Adjustments.

All prior period adjustments were for old outstanding checks that the Town voided.

(3) Cash and Cash Equivalents.

At year-end, the Town's carrying amount of deposits was \$5,192,147 and the bank balance was \$5,417,897. 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, 2023, none of the Town's bank balance of \$5,417,897 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.

(4) 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

TOWN OF FLORA, MISSISSIPPI

**Notes to Financial Statements
For the Year Ended September 30, 2023**

Legislature. The Town's contributions to PERS for the years ended September 30, 2023 and 2022 were \$127,635 and \$111,896, 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, 2023**

(5) Tax Abatements.

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

The Town of Flora's Board of Aldermen and the Madison County Board of Supervisors negotiates property tax abatements on an individual basis. The Town has no tax abatement agreements with any entities as of September 30, 2023.

(6) Subsequent Events.

Events that occur after the Statement of Net Cash Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Cash Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management of the Town of Flora, Mississippi evaluated the activity of the Town through September 24, 2024, and determined that no subsequent events met the disclosure requirements.

TOWN OF FLORA, MISSISSIPPI

OTHER INFORMATION

TOWN OF FLORA, MISSISSIPPI
Budgetary Comparison Schedule -
Budget and Actual
General Fund
For the Year Ended September 30, 2023 - UNAUDITED

| | Original Budget | Final Budget | Actual (Budgetary Basis) | Variance with Final Budget Positive (Negative) |
|---|----------------------------|-------------------------|---|---|
| REVENUE | | | | |
| General property taxes | \$ 460,900 | 602,555 | 602,555 | |
| Other taxes | | 89,952 | 89,952 | |
| Intergovernmental revenues | 497,550 | 604,478 | 604,478 | |
| License and permits | 71,100 | 53,995 | 53,995 | |
| Fines and forfeits | 72,000 | 122,165 | 122,165 | |
| Interest income | | 7,486 | 7,486 | |
| Miscellaneous revenue | | 90,834 | 90,834 | |
| Total Revenue | <u>1,101,550</u> | <u>1,571,465</u> | <u>1,571,465</u> | <u>0</u> |
| EXPENDITURES | | | | |
| General government | 319,948 | 439,407 | 439,407 | |
| Public safety | 782,705 | 974,649 | 974,649 | |
| Public works | 90,558 | 69,745 | 69,745 | |
| Culture and recreation | | 39,978 | 39,978 | |
| Debt service | | 15,071 | 15,071 | |
| Capital outlay | | 246,326 | 246,326 | |
| Total Expenditures | <u>1,193,211</u> | <u>1,785,176</u> | <u>1,785,176</u> | <u>0</u> |
| Excess of Revenue over (under) Expenditures | <u>(91,661)</u> | <u>(213,711)</u> | <u>(213,711)</u> | <u>0</u> |
| Net Change in Cash Basis Fund Balance | <u>(91,661)</u> | <u>(213,711)</u> | <u>(213,711)</u> | <u>0</u> |
| Cash Basis Fund Balances - Beginning | | 981,477 | 981,477 | |
| Prior Period Adjustment | | 1,972 | 1,972 | |
| Cash Basis Fund Balances - Beginning, as Restated | <u>(91,661)</u> | <u>983,449</u> | <u>983,449</u> | <u>0</u> |
| Cash Basis Fund Balances - Ending | <u>\$ (91,661)</u> | <u>769,738</u> | <u>769,738</u> | <u>0</u> |

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

TOWN OF FLORA, MISSISSIPPI
Budgetary Comparison Schedule -
Budget and Actual
HB #1353 Grant Fund
For the Year Ended September 30, 2023 - UNAUDITED

| | Original Budget | Final Budget | Actual (Budgetary Basis) | Variance with Final Budget Positive (Negative) |
|--|----------------------------|-------------------------|---|---|
| REVENUES | | | | |
| Interest income | \$ | 2,559 | 2,559 | |
| Total Receipts | 0 | 2,559 | 2,559 | 0 |
| DISBURSEMENTS | | | | |
| Public works | | 325,298 | 325,298 | 0 |
| Total Disbursements | 0 | 325,298 | 325,298 | 0 |
| Excess of Revenue over (under) Expenditures | 0 | (322,739) | (322,739) | 0 |
| Net Change in Cash Basis Fund Balance | 0 | (322,739) | (322,739) | 0 |
| Cash Basis Fund Balances - Beginning | | 1,000,130 | 1,000,130 | 0 |
| Cash Basis Fund Balances - Ending | \$ 0 | 677,391 | 677,391 | 0 |

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

TOWN OF FLORA, MISSISSIPPI
Budgetary Comparison Schedule -
Budget and Actual
HB #603 Fund
For the Year Ended September 30, 2023 - UNAUDITED

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual (Budgetary Basis)</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|----------------------------|-------------------------|---|---|
| REVENUES | | | | |
| Intergovernmental revenues: | \$ | | | |
| Other grants | | 2,500,000 | 2,500,000 | |
| Interest income | | 154 | 154 | |
| Total Receipts | <u>0</u> | <u>2,500,154</u> | <u>2,500,154</u> | <u>0</u> |
| DISBURSEMENTS | | | | |
| Total Disbursements | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Excess of Revenue over (under) Expenditures | <u>0</u> | <u>2,500,154</u> | <u>2,500,154</u> | <u>0</u> |
| Net Change in Cash Basis Fund Balance | 0 | 2,500,154 | 2,500,154 | 0 |
| 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>2,500,154</u></u> | <u><u>2,500,154</u></u> | <u><u>0</u></u> |

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

TOWN OF FLORA, MISSISSIPPI
Budgetary Comparison Schedule -
Budget and Actual
Senate Bill #2971 Fund
For the Year Ended September 30, 2023 - UNAUDITED

| | Original Budget | Final Budget | Actual (Budgetary Basis) | Variance with Final Budget Positive (Negative) |
|--|----------------------------|-------------------------|---|---|
| REVENUES | | | | |
| Total Receipts | \$ 0 | 0 | 0 | 0 |
| DISBURSEMENTS | | | | |
| Public works | | 323,550 | 323,550 | |
| Total Disbursements | 0 | 323,550 | 323,550 | 0 |
| Excess of Revenue over (under) Expenditures | 0 | (323,550) | (323,550) | 0 |
| Net Change in Cash Basis Fund Balance | 0 | (323,550) | (323,550) | 0 |
| Cash Basis Fund Balances - Beginning | | 323,550 | 323,550 | 0 |
| Cash Basis Fund Balances - Ending | \$ 0 | 0 | 0 | 0 |

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

TOWN OF FLORA, MISSISSIPPI
Schedule of Surety Bonds for Municipal Officials and Employees
September 30, 2023 - 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 | Aldерwoman | 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 |
| Anna Carole Evans | 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 |
| Sheila Blakeley | Water Clerk | Travelers Casualty | \$50,000 |
| Arty Girod | Police Chief | Travelers Casualty | \$50,000 |
| Patrick Echols | Police Chief | Travelers Casualty | \$50,000 |
| Various | Police Officer, each | Travelers Casualty | \$25,000 |

TOWN OF FLORA, MISSISSIPPI
Schedule of Capital Assets
For the Year Ended September 30, 2023 - UNAUDITED

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Reclassifications and Decreases</u> | <u>Ending Balance</u> |
|--|------------------------------|------------------|--|---------------------------|
| Governmental Activities | | | | |
| Capital Assets: | | | | |
| Land | \$ 183,784 | | | 183,784 |
| Construction in progress | | 751,611 | | 751,611 |
| Buildings | 1,286,709 | | | 1,286,709 |
| Improvements other than buildings | 12,954 | 6,400 | | 19,354 |
| Machinery, equipment, and vehicles | 1,709,120 | 112,163 | (54,360) | 1,766,923 |
| Gas utility | 589,575 | | | 589,575 |
| Infrastructure | <u>3,081,806</u> | | | <u>3,081,806</u> |
| Total Governmental Activities Capital Assets | <u>\$ 6,863,948</u> | <u>870,174</u> | <u>(54,360)</u> | <u>7,679,762</u> |
| Business-type Activities | | | | |
| Capital Assets: | | | | |
| Machinery, equipment, and vehicles | \$ 166,178 | 27,435 | | 193,613 |
| Infrastructure | 4,298,476 | | | 4,298,476 |
| Construction in progress | <u>979,542</u> | <u>26,187</u> | | <u>1,005,729</u> |
| Toal Business-type Activities Capital Assets | <u>\$ 5,444,196</u> | <u>53,622</u> | <u>0</u> | <u>5,497,818</u> |

TOWN OF FLORA, MISSISSIPPI
Schedule of Changes in Long-term Debt
For the Year Ended September 30, 2023 - UNAUDITED

| Definition and Purpose | Balance Outstanding Oct. 1, 2022 | Transactions During Fiscal Year | | Balance Outstanding Sept. 30, 2023 |
|-------------------------------|---|--|-----------------|---|
| | | Issued | Redeemed | |
| Governmental Activities: | | | | |
| Lease purchase | \$ 35,800 | | 13,836 | 21,964 |
| Business-type Activities: | | | | |
| CAP loan | 349,209 | | 23,710 | 325,499 |
| Total | \$ 385,009 | 0 | 37,546 | 347,463 |

TOWN OF FLORA, MISSISSIPPI

Notes to the Other Information For the Year Ended September 30, 2023 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 HB #1353 Grant Fund, the HB 603 Fund, and the Senate Bill #2971 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

SPECIAL REPORT

Windham and Lacey, PLLC

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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, 2023, and have issued our report thereon dated September 24, 2024. 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 24, 2024

TOWN OF FLORA, MISSISSIPPI

SCHEDULE OF FINDINGS

TOWN OF FLORA, MISSISSIPPI
Schedule of Findings
For the Year Ended September 30, 2023

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.