

## 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 MARION, MISSISSIPPI**

**AUDITED FINANCIAL STATEMENTS  
and  
SPECIAL REPORT**

**SEPTEMBER 30, 2022**

**TOWN OF MARION, MISSISSIPPI**

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**TOWN OF MARION, MISSISSIPPI**

**FINANCIAL SECTION**

# Windham and Lacey, PLLC

## *Certified Public Accountants*

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2708 Old Brandon Road  
Pearl, MS 39208  
(601)939-8676 Fax (601)939-8761  
windhamandlacey.com

P. O. Box 759  
Crystal Springs, MS 39059  
(601)892-4001 Fax (601)892-5978

Members:  
American Institute of CPAs  
Mississippi Society of CPAs

### **INDEPENDENT AUDITORS' REPORT**

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

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Marion, Mississippi, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Town of Marion, 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 cash basis financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Marion, Mississippi, as of September 30, 2022, and the respective changes in cash basis financial position thereof for the year then ended in accordance with cash basis of accounting.

#### **Basis for Opinions**

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 Marion, 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 opinions.

#### **Responsibility of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with cash basis 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 Marion, 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 opinions. 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 Marion, 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 Marion, 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.

## **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.

## **Supplementary Information**

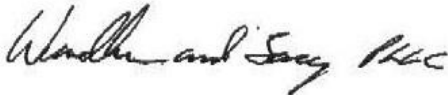
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Marion, Mississippi's cash basis financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the cash basis financial statements. The information has been subjected to the auditing procedures applied in the audit of the cash basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial

statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements are fairly stated, in all material respects, in relation to the cash basis financial statements as a whole.

### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the cash basis financial statements and our auditors' report thereon. Our opinions on the cash basis 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 cash basis 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.

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

Windham and Lacey, PLLC  
April 28, 2023

**TOWN OF MARION, MISSISSIPPI**

**FINANCIAL STATEMENTS**

**TOWN OF MARION, MISSISSIPPI**  
**Statement of Activities and Net Position - Cash Basis**  
**As of and for the Year Ended September 30, 2022**

	<b>Cash Disbursements</b>	<b>Program Cash Receipts</b>			<b>Net (Disbursements) Receipts and Changes in Net Position</b>		
		<b>Fees, Fines &amp; Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Functions/Programs</b>							
Governmental Activities:							
General government	\$ 251,314	13,128	736		(237,450)		(237,450)
Public safety	434,984	14,225	4,500		(416,259)		(416,259)
Public works	117,903			183,769	65,866		65,866
Interest on long-term debt	748				(748)		(748)
Total Governmental Activities	<u>804,949</u>	<u>27,353</u>	<u>5,236</u>	<u>183,769</u>	<u>(588,591)</u>	<u>0</u>	<u>(588,591)</u>
Business-type Activities:							
Water/Sewer	543,379	608,336				64,957	64,957
Sanitation	99,305					(99,305)	(99,305)
Total Business-type Activities	<u>642,684</u>	<u>608,336</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(34,348)</u>	<u>(34,348)</u>
Total Government	<u>\$ 1,447,633</u>	<u>635,689</u>	<u>5,236</u>	<u>183,769</u>	<u>(588,591)</u>	<u>(34,348)</u>	<u>(622,939)</u>
General Receipts							
Taxes:							
Property taxes					\$ 470,494	42,236	512,730
Sales tax					308,437		308,437
Homestead exemption reimbursement					15,216		15,216
Franchise taxes					71,481		71,481
Unrestricted investment income					356	223	579
Miscellaneous					142,719	8,779	151,498
Transfers					12,603	(12,603)	
Total General Receipts					<u>1,021,306</u>	<u>38,635</u>	<u>1,059,941</u>
Change in Net Position					432,715	4,287	437,002
Net Position - Beginning					<u>790,602</u>	<u>607,847</u>	<u>1,398,449</u>
Net Position - Ending					<u>\$ 1,223,317</u>	<u>612,134</u>	<u>1,835,451</u>

**TOWN OF MARION, MISSISSIPPI**  
**Statement of Activities and Net Position - Cash Basis**  
**As of and for the Year Ended September 30, 2022**

**(Continued)**

**ASSETS**

Cash and cash equivalents	\$ 1,217,598
Restricted cash	<u>617,853</u>
Total Assets	\$ <u><u>1,835,451</u></u>

**NET POSITION**

Restricted:	
Restricted for public safety	\$ 39,663
Restricted for public works	523,682
Restricted for meter deposits	54,508
Unrestricted	<u>1,217,598</u>
Total Net Position	\$ <u><u>1,835,451</u></u>

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

**TOWN OF MARION, 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, 2022**

	<u>Governmental Activities</u>					<u>Business-type Activities</u>		
	<u>Major Funds</u>					<u>Major Fund</u>		
	<u>General Fund</u>	<u>ARPA Funds</u>	<u>Modernization Funds</u>	<u>Non-Major Funds</u>	<u>Total</u>	<u>Water/Sewer Fund</u>	<u>Sanitation Fund</u>	<u>Total</u>
<b>RECEIPTS</b>								
Ad valorem taxes	\$ 449,376			21,118	470,494		42,236	42,236
License and permits	20,252				20,252			
Franchise taxes on utilities	71,481				71,481			
Intergovernmental revenues:								
Federal revenues:								
Grant		183,769			183,769			
State shared revenues:								
Sales taxes	308,437				308,437			
Homestead exemption reimbursement	15,216				15,216			
General municipal aid	736				736			
Grant				4,500	4,500			
Charges for services:								
Garbage							54,818	54,818
Water and sewer utility						553,518		553,518
Fines and forfeits	7,101				7,101			
Interest income	212	83	41	20	356	191	32	223
Miscellaneous revenue	20,206		99,600	22,913	142,719	8,383	396	8,779
Total Receipts	<u>893,017</u>	<u>183,852</u>	<u>99,641</u>	<u>48,551</u>	<u>1,225,061</u>	<u>562,092</u>	<u>97,482</u>	<u>659,574</u>

**TOWN OF MARION, MISSISSIPPI**

**(Continued)**

**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, 2022**

	<b>Governmental Activities</b>					<b>Business-type Activities</b>		
	<b>Major Funds</b>					<b>Major Fund</b>		
	<b>General Fund</b>	<b>ARPA Funds</b>	<b>Modernization Funds</b>	<b>Non-Major Funds</b>	<b>Total</b>	<b>Water/Sewer Fund</b>	<b>Sanitation Fund</b>	<b>Total</b>
<b>DISBURSEMENTS</b>								
General government	251,314				251,314			
Public safety	402,313			23,564	425,877			
Public works	117,783	120			117,903			
Water and sewer utility:								
Personal services						116,903		116,903
Supplies						39,657		39,657
Utilities						83,968		83,968
Other services and charges						221,226	99,305	320,531
Total Disbursements	<u>771,410</u>	<u>120</u>	<u>0</u>	<u>23,564</u>	<u>795,094</u>	<u>461,754</u>	<u>99,305</u>	<u>561,059</u>
Excess of Receipts Over (Under) Disbursements	<u>121,607</u>	<u>183,732</u>	<u>99,641</u>	<u>24,987</u>	<u>429,967</u>	<u>100,338</u>	<u>(1,823)</u>	<u>98,515</u>
<b>OTHER CASH SOURCES (USES)</b>								
Principal paid on bonds and notes	(9,107)				(9,107)	(53,340)		(53,340)
Interest paid on bonds and notes	(748)				(748)	(28,285)		(28,285)
Transfer	12,905			(302)	12,603	(12,000)	(603)	(12,603)
Total Other Cash Sources and (Uses)	<u>3,050</u>	<u>0</u>	<u>0</u>	<u>(302)</u>	<u>2,748</u>	<u>(93,625)</u>	<u>(603)</u>	<u>(94,228)</u>
Excess (Deficiency) of Receipts and Other Cash Sources Over Disbursements and Other Cash Uses	124,657	183,732	99,641	24,685	432,715	6,713	(2,426)	4,287
<b>CASH BASIS FUND BALANCE – Beginning of Year</b>	<u>510,675</u>	<u>183,769</u>	<u>56,540</u>	<u>39,618</u>	<u>790,602</u>	<u>519,719</u>	<u>88,128</u>	<u>607,847</u>
<b>CASH BASIS FUND BALANCE – End of Year</b>	<u>\$ 635,332</u>	<u>367,501</u>	<u>156,181</u>	<u>64,303</u>	<u>1,223,317</u>	<u>526,432</u>	<u>85,702</u>	<u>612,134</u>

**TOWN OF MARION, MISSISSIPPI**

**(Continued)**

**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, 2022**

	<b>Governmental Activities</b>					<b>Business-type Activities</b>		
	<b>Major Funds</b>					<b>Major Fund</b>		
	<b>General Fund</b>	<b>ARPA Funds</b>	<b>Modernization Funds</b>	<b>Non-Major Funds</b>	<b>Total</b>	<b>Water/Sewer Fund</b>	<b>Sanitation Fund</b>	<b>Total</b>
<b>CASH BASIS ASSETS - End of Year</b>								
Cash and cash equivalents	\$ 634,927			25,055	659,982	471,924	85,702	557,626
Restricted cash	405	367,501	156,181	39,248	563,335	54,508		54,508
Total Cash Basis Assets	\$ <u>635,332</u>	<u>367,501</u>	<u>156,181</u>	<u>64,303</u>	<u>1,223,317</u>	<u>526,432</u>	<u>85,702</u>	<u>612,134</u>
<b>CASH BASIS FUND BALANCES - End of Year</b>								
Restricted:								
Restricted for public safety	\$ 405			39,248	39,653			
Restricted for public works		367,501	156,181		523,682			
Restricted for meter deposits						54,508		54,508
Unassigned	634,927			25,055	659,982	471,924	85,702	557,626
Total Cash Basis Fund Balances	\$ <u>635,332</u>	<u>367,501</u>	<u>156,181</u>	<u>64,303</u>	<u>1,223,317</u>	<u>526,432</u>	<u>85,702</u>	<u>612,134</u>

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

## TOWN OF MARION, MISSISSIPPI

### Notes to Financial Statements For the Year Ended September 30, 2022

#### (1) Summary of Significant Accounting Policies.

##### A. Financial Reporting Entity.

The Town of Marion, Mississippi, (the Town) was incorporated in 1971. 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 *ARPA fund* is a special revenue fund that accounts for grant funds.

The *Modernization fund* is a capital projects fund that accounts for state money.

## TOWN OF MARION, MISSISSIPPI

### Notes to Financial Statements For the Year Ended September 30, 2022

The Town reports the following major proprietary fund:

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

The *sanitation fund* is used to account for the activities of providing trash collection services to the citizens of the Town.

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:

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.

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.

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.

## **TOWN OF MARION, MISSISSIPPI**

### **Notes to Financial Statements For the Year Ended September 30, 2022**

#### **(2) Cash and Cash Equivalents.**

At year-end, the Town's carrying amount of deposits was \$1,835,451 and the bank balance was \$1,846,482. 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 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. 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 the behalf of the Town. As of September 30, 2022, the Town's bank balance of \$1,846,482 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 Marion 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 17.40% 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, 2022, 2021 and 2020 were \$76,166, \$71,372 and \$72,359, respectively, which is equal to the required contributions for each year.

#### **(4) 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 evaluated the activity of the Town through April 28, 2023, and determined that no subsequent event has occurred requiring disclosure in the notes to the financial statements.

**TOWN OF MARION, MISSISSIPPI**

**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF MARION, MISSISSIPPI**  
**Budgetary Comparison Schedule -**  
**Budget and Actual**  
**General Fund - UNAUDITED**  
**For the Year Ended September 30, 2022**

	<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	\$ 425,000	425,000	449,376	24,376
Licenses and permits	77,500	77,500	20,252	(57,248)
State grants	20,500	20,500	71,481	50,981
State shared	274,000	274,000	331,702	57,702
Miscellaneous revenue	32,742	32,742	20,206	(12,536)
Total Revenue	<u>829,742</u>	<u>829,742</u>	<u>893,017</u>	<u>63,275</u>
<b>EXPENDITURES</b>				
General government	307,783	307,783	251,314	56,469
Public safety	403,873	403,873	402,313	1,560
Public works	120,251	120,251	117,783	2,468
Total Expenditures	<u>831,907</u>	<u>831,907</u>	<u>771,410</u>	<u>60,497</u>
Excess of Revenue Over (Under) Expenditures	<u>(2,165)</u>	<u>(2,165)</u>	<u>121,607</u>	<u>123,772</u>
<b>OTHER CASH SOURCES (USES)</b>				
Loan payment principal	(9,855)	(9,855)	(9,107)	748
Interest expense			(748)	(748)
Transfer	12,000	12,000	12,905	905
Total Other Cash Sources and Uses	<u>2,145</u>	<u>2,145</u>	<u>3,050</u>	<u>905</u>
Net Change in Cash Basis Fund Balance	<u>\$ (20)</u>	<u>(20)</u>	124,657	<u>124,677</u>
Cash Basis Fund Balances - Beginning			<u>510,675</u>	
Cash Basis Fund Balances - Ending			<u>\$ 635,332</u>	

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

## **TOWN OF MARION, MISSISSIPPI**

### **Notes to the Required Supplementary Information For the Year Ended September 30, 2022 UNAUDITED**

#### **A. Budgetary Information.**

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

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

#### **B. Basis of Presentation.**

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

#### **C. Budget Reconciliation.**

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

**TOWN OF MARION, MISSISSIPPI**

**OTHER REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF MARION, MISSISSIPPI**  
**Schedule of Changes in Long-term Debt - UNAUDITED**  
**For the Year Ended September 30, 2022**

	Balance Outstanding Oct. 1, 2021	Transactions During Fiscal Year		Balance Outstanding Sept. 30, 2022
Definition and Purpose		Issued	Redeemed	
Business-type Activities:				
Mississippi Development Authority - Sewer Improvement Loan	\$ 199,495		22,715	176,780
U.S. Development of Agriculture - Rural Development Loan	1,167,067		30,625	1,136,442
BancorpSouth - Equipment Finance	<u>32,175</u>	<u></u>	<u>9,107</u>	<u>23,068</u>
Total	<u>\$ 1,398,737</u>	<u>0</u>	<u>62,447</u>	<u>1,336,290</u>

**TOWN OF MARION, MISSISSIPPI**  
**Schedule of Investments - All Funds - UNAUDITED**  
**September 30, 2022**

	<u><b>Balance</b></u>
Water and Sewer Fund:	
.05% Certificate of Deposit, dated July 23, 202x, due 1 year after date (Allocated*)	\$ <u>61,059</u>
Total Water and Sewer Fund Investments	<u>61,059</u>
 Total All Funds	 \$ <u><u>61,059</u></u>

**TOWN OF MARION, MISSISSIPPI**  
**Schedule of Surety Bonds for Municipal Officials and Employees - UNAUDITED**  
**September 30, 2022**

<b><u>Name</u></b>	<b><u>Position</u></b>	<b><u>Surety Company</u></b>	<b><u>Coverage</u></b>
Larry Eugene Gill	Mayor	Municipal Program	\$ 100,000
Stacy Mcinis Blalock	Alderwoman	Municipal Program	\$ 50,000
Barbara Anthony	Alderwoman	Municipal Program	\$ 50,000
Tammy Lynn Young	Alderwoman	Municipal Program	\$ 50,000
Norman Clewis Coleman	Alderman	Municipal Program	\$ 50,000
Lou Ann Baylor	Alderwoman	Municipal Program	\$ 50,000
Shirley Durden	Town Clerk	Travelers	\$ 100,000
Kaye Furline	Deputy Town Clerk	Travelers	\$ 50,000
Towanna McNeil	Deputy Town Clerk	Travelers	\$ 50,000
Jo Ellen French	Court Clerk	Travelers	\$ 50,000
Randall Davis	Police Chief	Travelers	\$ 50,000
Andrew Bateman	Water Operator	Travelers	\$ 50,000

**TOWN OF MARION, MISSISSIPPI**

**SPECIAL REPORT**

# Windham and Lacey, PLLC

## *Certified Public Accountants*

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2708 Old Brandon Road  
Pearl, MS 39208  
(601)939-8676 Fax (601)939-8761  
windhamandlacey.com

P. O. Box 759  
Crystal Springs, MS 39059  
(601)892-4001 Fax (601)892-5978

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 Marion, Mississippi

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Marion, Mississippi, as of and for the year ended September 30, 2022, and have issued our report thereon dated April 28, 2023. 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  
April 28, 2023

**TOWN OF MARION, MISSISSIPPI**

**SCHEDULE OF FINDINGS AND RESPONSES**

**TOWN OF MARION, MISSISSIPPI**

**Schedule of Findings and Responses  
For the Year Ended September 30, 2022**

**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 weakness identified?  | Yes           |
| 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**

Significant Deficiency – Material Weakness

2022-001. Physical Fixed Asset Inventory

Repeat Finding: Yes

Finding

While the efforts have been taken by the Town to take an inventory of fixed assets and compile an accurate listing, the Town has not maintained a complete and accurate accounting of fixed assets.

Recommendation

The Town should continue to take efforts to update the accounting of fixed assets and ensure that a complete and accurate accounting of fixed assets is maintained.

Response

The Board of Aldermen along with the Mayor and Town Clerk plan to continue compiling an accurate and complete accounting of fixed assets in order to be compliant in future years.