

## OFFICE OF THE STATE AUDITOR REPORT NOTE:

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

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

**CITY OF MORTON, MISSISSIPPI**  
**AUDITED FINANCIAL STATEMENTS**  
**AND**  
**SPECIAL REPORT**

**SEPTEMBER 30, 2022**

**CITY OF MORTON, MISSISSIPPI**

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**CITY OF MORTON, MISSISSIPPI**

**FINANCIAL SECTION**

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## INDEPENDENT AUDITORS' REPORT

Honorable Mayor and  
Members of the Board of Aldermen  
City of Morton, 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 City of Morton, Mississippi, as of and for the year ended September 30, 2022, and the related Notes to the Financial Statements, which collectively comprise the City of Morton, 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 financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Morton, 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 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 City of Morton, Mississippi, and to meet 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 City of Morton, 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 City of Morton, 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 City of Morton, 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 City of Morton, Mississippi's ability to continue as a going concern for a reasonable period of time.

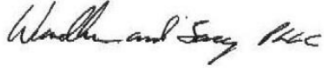
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedule be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 Changes in Long-term Debt, the Schedule of Investments - All Funds, the Schedule of Capital Assets, and the Schedule of Surety Bonds for Municipal Officials and Employees for the City of Morton, 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.

A handwritten signature in cursive script that reads "Windham and Lacey, PLLC".

Windham and Lacey, PLLC  
September 22, 2023

**CITY OF MORTON, MISSISSIPPI**

**FINANCIAL STATEMENTS**



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

	Cash Disbursements	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Cash Position		
		Fines, Fees and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs							
Governmental Activities:							
General government	\$ 303,837	23,947	5,416		(274,474)		(274,474)
Public safety	1,056,905	254,189		78,340	(724,376)		(724,376)
Public works	596,118		600,000	433,548	437,430		437,430
Culture and recreation	164,676				(164,676)		(164,676)
Interest on long-term debt	158				(158)		(158)
Total Governmental Activities	<u>2,121,694</u>	<u>278,136</u>	<u>605,416</u>	<u>511,888</u>	<u>(726,254)</u>	<u>0</u>	<u>(726,254)</u>
Business-type Activities:							
Water/Sewer	<u>2,923,583</u>	<u>2,972,280</u>		<u>21,062</u>		<u>69,759</u>	<u>69,759</u>
Total Business-type Activities	<u>2,923,583</u>	<u>2,972,280</u>	<u>0</u>	<u>21,062</u>	<u>0</u>	<u>69,759</u>	<u>69,759</u>
Total Government	<u>\$ 5,045,277</u>	<u>3,250,416</u>	<u>605,416</u>	<u>532,950</u>	<u>(726,254)</u>	<u>69,759</u>	<u>(656,495)</u>
General Receipts							
Taxes:							
Property taxes					\$ 952,893		952,893
Road & bridge privilege taxes					98,399		98,399
Sales tax					592,511		592,511
Franchise taxes					93,028		93,028
Grants and contributions not restricted to specific programs					185,083		185,083
Unrestricted investment income					1,965	3,697	5,662
Miscellaneous					124,520	66,463	190,983
Transfers					500,000	(500,000)	
Total General Receipts					<u>2,548,399</u>	<u>(429,840)</u>	<u>2,118,559</u>
Change in Net Cash Position					1,822,145	(360,081)	1,462,064
Net Cash Position - Beginning					<u>1,831,473</u>	<u>3,718,573</u>	<u>5,550,046</u>
Net Cash Position - Ending					<u>\$ 3,653,618</u>	<u>3,358,492</u>	<u>7,012,110</u>

**(Continued)**

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

ASSETS	
Cash and cash equivalents	\$ 4,835,652
Restricted cash	<u>2,176,458</u>
Total Assets	\$ <u>7,012,110</u>
NET CASH POSITION	
Restricted:	
Restricted for unemployment	\$ 7,000
Restricted for meter deposits	104,462
Restricted for public safety	159,483
Restricted for public works	1,905,513
Unrestricted	<u>4,835,652</u>
Total Net Cash Position	\$ <u>7,012,110</u>

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

**CITY OF MORTON, 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**

	<b>Governmental Activities</b>					<b>Business-type Activities</b>		
	<b>Major Funds</b>		<b>Street Improvement #1 Fund</b>	<b>Non-Major Funds</b>	<b>Total</b>	<b>Major Fund</b>	<b>Non-Major Business-type Fund</b>	<b>Total</b>
	<b>General Fund</b>	<b>ARPA Fund</b>				<b>Water/Sewer Fund</b>		
<b>RECEIPTS</b>								
Ad valorem taxes	\$ 952,893				952,893			
Road and bridge tax	98,399				98,399			
License and permits	23,947				23,947			
Franchise taxes on utilities	93,028				93,028			
Intergovernmental revenues:								
Federal revenues:								
Grants	822	433,548		600,000	1,034,370			
State shared revenues:								
Sales taxes	592,511				592,511			
Grants	200,695				200,695			
General municipal aid	1,724				1,724			
Gasoline tax	3,692				3,692			
Fire rebate	1,264				1,264			
Other	13,738			46,904	60,642		21,062	21,062
Charges for services:								
Garbage						271,128		271,128
Water and sewer utility						2,701,152		2,701,152
Fines and forfeits	254,189				254,189			
Interest income	856	1,085		24	1,965	3,604	93	3,697
Miscellaneous revenue	75,892			48,628	124,520	66,463		66,463
Total Receipts	<u>2,313,650</u>	<u>434,633</u>	<u>0</u>	<u>695,556</u>	<u>3,443,839</u>	<u>3,042,347</u>	<u>21,155</u>	<u>3,063,502</u>

**(Continued)**

**CITY OF MORTON, 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>Non-Major Business-type Fund</u>	<u>Total</u>
	<u>General Fund</u>	<u>ARPA Fund</u>	<u>Street Improvement #1 Fund</u>	<u>Non-Major Funds</u>	<u>Total</u>	<u>Water/Sewer Fund</u>		
<b>DISBURSEMENTS</b>								
General government	303,837				303,837			
Public safety	971,542			6,283	977,825			
Public works	382,460		52,756	157,420	592,636			
Culture and recreation	143,642			21,034	164,676			
Water and sewer utility and cemetery:								
Personal services						696,968	34,020	730,988
Supplies						159,562		159,562
Contract services						1,020,878		1,020,878
Utilities						508,249		508,249
Other services and charges						49,324		49,324
Total Disbursements	<u>1,801,481</u>	<u>0</u>	<u>52,756</u>	<u>184,737</u>	<u>2,038,974</u>	<u>2,434,981</u>	<u>34,020</u>	<u>2,469,001</u>
Excess of Receipts Over								
(Under) Disbursements	<u>512,169</u>	<u>434,633</u>	<u>(52,756)</u>	<u>510,819</u>	<u>1,404,865</u>	<u>607,366</u>	<u>(12,865)</u>	<u>594,501</u>
<b>OTHER CASH SOURCES (USES)</b>								
Capital outlay	(79,080)				(79,080)			
Principal paid on loan and lease purchase	(3,482)				(3,482)	(401,512)		(401,512)
Interest paid on loan and lease purchase	(158)				(158)	(53,070)		(53,070)
Transfer in (out)			500,000		500,000	(500,000)		(500,000)
Total Other Cash Sources and (Uses)	<u>(82,720)</u>	<u>0</u>	<u>500,000</u>	<u>0</u>	<u>417,280</u>	<u>(954,582)</u>	<u>0</u>	<u>(954,582)</u>

**(Continued)**

**CITY OF MORTON, 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**

	<b>Governmental Activities</b>					<b>Business-type Activities</b>		
	<b>Major Funds</b>					<b>Major Fund</b>	<b>Non-Major Business-type Fund</b>	<b>Total</b>
	<b>General Fund</b>	<b>ARPA Fund</b>	<b>Street Improvement #1 Fund</b>	<b>Non-Major Funds</b>	<b>Total</b>	<b>Water/Sewer Fund</b>		
Excess (Deficiency) of Receipts and Other Cash Sources Over Disbursements and Other Cash Uses	429,449	434,633	447,244	510,819	1,822,145	(347,216)	(12,865)	(360,081)
<b>CASH BASIS FUND BALANCE - Beginning of Year</b>	<u>1,197,951</u>	<u>433,717</u>	<u>0</u>	<u>199,805</u>	<u>1,831,473</u>	<u>3,588,668</u>	<u>129,905</u>	<u>3,718,573</u>
<b>CASH BASIS FUND BALANCE - End of Year</b>	<u>\$ 1,627,400</u>	<u>868,350</u>	<u>447,244</u>	<u>710,624</u>	<u>3,653,618</u>	<u>3,241,452</u>	<u>117,040</u>	<u>3,358,492</u>
<b>CASH BASIS ASSETS - End of Year</b>								
Cash and cash equivalents	\$ 1,529,181			52,441	1,581,622	3,241,452	12,578	3,254,030
Restricted cash	<u>98,219</u>	<u>868,350</u>	<u>447,244</u>	<u>658,183</u>	<u>2,071,996</u>		<u>104,462</u>	<u>104,462</u>
Total Cash Basis Assets	<u>\$ 1,627,400</u>	<u>868,350</u>	<u>447,244</u>	<u>710,624</u>	<u>3,653,618</u>	<u>3,241,452</u>	<u>117,040</u>	<u>3,358,492</u>
<b>CASH BASIS FUND BALANCES - End of Year</b>								
Restricted:								
Restricted for unemployment compensation	\$			7,000	7,000			
Restricted for meter deposits							104,462	104,462
Restricted for public safety	98,219			61,264	159,483			
Restricted for public works		868,350	447,244	589,919	1,905,513			
Unassigned	<u>1,529,181</u>			<u>52,441</u>	<u>1,581,622</u>	<u>3,241,452</u>	<u>12,578</u>	<u>3,254,030</u>
Total Cash Basis Fund Balances	<u>\$ 1,627,400</u>	<u>868,350</u>	<u>447,244</u>	<u>710,624</u>	<u>3,653,618</u>	<u>3,241,452</u>	<u>117,040</u>	<u>3,358,492</u>

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

**CITY OF MORTON, MISSISSIPPI**

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

(1) Summary of Significant Accounting Policies.

A. Financial Reporting Entity.

The City of Morton, Mississippi, (the City) was incorporated in 1913. The City 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 City 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 Cash Position and the Statement of Activities) 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 receipts, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The City combines the Statement of Activities and Statement of Net Cash Position.

The Statement of Activities demonstrates the degree to which the direct disbursements of a given function or segment are offset by program receipts. *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*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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 disbursements 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 recorded when collected and disbursements are recorded when cash is spent.

The government 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.

**CITY OF MORTON, MISSISSIPPI**

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

The *Street Improvement #1 Fund* is a capital projects fund that accounts for grant revenue and expenses.

The government reports the following major Proprietary Fund:

The *Water/Sewer Fund* accounts for the activities of providing water and sewer services to citizens of the City.

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.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

**D. Assets and Net Assets or Equity.**

**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. Fund Equity.**

In accordance with Government Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the City 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.

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 City 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 City 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 City's carrying amount of deposits was \$7,012,110 and the bank balance was \$7,122,468. 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.

**CITY OF MORTON, MISSISSIPPI**

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

**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 City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City does not have a formal policy for custodial credit risk. However, the Mississippi State Treasury manages the risk on behalf of the City. Deposits above FDIC coverage are collateralized by the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on the behalf of the City.

**Interest Rate Risk -** The City 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 City 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 City of Morton, 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 City 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 City's contributions to PERS for the years ended September 30, 2022, 2021, and 2020 were \$220,728, \$205,582, and \$191,224, respectively, which is equal to the required contributions for each year.



**CITY OF MORTON, MISSISSIPPI**

**REQUIRED SUPPLEMENTARY INFORMATION**

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

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>RECEIPTS</b>				
Ad valorem taxes	\$ 870,691	870,691	952,893	82,202
Road and bridge tax	110,000	110,000	98,399	(11,601)
License and permits	12,000	12,000	23,947	11,947
Franchise taxes on utilities	113,000	113,000	93,028	(19,972)
Intergovernmental revenues:				
Federal revenues:				
Grants			822	822
State shared revenues:				
Sales taxes	647,223	647,223	592,511	(54,712)
Grants			200,695	200,695
General municipal aid			1,724	1,724
Gasoline tax			3,692	3,692
Fire rebate			1,264	1,264
Other			13,738	13,738
Fines and forfeits	70,000	70,000	254,189	184,189
Interest income	1,000	1,000	856	(144)
Miscellaneous revenue	92,035	92,035	75,892	(16,143)
Total Receipts	<u>1,915,949</u>	<u>1,915,949</u>	<u>2,313,650</u>	<u>397,701</u>
<b>EXPENDITURES</b>				
General government	239,742	239,742	303,837	(64,095)
Public safety	1,282,607	1,282,607	971,542	311,065
Public works	238,264	238,264	382,460	(144,196)
Culture and recreation	155,336	155,336	143,642	11,694
Total Expenditures	<u>1,915,949</u>	<u>1,915,949</u>	<u>1,801,481</u>	<u>114,468</u>
Excess of Receipts Over (Under) Expenditures	<u>0</u>	<u>0</u>	<u>512,169</u>	<u>512,169</u>
<b>OTHER CASH SOURCES (USES)</b>				
Capital outlay			(79,080)	(79,080)
Principal paid on loan and lease purchase			(3,482)	(3,482)
Interest paid on loan and lease purchase			(158)	(158)
Total Other Cash Sources and Uses	<u>0</u>	<u>0</u>	<u>(82,720)</u>	<u>(82,720)</u>
Net Change in Cash Basis Fund Balance	0	0	429,449	429,449
Cash Basis Fund Balances - Beginning	<u>(328,326)</u>	<u>(328,326)</u>	<u>1,197,951</u>	<u>1,197,951</u>
Cash Basis Fund Balances - Ending	<u>\$ (328,326)</u>	<u>(328,326)</u>	<u>1,627,400</u>	<u>1,627,400</u>

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

**CITY OF MORTON, 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 City, 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 City'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.

**CITY OF MORTON, MISSISSIPPI**

**OTHER REQUIRED SUPPLEMENTARY INFORMATION**

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

<b>Description</b>	<b>Outstanding Balance Sept. 30, 2021</b>	<b>Redeemed</b>	<b>Outstanding Balance Sept. 30, 2022</b>
Governmental Activities:			
Obligations under capital leases payable	\$ 3,482	3,482	0
Total Governmental Activities	<u>3,482</u>	<u>3,482</u>	<u>0</u>
Business-type Activities:			
Capital improvement loans	2,396,670	368,922	2,027,748
Obligations under capital leases payable	<u>95,092</u>	<u>32,590</u>	<u>62,502</u>
Total Business-type Activities	<u>2,491,762</u>	<u>401,512</u>	<u>2,090,250</u>
Total Long-term Debt	<u>\$ 2,495,244</u>	<u>404,994</u>	<u>2,090,250</u>

**CITY OF MORTON, MISSISSIPPI**  
**Schedule of Investments - All Funds**  
**September 30, 2022 - UNAUDITED**

<u>Ownership</u>	<u>Type of Investment</u>	<u>Interest Rate</u>	<u>Acquisition Date</u>	<u>Maturity Date</u>	<u>Other Information</u>	<u>Investment Cost/Value</u>
Non-restricted Investments:						
General Fund	Certificate of Deposit	0.400%	07/06/2021	04/06/2022	Bank of Morton	\$ 3,520
General Fund	Certificate of Deposit	0.250%	08/28/2021	02/28/2022	Bank of Morton	100,000
General Fund	Certificate of Deposit	0.250%	02/10/2021	08/10/2022	Priority One Bank	250,000
Morton Memorial Gardens	Certificate of Deposit	0.150%	02/20/2021	08/20/2022	Priority One Bank	10,000
Enterprise Fund	Certificate of Deposit	0.300%	01/16/2021	01/16/2022	Priority One Bank	100,000
Enterprise Fund	Certificate of Deposit	0.450%	06/17/2021	06/17/2022	Bank of Morton	210,000
Enterprise Fund	Certificate of Deposit	0.300%	05/14/2021	05/14/2022	Priority One Bank	138,000
Enterprise Fund	Certificate of Deposit	0.450%	12/22/2020	12/22/2021	Bank of Morton	100,000
Enterprise Fund	Certificate of Deposit	0.300%	01/07/2021	01/07/2022	Priority One Bank	100,000
Enterprise Fund	Certificate of Deposit	0.300%	03/27/2021	03/26/2022	Priority One Bank	500,000
Total Non-restricted Investments						<u>1,511,520</u>
Restricted Investments:						
Unemployment Compensation	Certificate of Deposit	0.150%	02/20/2021	08/20/2022	Priority One Bank	7,000
Enterprise Fund	Certificate of Deposit	0.150%	02/20/2021	08/20/2022	Priority One Bank	75,000
Enterprise Fund	Certificate of Deposit	0.250%	05/15/2021	05/15/2022	Priority One Bank	48,000
Total Restricted Investments						<u>130,000</u>
Total Investments						\$ <u>1,641,520</u>

**CITY OF MORTON, MISSISSIPPI**  
**Schedule of Capital Assets**  
**For the Fiscal Year Ended September 30, 2022 - UNAUDITED**

	<b><u>Beginning Balance</u></b>	<b><u>Increases</u></b>	<b><u>Ending Balance</u></b>
Governmental Activities:			
Capital Assets:			
Land	\$ 10,000		10,000
Buildings	937,902		937,902
Building improvements	162,833		162,833
Infrastructure	1,246,172		1,246,172
Improvements other	312,764		312,764
Mobile equipment	971,758	79,080	1,050,838
Furniture & equipment	185,330		185,330
Obligations under capital leases	<u>39,436</u>		<u>39,436</u>
Total Governmental Activities Capital Assets	<u>\$ 3,866,195</u>	<u>79,080</u>	<u>3,945,275</u>
Business-type Activities:			
Capital Assets:			
Land	\$ 47,319		47,319
Construction in progress			
Infrastructure	17,679,827		17,679,827
Improvements other	940,759		940,759
Mobile equipment	550,346		550,346
Furniture and equipment	1,234,324		1,234,324
Obligations under capital leases	<u>169,575</u>		<u>169,575</u>
Total Business-type Activities Capital Assets	<u>\$ 20,622,150</u>	<u>0</u>	<u>20,622,150</u>

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

<b>Name</b>	<b>Position</b>	<b>Surety Company</b>	<b>Coverage</b>
Gerald Keeton, Sr.	Mayor	MS Municipal Bond Program	\$ 50,000
Marie Washington-Laird	Aldерwoman	MS Municipal Bond Program	\$ 50,000
Al J. Reeves	Alderman	MS Municipal Bond Program	\$ 50,000
Winifred Franklin Johnson	Alderman	MS Municipal Bond Program	\$ 50,000
Alpha Oneida Laster	Aldерwoman	MS Municipal Bond Program	\$ 50,000
Jimmy D. Brown	Alderman	MS Municipal Bond Program	\$ 50,000
Dorothy Redeemer	City Clerk	Travelers	\$ 50,000
Nicky Crapps	Chief of Police	Travelers	\$ 50,000
Police Officers	Blanket Bond	Travelers	\$ 50,000
Joel Davidson	Fire Chief	Travelers	\$ 50,000
Shannon Roberts	Fire Department Secretary	Travelers	\$ 50,000
Edna White	Accounts Payable Clerk	Travelers	\$ 50,000
Frances Moore	Deputy Clerk	Travelers	\$ 50,000
Tonya Downing	Court Clerk	Travelers	\$ 50,000
Frances Moore	Water Clerk	Travelers	\$ 50,000
Barbara Lucas	Front Desk Clerk	Travelers	\$ 50,000



**CITY OF MORTON, 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  
City of Morton, 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 City of Morton, Mississippi, as of and for the year ended September 30, 2022, and have issued our report thereon dated September 22, 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 City's compliance with these requirements. Accordingly, we do not express such an opinion.

Due to the reduced scope, these compliance tests cannot and do not provide absolute assurance that all state legal requirements have been complied with. The results of our compliance tests and our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information disclosed no material instance of noncompliance with state laws and regulations.

The purpose of this report is solely to describe the scope of our testing of compliance with certain state laws and regulations and the result of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.



Windham and Lacey, PLLC  
September 22, 2023

**CITY OF MORTON, MISSISSIPPI**

**SCHEDULE OF FINDINGS**

**CITY OF MORTON, MISSISSIPPI**

**Schedule of Findings  
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?   | No         |
| b. | Significant deficiency identified that is not considered to be a material weakness? | No         |
| 3. | Noncompliance material to the financial statements?                                 | No         |

Section 2: Financial Statement Findings

The results of our test did not disclose any findings related to the financial statements that are required to be reported by *Government Auditing Standards*.