

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 UNION, MISSISSIPPI
AUDITED FINANCIAL STATEMENTS
AND
SPECIAL REPORT

SEPTEMBER 30, 2022

TOWN OF UNION, MISSISSIPPI

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TOWN OF UNION, MISSISSIPPI

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

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

Opinion

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 Union, Mississippi, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the basic 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 Town of Union, 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 Town of Union, 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 Union, 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 Union, 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 Union, 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 Union, Mississippi's ability to continue as a going concern for a reasonable period of time.

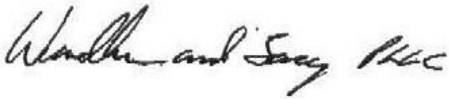
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 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 Investments – All Funds, the Schedule of Changes in Long-term Debt, the Schedule of Capital Assets, and the Schedule of Surety Bonds for Municipal Officials and Employees for the Town of Union, 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, appearing to read "Windham and Lacey, PLLC".

Windham and Lacey, PLLC
March 1, 2023

TOWN OF UNION, MISSISSIPPI

FINANCIAL STATEMENTS

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

		Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Cash Position		
	Cash	Fines, Fees	Operating	Capital	Governmental	Business-type		
Functions/Programs	Disbursements	and Charges for Services	Grants and Contributions	Grants and Contributions	Activities	Activities	Total	
Governmental Activities:								
General government	\$ 508,338		207,557		(300,781)		(300,781)	
Public safety	759,638	32,322	30,300		(697,016)		(697,016)	
Public works	434,105	145,009		233,184	(55,912)		(55,912)	
Health and welfare		3,680			3,680		3,680	
Culture and recreation	8,617	26,985			18,368		18,368	
Interest on long-term debt	14,663				(14,663)		(14,663)	
Total Governmental Activities	<u>1,725,361</u>	<u>207,996</u>	<u>237,857</u>	<u>233,184</u>	<u>(1,046,324)</u>	<u>0</u>	<u>(1,046,324)</u>	
Business-type Activities:								
Water/Sewer	<u>923,706</u>	<u>775,124</u>				(148,582)	(148,582)	
Total Business-type Activities	<u>923,706</u>	<u>775,124</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(148,582)</u>	<u>(148,582)</u>	
Total Government	<u>\$ 2,649,067</u>	<u>983,120</u>	<u>237,857</u>	<u>233,184</u>	<u>(1,046,324)</u>	<u>(148,582)</u>	<u>(1,194,906)</u>	
General Receipts								
Taxes:								
Property taxes					\$ 370,114		370,114	
Road & bridge privilege taxes					40,184		40,184	
Sales tax					318,563		318,563	
Franchise taxes					93,992		93,992	
Grants and contributions not restricted to specific programs					26,505		26,505	
Unrestricted interest income					806	563	1,369	
Miscellaneous					81,305	187,909	269,214	
Total General Receipts					<u>931,469</u>	<u>188,472</u>	<u>1,119,941</u>	
Change in Net Cash Position					(114,855)	39,890	(74,965)	
Net Cash Position - Beginning					<u>1,091,411</u>	<u>548,822</u>	<u>1,640,233</u>	
Net Cash Position - Ending					<u>\$ 976,556</u>	<u>588,712</u>	<u>1,565,268</u>	

(Continued)

TOWN OF UNION, 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	\$ 882,017
Restricted cash	<u>683,251</u>
Total Assets	\$ <u><u>1,565,268</u></u>

NET CASH POSITION

Restricted:	
Public safety	\$ 45,065
Public works	476,199
Meter deposits	161,987
Unrestricted	<u>882,017</u>
Total Net Cash Position	\$ <u><u>1,565,268</u></u>

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

TOWN OF UNION, 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

	Governmental Activities				Business-type Activities	
	Major Funds				Major Funds	
	General Fund	ARPA Funds	Non-Major Funds	Total	Water/Sewer Funds	Total
RECEIPTS						
Ad valorem taxes	\$ 370,114			370,114		
Road & bridge privilege taxes	40,184			40,184		
Licenses and permits	3,680			3,680		
Fines and forfeitures	32,322			32,322		
Franchise tax on utilities	93,992			93,992		
Intergovernmental revenues:						
Federal revenues:						
Grants	30,300	233,184		263,484		
State shared revenues:						
Sales taxes	318,563			318,563		
Homestead exemption reimbursement	26,505			26,505		
General municipal aid	990			990		
Gasoline tax	6,088			6,088		
Grants	200,479			200,479		
Charges for services:						
Garbage	145,009			145,009		
Rental income	26,985			26,985		
Water and sewer utility					775,124	775,124
Interest income	741	65		806	563	563
Miscellaneous revenue	81,305			81,305	187,909	187,909
Total Receipts	<u>1,377,257</u>	<u>233,249</u>	<u>0</u>	<u>1,610,506</u>	<u>963,596</u>	<u>963,596</u>

(Continued)

TOWN OF UNION, 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

	Governmental Activities				Business-type Activities	
	Major Funds				Major Funds	
	General Fund	ARPA Funds	Non-Major Funds	Total	Water/Sewer Funds	Total
DISBURSEMENTS						
General government	508,338			508,338		
Public safety	616,711		11,857	628,568		
Public works	262,150			262,150		
Culture and recreation	8,617			8,617		
Water and sewer utility and cemetery:						
Personal services					502,948	502,948
Supplies					75,169	75,169
Maintenance & repairs					47,326	47,326
Utilities					110,455	110,455
Other expenses					55,452	55,452
Total Disbursements	<u>1,395,816</u>	<u>0</u>	<u>11,857</u>	<u>1,407,673</u>	<u>791,350</u>	<u>791,350</u>
Excess of Receipts Over (Under) Disbursements	<u>(18,559)</u>	<u>233,249</u>	<u>(11,857)</u>	<u>202,833</u>	<u>172,246</u>	<u>172,246</u>
OTHER CASH SOURCES (USES)						
Capital outlay	(278,025)			(278,025)	(118,119)	(118,119)
Principal paid on loan and lease purchase					(12,238)	(12,238)
Interest paid on loan and lease purchase					(1,999)	(1,999)
Principal paid on bonds	(25,000)			(25,000)		
Interest and fiscal fees paid on bonds	<u>(14,663)</u>			<u>(14,663)</u>		
Total Other Cash Sources and (Uses)	<u>(317,688)</u>	<u>0</u>	<u>0</u>	<u>(317,688)</u>	<u>(132,356)</u>	<u>(132,356)</u>

(Continued)

TOWN OF UNION, 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

	Governmental Activities				Business-type Activities	
	Major Funds				Major Funds	
	General Fund	ARPA Funds	Non-Major Funds	Total	Water/Sewer Funds	Total
Excess (Deficiency) of Receipts and Other Cash Sources Over Disbursements and Other Cash Uses	(336,247)	233,249	(11,857)	(114,855)	39,890	39,890
CASH BASIS FUND BALANCE - Beginning of Year	<u>810,668</u>	<u>233,192</u>	<u>47,551</u>	<u>1,091,411</u>	<u>548,822</u>	<u>548,822</u>
CASH BASIS FUND BALANCE - End of Year	<u>\$ 474,421</u>	<u>466,441</u>	<u>35,694</u>	<u>976,556</u>	<u>588,712</u>	<u>588,712</u>
CASH BASIS ASSETS - End of Year						
Cash and cash equivalents	\$ 455,292			455,292	426,725	426,725
Restricted cash	<u>19,129</u>	<u>466,441</u>	<u>35,694</u>	<u>521,264</u>	<u>161,987</u>	<u>161,987</u>
Total Cash Basis Assets	<u>\$ 474,421</u>	<u>466,441</u>	<u>35,694</u>	<u>976,556</u>	<u>588,712</u>	<u>588,712</u>
CASH BASIS FUND BALANCES - End of Year						
Restricted:						
Public safety	\$ 9,371		35,694	45,065		
Public works	9,758	466,441		476,199		
Meter deposits					161,987	161,987
Unassigned	<u>455,292</u>			<u>455,292</u>	<u>426,725</u>	<u>426,725</u>
Total Cash Basis Fund Balances	<u>\$ 474,421</u>	<u>466,441</u>	<u>35,694</u>	<u>976,556</u>	<u>588,712</u>	<u>588,712</u>

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

TOWN OF UNION, 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 Union, Mississippi, (the Town) is a code-charter municipality governed by an elected mayor and five aldermen. 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 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 Town 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.

TOWN OF UNION, MISSISSIPPI

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

The *ARPA Fund* is a special revenue fund that accounts for grant funds.

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 Town.

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. *Equity Classifications.*

Government-wide Financial Statements:

Equity is classified as net position and displayed in two components:

Restricted net position - Consists of net position 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".

Fund Financial Statements:

Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Governmental fund balance is classified as restricted or unassigned. The following are descriptions of fund classifications used by the Town:

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 - The residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds if expenditures incurred for specific purposes exceeded the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

TOWN OF UNION, MISSISSIPPI

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

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

(2) Cash and Cash Equivalents.

At year-end, the Town's carrying amount of deposits was \$1,565,268 and the bank balance was \$1,585,891. 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 the behalf of the Town.

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 Union, 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 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 year ended September 30, 2022 was \$116,895, which is equal to the required contributions for each year.

TOWN OF UNION, MISSISSIPPI

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

(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 March 1, 2023, and determined that no subsequent event has occurred requiring disclosure in the notes to the financial statements.

TOWN OF UNION, MISSISSIPPI

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF UNION, MISSISSIPPI
Budgetary Comparison Schedule -
Budget and Actual (Non-GAAP Basis)
General Fund
For the Year Ended September 30, 2022 - UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 452,500	452,500	370,114	(82,386)
Road and bridge privilege	45,000	45,000	40,184	(4,816)
Licenses and permits	4,500	4,500	3,680	(820)
Fines and forfeitures	60,100	60,100	32,322	(27,778)
Intergovernmental revenues	444,750	444,750	676,917	232,167
Charges for services	220,000	220,000	171,994	(48,006)
Interest earned	2,000	2,000	741	(1,259)
Miscellaneous revenues	121,000	121,000	81,305	(39,695)
Total Revenues	<u>1,349,850</u>	<u>1,349,850</u>	<u>1,377,257</u>	<u>27,407</u>
EXPENDITURES				
General government	465,900	465,900	508,338	42,438
Public safety	785,700	785,700	747,781	(37,919)
Public works	428,000	428,000	448,768	20,768
Culture and recreation	11,200	11,200	8,617	(2,583)
Total Expenditures	<u>1,690,800</u>	<u>1,690,800</u>	<u>1,713,504</u>	<u>(22,704)</u>
Excess of Revenues Over (Under) Expenditures	<u>(340,950)</u>	<u>(340,950)</u>	<u>(336,247)</u>	<u>4,703</u>
Net Change in Fund Balance	(340,950)	(340,950)	(336,247)	4,703
Fund Balances - Beginning	<u>477,638</u>	<u>477,638</u>	<u>810,668</u>	<u>333,030</u>
Fund Balances - Ending	<u>\$ 136,688</u>	<u>136,688</u>	<u>474,421</u>	<u>337,733</u>

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

TOWN OF UNION, 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.

TOWN OF UNION, MISSISSIPPI

OTHER REQUIRED SUPPLEMENTARY INFORMATION

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

	<u>Deposit Amount</u>
Governmental Activities:	
Certificate of Deposit with Citizens Bank, maturing January 23, 2023, interest rate 0.15%	\$ 56,397
Certificate of Deposit with Citizens Bank, maturing January 23, 2023, interest rate 0.15%	<u>56,397</u>
Total Governmental Activities	\$ <u><u>112,794</u></u>
Business-type Activities:	
Certificate of Deposit with Citizens Bank, maturing December 18, 2022, interest rate 0.25%	\$ <u>293,558</u>
Total Business-type Activities	\$ <u><u>293,558</u></u>

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

<u>Description</u>	<u>Outstanding Balance Sept. 30, 2021</u>	<u>Redeemed</u>	<u>Outstanding Balance Sept. 30, 2022</u>
Governmental Activities:			
General obligation bonds, Series 2011			
Street improvements	\$ 325,000	25,000	300,000
Total Governmental Activities	<u>325,000</u>	<u>25,000</u>	<u>300,000</u>
Business-type Activities:			
Dump truck	12,238	12,238	
Total Business-type Activities	<u>12,238</u>	<u>12,238</u>	<u>0</u>
Total Long-term Debt	<u>\$ 337,238</u>	<u>37,238</u>	<u>300,000</u>

TOWN OF UNION, MISSISSIPPI
Schedule of Capital Assets
For the Fiscal Year Ended September 30, 2022 - UNAUDITED

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Ending Balance</u>
Governmental Activities:			
Land	\$ 1,693,401		1,693,401
Buildings	882,566		882,566
Infrastructure	2,891,564		2,891,564
Machinery and equipment	<u>1,455,259</u>	<u>278,025</u>	<u>1,733,284</u>
Governmental Activities Capital Assets	<u>\$ 6,922,790</u>	<u>278,025</u>	<u>7,200,815</u>
Business-type Activities:			
Land	\$ 50,700		50,700
Buildings	533,273		533,273
Machinery and equipment	597,033	25,584	622,617
Infrastructure	5,562,786		5,562,786
Construction in progress	<u></u>	<u>92,535</u>	<u>92,535</u>
Business-type Activities Capital Assets	<u>\$ 6,743,792</u>	<u>118,119</u>	<u>6,861,911</u>

TOWN OF UNION, MISSISSIPPI
Schedule of Surety Bonds For Municipal Officials and Employees
For the Year Ended September 30, 2022 - UNAUDITED

Name	Position	Surety Agency	Bond Amount
Bradley W. Capps	Mayor	Travelers	\$ 50,000
Paul Lowery	Alderman	Travelers	\$ 50,000
Robert C. Blount	Alderman	Travelers	\$ 50,000
Billy J. McCune	Alderman	Travelers	\$ 50,000
Harvey J. Hickman	Alderman	Travelers	\$ 50,000
Ricky L. Sistrunk	Alderman	Travelers	\$ 50,000
Tammy K. Ferguson	City Clerk	Western Surety Company	\$ 50,000
Joan Mulford	Deputy Clerk/Court Clerk	Western Surety Company	\$ 50,000
Billy Pat Walker	Police Chief	Western Surety Company	\$ 50,000
Mitch Kennedy	Police Officer	Western Surety Company	\$ 50,000
Lawrence E. Card	Police Officer	Western Surety Company	\$ 50,000
Kenny Chipley	Police Officer	Western Surety Company	\$ 50,000
David Gilmore	Police Officer	Western Surety Company	\$ 50,000
James M. Leach, Jr.	Police Officer	Western Surety Company	\$ 50,000
Sammy R. Stevens	Police Officer	Western Surety Company	\$ 50,000

TOWN OF UNION, MISSISSIPPI

SPECIAL REPORT

Windham and Lacey, PLLC

Certified Public Accountants

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Mississippi Society of CPAs

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

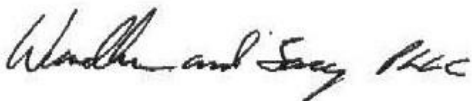
Honorable Mayor and
Members of the Board of Aldermen
Town of Union, Mississippi

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 Union, Mississippi, as of and for the year ended September 30, 2022, and have issued our report thereon dated March 1, 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.

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
March 1, 2023

TOWN OF UNION, MISSISSIPPI

SCHEDULE OF FINDINGS

TOWN OF UNION, 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 weaknesses identified? | No |
| b. | Significant deficiencies identified that are not considered to be material weaknesses? | None Reported |
| 3. | Noncompliance material to the financial statements? | No |

Section 2: Financial Statement Findings

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