

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, 2021

TOWN OF MARION

TABLE OF CONTENTS

FINANCIAL SECTION.....	1
INDEPENDENT AUDITORS' REPORT.....	2-3
FINANCIAL STATEMENTS.....	4
Statement of Activities and Net Position – Cash Basis	5-6
Statement of Cash Basis Assets and Fund Balances and	
Cash Receipts, Disbursements and Changes in Cash Basis	
Fund Balances – Governmental and Business-type Funds	7-9
Notes to Financial Statements	10-12
REQUIRED SUPPLEMENTARY INFORMATION	13
Budgetary Comparison Schedule - Budget and Actual (Non-GAAP Basis)	
General Fund.....	14
Notes to the Required Supplementary Information	15
OTHER REQUIRED SUPPLEMENTARY INFORMATION	16
Schedule of Changes in Long-term Debt	17
Schedule of Investments – All Funds	18
Schedule of Surety Bonds for Municipal Officials and Employees	19
SPECIAL REPORT.....	20
Independent Auditors' Report on Compliance with State Laws and Regulations.....	21
SCHEDULE OF FINDINGS AND RESPONSES	22-23

TOWN OF MARION

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements on the basis of cash receipts and disbursements; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Marion, Mississippi, as of September 30, 2021, and the respective changes in cash basis financial position thereof for the year then ended in accordance with the basis of accounting described in Note 1.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedules be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Omission of Required Supplementary Information

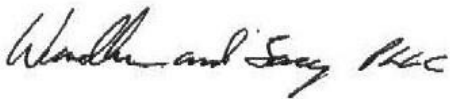
The Town of Marion, Mississippi, has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Required Supplementary Information

The Schedule of Changes in Long-term Debt, the Schedule of Investments, and the Schedule of Surety Bonds for Municipal Officials and Employees for the Town of Marion, Mississippi, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Emphasis of Matter

As discussed in Note 1, the Town of Marion, Mississippi prepares its financial statements on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.



Windham and Lacey, PLLC
October 25, 2022

TOWN OF MARION

FINANCIAL STATEMENTS

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

	Cash Disbursements	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position		
		Fees, Fines & Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs							
Governmental Activities:							
General government	\$ 295,231	8,775	737		(285,719)		(285,719)
Public safety	446,189	18,519			(427,670)		(427,670)
Public works	132,525			183,769	51,244		51,244
Interest on long-term debt	25				(25)		(25)
Total Governmental Activities	873,970	27,294	737	183,769	(662,170)	0	(662,170)
Business-type Activities:							
Water/Sewer	1,028,969	595,565	424,000			(9,404)	(9,404)
Sanitation	97,815					(97,815)	(97,815)
Total Business-type Activities	1,126,784	595,565	424,000	0	0	(107,219)	(107,219)
Total Government	\$ 2,000,754	622,859	424,737	183,769	(662,170)	(107,219)	(769,389)
General Receipts							
Taxes:							
Property taxes					\$ 459,823	41,236	501,059
Sales tax					293,096		293,096
Homestead exemption reimbursement					14,397		14,397
Franchise taxes					66,627		66,627
Unrestricted investment income					497	984	1,481
Miscellaneous					73,542	74,290	147,832
Transfers					11,969	(11,969)	
Total General Receipts					919,951	104,541	1,024,492
Change in Net Position					257,781	(2,678)	255,103
Net Position - Beginning					532,821	610,525	1,143,346
Net Position - Ending					\$ 790,602	607,847	1,398,449

(Continued)

TOWN OF MARION

Statement of Activities and Net Position - Cash Basis

As of and for the Year Ended September 30, 2021

ASSETS

Cash and cash equivalents	\$ 1,080,062
Restricted cash	<u>318,387</u>
Total Assets	\$ <u><u>1,398,449</u></u>

NET POSITION

Restricted:	
Restricted for public safety	\$ 22,511
Restricted for public works	240,309
Restricted for meter deposits	55,567
Unrestricted	<u>1,080,062</u>
Total Net Position	\$ <u><u>1,398,449</u></u>

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

TOWN OF MARION
Statement of Cash Basis Assets and Fund Balances and
Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
Governmental and Business-type Funds
As of and for the Year Ended September 30, 2021

	Governmental Activities				Business-type Activities		
	Major Funds		Non-Major Funds	Total	Major Fund	Sanitation Fund	Total
	General Fund	ARPA Funds			Water/Sewer Fund		
RECEIPTS							
Ad valorem taxes	\$ 439,205		20,618	459,823		41,236	41,236
License and permits	14,735			14,735			
Franchise taxes on utilities	66,627			66,627			
Intergovernmental revenues:							
Federal revenues:							
Grant		183,769		183,769	424,000		424,000
State shared revenues:							
Sales taxes	293,096			293,096			
Homestead exemption reimbursement	14,397			14,397			
General municipal aid	737			737			
Charges for services:							
Garbage						58,824	58,824
Water and sewer utility					536,741		536,741
Fines and forfeits	12,559			12,559			
Interest income	445		52	497	907	77	984
Miscellaneous revenue	19,511		54,033	73,544	73,903	387	74,290
Total Receipts	<u>861,312</u>	<u>183,769</u>	<u>74,703</u>	<u>1,119,784</u>	<u>1,035,551</u>	<u>100,524</u>	<u>1,136,075</u>

(Continued)

TOWN OF MARION

Statement of Cash Basis Assets and Fund Balances and

Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances

Governmental and Business-type Funds

As of and for the Year Ended September 30, 2021

	Governmental Activities				Business-type Activities		
	Major Funds				Major Fund		
	General Fund	ARPA Funds	Non-Major Funds	Total	Water/Sewer Fund	Sanitation Fund	Total
DISBURSEMENTS							
General government	295,231			295,231			
Public safety	423,127		23,062	446,189			
Public works	130,236			130,236			
Water and sewer utility:							
Personal services					113,462		113,462
Supplies					453,532		453,532
Utilities					77,926		77,926
Other services and charges					300,110	97,815	397,925
Total Disbursements	848,594	0	23,062	871,656	945,030	97,815	1,042,845
Excess of Receipts Over (Under) Disbursements	12,718	183,769	51,641	248,128	90,521	2,709	93,230
OTHER CASH SOURCES (USES)							
Principal paid on bonds and notes	(2,289)			(2,289)	(54,536)		(54,536)
Interest paid on bonds and notes	(25)			(25)	(29,403)		(29,403)
Transfer	11,969			11,969	(11,969)		(11,969)
Total Other Cash Sources and (Uses)	9,655	0	0	9,655	(95,908)	0	(95,908)
Excess (Deficiency) of Receipts and Other Cash Sources Over Disbursements and Other Cash Uses	22,373	183,769	51,641	257,783	(5,387)	2,709	(2,678)
CASH BASIS FUND BALANCE – Beginning of Year	488,302	0	44,517	532,819	525,106	85,419	610,525
CASH BASIS FUND BALANCE – End of Year	\$ 510,675	183,769	96,158	790,602	519,719	88,128	607,847

(Continued)

TOWN OF MARION

Statement of Cash Basis Assets and Fund Balances and

Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances

Governmental and Business-type Funds

As of and for the Year Ended September 30, 2021

	Governmental Activities				Business-type Activities		
	Major Funds				Major Fund		
	General Fund	ARPA Funds	Non-Major Funds	Total	Water/Sewer Fund	Sanitation Fund	Total
CASH BASIS ASSETS - End of Year							
Cash and cash equivalents	\$ 510,260		17,522	527,782	464,152	88,128	552,280
Restricted cash	415	183,769	78,636	262,820	55,567		55,567
Total Cash Basis Assets	<u>\$ 510,675</u>	<u>183,769</u>	<u>96,158</u>	<u>790,602</u>	<u>519,719</u>	<u>88,128</u>	<u>607,847</u>
CASH BASIS FUND BALANCES - End of Year							
Restricted:							
Restricted for public safety	\$ 415		22,096	22,511			
Restricted for public works		183,769	56,540	240,309			
Restricted for meter deposits					55,567		55,567
Unassigned	510,260		17,522	527,782	464,152	88,128	552,280
Total Cash Basis Fund Balances	<u>\$ 510,675</u>	<u>183,769</u>	<u>96,158</u>	<u>790,602</u>	<u>519,719</u>	<u>88,128</u>	<u>607,847</u>

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

TOWN OF MARION

Notes to Financial Statements For the Year Ended September 30, 2021

(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.

TOWN OF MARION

Notes to Financial Statements For the Year Ended September 30, 2021

The Town reports the following major proprietary fund:

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

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

Notes to Financial Statements For the Year Ended September 30, 2021

(2) Cash and Cash Equivalents.

At year-end, the Town's carrying amount of deposits was \$1,398,449 and the bank balance was \$1,434,826. 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, 2021, the Town's bank balance of \$1,434,826 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, 2021, 2020 and 2019 were \$71,372, \$72,359 and \$63,767, 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 October 25, 2022, and determined that no subsequent event has occurred requiring disclosure in the notes to the financial statements.

TOWN OF MARION

REQUIRED SUPPLEMENTARY INFORMATION

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

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUE				
General property taxes	\$ 425,000	425,000	439,205	14,205
Licenses and permits	77,500	77,500	14,735	(62,765)
State grants	20,500	20,500	66,627	46,127
State shared	237,000	282,000	308,230	26,230
Miscellaneous revenue	31,605	32,105	32,515	410
Total Revenue	<u>791,605</u>	<u>837,105</u>	<u>861,312</u>	<u>24,207</u>
EXPENDITURES				
General government	308,019	308,019	295,231	12,788
Public safety	400,808	400,808	423,127	(22,319)
Public works	145,266	145,266	130,236	15,030
Total Expenditures	<u>854,093</u>	<u>854,093</u>	<u>848,594</u>	<u>5,499</u>
Excess of Revenue Over (Under) Expenditures	<u>(62,488)</u>	<u>(16,988)</u>	<u>12,718</u>	<u>29,706</u>
OTHER CASH SOURCES (USES)				
Loan payment principal	(9,376)	(9,376)	(2,289)	7,087
Interest expense			(25)	(25)
Transfer	12,000	12,000	11,969	(31)
Total Other Cash Sources and Uses	<u>2,624</u>	<u>2,624</u>	<u>9,655</u>	<u>7,031</u>
Net Change in Cash Basis Fund Balance	\$ <u>(59,864)</u>	<u>(14,364)</u>	22,373	<u>36,737</u>
Cash Basis Fund Balances - Beginning			<u>488,302</u>	
Cash Basis Fund Balances - Ending			\$ <u>510,675</u>	

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

TOWN OF MARION

Notes to the Required Supplementary Information For the Year Ended September 30, 2021 UNAUDITED

A. Budgetary Information.

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

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

B. Basis of Presentation.

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

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

OTHER REQUIRED SUPPLEMENTARY INFORMATION

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

Definition and Purpose	Balance Outstanding Oct. 1, 2020	Transactions During Fiscal Year		Balance Outstanding Sept. 30, 2021
		Issued	Redeemed	
Business-type Activities				
Mississippi Development Authority - Sewer Improvement Loan	\$ 221,760		22,265	199,495
U.S. Department of Agriculture - Rural Development Loan	1,197,049		29,982	1,167,067
BancorpSouth - Equipment Finance	<u>4,578</u>		<u>4,578</u>	
Total	\$ <u>1,423,387</u>	<u>0</u>	<u>56,825</u>	<u>1,366,562</u>

TOWN OF MARION
Schedule of Investments - All Funds - UNAUDITED
September 30, 2021

	<u>Balance</u>
Water and Sewer Fund:	
.05% Certificate of Deposit, dated September 21, 2021, due 90 days after date (Allocated*)	\$ <u>61,029</u>
Total Water and Sewer Fund Investments	<u>61,029</u>
 Total All Funds	 \$ <u><u>61,029</u></u>

TOWN OF MARION
Schedule of Surety Bonds for Municipal Officials and Employees - UNAUDITED
September 30, 2021

Name	Position	Surety Company	Coverage
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
Alesia Baylor	Court Clerk	Travelers	\$ 50,000
Randall Davis	Police Chief	Travelers	\$ 50,000
Andrew Bateman	Water Operator	Travelers	\$ 50,000

TOWN OF MARION

SPECIAL REPORT

Windham and Lacey, PLLC

Certified Public Accountants

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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, 2021, and have issued our report thereon dated October 25, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the procedures prescribed by the Office of the State Auditor, and accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As required by the state legal compliance audit program prescribed by the Office of the State Auditor, we have also performed procedures to test compliance with certain state laws and regulations. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Town's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures and our audit of the basic financial statements disclosed no instances of noncompliance with state laws and regulations.

This report is intended solely for the information and use of management and the Office of the State Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.



Windham and Lacey, PLLC
October 25, 2022

TOWN OF MARION

SCHEDULE OF FINDINGS AND RESPONSES

TOWN OF MARION

Schedule of Findings and Responses For the Year Ended September 30, 2021

Section 1: Summary of Auditors' Results

Financial Statements:

- | | | |
|----|--|---------------|
| 1. | Type of auditors' report issued on the primary government financial statements: | Unmodified |
| 2. | Internal control over financial reporting: | |
| a. | Material 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

2021-001. 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.