

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 REPORTS

SEPTEMBER 30, 2024

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 cash basis 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, 2024, and the related notes to the financial statements, which collectively comprise the City of Morton, Mississippi's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 City of Morton, Mississippi, as of September 30, 2024, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 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 – Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting, as described in Note 1, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government 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 GAAS and *Government 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Morton, Mississippi's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

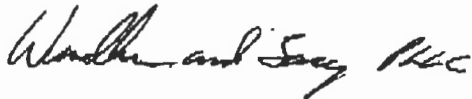
Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2024, on our consideration of the City of Morton, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Morton, Mississippi's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Morton, Mississippi's internal control over financial reporting and compliance.



Windham and Lacey, PLLC
Pearl, MS
January 10, 2025

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, 2024

Functions/Programs	Cash Disbursements	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Cash Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General government	\$ 298,164	25,573	5,625		(266,966)		(266,966)
Public safety	1,279,813	98,362	4,998	94,173	(1,082,280)		(1,082,280)
Public works	668,564			259,203	(409,361)		(409,361)
Culture and recreation	138,560				(138,560)		(138,560)
Debt service:							
Principal	12,529				(12,529)		(12,529)
Interest	3,501				(3,501)		(3,501)
Total Governmental Activities	<u>2,401,131</u>	<u>123,935</u>	<u>10,623</u>	<u>353,376</u>	<u>(1,913,197)</u>	<u>0</u>	<u>(1,913,197)</u>
Business-type Activities:							
Water/Sewer	4,179,710	3,086,966		12,223		(1,080,521)	(1,080,521)
Total Business-type Activities	<u>4,179,710</u>	<u>3,086,966</u>	<u>0</u>	<u>12,223</u>	<u>0</u>	<u>(1,080,521)</u>	<u>(1,080,521)</u>
Total Government	<u>\$ 6,580,841</u>	<u>3,210,901</u>	<u>10,623</u>	<u>365,599</u>	<u>(1,913,197)</u>	<u>(1,080,521)</u>	<u>(2,993,718)</u>
General Receipts							
Taxes:							
Property taxes					\$ 1,001,836		1,001,836
Road & bridge privilege taxes					107,691		107,691
Sales tax					625,736		625,736
Franchise taxes					93,337		93,337
Grants and contributions not restricted to specific programs					85,054		85,054
Unrestricted investment income					2,978	6,390	9,368
Miscellaneous					72,760	2,155	74,915
Proceeds from debt issuance					76,493	87,144	163,637
Transfers					(530,789)	530,789	
Total General Receipts					<u>1,535,096</u>	<u>626,478</u>	<u>2,161,574</u>
Change in Net Cash Position					(378,101)	(454,043)	(832,144)
Net Cash Position - Beginning					<u>2,633,498</u>	<u>3,455,252</u>	<u>6,088,750</u>
Net Cash Position - Ending					<u>\$ 2,255,397</u>	<u>3,001,209</u>	<u>5,256,606</u>

(Continued)

CITY OF MORTON, MISSISSIPPI
Statement of Activities and Net Cash Position - Cash Basis
As of and for the Year Ended September 30, 2024

ASSETS

Cash and cash equivalents	\$ 4,634,425
Restricted cash	<u>622,181</u>
Total Assets	\$ <u>5,256,606</u>

NET CASH POSITION

Restricted:	
Restricted for unemployment	\$ 7,000
Restricted for meter deposits	104,631
Restricted for public safety	131,088
Restricted for public works	379,462
Unrestricted	<u>4,634,425</u>
Total Net Cash Position	\$ <u>5,256,606</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
For the Year Ended September 30, 2024

	Governmental Activities					Business-type Activities			
	Major Funds					Major Funds			
	General Fund	ARPA Fund	Modernization Tax Fund	Non-Major Funds	Total	Water/Sewer Fund	Sewer - CDBG Fund	Non-Major Business-type Fund	Total
RECEIPTS									
Property taxes	\$ 1,001,836				1,001,836				
Road and bridge tax	107,691				107,691				
License and permits	25,573				25,573				
Franchise taxes on utilities	93,337				93,337				
Intergovernmental revenues:									
Federal revenues:									
Grants	4,998			25,000	29,998			12,223	12,223
State shared revenues:									
Sales taxes	625,736				625,736				
Grants	22,194		259,203	54,066	335,463				
General municipal aid	1,855				1,855				
Gasoline tax	3,770				3,770				
Grand Gulf	56,488				56,488				
Other	21,479				21,479				
Charges for services:									
Garbage						271,059			271,059
Water and sewer utility						2,815,907			2,815,907
Fines and forfeits	98,362				98,362				
Interest income	2,475	474		29	2,978	6,390			6,390
Miscellaneous revenue	27,752			45,008	72,760	2,155			2,155
Total Receipts	<u>2,093,546</u>	<u>474</u>	<u>259,203</u>	<u>124,103</u>	<u>2,477,326</u>	<u>3,095,511</u>	<u>0</u>	<u>12,223</u>	<u>3,107,734</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
For the Year Ended September 30, 2024

	Governmental Activities					Business-type Activities			
	Major Funds					Major Funds			
	General Fund	ARPA Fund	Modernization Tax Fund	Non-Major Funds	Total	Water/Sewer Fund	Sewer - CDBG Fund	Non-Major Business-type Fund	Total
DISBURSEMENTS									
General government	298,164				298,164				
Public safety	1,199,229			38,748	1,237,977				
Public works	535,897		36,684	13,070	585,651				
Culture and recreation	107,853			26,654	134,507				
Water and sewer utility and cemetery:									
Personal services						532,120			532,120
Supplies						226,400			226,400
Contract services						418,982			418,982
Utilities						600,238			600,238
Other services and charges						76,671			76,671
Total Disbursements	<u>2,141,143</u>	<u>0</u>	<u>36,684</u>	<u>78,472</u>	<u>2,256,299</u>	<u>1,854,411</u>	<u>0</u>	<u>0</u>	<u>1,854,411</u>
Excess of Receipts Over (Under) Disbursements	<u>(47,597)</u>	<u>474</u>	<u>222,519</u>	<u>45,631</u>	<u>221,027</u>	<u>1,241,100</u>	<u>0</u>	<u>12,223</u>	<u>1,253,323</u>
OTHER CASH SOURCES (USES)									
Capital outlay	(86,966)			(41,836)	(128,802)	(1,849,501)		(12,223)	(1,861,724)
Principal paid on loan and lease purchase	(12,529)				(12,529)	(427,788)			(427,788)
Interest paid on loan and lease purchase	(3,501)				(3,501)	(35,787)			(35,787)
Proceeds from debt issuance	76,493				76,493	87,144			87,144
Transfer in (out)		(530,789)			(530,789)	530,789			530,789
Total Other Cash Sources and (Uses)	<u>(26,503)</u>	<u>(530,789)</u>	<u>0</u>	<u>(41,836)</u>	<u>(599,128)</u>	<u>(1,695,143)</u>	<u>0</u>	<u>(12,223)</u>	<u>(1,707,366)</u>
Excess (Deficiency) of Receipts and Other Cash Sources Over Disbursements and Other Cash Uses	<u>(74,100)</u>	<u>(530,315)</u>	<u>222,519</u>	<u>3,795</u>	<u>(378,101)</u>	<u>(454,043)</u>	<u>0</u>	<u>0</u>	<u>(454,043)</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
For the Year Ended September 30, 2024

	Governmental Activities					Business-type Activities			
	Major Funds					Major Funds			
	General Fund	ARPA Fund	Modernization Tax Fund	Non-Major Funds	Total	Water/Sewer Fund	Sewer - CDBG Fund	Non-Major Business-type Fund	Total
CASH BASIS FUND BALANCES –									
Beginning, as previously reported	1,839,483	530,370	0	263,645	2,633,498	3,325,094	24,609	105,549	3,455,252
Adjustment - change from nonmajor to major or major to nonmajor			105,274	(105,274)	0		(24,609)	24,609	0
Cash Basis Fund Balances – Beginning, as restated	<u>1,839,483</u>	<u>530,370</u>	<u>105,274</u>	<u>158,371</u>	<u>2,633,498</u>	<u>3,325,094</u>	<u>0</u>	<u>130,158</u>	<u>3,455,252</u>
Cash Basis Fund Balances - Ending	<u>\$ 1,765,383</u>	<u>55</u>	<u>327,793</u>	<u>162,166</u>	<u>2,255,397</u>	<u>2,871,051</u>	<u>0</u>	<u>130,158</u>	<u>3,001,209</u>
CASH BASIS ASSETS - End of Year									
Cash and cash equivalents	\$ 1,689,357			48,490	1,737,847	2,871,051		25,527	2,896,578
Restricted cash	<u>76,026</u>	<u>55</u>	<u>327,793</u>	<u>113,676</u>	<u>517,550</u>			<u>104,631</u>	<u>104,631</u>
Total Cash Basis Assets	<u>\$ 1,765,383</u>	<u>55</u>	<u>327,793</u>	<u>162,166</u>	<u>2,255,397</u>	<u>2,871,051</u>	<u>0</u>	<u>130,158</u>	<u>3,001,209</u>
CASH BASIS FUND BALANCES – End of Year									
Restricted:									
Restricted for unemployment compensation	\$			7,000	7,000				
Restricted for meter deposits								104,631	104,631
Restricted for public safety	<u>76,026</u>			<u>55,062</u>	<u>131,088</u>				
Restricted for public works		<u>55</u>	<u>327,793</u>	<u>51,614</u>	<u>379,462</u>				
Unassigned	<u>1,689,357</u>			<u>48,490</u>	<u>1,737,847</u>	<u>2,871,051</u>		<u>25,527</u>	<u>2,896,578</u>
Total Cash Basis Fund Balances	<u>\$ 1,765,383</u>	<u>55</u>	<u>327,793</u>	<u>162,166</u>	<u>2,255,397</u>	<u>2,871,051</u>	<u>0</u>	<u>130,158</u>	<u>3,001,209</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, 2024

(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, 2024

The *Modernization Fund* is a special revenue 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.

CITY OF MORTON, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2024

(2) Adjustments and Restatements of Beginning Balances.

During fiscal year 2024, changes to or within the financial reporting entity resulted in adjustments to and restatements of beginning net cash position and cash basis fund balance, as follows:

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balances			
	Funds			
	Governmental Activities		Business-type Activities	
	Modernization Tax Fund	Non-Major Fund	Sewer - CDBG Fund	Non-Major Business-type Fund
Sept. 30, 2023, as previously reported	\$	263,645	24,609	105,549
Change from major to nonmajor fund			(24,609)	24,609
Change from nonmajor to major fund	105,274	(105,274)		
Sept. 30, 2024, as adjusted or restated	\$ 105,274	158,371	0	130,158

(3) Cash and Cash Equivalents.

At year-end, the City's carrying amount of deposits was \$5,256,606 and the bank balance was \$5,172,908. 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 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.

CITY OF MORTON, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2024

(4) 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: At September 30, 2024, 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 rate at September 30, 2024 was 17.90% of annual covered payroll. This rate increased as of July 1, 2024 from 17.40%. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The City's contributions (employer share only) to PERS for the years ended September 30, 2024, 2023, and 2022 were \$223,906, \$209,142, and \$220,728, respectively, equal to the required contributions for each year.

These financial statements do not reflect pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources in accordance with GASB Statements No. 67, No. 68, and No. 71, as these financial statements were prepared using the cash basis of accounting.

CITY OF MORTON, MISSISSIPPI

SUPPLEMENTARY INFORMATION

CITY OF MORTON, MISSISSIPPI
Schedule of Expenditures of Federal Awards
September 30, 2024

<u>Federal Grantor/Pass-through Grantor/ Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
Major Program:			
U.S. Department of Treasury/Coronavirus State and Local/ ARPA	21.027		\$ 530,789
U.S. Department of Treasury/Coronavirus State and Local/ Mississippi Department of Environmental Quality/ Mississippi Municipality and County Water Infrastructure	21.027	142-1-CW-5.5	231,353
U.S. Department of Treasury/Coronavirus State and Local/ Mississippi Department of Environmental Quality/ Mississippi Municipality and County Water Infrastructure	21.027	356-1-CW-5.5	185,344
Total Major Program			<u>947,486</u>
Non-Major Program:			
Department of Housing and Urban Development/ Community Development Block Grant/ Mississippi Development Authority	14.228	1137-21-267-PF-01	<u>12,223</u>
Total Non-Major Programs			<u>12,223</u>
Total Major and Non-Major Programs			\$ <u>959,709</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note A - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the City of Morton under programs of the federal government for the year ended September 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 *U. S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City of Morton, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City of Morton.

Note B - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note C - Indirect Cost Rate

The City of Morton has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

CITY OF MORTON, MISSISSIPPI

OTHER INFORMATION

CITY OF MORTON, MISSISSIPPI
Budgetary Comparison Schedule -
Budget and Actual
General Fund - UNAUDITED
For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
RECEIPTS				
Ad valorem taxes	\$ 1,072,455	1,001,836	1,001,836	
Road and bridge tax	116,000	107,691	107,691	
License and permits	16,500	25,573	25,573	
Franchise taxes on utilities	110,000	93,337	93,337	
Intergovernmental revenues:				
Federal revenues:				
Grants		4,998	4,998	
State shared revenues:				
Sales taxes	540,500	625,736	625,736	
Grants		22,194	22,194	
General municipal aid	210,000	1,855	1,855	
Gasoline tax	3,000	3,770	3,770	
Grand Gulf	60,000	56,488	56,488	
Other		21,479	21,479	
Fines and forfeits	70,000	98,362	98,362	
Interest income	800	2,475	2,475	
Miscellaneous revenue	63,045	27,752	27,752	
Total Receipts	<u>2,262,300</u>	<u>2,093,546</u>	<u>2,093,546</u>	<u>0</u>
EXPENDITURES				
General government	334,156	298,164	298,164	
Public safety	1,161,249	1,199,229	1,199,229	
Public works	581,125	535,897	535,897	
Culture and recreation	185,770	107,853	107,853	
Total Expenditures	<u>2,262,300</u>	<u>2,141,143</u>	<u>2,141,143</u>	<u>0</u>
Excess of Receipts Over (Under) Expenditures	<u>0</u>	<u>(47,597)</u>	<u>(47,597)</u>	<u>0</u>
OTHER CASH SOURCES (USES)				
Capital outlay		(86,966)	(86,966)	
Principal paid on loan and lease purchase		(12,529)	(12,529)	
Interest paid on loan and lease purchase		(3,501)	(3,501)	
Proceeds from debt issuance		76,493	76,493	
Total Other Cash Sources and Uses	<u>0</u>	<u>(26,503)</u>	<u>(26,503)</u>	<u>0</u>
Net Change in Cash Basis Fund Balance	0	(74,100)	(74,100)	0
Cash Basis Fund Balances - Beginning	<u>0</u>	<u>1,839,483</u>	<u>1,839,483</u>	<u>0</u>
Cash Basis Fund Balances - Ending	<u>\$ 0</u>	<u>1,765,383</u>	<u>1,765,383</u>	<u>0</u>

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

CITY OF MORTON, MISSISSIPPI
Schedule of Changes in Long-term Debt - UNAUDITED
For the Year Ended September 30, 2024

<u>Description</u>	<u>Outstanding Balance Sept. 30, 2023</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Outstanding Balance Sept. 30, 2024</u>
Governmental Activities:				
Loans	\$ 0	76,493	12,529	63,964
Total Governmental Activities	0	76,493	12,529	63,964
Business-type Activities:				
Capital improvement loans	1,647,919		388,736	1,259,183
Other loans	38,280	87,144	39,052	86,372
Total Business-type Activities	1,686,199	87,144	427,788	1,345,555
Total Governmental and Business-type Activities	\$ 1,686,199	163,637	440,317	1,409,519

CITY OF MORTON, MISSISSIPPI
Schedule of Investments - All Funds - UNAUDITED
September 30, 2024

<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%	07/06/2024	04/06/2025	Bank of Commerce	\$ 3,574
General Fund	Certificate of Deposit	0.250%	08/28/2024	02/28/2025	Bank of Commerce	100,000
General Fund	Certificate of Deposit	0.250%	02/10/2024	08/10/2025	PriorityOne Bank	250,000
Morton Memorial Gardens	Certificate of Deposit	0.150%	02/20/2024	08/20/2025	PriorityOne Bank	10,000
Enterprise Fund	Certificate of Deposit	0.300%	01/16/2024	01/16/2025	PriorityOne Bank	100,000
Enterprise Fund	Certificate of Deposit	0.450%	06/17/2024	06/17/2025	Bank of Commerce	210,000
Enterprise Fund	Certificate of Deposit	0.300%	05/14/2024	05/14/2025	PriorityOne Bank	138,000
Enterprise Fund	Certificate of Deposit	0.450%	12/22/2023	12/22/2024	Bank of Commerce	100,000
Enterprise Fund	Certificate of Deposit	0.300%	01/07/2024	01/07/2025	PriorityOne Bank	100,000
Enterprise Fund	Certificate of Deposit	0.300%	03/27/2024	03/26/2025	PriorityOne Bank	500,000
Total Non-restricted Investments						<u>1,511,574</u>
Restricted Investments:						
Unemployment Compensation	Certificate of Deposit	0.150%	02/20/2024	08/20/2025	PriorityOne Bank	7,000
Enterprise Fund	Certificate of Deposit	0.150%	02/20/2024	08/20/2025	PriorityOne Bank	75,000
Enterprise Fund	Certificate of Deposit	0.250%	05/15/2024	05/15/2025	PriorityOne Bank	48,000
Total Restricted Investments						<u>130,000</u>
Total Investments						\$ <u>1,641,574</u>

CITY OF MORTON, MISSISSIPPI
Schedule of Capital Assets - UNAUDITED
For the Fiscal Year Ended September 30, 2024

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	<u>Ending Balance</u>
Governmental Activities:					
Capital Assets:					
Land	\$ 10,000				10,000
Construction in progress	897,244			(897,244)	
Buildings	937,902				937,902
Building improvements	162,833				162,833
Infrastructure	1,246,172				1,246,172
Improvements other	312,764			897,244	1,210,008
Mobile equipment	1,101,512	41,836	23,505		1,119,843
Furniture & equipment	<u>225,066</u>	<u>86,966</u>			<u>312,032</u>
Total Governmental Activities					
Capital Assets	<u>\$ 4,893,493</u>	<u>128,802</u>	<u>23,505</u>	<u>0</u>	<u>4,998,790</u>
Business-type Activities:					
Capital Assets:					
Land	\$ 47,319				47,319
Construction in progress	1,260,175	1,603,862		(2,864,037)	
Infrastructure	17,679,827				17,679,827
Improvements other	940,759	21,692		2,864,037	3,826,488
Mobile equipment	622,977		27,528	96,944	692,393
Furniture and equipment	1,234,324	236,170			1,470,494
Obligations under capital leases	<u>96,944</u>			<u>(96,944)</u>	
Total Business-type Activities					
Capital Assets	<u>\$ 21,882,325</u>	<u>1,861,724</u>	<u>27,528</u>	<u>0</u>	<u>23,716,521</u>

CITY OF MORTON, MISSISSIPPI**Schedule of Surety Bonds for Municipal Officials and Employees - UNAUDITED****September 30, 2024**

Name	Position	Surety Company	Coverage
Gerald Keeton, Sr.	Mayor	MS Municipal Bond Program	\$ 50,000
Marie Washington-Laird	Alderwoman	MS Municipal Bond Program	\$ 50,000
Al J. Reeves, Jr.	Alderman	MS Municipal Bond Program	\$ 50,000
Winifred F. Johnson	Alderman	MS Municipal Bond Program	\$ 50,000
Alpha Oneida Laster	Alderwoman	MS Municipal Bond Program	\$ 50,000
Jimmy D. Brown	Alderman	MS Municipal Bond Program	\$ 50,000
Tara Yates	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
Sheila Hughes	Front Desk Clerk	Travelers	\$ 50,000
Dorothy Redeemer	Office Clerk	Travelers	\$ 50,000

CITY OF MORTON, MISSISSIPPI

**Notes to the Other Information
For the Year Ended September 30, 2024
UNAUDITED**

A. Budgetary Information.

Statutory requirements dictate how and when the City's budget is to be prepared. 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 Governmental Funds for said fiscal year. The completed budget for the fiscal year includes each fund, every source of receipts, each general item of disbursement, 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 principally 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 legally adopted budget, the final legally 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

SPECIAL REPORTS

Windham and Lacey, PLLC

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and
Members of the Board of Aldermen
City of Morton, Mississippi

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the cash basis 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 (the City), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 10, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Morton, Mississippi's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Morton, Mississippi's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Morton, Mississippi's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and 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.

A handwritten signature in black ink, appearing to read "Windham and Lacey, PLLC".

Windham and Lacey, PLLC
Pearl, MS
January 10, 2025

Windham and Lacey, PLLC

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY *UNIFORM GUIDANCE*

Honorable Mayor and
Members of the Board of Aldermen
City of Morton, Mississippi

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the City of Morton, Mississippi's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the City of Morton, Mississippi's major federal program for the year ended September 30, 2024. The City of Morton, Mississippi's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City of Morton, Mississippi, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended September 30, 2024.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Morton, Mississippi, and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of the City of Morton, Mississippi's compliance with the compliance requirements referred to above.

Responsibility of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City of Morton, Mississippi's federal programs.

Auditors' Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to about occurred, whether due to fraud or error, and express an opinion on the City of Morton, Mississippi's compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence that judgment made by a reasonable user of the report on compliance about the City of Morton, Mississippi's compliance with the requirements of the major program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City of Morton, Mississippi's compliance with the compliance requirements referred to about and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Morton, Mississippi's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Morton, Mississippi's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

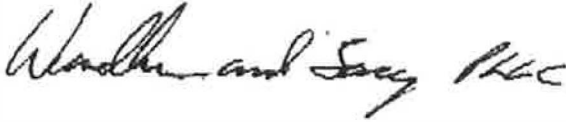
Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we considered to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

Windham and Lacey, PLLC
Pearl, MS
January 10, 2025

Windham and Lacey, PLLC

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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, 2024, and have issued our report thereon dated January 10, 2025. 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
Pearl, MS
January 10, 2025

CITY OF MORTON, MISSISSIPPI

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

CITY OF MORTON, MISSISSIPPI

Schedule of Findings and Questioned Costs For the Year Ended September 30, 2024

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? | No |
| 3. | Noncompliance material to the financial statements? | No |

Federal Awards:

- | | | |
|-----|--|---------------|
| 4. | Internal control over the major program: | |
| a. | Material weaknesses identified? | No |
| b. | Significant deficiencies identified that are not considered to be material weaknesses? | None Reported |
| 5. | Type of auditors' report issued on compliance for the major federal program: | Unmodified |
| 6. | Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | No |
| 7. | Federal program identified as a major program: | |
| | U.S. Department of Treasury/Coronavirus State and Local;
Assistance Listing #21.027 | |
| 8. | The dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
| 9. | Qualified as a low-risk auditee? | No |
| 10. | Prior fiscal year audit findings and questioned costs relative to federal awards which require the auditee to prepare a Summary Schedule of Prior Audit Findings in accordance with 2CFR 200.511(b)? | No |

Section 2: Financial Statement Findings

The results of our test did not disclose any findings related to the financial statements.

Section 3: Federal Award Findings and Questioned Costs

The results of our test did not disclose any findings and questioned costs related to federal awards.