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**TOWN OF GUNNISON**  
**404 Main Street**  
**Post Office Box 278**  
**Gunnison, Mississippi 38746**  
**Phone: 662-747-2213 – Fax: 662-747-2263**

**FRANCES WARD, MAYOR**

**BOARD OF ALDERMEN:**  
**JOHN CALMESE**  
**ALLEN HOPSON**  
**CLARA PEARSON**  
**LINDA TAYLOR**  
**MARY WILLIAMSON**

May 4, 2018

Office of the State Auditor  
P. O. Box 956  
Jackson, Mississippi 39205

Re: Annual Municipal Financial Statement

Gentlemen:

Accompanying this letter is two (2) hard copies of the annual compilation of the Town of Gunnison, Mississippi, for the fiscal year ended September 30, 2017, respectively. A separate management letter was not written to the Town of Gunnison, Mississippi, in connection with this report.

Sincerely,

*Frances L. Ward*

Frances Ward, Mayor  
Enclosures/attachments



**TOWN of GUNNISON**  
Compiled Financial Statements  
September 30, 2017

***Ella B. Johnson,***  
*Public Accountant*  
119 Greenridge Drive  
Madison, MS 39110  
662-347-5773 (Office)  
601-790-9369 (Fax)

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MAY 07 2018

**Town of Gunnison, Mississippi**

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**September 30, 2017**

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Ella B. Johnson, Public Accountant  
119 Greenridge Drive  
Madison, MS 39110  
Phone: 662-347-5773

**SPECIAL REPORT ON AGREED UPON  
PROCEDURES FOR SMALL MUNICIPALITIES (TOWNS)**

**(Compliance Letter)**

Honorable Mayor and Board of Aldermen  
Town of Gunnison  
Gunnison, Mississippi 38746

We have applied certain agreed-upon procedures, as discussed below, to the accounting records of the Town of Gunnison, Mississippi, as of September 30, 2017, and for the year then ended, as required by the Office of the State Auditor, under the provisions of Section 21-35-31, Miss. Code Ann. (1972). It is understood the report is solely for the use of the governing body of the Town of Gunnison, Mississippi and the Office of the State Auditor and should not be used for any other purposes. Our procedures and findings are as follows:

1. We reconciled cash on deposit with the following bank to balances in the respective general ledger accounts and obtained confirmation of the related balance from the bank:

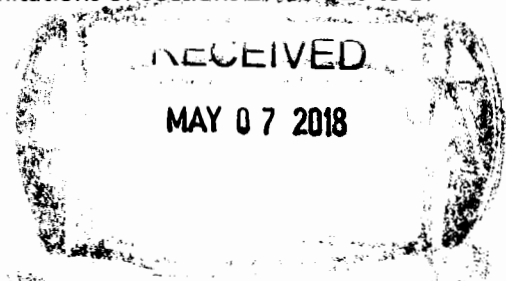
<u>Bank</u>	<u>Funds</u>	<u>Balance per General Ledger</u>
State Bank and Trust	General, Water/ Sewer & Sanitation	\$ 4,162.64
State Bank & Trust	2011 CDBG Account	100.25
State Bank & Trust	Homecoming Festival	837.76

The town did not report securities held for investments.

2. We performed the following procedures with respect to taxes and personal property (including motor vehicles) levied during the fiscal year.
  - a. Trace levies to governing body minutes;
  - b. Traced distribution of taxes collected to proper funds; and
  - c. Analyzed increase in taxes for most recent period for completion with increase limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

The distribution of taxes to General Fund was found to be in accordance with prescribed tax levies.

Ad valorem tax collections were found to be within the limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972).



3. The Town did not retire or issue general obligation debt or revenue bonds.
4. We obtained a statement of payments made by the Department of Finance and Administration to the municipality. Payments indicated were traced to deposit in the respective bank account. Payments were recorded in the general ledger. Payments traced were as follows:

<u>Payment Purpose</u>	<u>Receiving Fund</u>	<u>Ledger Amount</u>
Sales Tax Allocation	General Fund	\$ 4,391
General Municipal Aid	General Fund	225
Gasoline Tax	General Fund	678
Homestead Exemption	General Fund	3,035
Nuclear Plant Payments	General Fund	3,558
Municipal Fire Protection	General Fund	2,531
Emergency Management	General Fund	2,349

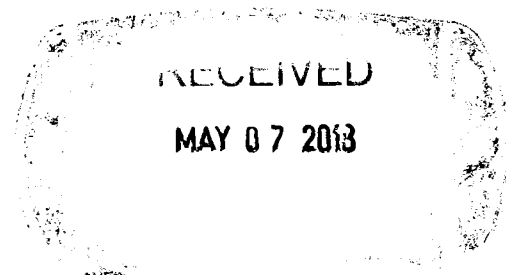
5. We selected a sample of purchases made by the municipality during the fiscal year. Each sampled item was evaluated for proper approval and compliance with purchasing requirements set forth in Title 31, Chapter 7, Mississippi Code Ann. (1972), as applicable.

The sample consisted of the following:

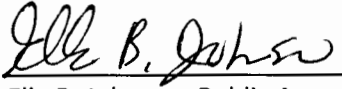
Number of Sample Items	25
Total Dollar Value of Sample	\$25,608.35

We found the municipality's purchasing procedures were not in agreement with the requirements of the above mentioned sections of five (5) purchases not supported by invoices.

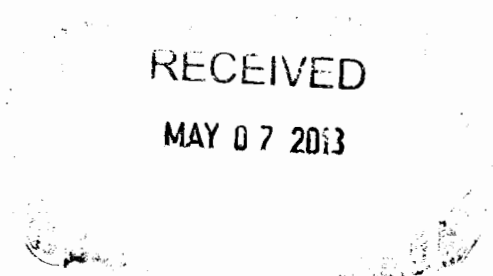
6. Fines and forfeitures were not collected.
7. We have read the Municipal Compliance Questionnaire completed by the municipality. The following responses to the questionnaire indicate noncompliance with state requirements:
  - a. The Board did not have financial statement reports comparing actual to budgeted revenues and expenses, therefore, the Board was unable to determine whether revenues were less than estimated or if a deficit was anticipated.
  - b. The Town Clerk did not maintain financial records in accordance with the chart of accounts prescribed by the State Auditor (Section 21-35-11).
  - c. The Town did not tag or account for fixed assets, as required by Section 7-7-211, Municipal Audit & Accounting Guide.
  - d. The Town did not levy or appropriate not less than ¼ mill for fire protection or allowed the county to levy such tax (Sections 83-1-37 and 83-1-39).



Because the above procedures do not constitute an audit in accordance with generally accepted auditing standards, we do not express an opinion on any of the specific accounts or classes of transactions referred to above. In connection with the procedures referred to above, no matters came to our attention that caused us to believe that items specified in Paragraphs 1, 2 and 3 should be adjusted. Had we performed additional procedures or had we conducted an audit of the financial statements in accordance with generally accepted auditing standards, matters might have come to our attention that would have been reported to you. This report should not be associated with the financial statements of the Town of Gunnison, Mississippi, for the year ended September 30, 2017.



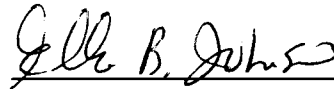
Ella B. Johnson, Public Accountant  
Madison, MS 39110  
April 27, 2018



**Johnson's Accounting Service  
Public Accountant  
119 Greenridge Drive  
Madison, MS 39110  
Phone: 662-347-5773  
Fax: 601-790-9369**

Governing Body  
Town of Gunnison, Mississippi

We have compiled the Statement of Cash Receipts and Disbursements (Governmental & Business Type Activities) as of and for the Fiscal Year Ended September 30, 2017.



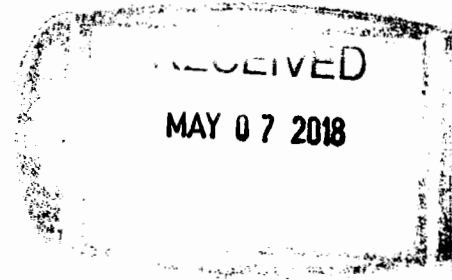
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Ella B. Johnson, Public Accountant

April 27, 2018



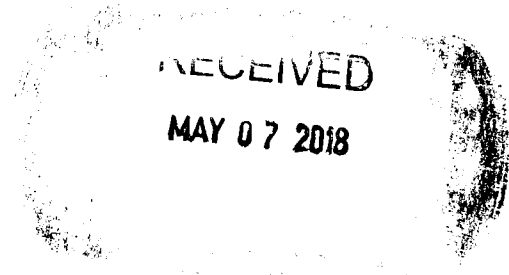
**TOWN OF GUNNISON, MISSISSIPPI**  
**UNAUDITED STATEMENT OF CASH RECEIPTS and DISBURSEMENTS**  
**GOVERNMENTAL & BUSINESS-TYPE ACTIVITIES**  
**AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

	Governmental Activities			Business-Type Activities	
	General	Garbage	Other	Water &	
	<u>Fund</u>	<u>Disposal</u>	<u>Nonmajor</u>	<u>Sewer</u>	<u>Total</u>
<b>RECEIPTS</b>					
Taxes - Ad Valorem	59,448				59,448
Licenses & Permits	335				335
Franchise Taxes	6,285				6,285
Homestead Exempt. Reimburse.	3,035				3,035
General Sales Tax	4,391				4,391
Municipal Aid	225				225
Motor Vehicle Fuel Taxes	678				678
Grand Gulf	3,558				3,558
Municipal Fire Protection	2,531				2,531
Emergency Mmgt.	2,349				2,349
Charges for Services:					
Garbage		24,597			24,597
Water & Sewer				56,350	56,350
Other Revenue	548		3,980		4,528
Community Facility Grant			19,370		19,370
<b>TOTAL RECEIPTS</b>	<b>83,383</b>	<b>24,597</b>	<b>23,350</b>	<b>56,350</b>	<b>56,350</b>
<b>DISBURSEMENTS</b>					
General Government Legislative					
Salaries & Employee Benefits	19,700				19,700
Executive					
Salaries & Employee Benefits	9,688				9,688
Financial					
Salaries & Employee Benefits	19,054				19,054
Supplies	3,686				3,686
Other Services & Charges	37,393				37,393
Public Safety - Police Dept.					
Salaries & Employee Benefits	7,767				7,767
Supplies	948				948
Other Services & Charges	406				406
Capital Outlay - Vehicle	5,827		19,370		25,197
Public Works- Street Department					
Salaries & Employee Benefits	14,210				14,210
Supplies	13,272				13,272



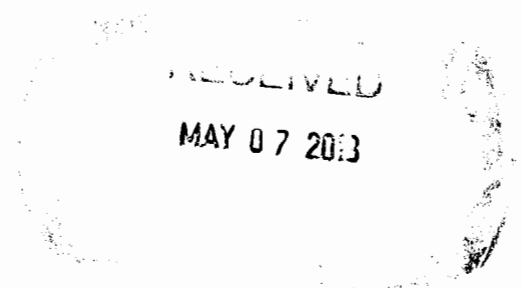
**TOWN OF GUNNISON, MISSISSIPPI**  
**UNAUDITED STATEMENT OF CASH RECEIPTS and DISBURSEMENTS**  
**GOVERNMENTAL & BUSINESS-TYPE ACTIVITIES**  
**AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

	Governmental Activities			Business-Type Activities		
	General Fund	Garbage Disposal Fund	Other Nonmajor Funds	Total	Water & Sewer Fund	Total
Other Services & Charges	13,243			13,243		
Public Works - Sanitation						
Garbage Disposal		22,032		22,032		
Federal Expenditures:						
CDBG Project			2,500	2,500		
October Fest			4,709	4,709		
Enterprises - Water & Sewer						
Salaries & Employee Benefits					10,273	10,273
Supplies					1,237	1,237
Water Operator					9,265	9,265
Other Services & Charges					11,729	11,729
<b>Total Disbursements</b>	<b>145,194</b>	<b>22,032</b>	<b>26,579</b>	<b>193,805</b>	<b>32,504</b>	<b>32,504</b>
Excess of Receipts Over (Under) Disbursements	(61,811)	2,565	(3,229)	(62,475)	23,846	23,846
OTHER CASH SOURCES (USES)						
Transfers In	51,000			51,000		
Transfers Out		-3000		(3,000)	(48,000)	(48,000)
Total Other Cash Sources (Uses)	51,000	(3,000)	-	48,000	(48,000)	(48,000)
Excess (Deficiency) of Receipts Over Disbursements	(10,811)	(435)	(3,229)	(14,475)	(24,154)	(24,154)
Cash Basis Fund Balance						
Beginning of Year	12,031	3,176	4,167	19,374	24,356	24,356
Cash Basis Fund Balance - End of Yr.	1,220	2,741	938	4,899	202	202



**Town of Gunnison, Mississippi**  
**Schedule of Long-Term Debt**  
**For the fiscal Year Ended September 30, 2017**

Definition and Purpose	Balance Outstanding <u>10/1/2016</u>	Transactions During Fiscal Year		Balance Outstanding <u>9/30/2017</u>
		<u>Issued</u>	<u>Redeemed</u>	
General Obligation Bonds:	\$ -	\$ -	\$ -	\$ -
Revenue Bonds:	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



**TOWN OF GUNNISON, MISSISSIPPI  
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS  
September 30, 2017**

<u>Name</u>	<u>Position</u>	<u>Company</u>	<u>Bond Amount</u>	<u>Expiration Date</u>
Frances Ward	Mayor	Travelers Casualty & Surety Co.	\$ 50,000	7/3/21
Ariel Mond	Clerk	Travelers Casualty & Surety Co.	50,000	8/8/18
Yriccia Robinson	Deputy Clerk	Travelers Casualty & Surety Co.	50,000	8/8/18
Joseph Johnson	Police Chief	Travelers Casualty & Surety Co.	50,000	8/8/18
John Calmese	Alderman	Travelers Casualty & Surety Co.	25,000	7/3/21
Clara Pearson	Alderwoman	Travelers Casualty & Surety Co.	25,000	7/3/21
Allen Hopson	Alderman	Travelers Casualty & Surety Co.	25,000	7/3/21
Linda Taylor	Alderwoman	Travelers Casualty & Surety Co.	25,000	7/3/21
Mary Ann Williamson	Alderman	Travelers Casualty & Surety Co.	25,000	7/3/21



JOHNSON ACCOUNTING SERVICE  
119 Greenridge Drive  
Madison, MS 39110  
Phone: 662-347-5773  
Fax: 601-790-9369  
Email: ellajohnsontaxes@bellsouth.net

**REPORT ON COMPLIANCE WITH STATE  
LAWS AND REGULATIONS**

To the Mayor and the Board of Aldermen  
Town of Gunnison, Mississippi


We have compiled the accompanying Unaudited Statement of Cash Receipts and Disbursements – Governmental and Business-Type Activities, Schedule of Long-Term Debt and Schedule of Surety Bonds for Municipal Officials of the Town of Gunnison, Mississippi, for the year ended September 30, 2017, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statement has been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

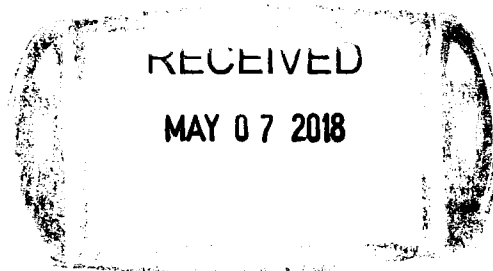
We have performed procedures to test compliance with certain state laws and regulations as described by the Municipal Compliance Questionnaire that is prescribed by the office of the State Auditor. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Town's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to items tested, the results of those procedures and my compilation of the accompanying Unaudited Statement of Cash Receipts and Disbursements – Governmental and Business-Type Activities, Schedule of Investments and Schedule of Surety Bonds for Municipal Officials of the Town of Gunnison, Mississippi, for the year ended September 30, 2017 disclosed material instances of noncompliance with state laws and regulations. Our findings and recommendations and your responses are as follows:

- a. The Town did not tag or account for fixed assets, as required by Section 7-7-211, Municipal Audit & Accounting Guide. The Town proposes to tag and account for fixed assets before Fiscal Year ending September 30, 2018.
- b. The Town did not levy or appropriate not less than  $\frac{1}{4}$  mill for fire protection nor allowed the county to levy such tax (Sections 83-1-37 and 83-1-39). The Town proposes to levy not less than  $\frac{1}{4}$  mill for fire protection before Fiscal Year ending September 30, 2018.

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.

  
Ella B. Johnson,  
Public Accountant  
April 27, 2018



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