

## 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 GULFPORT, MISSISSIPPI**  
**COMPLIANCE REPORTS**  
**FOR THE FISCAL YEAR ENDED**  
**SEPTEMBER 30, 2018**

**CITY OF GULFPORT, MISSISSIPPI**  
**COMPLIANCE REPORTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

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**TABLE OF CONTENTS**

	<b><u>Page</u></b>
<b>Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>.....</b>	<b>1 and 2</b>
<b>Independent Auditor’s Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance.....</b>	<b>3 – 5</b>
<b>Independent Auditor’s Report on Compliance with State Laws and Regulations .....</b>	<b>6</b>
<b>Schedule of Expenditures of Federal Awards .....</b>	<b>7 and 8</b>
<b>Notes to Schedule of Expenditures of Federal Awards .....</b>	<b>9</b>
<b>Schedule of Findings and Questioned Costs .....</b>	<b>10 – 13</b>
<b>Summary Schedule of Prior Year Findings.....</b>	<b>14</b>
<b>Corrective Action Plan .....</b>	<b>15</b>



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

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**To the Honorable Mayor and Members  
of the City Council  
City of Gulfport, Mississippi**

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Gulfport, Mississippi** (the "City"), as of and for the fiscal year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated September 6, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the 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'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 a 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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, as described in the accompanying schedule of findings and responses as items 2018-001 through 2018-003 that we consider to be material weaknesses.

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**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City'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 determination of financial statement amounts. 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*.

**City of Gulfport, Mississippi's Response to Findings**

The City's response to the findings in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**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 results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Atlanta, Georgia  
September 6, 2019



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER  
COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

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**To the Honorable Mayor and Members  
of the City Council  
City of Gulfport, Mississippi**

**Report on Compliance For Each Major Federal Program**

We have audited the City of Gulfport, Mississippi's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the fiscal year ended September 30, 2018. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

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### **Opinion on Each Major Federal Program**

In our opinion, the City of Gulfport, Mississippi complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended September 30, 2018.

### **Report on Internal Control Over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program, 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's 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 internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However material weaknesses may exist that have not been identified.

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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.

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

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 City of Gulfport, Mississippi, as of and for the fiscal year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated September 6, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 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 auditing standards generally accepted in the United States of America. 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.

*Mauldin & Jenkins, LLC*

Atlanta, Georgia  
September 6, 2019



## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

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**To the Honorable Mayor and Members  
of the City Council  
City of Gulfport, Mississippi**

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City of Gulfport, Mississippi (the "City") as of and for the fiscal year ended September 30, 2018, which collectively comprise the City's basic financial statements and have issued our report thereon dated September 6, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States.

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. However, providing an opinion on compliance with state laws and regulations was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of those procedures and our audit of the City's basic financial statements did not disclose any instances of noncompliance with state laws and regulations.

This report is intended solely for the information and use of the city council and management, entities with accreditation overview, and federal awarding agencies and pass-through entities 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.

Atlanta, Georgia  
September 6, 2019

**CITY OF GULFPORT, MISSISSIPPI**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Identification Number	Total Expenditures	Passed Through to Subrecipients
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
Direct Awards:				
CDBG-Entitlement Grants	14.218	BC-16-MC-28-0002	\$ 72,300	\$ -
CDBG-Entitlement Grants	14.218	BC-17-MC-28-0002	123,774	13,514
Total CDBG Entitlement Grants Cluster			<u>196,074</u>	<u>13,514</u>
Home Investment Partnership Program	14.239	M11DC280200	31,717	-
Home Investment Partnership Program	14.239	M14DC280200	37,726	37,726
Home Investment Partnership Program	14.239	M15DC280200	54,961	14,661
Home Investment Partnership Program	14.239	M16DC280200	125,293	70,040
Home Investment Partnership Program	14.239	M17DC280200	170,813	5,590
			<u>420,510</u>	<u>128,017</u>
Passed through Mississippi Development Authority				
Community Development Block Grant	14.228	R-109-202-06-KCR	163,032	-
Community Development Block Grant	14.228	R-109-202-09-KCR	89,304	-
Community Development Block Grant	14.228	R-109-202-07-KCR	360,853	-
Community Development Block Grant	14.228	R-109-202-08-KCR	693,347	-
			<u>1,306,536</u>	<u>-</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<b><u>1,923,121</u></b>	<b><u>141,531</u></b>
<b>U.S. DEPARTMENT OF JUSTICE</b>				
Direct Awards:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2016-DJ-BX-0622	4,799	-
Passed through Violence Against Women				
Violence Against Women Formula Grant	16.588	2017-WF-AX-0047	40,437	-
Victim Assistance Formula Grant Program				
	16.575	2015-VA-GX-4038/2017-VA-GX-0049	249	-
Passed through Office of Justice				
2016 Bulletproof Vest Partnership Program	16.607	N/A	8,548	-
2017 Bulletproof Vest Partnership Program	16.607	N/A	6,076	-
			<u>14,623</u>	<u>-</u>
<b>Total U.S. Department of Justice</b>			<b><u>60,109</u></b>	<b><u>-</u></b>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>				
FEDERAL TRANSPORTATION ADMINISTRATION				
Passed through Mississippi Department of Highway Safety				
Alcohol and Drug Impaired Driving FY18	20.616	M5X-2018-MD-21-41	29,995	-
			<u>29,995</u>	<u>-</u>
Police Traffic Services FY 18	20.600	PT-2018-21-41	1,731	-
Police Traffic Services FY 17	20.600	PT-2016-PT-21-41	2,950	-
			<u>4,681</u>	<u>-</u>
Highway Planning & Construction	20.205	STP-9372-00(009)	2,572,974	-
Highway Planning & Construction	20.205	STP-9370-00(004)	1,641,276	-
Highway Planning & Construction	20.205	STP-9098-00(002)	1,082,824	-
Highway Planning & Construction	20.205	FBD-0200-00(020)	1,006,327	-
			<u>6,303,401</u>	<u>-</u>
<b>Total U.S. Department of Transportation</b>			<b><u>6,338,077</u></b>	<b><u>-</u></b>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>				
Passed through Mississippi Department of Highway Safety				
Homeland Security Grant Program	97.067	S16HS202T	48,182	-
Homeland Security Grant Program	97.067	A16HS202T	7,286	-
Homeland Security Grant Program	97.067	S17HS202T	9,715	-
Homeland Security Grant Program	97.067	M17HS202T	23,229	-
Homeland Security Grant Program	97.067	17HS202T	44,904	-
			<u>133,316</u>	<u>-</u>
Passed-through Mississippi Emergency Management Agency				
Hurricane Nate Disaster Grant	97.036	FEMA-3393-EM	177,488	-
<b>Total U.S. Department of Homeland Security</b>			<b><u>310,804</u></b>	<b><u>-</u></b>

(Continued)

**CITY OF GULFPORT, MISSISSIPPI**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2018**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Identification Number	Total Expenditures	Passed Through to Subrecipients
<b>OFFICE OF NATIONAL DRUG CONTROL POLICY</b>				
Passed through Mississippi Bureau of Narcotics				
High Intensity Drug Trafficking Area 2016	95.001	G-16-GC-0003A	12,652	-
High Intensity Drug Trafficking Area 2017	95.001	G17-GC0003A	27,883	-
			<u>40,535</u>	<u>-</u>
<b>Total Office of National Drug Control Policy</b>			<u><b>40,535</b></u>	
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
Passed Through Mississippi State Office				
Emergency Watershed Protection Program	10.923	68-4423-17-230	191,397	-
<b>Total U.S. Department of Agriculture</b>			<u><b>191,397</b></u>	<u>-</u>
<b>U.S. DEPARTMENT OF THE TREASURY</b>				
Passed through Mississippi Department of Environmental Quality				
RESTORE Act Funds	21.015	18-00030	4,325,434	-
<b>Total U.S. Department of the Treasury</b>			<u><b>4,325,434</b></u>	<u>-</u>
<b>Total Expenditures of Federal Awards</b>			<u><b>\$ 13,189,475</b></u>	
<b>Total Federal Awards Passed Through to Subrecipients</b>				<u><b>\$ 141,531</b></u>

# CITY OF GULFPORT, MISSISSIPPI

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

**NOTE 1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Gulfport, Mississippi (the "City"), and is presented on the modified accrual basis of accounting.

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 2. DE MINIMIS INDIRECT COST RATE**

The City chose not to use the 10% de minimis indirect cost rate for the fiscal year ended September 30, 2018.

**NOTE 3. NON-CASH AWARDS**

The City did not receive non-cash federal awards during the fiscal year ended September 30, 2018.

**NOTE 4. FEDERAL LOANS**

The City of Gulfport, Mississippi has the following federal loans outstanding as of September 30, 2018.

Program Title	CFDA Number	Current Year Expenditures	Unpaid Loan Balance	Original Loan Amount
Environmental Protection Agency				
Passed-through the Mississippi				
Department of Environmental Quality				
SRF-C2807430500	66.458	\$ -	\$ 1,119,909	\$ 3,229,424
SRF-C2807430600	66.458	-	3,946,099	8,093,778
SRF-C2807430702	66.458	-	797,637	2,214,059
SRF-C2807430800	66.458	-	7,583,059	15,025,311
SRF-C2807430900	66.458	-	3,054,382	5,715,121
		<u>\$ -</u>	<u>\$ 16,501,086</u>	<u>\$ 34,277,693</u>

# CITY OF GULFPORT, MISSISSIPPI

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

### SECTION I SUMMARY OF AUDITOR'S RESULTS

#### Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:  
Material weaknesses identified?  Yes  No

Significant deficiencies identified not considered  
to be material weaknesses?  Yes  No

Noncompliance material to financial statements noted?  Yes  No

#### Federal Awards

Internal Control over major programs:  
Material weaknesses identified?  Yes  No

Significant deficiencies identified not considered  
to be material weaknesses?  Yes  No

Type of auditor's report issued on compliance for  
major programs Unmodified

Any audit findings disclosed that are required to  
be reported in accordance with the Uniform Guidance?  Yes  No

#### Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.228	<b>U.S. Department of Housing and Urban Development</b> Community Development Block Grant
20.205	<b>U.S. Department of Transportation</b> Highway Planning & Construction
21.015	<b>U.S. Department of Treasury</b> RESTORE Act Funds

Dollar threshold used to distinguish between  
Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?  Yes  No

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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### SECTION II FINANCIAL STATEMENT FINDINGS

#### 2018-001 – Proper Recognition of Capital Assets

**Criteria:** Internal controls should be in place to ensure amounts reported for capital assets and related items are appropriate and properly valued and recorded in accordance with GAAP.

**Condition:** During our testing of the City's capital assets, we noted the City's capital assets for governmental activities and business-type activities (Joseph T. Jones Fund) did not agree to the City's capital asset listing.

**Context:** We addressed the matter with the City to determine the appropriate amounts to record as of and for the fiscal year ended September 30, 2017.

**Effects:** A prior period adjustment to reduce governmental activities capital assets and net position in the amount of \$1,933,939 was required to be recorded. In addition, a prior period adjustment to increase capital assets and net position for both business type activities and Joseph T. Jones Fund in the amount of \$1,434,175 was required to be recorded.

**Cause:** There was a lack of appropriate controls implemented at the City during the fiscal year to ensure that capital assets were properly reconciled and recorded.

**Recommendation:** We recommend the City carefully review all capital asset accounts and related items to ensure transactions are reported in accordance with GAAP.

**Views of Responsible Officials and Planned Corrective Action:** We concur with the finding. We will continue to review and improve policies and procedures in an effort to eliminate error and identify deficiencies from both operational and financial perspectives.

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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### SECTION II FINANCIAL STATEMENT FINDINGS

#### 2018-002 – Proper Recognition of Deferred Inflows of Resources – Unavailable Revenue

**Criteria:** Generally accepted accounting principles require revenues to be recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Revenue recognition in governmental funds must be deferred until the resources are considered to be available to finance expenditures of the fiscal period. Resources are considered to be available only if collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

**Condition:** During the prior year, the City incorrectly recognized revenue resulting in fund balance being overstated in the Disaster Relief Fund from a reimbursement based grant. The balance should not have been recognized as a revenue considering the balance was not collected within the City's availability period. Consequently, the respective fund balance was overstated and deferred inflow of resources – unavailable revenues balance was understated as of and for the fiscal year ended September 30, 2017.

**Context:** We addressed the matter with the City to determine the appropriate amounts to record as of and for the fiscal year ended September 30, 2017.

**Effects:** A prior period adjustment to recognize deferred inflows of resources and reduce fund balance in the amount of \$1,266,626 was required to be recorded.

**Cause:** There was a lack of appropriate controls implemented at the City during the fiscal year to ensure that deferred inflows of resources and revenue balances were properly reconciled and recorded.

**Recommendation:** We recommend the City carefully review all accounts receivable and revenues to ensure transactions are reported in accordance with GAAP.

**Views of Responsible Officials and Planned Corrective Action:** We concur with the finding. We will continue to review and improve policies and procedures in an effort to eliminate error and identify deficiencies from both operational and financial perspectives.

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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### SECTION II FINANCIAL STATEMENT FINDINGS

#### 2018-003 – Proper Recognition of Governmental Fines Receivable – Courts

**Criteria:** Generally accepted accounting principles require revenues to be recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

**Condition:** Appropriate reconciliation procedures were not followed for the Court's fine receivable resulting in an understatement of net fines receivable and net position for governmental activities in the government-wide financial statements in prior years.

**Context:** We addressed the matter with the City to determine the appropriate amounts to record as of and for the fiscal year ended September 30, 2017.

**Effects:** A prior period adjustment to increase the Court's fines receivable and increase net position of governmental activities in the government-wide financial statements in the amount of \$2,942,002 was required to be recorded.

**Cause:** There was a lack of appropriate controls implemented at the City during the fiscal year to ensure receivable balances were properly reconciled and recorded.

**Recommendation:** We recommend the City carefully review all accounts receivable and revenues to ensure transactions are reported in accordance with GAAP.

**Views of Responsible Officials and Planned Corrective Action:** We concur with the finding. We will continue to review and improve policies and procedures in an effort to eliminate error and identify deficiencies from both operational and financial perspectives.

### SECTION III FEDERAL AWARD FINDINGS AND RESPONSES

None Reported.

# CITY OF GULFPORT, MISSISSIPPI

## SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

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### SECTION IV

#### 2017-001

**Criteria:** Purchase orders should be issued prior to receipt of invoice. The scanned documents should include the purchase order, receiving report, invoice and other related documents.

**Conditions:** During the previous years audit work it was noted that some vendors invoices were dated prior to purchase order date. It was also noted some scanned packets of approved expenditures were incomplete – lacking invoices, purchase orders and requisition reports making it difficult to determine purchase compliance requirements were being followed. Locating paper copies of expenditure packets was extremely time consuming and inefficient as paper retention across departments is inconsistent.

**Status:** Resolved

## **CORRECTIVE ACTION PLAN**



**Gerard Bellocq  
Comptroller**

1410 24<sup>th</sup> Avenue  
Gulfport, MS 39501  
Phone: 228-868-5705 Ext.6542  
Email: gbellocq@gulfport-  
ms.gov

Corrective Action Plan for FY2018 Findings.

Finding Number 2018-001

Finding – Inadequate controls over purchase orders

Corrective Action Plan –

City Hall  
2309 15th St.  
Gulfport, MS 39501

The property manager will continue to monitor additions, deletions and record keeping of capital assets. New procedures and work flow systems have been put into place since the 2018 fiscal year that we believe will allow better record keeping for all capital assets.

Finding Number 2018-002

Finding – Incorrectly recognized revenue

Corrective Action Plan –

New controls have been put into place that ensure deferred inflows of resources and revenue balances are properly reconciled and recorded.

Finding Number 2018-003

Finding – Court's fine receivable understated

Corrective Action Plan –

A correction to the court's receivable reconciliation process has been made to ensure the proper reporting of the Court's net fines receivable.

Respectfully submitted,

A handwritten signature in blue ink that reads "Gerard Bellocq".

Gerard Bellocq

Comptroller