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Frances L. Ward, Mayor
Allen Hopson, Vice-Mayor
Linda Washington, Town Clerk

John Calmese, Alderperson
Clara Pearson, Alderperson
Linda Taylor, Alderperson
Mary Ann Williamson, Alderperson

September 4, 2019

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, 2019 respectively. A separated management letter was not written to the Town of Gunnison, Mississippi, in connection with this report.

Sincerely,

Frances L. Ward

Frances L. Ward, Mayor
Enclosures/attachments

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Town of Gunnison
Compiled Financial Statements
September 30, 2018

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

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Town of Gunnison, Mississippi

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Johnson Accounting
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, 2018, 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 balances from the bank:

<u>Bank</u>	<u>Funds</u>	<u>Balance per General Ledger</u>
State Bank and Trust	General, Water/ Sewer & Sanitation	\$ 5,580.39
State Bank & Trust	2011 CDBG Account	101.25
State Bank & Trust	Homecoming Festival	2,380.76

2. The town did not report securities held for investments.
3. 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 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).

4. The Town did not retire or issue general obligation debt or revenue bonds.
5. 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 accounts. 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	\$ 9,185
General Municipal Aid	General Fund	225
Gasoline Tax	General Fund	1,300
Homestead Exemption	General Fund	6,502
Nuclear Plant Payments	General Fund	3,356
Municipal Fire Protection	Bolivar County	2,580

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	9
Total Dollar Value of Sample	\$13,512.19

We found the municipality's purchasing procedures to be in agreement with the requirements of the above mentioned sections.

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. Financial records were not maintained in accordance with the chart of accounts prescribed by the State Auditor. (Section 21-35-11).
 - b. The municipal clerk did not submit to the board a monthly report of expenditures against each budget item for the preceding month and fiscal year to date and the unexpended balances of each budget item. (Section 21-35-13)
 - c. The municipality did not commission municipal depositories. Sections 27-105-353 and 27-105-363)
 - d. Fixed Assets were not properly tagged and accounted for. (Section II –Municipal Audit & Accounting Guide)
 - e. Local privilege taxes were not collected from all businesses located with the municipality, except those exempted. (Section 27-17-5)

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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, 2018.


Ella B. Johnson, Public Accountant

August 30, 2019

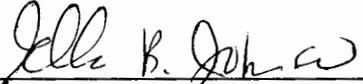
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**Johnson's Accounting Service
Public Accountant
119 Greenridge Drive
Madison, MS 39110
Phone: 662-347-5773
Fax: 601-790-9369**

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, 2018.



Ella B. Johnson, Public Accountant

August 30, 2019

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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, 2018

	Governmental Activities			Total	Business-Type Activities	
	General Fund	Garbage Disposal Fund	Other Nonmajor Funds		Water & Sewer Fund	Total
RECEIPTS						
Taxes - Ad Valorem	57,927			57,927		
Licenses & Permits	-			-		
Franchise Taxes	8,117			8,117		
Homestead Exempt. Reimburse.	6,502			6,502		
General Sales Tax	9,185			9,185		
Municipal Aid	225			225		
Motor Vehicle Fuel Taxes	1,300			1,300		
Grand Gulf	3,356			3,356		
Municipal Fire Protection			2,580	2,580		
Charges for Services:						
Garbage		26,964		26,964		
Other Revenue			4,423	4,423		
Water & Sewer					74,522	74,522
TOTAL RECEIPTS	86,612	26,964	7,003	120,579	74,522	74,522
DISBURSEMENTS						
General Government						
Legislative:						
Salaries & Employee Benefits	19,054			19,054		
Executive:						
Salaries & Employee Benefits	8,881			8,881		
Financial:						
Salaries & Employee Benefits	12,595			12,595		
Supplies	2,208			2,208		
Other Services & Charges	26,246			26,246		
Public Safety - Police						
Salaries & Employee Benefits	15,502			15,502		
Other Services & Charges	1,060			1,060		
Public Safety - Fire Dept.						
Other Services & Charges			2,580	2,580		
Public Works- Street Department						
Salaries & Employee Benefits	13,663			13,663		
Supplies	5,490			5,490		

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, 2018

Other Services & Charges	8,016			8,016		
Capital Outlay-Equipment	8,416			8,416		
Public Works - Sanitation						
Garbage Disposal		22,693		22,693		
Parks & Recreation:						
Other Services & Charges			2,880	2,880		
Enterprises - Water & Sewer						
Salaries & Employee Benefits				6,923	6,923	
Supplies				3,305	3,305	
Water Operator				7,800	7,800	
Other Services & Charges				24,829	24,829	
Total Disbursements	121,131	22,693	5,460	149,284	42,857	42,857
Excess of Receipts Over (Under)						
Disbursements	(34,519)	4,271	1,543	(28,705)	31,665	31,665
OTHER CASH SOURCES (USES)						
Transfers In	35,000			35,000		
Transfers Out		-5,000		(5,000)	(30,000)	(30,000)
Total Other Cash Sources (Uses)	35,000	(5,000)	-	30,000	(30,000)	(30,000)
Excess (Deficiency) of Receipts						
Over Disbursements	481	(729)	1,543	1,295	1,665	1,665
Cash Basis Fund Balance						
Beginning of Year	1,220	2,741	938	4,899	202	202
Cash Basis Fund Balance - End of Yr.	1,701	2,012	2,481	6,194	1,867	1,867

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TOWN OF GUNNISON, MISSISSIPPI
SCHEDULE OF LONG-TERM DEBT
For the Fiscal Year Ended September 30, 2018

DEFINITION AND PURPOSE

	Balance	<u>Transactions During Fiscal Year</u>		Balance
	<u>Outstanding</u> <u>October 1, 2017</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Outstanding</u> <u>September 30, 2018</u>
General Obligation Bonds	-	-	-	-
Revenue Bonds	-	-	-	-
TOTAL	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>

**TOWN OF GUNNISON, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS
September 30, 2018**

<u>Name</u>	<u>Position</u>	<u>Company</u>	<u>Bond Amount</u>
Frances Ward	Mayor	Travelers casualty & Surety Co.	\$ 50,000
Linda Washington	Town Clerk	Travelers casualty & Surety Co.	50,000
Yriccia Robinson	Deputy Clerk	Travelers casualty & Surety Co.	50,000
Joseph Johnson	Police Chief	Travelers casualty & Surety Co.	50,000
John Calmese	Alderman	Travelers casualty & Surety Co.	25,000
Allen Hopson	Alderman	Travelers casualty & Surety Co.	25,000
Clara Pearson	Alderwoman	Travelers casualty & Surety Co.	25,000
Linda Taylor	Alderwoman	Travelers casualty & Surety Co.	25,000
Mary A. Williamson	Alderwoman	Travelers casualty & Surety Co.	25,000

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JOHNSON ACCOUNTING SERVICE

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**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, 2018, 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. According, we do not express such an opinion.

The results of those procedures of the general-purpose financial statements disclosed the following material instances of noncompliance with state laws and regulations. Our findings and recommendations and your responses are as follows:

- Findings:**
- Financial records were not maintained in accordance with the chart of accounts prescribed by the State Auditor. (Section 21-35-11).**
 - The municipal clerk did not submit to the board a monthly report of expenditures against each budget item for the preceding month and fiscal year to date and the unexpended balances of each budget item. (Section 21-35-13)**
 - The municipality did not commission municipal depositories. Sections 27-105-353 and 27-105 363.**
 - Fixed Assets were not properly tagged and accounted for. (Section II –Municipal Audit & Accounting Guide)**
 - Local privilege taxes were not collected from all businesses located within the municipality, except those exempted. (Section 27-17-5)**
- Recommendations:** **The municipality work on corrected actions to comply with all Sections indicated above.**
- Responses:** **The Municipality will work on a plan to correct all Sections of noncompliance beginning month of September, 2019.**

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
August 30, 2019

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