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Town of Gunnison
Compiled Financial Statements
September 30, 2019

Ella B. Johnson
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Town of Gunnison, Mississippi

Table of Contents

September 30, 2019

	<u>Page</u>
Table of Contents	1
Special Report on Agreed-Upon Procedures for Small Municipalities (Towns)	2-4
Combined Statement of Cash Receipts and Disbursements (All Funds)	5-6
Schedule of Long-Term Debt	7
Schedule of Surety Bonds for Municipal Officials	8
Report on Compliance with State Laws and Regulations	9

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**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, 2019, 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	\$ 15,618.97
State Bank & Trust	2011 CDBG Account	101.25
State Bank & Trust	Homecoming Festival	1,510.76

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	\$ 8,539
General Municipal Aid	General Fund	225
Gasoline Tax	General Fund	1,300
Homestead Exemption	General Fund	6,474
Nuclear Plant Payments	General Fund	3,498
Fire Protection Allocation	General Fund	<u>2,668</u>
	TOTAL	\$22,704

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	14
Total Dollar Value of Sample	\$12,307.28

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 when due and settled immediately to municipal treasury, and state-imposed assessments were not collected and settled monthly with the Department of Finance and Administration.
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 levy or appropriate not less than $\frac{1}{4}$ tax mill for fire protection.

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, 2019.


Ella B. Johnson, Public Accountant

June 15, 2020

Johnson's Accounting Service
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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, 2019.



Ella B. Johnson, Public Accountant

June 15, 2020

TOWN OF GUNNISON, MISSISSIPPI
STATEMENT OF CASH RECEIPTS and DISBURSEMENTS
GOVERNMENTAL & BUSINESS-TYPE ACTIVITIES
AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

	Governmental Activities			Total	Business-Type Activities	
	General <u>Fund</u>	Garbage Disposal <u>Fund</u>	Other Nonmajor <u>Funds</u>		Water & Sewer <u>Fund</u>	<u>Total</u>
RECEIPTS						
Taxes - Ad Valorem	61,755			61,755		
Licenses & Permits	675			675		
Franchise Taxes	7,397			7,397		
Homestead Exempt. Reimburse.	6,474			6,474		
General Sales Tax	8,539			8,539		
Municipal Aid	225			225		
Motor Vehicle Fuel Taxes	1,300			1,300		
Grand Gulf	3,498			3,498		
Municipal Fire Protection	2,668			-		
Fines & Forfeitures	189					
Charges for Services:						
Garbage		27,144		27,144		
Other Revenue			2,780	2,780		
Water & Sewer					62,823	62,823
TOTAL RECEIPTS	92,720	27,144	2,780	122,644	62,823	62,823

DISBURSEMENTS

General Government

Legislative:

Salaries & Employee Benefits	19,054	19,054
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Executive:

Salaries & Employee Benefits	9,688	9,688
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Financial:

Salaries & Employee Benefits	12,633	12,633
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Supplies	2,332	2,332
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Other Services & Charges	32,133	32,133
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Public Safety - Police:

Salaries & Employee Benefits	14,646	14,646
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Supplies	594	594
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Other Services & Charges	1,609	1,609
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TOWN OF GUNNISON, MISSISSIPPI
STATEMENT OF CASH RECEIPTS and DISBURSEMENTS
GOVERNMENTAL & BUSINESS-TYPE ACTIVITIES
AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

Public Works- Street Department						
Salaries & Employee Benefits	8,725			8,725		
Supplies	960			960		
Other Services & Charges	12,433			12,433		
Lease	5,166			5,166		
Public Works - Sanitation						
Garbage Disposal		23,336		23,336		
Parks & Recreation:						
Other Services & Charges			3,650	3,650		
Enterprises - Water & Sewer						
Salaries & Employee Benefits				4,788	4,788	
Supplies				888	888	
Water Operator				7,165	7,165	
Other Services & Charges				16,498	16,498	
Total Disbursements	119,973	23,336	3,650	146,959	29,339	29,339
Excess of Receipts Over (Under)						
Disbursements	(27,253)	3,808	(870)	(24,315)	33,484	33,484
OTHER CASH SOURCES (USES)						
Transfers In	30,000			30,000		
Transfers Out				-	(30,000)	(30,000)
Total Other Cash Sources (Uses)	30,000	-	-	30,000	(30,000)	(30,000)
Excess (Deficiency) of Receipts						
Over Disbursements	2,747	3,808	(870)	5,685	3,484	3,484
Cash Basis Fund Balance						
Beginning of Year	1,701	2,012	2,481	6,194	1,867	1,867
Cash Basis Fund Balance - End of Yr.	4,448	5,820	1,611	11,879	5,351	5,351

TOWN OF GUNNISON, MISSISSIPPI
SCHEDULE OF LONG-TERM DEBT
For the Fiscal Year Ended September 30, 2019

DEFINITION AND PURPOSE

	Balance Outstanding <u>October 1, 2018</u>	<u>Transactions During Fiscal Year</u> <u>Issued</u>	<u>Redeemed</u>	Balance Outstanding <u>September 30, 2019</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, 2019

<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

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, 2019, 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.

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 levy or appropriate not less than ¼ tax mill for fire protection.

Recommendations: **The Mayor and Town Clerk to work out a plan for corrected actions to comply with all Sections indicated above.**

Responses: **The Town Clerk will start training to maintain financial records, to submit a monthly report, and 1/4 tax mill for Fire Protection will be levied.**

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

June 15, 2020

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