

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 GLUCKSTADT, MISSISSIPPI

**INDEPENDENT ACCOUNTANT'S REPORT ON
AGREED-UPON PROCEDURES FOR SMALL MUNICIPALITIES**

**INDEPENDENT ACCOUNTANT'S REPORT ON THE
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
GOVERNMENTAL ACTIVITIES**

**INDEPENDENT ACCOUNTANT'S REPORT ON
COMPLIANCE WITH STATE LAWS AND REGULATIONS**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021



Certified Public Accountants

CITY OF GLUCKSTADT, MISSISSIPPI

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INDEPENDENT ACCOUNTANT'S REPORT ON AGREED-UPON PROCEDURES FOR SMALL MUNICIPALITIES

Honorable Mayor and Alderpersons
City of Gluckstadt, Mississippi

We have performed the procedures enumerated below on the accounting records of the City of Gluckstadt, Mississippi, (the Municipality) as of September 30, 2021. The City of Gluckstadt, Mississippi's management is responsible for the accounting records. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The City of Gluckstadt, Mississippi has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of complying with the requirements of the Office of the State Auditor of Mississippi, under the provisions of Section 21-35-31, Mississippi Code Ann. (1972). This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows.

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

<u>Financial Institution</u>	<u>Fund</u>	<u>Balance per General Ledger</u>
BankPlus	General Fund	\$ 285,743
	Total	<u>\$ 285,743</u>

City of Gluckstadt, Mississippi
Independent Accountant's Report on Agreed-UpOn Procedures for Small Municipalities (Continued)
September 30, 2021

2. We obtained a statement of payments made by the Department of Finance and Administration to the Municipality. Payments indicated were traced to deposits in the respective bank accounts and recorded in the general ledger in the appropriate accounts.

<u>Payment Purpose</u>	<u>Receiving Fund</u>	<u>General Ledger Amount</u>
Sales Tax Allocation	General	\$ 397,548
	Total	<u>\$ 397,548</u>

3. We have read the Municipal Compliance Questionnaire completed by the Municipality. The following response to the questionnaire indicates noncompliance with state requirements.

Part II - Question 17. The Municipality has not properly tagged and accounted for fixed assets.

In connection with the procedures referred to above, no matters came to our attention that caused us to believe the items specified in paragraphs 1, 2, and 3 should be adjusted.

We were engaged by the City of Gluckstadt, Mississippi to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an audit or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City of Gluckstadt, Mississippi and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the governing body of the City of Gluckstadt, Mississippi and the Office of the State Auditor and is not intended to be and should not be used by anyone other than those specified parties. This report should not be associated with the financial statements of the City of Gluckstadt, Mississippi, for the year ended September 30, 2021.

Bridgers, Goodman, Baird & Clarke, PLLC

Bridgers, Goodman, Baird & Clarke, PLLC
Certified Public Accountants
Vicksburg, Mississippi
January 23, 2023

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INDEPENDENT ACCOUNTANT'S REPORT ON THE STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS GOVERNMENTAL ACTIVITIES

Honorable Mayor and Alderpersons
City of Gluckstadt, Mississippi

Management is responsible for the accompanying statement of cash receipts and disbursements of the City of Gluckstadt, Mississippi for the year ended September 30, 2021, and the related notes to the financial statement in accordance with the cash basis of accounting, and for determining that the cash basis of accounting is an acceptable financial reporting framework.

We have performed a compilation engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the statement of cash receipts and disbursements, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on the statement of cash receipts and disbursements.

We draw attention to Note 1 of the financial statement, which describes the basis of accounting. The statement of cash receipts and disbursements is prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all of the disclosures ordinarily included in the financial statements and the statement of cash flows required by generally accepted accounting principles. If the omitted disclosures and the statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Municipality's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Management has omitted the Management's Discussion and Analysis that is required to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

The supplementary information contained in the Schedule of Surety Bonds for Municipal Officials is presented for purposes of additional analysis and is not a required part of the statement of cash receipts and disbursements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

This report is intended solely for informational use of the governing body and management of the City of Gluckstadt, Mississippi, and filing with the Office of the State Auditor of Mississippi. This restriction is not intended to limit the distribution of this report which is a matter of public record.

Bridgers, Goodman, Baird & Clarke, PLLC

Bridgers, Goodman, Baird & Clarke, PLLC
Certified Public Accountants
Vicksburg, Mississippi
January 23, 2023

CITY OF GLUCKSTADT, MISSISSIPPI
Statement of Cash Receipts and Disbursements
Governmental Activities
For the fiscal year ended September 30, 2021

	<u>Major Fund</u> <u>General</u> <u>Fund</u>
Receipts:	
State Shared Revenues:	
Sales Tax	\$ 397,548
Other Receipts:	
Interest	5
Miscellaneous	500
Total Receipts	<u>398,053</u>
Disbursements:	
General Government	
Legislative	949
Executive	807
Financial	57
Other	110,497
Total Disbursements	<u>112,310</u>
Excess (Deficiency) of Receipts over disbursements	<u>285,743</u>
Cash Basis Fund Balance: Beginning	-
Cash Basis Fund Balance: Ending	<u>\$ 285,743</u>

See Independent Accountant's Compilation Report

**CITY OF GLUCKSTADT, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Information:

The City of Gluckstadt (the Municipality) operates under the Mayor and Alderpersons form of government and provides services as required by law. The Municipality was incorporated June 6, 2021.

Reporting Entity:

The Municipality utilizes fund accounting, with each fund being considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures.

The Municipality reports the following major Governmental Funds:

General Fund - This fund is used to account for and report all financial resources not accounted for and reported in another fund.

Basis of Accounting:

The financial statement of the Municipality has been prepared using the cash receipts and disbursements basis of accounting, as prescribed by the Office of the State Auditor. Consequently, revenues are recognized when received rather than when earned, and certain expenses when paid rather than when the obligation is incurred. Accordingly, the statement of cash receipts and disbursements is not intended to present results of operations in conformity with generally accepted accounting principles.

NOTE 2. Report Classifications

Receipts and disbursements were classified according to requirements for small towns in the State of Mississippi as prescribed by the Office of the State Auditor.

NOTE 3. Budget

Budgets are adopted as prescribed by the State of Mississippi. Annual appropriated budgets are adopted for all funds. The Mississippi Code Ann. (1972) prescribes cash basis reporting of revenues for budgeting of expenditures to be disbursed within thirty days after year end (with exception for construction in progress).

NOTE 4. Deposits

The carrying amount of the Municipality's total deposits with financial institutions at September 30, 2021 was \$285,743, and the bank balance was \$335,556. The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by

**CITY OF GLUCKSTADT, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

Section 27-105-5, *Mississippi Code of 1972 Annotated*. 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 Deposit Insurance Corporation (FDIC).

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of the failure of a financial institution, the Municipality will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Municipality does not have a formal policy for custodial credit risk. 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 Deposit Insurance Corporation (FDIC). 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 behalf of the Municipality.

NOTE 5. Property Tax

The Board of Alderpersons, each year at a meeting in September, levies property taxes for the ensuing fiscal year which begins on October 1. Real property taxes become a lien on January 1 of the current year, and personal property taxes become a lien on March 1 of the current year. Taxes on both real and personal property, however, are due on or before February 1 of the next succeeding year. Taxes on motor vehicle and mobile homes become a lien and are due in the month that coincides with the month of the original purchase. The Municipality entered into an agreement with the Madison County Tax Collector to bill and collect real and personal property taxes. Personal auto taxes and mobile home taxes continue to be collected and remitted to the Municipality by the county tax collector. The General Fund millage rate for the City of Gluckstadt is 12 mills for the ensuing fiscal year.

**CITY OF GLUCKSTADT
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS
SEPTEMBER 30, 2021**

<u>Name of Company</u>	<u>Policy Period Ending</u>	<u>Person Covered</u>	<u>Amount</u>
Travelers	7/1/2022	Mayor	\$ 50,000
Travelers	7/1/2022	Alderspersons (each)	\$ 50,000
Hired subsequent to Year End		City Clerk	
Hired subsequent to Year End		Police Chief	

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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

Honorable Mayor and Alderpersons
City of Gluckstadt, Mississippi

We have compiled the accompanying Statement of Cash Receipts and Disbursements - Governmental Activities and the Schedule of Surety Bonds for Municipal Officials for the year ended September 30, 2021, 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 of Mississippi. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Municipality's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to items tested, the results of those procedures, our compilation of the accompanying Statement of Cash Receipts and Disbursements - Governmental Activities, and the Schedule of Surety Bonds for Municipal Officials, of the City of Gluckstadt, Mississippi, for the year ended September 30, 2021, disclosed no material instances of noncompliance with state laws and regulations.

This report is intended solely for the information of the Municipality's management, Alderpersons, and the Office of the State Auditor of Mississippi 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.

Bridgers, Goodman, Baird & Clarke, PLLC

Bridgers, Goodman, Baird & Clarke, PLLC
Certified Public Accountants
Vicksburg, Mississippi
January 23, 2023