

## 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.

**TOWN OF GUNNISON, MISSISSIPPI**  
**SPECIAL REPORT ON AGREED-UPON PROCEDURES**  
**FOR SMALL MUNICIPALITIES (TOWNS)**  
  
**AND**  
**COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS)**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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

**Town of Gunnison, Mississippi**

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**September 30, 2021**

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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, 2021, 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:

<b><u>Bank</u></b>	<b><u>Funds</u></b>	<b><u>Balance per General Ledger</u></b>
Bank Plus	General, Water/ Sewer & Sanitation	\$ 53,844.29
Bank Plus	2011 CDBG Account	50.75
Bank Plus	Homecoming Festival	950.15
Bank Plus	American Rescue Plan	50,309.00

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. Traced 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	\$ 8,959
General Municipal Aid	General Fund	225
Gasoline Tax	General Fund	1,300
Homestead Exemption	General Fund	6,223
Nuclear Plant Payments	General Fund	3,501
ARPA Grant Funds	Water/Sewer Fund	50,152
Liquor Tax	General Fund	450
Other Assistance	General Fund	10,498
Other Aid	General Fund	28,285
Grantor Pymts Nontaxable	General Fund	<u>15,424</u>
	TOTAL	\$125,018

6. 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	\$32,147.19

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

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)

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, 2021.

  
Ella B. Johnson, Public Accountant

July 27, 2022

**TOWN OF GUNNISON, MISSISSIPPI**  
**STATEMENT OF CASH RECEIPTS and DISBURSEMENTS**  
**GOVERNMENTAL & BUSINESS-TYPE ACTIVITIES**  
**AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	Governmental Activities			Business-Type Activities	
	General	Garbage	Other	Water &	
	Fund	Disposal	Nonmajor	Sewer	
		Fund	Funds	Fund	Total
<b>RECEIPTS</b>					
Taxes - Ad Valorem	62,319				62,319
Licenses & Permits	300				300
Franchise Taxes	6,757				6,757
Homestead Exempt. Reimburse.	6,223				6,223
Sales Tax Allocation	8,959				
Gasoline Tax	1,300				1,300
Grand Gulf Nuclear Plant	3,501				3,501
Liquor Tax	450				450
General Municipal Aid	225				225
Municipal Fire Protection					
ARPA Grant Funds				50,152	50,152
Other Aid	28,285				28,285
Other Assistance	10,498				10,498
Grantor Pymts Nontaxable	15,424				15,424
Fines & Forfeitures					
Charges for Services:					
Garbage		39,105			39,105
Other Revenue			550	157	157
Water & Sewer				50,709	50,709
<b>TOTAL RECEIPTS</b>	<b>144,241</b>	<b>39,105</b>	<b>550</b>	<b>101,018</b>	<b>183,896</b>

**DISBURSEMENTS**

General Government

Legislative:

Salaries & Employee Benefits 16,686 16,686

Attorney 3,000 3,000

Executive:

Salaries & Employee Benefits 9,096 9,096

Financial:

Salaries & Employee Benefits 13,106 13,106

Supplies 16,610 16,610

Other Services & Charges 35,106 35,106

IRS Pay 6,808 6,808

Reimbursement 495 495

Public Safety - Police:

**TOWN OF GUNNISON, MISSISSIPPI**  
**STATEMENT OF CASH RECEIPTS and DISBURSEMENTS**  
**GOVERNMENTAL & BUSINESS-TYPE ACTIVITIES**  
**AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

Salaries & Employee Benefits	6,782			6,782		
Supplies	80			80		
Other Services & Charges	12			12		
Public Works- Street Department						
Salaries & Employee Benefits	15,439			15,439		
Supplies	1,029			1,029		
Other Services & Charges	15,845			15,845		
Capital Outlay-Equipment	8,650			8,650		
Public Works - Sanitation						
Garbage Disposal		23,687		23,687		
Parks & Recreation:						
Other Services & Charges			40	40		
Enterprises - Water & Sewer						
Salaries & Employee Benefits						
Supplies				2,641	2,641	
Water Operator				4,700	4,700	
Other Services & Charges				32,681	32,681	
<b>Total Disbursements</b>	<b>148,744</b>	<b>23,687</b>	<b>40</b>	<b>172,471</b>	<b>40,021</b>	<b>40,021</b>
<b>Excess of Receipts Over (Under)</b>						
<b>Disbursements</b>	<b>(4,503)</b>	<b>15,418</b>	<b>510</b>	<b>11,425</b>	<b>60,997</b>	<b>60,997</b>
<b>OTHER CASH SOURCES (USES)</b>						
Transfers In	30,000			30,000		
Transfers Out		-25,000		(25,000)	(5,000)	(5,000)
<b>Total Other Cash Sources (Uses)</b>	<b>30,000</b>	<b>(25,000)</b>	<b>-</b>	<b>5,000</b>	<b>(5,000)</b>	<b>(5,000)</b>
<b>Excess (Deficiency) of Receipts</b>						
<b>Over Disbursements</b>	<b>25,497</b>	<b>(9,582)</b>	<b>510</b>	<b>16,425</b>	<b>55,997</b>	<b>55,997</b>
<b>Cash Basis Fund Balance</b>						
<b>Beginning of Year</b>	<b>6,189</b>	<b>10,280</b>	<b>491</b>	<b>16,960</b>	<b>15,772</b>	<b>15,772</b>
<b>Cash Basis Fund Balance - End of Yr.</b>	<b>31,686</b>	<b>698</b>	<b>1,001</b>	<b>33,385</b>	<b>71,769</b>	<b>71,769</b>
<b>Cash Basis Fund Balance End of Yr:</b>						
<b>Restricted</b>	<b>25,922</b>	<b>698</b>		<b>26,620</b>	<b>50,309</b>	<b>50,309</b>
<b>Unassigned</b>	<b>5,764</b>		<b>1,001</b>	<b>6,765</b>	<b>21,460</b>	<b>21,460</b>
<b>Total Cash Basis Fund Balances</b>	<b>31,686</b>	<b>698</b>	<b>1,001</b>	<b>33,385</b>	<b>71,769</b>	<b>71,769</b>



**TOWN OF GUNNISON, MISSISSIPPI**  
**SCHEDULE OF LONG-TERM DEBT**  
**For the Fiscal Year Ended September 30, 2021**

**DEFINITION AND PURPOSE**

	Balance Outstanding <u>October 1, 2020</u>	<u>Transactions During Fiscal Year</u> Issued	<u>Redeemed</u>	Balance Outstanding <u>September 30, 2021</u>
General Obligation Bonds	-	-	-	-
Revenue Bonds	-	-	-	-
<b>TOTAL</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>

**TOWN OF GUNNISON, MISSISSIPPI  
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS  
September 30, 2021**

<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
Joseph Johnson	Police Chief	Travelers Casualty & Surety Co.	50,000
John Calmese	Alderman	Travelers Casualty & Surety Co.	25,000
Allen Hopson, Jr.	Alderman	Travelers Casualty & Surety Co.	25,000
Clara Pearson	Alderwoman	Travelers Casualty & Surety Co.	25,000
Linda MarieTaylor	Alderwoman	Travelers Casualty & Surety Co.	25,000
Mary A. Williamson	Alderwoman	Travelers Casualty & Surety Co.	25,000

**JOHNSON ACCOUNTING SERVICE**

**119 Greenridge Drive**

**Madison, MS 39110**

**Phone: 662-347-5773**

**Fax: 601-790-9369**

**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, 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. 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:**

(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)

**Recommendations:**

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

**Response:**

The municipality is in need of a deputy clerk to correct findings (a) and (b) and funds are not available. Finding (c) will be corrected Fiscal Year ending September 30, 2022.

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