

## 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, 2023

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**Town of Gunnison, Mississippi**

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**September 30, 2023**

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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, 2023, 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>
Bank Plus	General, Water/ Sewer & Sanitation	\$ 38,668.66
Bank Plus	2011 CDBG Account	\$ 1,238.75
Bank Plus	American Rescue Plan	<u>\$ 71,335.42</u>
	TOTAL	\$111,242.83

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).

**SPECIAL REPORT ON AGREED UPON  
PROCEDURES FOR SMALL MUNICIPALITIES (TOWNS) Cont'd**

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	\$ 8,669.15
General Municipal Aid	General Fund	\$ 147.45
Gasoline Tax	General Fund	\$ 848.14
Homestead Exemption	General Fund	\$ 7,206.82
Nuclear Plant Payments	General Fund	\$ 4,273.64
Other Aid	General Fund	\$31,471.00
Fire Protection	General Fund	\$ 7,650.92
Grantor Payments Nontaxable	General Fund	\$2,437.72
Liquor Tax	General Fund	\$ 450.00
	TOTAL	\$63,154.84

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	11
Total Dollar Value of Sample	\$22,143.35

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).

**SPECIAL REPORT ON AGREED UPON**  
**PROCEDURES FOR SMALL MUNICIPALITIES (TOWNS) Cont'd**

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, 2023.

  
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Ella B. Johnson, Public Accountant

August 23, 2024

**Johnson's Accounting Service**  
**Public Accountant**  
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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, 2023.

  
Ella B. Johnson, Public Accountant

August 23, 2024



**TOWN OF GUNNISON, MISSISSIPPI**  
**STATEMENT OF CASH RECEIPTS and DISBURSEMENTS**  
**GOVERNMENTAL & BUSINESS-TYPE ACTIVITIES**  
**AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	Governmental Activities				Business-Type Activities	
	General	Garbage	Other		Water &	
	Fund	Disposal	Nonmajor	Total	Sewer	
	Fund	Fund	Funds		Fund	Total
<b>RECEIPTS</b>						
Taxes - Ad Valorem	63,903			63,903		
Licenses & Permits	300			300		
Franchise Taxes	7,401			7,401		
Homestead Exempt. Reimburse.	7,207			7,207		
Sales Tax Allocation	8,669			8,669		
Gasoline Tax	848			848		
Grand Gulf Nuclear Plant	4,274			4,274		
General Municipal Aid	147			147		
Municipal Fire Protection	7,651			7,651		
Liquor License	450			450		-
Other Aid	31,471			31,471		
Grantor Payments MEMA	2,438			2,438		
Homeowner Grant Income			11,400			
Other Revenue	2,106			2,106		
Charges for Services:						
Garbage		40,727		40,727		
Water & Sewer					54,918	54,918
<b>TOTAL RECEIPTS</b>	<b>136,865</b>	<b>40,727</b>	<b>11,400</b>	<b>188,992</b>	<b>54,918</b>	<b>54,918</b>
<b>DISBURSEMENTS</b>						
General Government						
Legislative:						
Salaries & Employee Benefits	19,054			19,054		
Attorney	12,865			12,865		
Debris Removal of Lots	8,940			8,940		
Executive:						
Salaries & Employee Benefits	10,334			10,334		
Financial:						
Salaries & Employee Benefits	16,234			16,234		
Supplies	1,898			1,898		
Other Services & Charges	37,538			37,538		
Public Safety - Police:						
Salaries & Employee Benefits	6,782			6,782		
Supplies	1,107			1,107		
Other Services & Charges	1,389			1,389		



**TOWN OF GUNNISON, MISSISSIPPI**  
**STATEMENT OF CASH RECEIPTS and DISBURSEMENTS**  
**GOVERNMENTAL & BUSINESS-TYPE ACTIVITIES**  
**AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

Public Safety - Fire:						
Bolivar County Fire Dept.	3,755			3,755		
Public Works- Street Department						
Salaries & Employee Benefits	12,491			12,491		
Supplies	1,640			1,640		
Other Services & Charges	9,902			9,902		
Public Works - Sanitation						
Garbage Disposal		34,788		34,788		
Rehabilitation/Reconstruction Prog.			10,208	10,208		
Enterprise - Water & Sewer						
Supplies				8,989	8,989	
Water Operator				11,026	11,026	
Other Services & Charges				12,499	12,499	
Modernization				18,777	18,777	
<b>Total Disbursements</b>	<b>143,929</b>	<b>34,788</b>	<b>10,208</b>	<b>188,925</b>	<b>51,291</b>	<b>51,291</b>
<b>Excess of Receipts Over (Under)</b>						
Disbursements	(7,064)	5,939	1,192	67	3,627	3,627
<b>OTHER CASH SOURCES (USES)</b>						
Transfers In	5,940			5,940		
Transfers Out					(5,940)	(5,940)
<b>Total Other Cash Sources (Uses)</b>	<b>5,940</b>	<b>-</b>	<b>-</b>	<b>5,940</b>	<b>(5,940)</b>	<b>(5,940)</b>
<b>Excess (Deficiency) of Receipts</b>						
Over Disbursements	(1,124)	5,939	1,192	6,007	(2,313)	(2,313)
<b>Cash Basis Fund Balance</b>						
Beginning of Year	18,097	918	47	19,062	88,487	88,487
<b>Cash Basis Fund Balance - End of Yr.</b>	<b>16,973</b>	<b>6,857</b>	<b>1,239</b>	<b>25,069</b>	<b>86,174</b>	<b>86,174</b>
<b>Restricted</b>		6,857	1,239	8,096	71,335	71,335
<b>Unassigned</b>	16,973			16,973	14,839	14,839
<b>Total Cash Basis Fund Balances</b>	<b>16,973</b>	<b>6,857</b>	<b>1,239</b>	<b>25,069</b>	<b>86,174</b>	<b>86,174</b>

**TOWN OF GUNNISON, MISSISSIPPI**  
**SCHEDULE OF LONG-TERM DEBT**  
For the Fiscal Year Ended September 30, 2023

**DEFINITION AND PURPOSE**

	Balance Outstanding <u>October 1, 2022</u>	<u>Transactions During Fiscal Year</u>		Balance Outstanding <u>September 30, 2023</u>
		<u>Issued</u>	<u>Redeemed</u>	
General Obligation Bonds	-	-	-	-
Revenue Bonds	-	-	-	-
Other Long-Term Debt	-	-	-	-
<b>TOTAL</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>

**TOWN OF GUNNISON, MISSISSIPPI**  
**SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS**  
**September 30, 2023**

<u><b>Name</b></u>	<u><b>Position</b></u>	<u><b>Surety</b></u>	<u><b>Bond Amount</b></u>	
Frances L. Ward	Mayor	Travelers Casualty & Surety Co.	\$	50,000
Linda Washington	City Clerk	Travelers Casualty & Surety Co.	\$	50,000
Carrie Mason	Deputy City Clerk	Travelers Casualty & Surety Co.	\$	50,000
Keith 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**

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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, 2023, 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:**
- (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).
- Recommendations:** The Mayor and Board of Aldermen should work out a plan to comply with all Sections indicated above.
- Response:** Due to financial hardship of operating the Town, the Mayor and Board will continue to work within the Budget to employ or contract training of financial services.

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 23, 2024**

