

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 CHUNKY
Compiled Financial Statements
Year Ended September 30, 2025

JUN 02 2026

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MONROE ACCOUNTING INC

P.O. BOX 25

NEWTON, MISSISSIPPI 39345

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ACCOUNTANTS' COMPILATION REPORT

Town of Chunky
P.O. Box 86
Chunky, MS 39323

We have compiled the accompanying statements of cash receipts and disbursements of the Town of Chunky, Mississippi, as of September 30, 2025. We have not audited or reviewed the accompanying financial statements and, accordingly do not express an opinion or provide any assurance about whether the financial statements are in accordance with the cash basis of accounting.

The management of the Town of Chunky, Mississippi, is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting and for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has not presented government-wide financial statements to display the cash basis financial position and changes in cash basis financial position of its governmental activities and business-type activities. Accounting principles generally accepted in the United States of America, as applied to the Town's cash basis of accounting, require the presentation of government-wide financial statements. The amounts that would be reported in government-wide financial statements resulting from the cash basis transactions for the Town's governmental activities and business-type activities are not reasonably determinable.

The Mayor and Alderpersons have elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's cash receipts and disbursements. Accordingly,

this financial statement is not designed for those who are not informed about such matters.

Management has omitted management's discussion and analysis information that is required to be presented for purposes of additional analysis. Such missing 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The supplementary information contained in the Schedule 1 through 2 has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and, accordingly, do not express an opinion or provide any assurance on such supplementary information.

Vicki Monroe

November 19, 2025

Town of Chunky
Statement of Cash Receipts and Disbursements
For the Year Ended September 30, 2025

| | Fire Fund | General Fund | Water Fund | Total |
|--|----------------------|-----------------------|-----------------------|-----------------------|
| Receipts | | | | |
| Chunky Water | \$ - | \$ 1,839 | \$ - | \$ 1,839 |
| City Diversion | - | 5,960 | - | 5,960 |
| Fire Protection | 16,129 | - | - | 16,129 |
| Gasoline Tax | - | 442 | - | 442 |
| Grant Income | - | - | - | - |
| Homestead | - | 4,005 | - | 4,005 |
| Interest Income | 130 | 4,788 | 792 | 5,710 |
| MDOT - Water Relocation | - | 30,534 | - | 30,534 |
| MS Power Franchise | - | 6,873 | - | 6,873 |
| Municipal Aid | - | 1,309 | - | 1,309 |
| Railroad Tax | - | 1,754 | - | 1,754 |
| Tax Assessor | - | 26,256 | - | 26,256 |
| Modernization Use Tax | - | 35,668 | - | 35,668 |
| Water Utility | - | - | 84,225 | 84,225 |
| Total Receipts | \$ 16,259 | \$ 119,428 | \$ 85,017 | \$ 220,704 |
| Disbursements | | | | |
| General Government | \$ - | \$ 86,588 | \$ - | \$ 86,588 |
| Public Safety - Fire | 10,013 | - | - | 10,013 |
| Enterprises - Water | - | - | 44,607 | 44,607 |
| Interest Expense | - | - | - | - |
| Total Disbursements | \$ 10,013 | \$ 86,588 | \$ 44,607 | \$ 141,208 |
| Excess (Deficiency) of Receipts Over Disbursements | \$ 6,246 | \$ 32,840 | \$ 40,410 | \$ 79,496 |
| Other Financing/Investing Sources (Uses) | | | | |
| Asset Purchases | - | - | - | - |
| Bonds Repayment | 18,592 | - | - | 18,592 |
| Total Other Financing/Investing Sources (Uses) | \$ 18,592 | \$ - | \$ - | \$ 18,592 |
| Excess (Deficiency) of Receipts and Other Financing/Investing Sources over Disbursements and Other Financing Uses | \$ 24,838 | \$ 32,840 | \$ 40,410 | \$ 98,088 |
| Cash Basis Fund Balance - Beginning | \$ 48,567 | \$ 367,716 | \$ 319,455 | \$ 735,738 |
| Cash Basis Fund Balance - Ending | \$ 73,405 | \$ 400,556 | \$ 359,865 | \$ 833,826 |

Town of Chunky
 Schedule of Capital Assets
 Year Ended September 30, 2025

General Fund:

| | Balance 9/30/2024 | Additions | Retirements | Balance 9/30/2025 |
|------|----------------------|-------------|-------------|----------------------|
| CIP | \$ 809,861 | \$ - | \$ - | \$ 809,861 |
| Land | \$ 26,000 | \$ - | \$ - | \$ 26,000 |
| | <u>\$ 835,861</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 835,861</u> |

Fire Fund:

| | Balance 9/30/2024 | Additions | Retirements | Balance 9/30/2025 |
|--------------|----------------------|-------------|-------------|----------------------|
| Rescue Tools | \$ 82,873 | \$ - | \$ - | \$ 82,873 |
| | <u>\$ 82,873</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 82,873</u> |

Water Fund:

| | Balance 9/30/2024 | Additions | Retirements | Balance 9/30/2025 |
|--------------|----------------------|-------------|-------------|----------------------|
| Improvements | \$ 45,679 | \$ - | \$ - | \$ 45,679 |
| | <u>\$ 45,679</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 45,679</u> |

Town of Chunky
Schedule of Bonds for Town Officials
Year Ended September 30, 2025

| Name | Position | Company | Bond |
|-------------------|------------|-----------------|-----------|
| Joshua A. Clark | Mayor | Scott Insurance | \$ 50,000 |
| Joshua K. Maxwell | Alderman | Scott Insurance | \$ 50,000 |
| William J. Luke | Alderman | Scott Insurance | \$ 50,000 |
| Regina P. Steele | Alderman | Scott Insurance | \$ 50,000 |
| Eric J. Gilbert | Alderman | Scott Insurance | \$ 50,000 |
| Mamie J. Reynolds | Town Clerk | Scott Insurance | \$ 50,000 |

Town of Chunky
 Schedule of Long-Term Debt
 Year Ended September 30, 2025

| | Balance Outstanding 9/30/2024 | Loan | Transactions During Fiscal Year | | Balance Outstanding 9/30/2025 |
|---------------------|-------------------------------------|------------------|------------------------------------|-------------|-------------------------------------|
| | | | Issued | Redeemed | |
| Revenue Bonds: | | | | | |
| Water | \$ 897,266 | \$ 18,592 | \$ - | \$ - | \$ 915,858 |
| Total Revenue Bonds | <u>\$ 897,266</u> | <u>\$ 18,592</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 915,858</u> |

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INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES

Town of Chunky
P.O. Box 86
Chunky, MS 39323

We have performed the procedures enumerated below, which were agreed to by the Office of the State Auditor, to the accounting records of the Town of Chunky, Mississippi, solely to assist the Office of the State Auditor to evaluate the Town of Chunky, Mississippi's compliance with certain laws and regulations as of September 30, 2025, and for the year ended. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Office of the State Auditor, State of Mississippi. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

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

| <u>Bank</u> | <u>Fund</u> | <u>Balance Per</u> | <u>General Ledger</u> |
|--------------------|-------------|--------------------|-----------------------|
| Newton County Bank | Fire | \$ | 73,369 |
| Newton County Bank | General | \$ | 384,012 |
| Newton County Bank | Water | \$ | 376,445 |

2. We reconciled the following investments and confirmed balances from the bank:

| Bank | Fund | Balance Per General Ledger |
|------------------------------|---------|-------------------------------|
| Newton County Bank - CD 0005 | General | \$ 3,840 |
| Newton County Bank - CD 0006 | General | \$ 35,413 |
| Newton County Bank - CD 0007 | General | \$ 35,216 |

3. We performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:

- a. Examined uncollected taxes for proper handling, including tax sales;
- 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 to funds was found to be in accordance with prescribed tax levies, and uncollected taxes were determined to be properly handled.

Ad valorem tax collections were found to be within the limitations of §27-39-320 to §27-39-323, Miss. Code Ann. (1972).

There were no ad valorem tax collections for the retirement of General Obligation Debt.

4. 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 without exception. Payments traced were as follows:

| Payment Purpose | Receiving Fund | Amount |
|-----------------------|----------------|-----------|
| Railroad Tax | General Fund | \$ 1,223 |
| City Diversion | General Fund | 1,417 |
| Fire Protection | Fire Fund | 6,050 |
| Homestead | General Fund | 2,079 |
| Municipal Aid | General Fund | 918 |
| Modernization Use Tax | General Fund | 17,390 |
| | | \$ 29,077 |

5. We selected a sample of purchases made by the municipality during the fiscal year. Each sample item was evaluated for compliance with purchasing requirements set forth in Title 31, Chapter 7, Mississippi Code Ann. (1972), as applicable.

The sample consisted of the following:

- a. Number of Sample Items: 13
- b. Total Dollar Value of Sample: \$40,869

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

6. We determined that the Town of Chunky does not have its own court. All cases are sent to the Justice Court. Therefore, there were no fines to be tested for the year.

7. We have read the Municipal Compliance Questionnaire completed by the municipality. The completed survey indicated no instances of noncompliance with state requirements.

I was not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on management's compliance with laws and regulations. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of the Town of Chunky and the Office of the State Auditor, State of Mississippi and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purpose. However, this report is not intended to be and should not be used by anyone other than those specified parties.

Vicki Monroe

November 19, 2025

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REPORT ON COMPLIANCE WITH STATE
LAWS AND REGULATIONS

To the Mayor and the Board of Alderpersons
Town of Chunky, Mississippi

We have compiled the accompanying Statement of Cash Receipts and Disbursements, Schedule of Long-Term Debt and Schedule of Surety Bonds for Town Officials, of the Town of Chunky, Mississippi, for the year ended September 30, 2025, 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.

With respect to items tested, the results of those procedures and my compilation of the accompanying Statement of Cash Receipts and Disbursements, Schedule of Long-Term Debt and Schedule of Surety Bonds for Town Officials, of the Town of Chunky, Mississippi, for the year ended September 30, 2025 disclosed no material instances of noncompliance with state laws and regulations.

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.

Vicki Monroe

November 19, 2025