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.

FINANCIAL REPORT

TOWN OF GATTMAN, MISSISSIPPI

Gattman, Mississippi

September 30, 2025

-oo0oo-

CONTENTS

	PAGE
Accountants' Compilation Report	3
Financial Statements:	
Statement of Cash Receipts and Disbursements Governmental and Business-Type Activities	5
Supplementary Information:	
Schedule of Investments	8
Schedule of Long Term Debt	9
Schedule of Surety Bonds for Town Officials	10
State Auditor Compliance:	
Report on Compliance with State Laws and Regulations	12
Independent Accountants' Report on Applying Agreed-Upon Procedures	13

-oo0oo-

NAIL McKINNEY, P.A.
Certified Public Accountants

204 South Main Street ▪ P.O. Box 64
Amory, MS 38821
(662) 256-5603 ▪ FAX (662) 256-5604
www.nmcpa.com

ACCOUNTANTS' COMPILATION REPORT

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

Management is responsible for the accompanying statement of cash receipts and disbursements of the governmental and business-type activities of the Town of Gattman, Mississippi (TH for the year ended September 30, 2025, which collectively comprise the Town's basic financial statements as listed in the table of contents, 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 financial statements 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 form of assurance on these financial statements.

The financial statements are 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.

The supplementary information contained on pages 7-10 is presented for purposes of additional analysis and is not a required part of the basic financial statements. 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.

Town officials have elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with 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, the financial statements are not designed for those who are not informed about such matters.

Town officials have 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 the government-wide financial statements resulting from the cash basis transactions for the Town's governmental activities and business-type activities are not reasonably determinable.

Town officials have also omitted Management's Discussion and Analysis and other required supplementary information that are required to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Government 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.

In accordance with the provisions of section 21-35-31, Mississippi Code Annotated (1972), we have issued a report dated October 8, 2026, on the results of our agreed upon procedures.

Neil McKinney Professional Associates

Amory, Mississippi
October 8, 2026

TOWN OF GATTMAN, MISSISSIPPI
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
For the year ended September 30, 2025

(SEE ACCOUNTANTS' COMPILATION REPORT)

	Governmental Activities		Business-Type Activities	
	Major Funds			
	General Fund	Total	Water Fund	Total
Receipts:				
General property taxes	$ 3,583	$ 3,583	$ -	$ -
Payments in lieu of taxes	678	678	-	-
Licenses and permits:				
Utility franchise charges	1,771	1,771	-	-
Intergovernmental revenues:				
State grants:				
General municipal aid	38	38	-	-
Homestead exemption reimbursement	143	143	-	-
State shared revenues:				
Sales tax	631	631	-	-
Gasoline tax	226	226	-	-
County shared revenues:				
Fire allocation	6,491	6,491		
Rail car fee	1,592	1,592	-	-
Charges for services:				
Water and tap fees	-	-	170,423	170,423
Other receipts:				
Interest	2	2	7	7
Rent	700	700	-	-
Total receipts	15,855	15,855	170,430	170,430
Disbursements:				
General government	13,968	13,968	-	-
Public Safety	5,996	5,996		
Enterprise:				
Water	-	-	160,602	160,602
Redemption of principal	-	-	7,465	7,465
Debt service interest	-	-	7,003	7,003
Total disbursements	19,964	19,964	175,070	175,070

TOWN OF GATTMAN, MISSISSIPPI
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
For the year ended September 30, 2025

(SEE ACCOUNTANTS' COMPILATION REPORT)

	Governmental Activities		Business-Type Activities	
	Major Funds			
	General Fund	Total	Water Fund	Total
Other financing sources (uses):				
Transfers in (out)	$ 135	$ 135	$ (135)	$ (135)
Total other financing sources (uses)	135	135	(135)	(135)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,974)	(3,974)	(4,775)	(4,775)
Cash basis fund balance-beginning	8,957	8,957	11,810	11,810
Cash basis fund balance-ending	$ 4,983	$ 4,983	$ 7,035	$ 7,035

SUPPLEMENTARY INFORMATION

TOWN OF GATTMAN, MISSISSIPPI
SCHEDULE OF INVESTMENTS
September 30, 2025

(SEE ACCOUNTANTS' COMPILATION REPORT)

NO INVESTMENTS

TOWN OF GATTMAN, MISSISSIPPI
SCHEDULE OF LONG TERM DEBT
For the year ended September 30, 2025

(SEE ACCOUNTANTS' COMPILATION REPORT)

DEFINITION AND PURPOSE	Balance Outstanding October 1, 2024	Transactions During Fiscal Year Issued	Transactions During Fiscal Year Redeemed	Balance Outstanding September 30, 2025
Note payable-United States Department of Agriculture-Water system improvements	$ 236,634	$ -	$ 7,465	$ 229,169
	$ 236,634	$ -	$ 7,465	$ 229,169

TOWN OF GATTMAN, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS
September 30, 2025

(SEE ACCOUNTANTS' COMPILATION REPORT)

Name	Position	Surety	Bond Amount
Anthony W. Downey	Mayor	Travelers	$ 25,000
Elizabeth McKay	Alderman	Travelers	$ 10,000
John Woodham	Alderman	Travelers	$ 10,000
Jerry Blaylock	Alderman	Travelers	$ 10,000
Tabitha Easter	Municipal Clerk	Travelers	$ 50,000
Max Dove	Water Operator	Travelers	$ 50,000

STATE AUDITOR COMPLIANCE

NAIL McKINNEY, P.A.
Certified Public Accountants

204 South Main Street ▪ P.O. Box 64
Amory, MS 38821
(662) 256-5603 ▪ FAX (662) 256-5604
www.nmcpa.com

REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

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

We have compiled the accompanying Statement of Cash Receipts and Disbursements - Governmental and Business Type Activities, Schedule of Investments, Schedule of Long-Term Debt, and Schedule of Surety Bonds for Town Officials of the Town of Gattman, Mississippi (the Town), for the year ended September 30, 2025, in accordance with Statements of 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 generally accepted accounting principles 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 the items tested, the results of those procedures disclosed three instances of noncompliance with the state laws and regulations which is noted in item 7 in the Independent Accountants' Report on Applying Agreed-Upon Procedures.

This report is intended solely for the information and use of management 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.

Nail McKinney Professional Association

Amory, Mississippi
October 8, 2026

NAIL McKINNEY, P.A.
Certified Public Accountants

204 South Main Street ▪ P.O. Box 64
Amory, MS 38821
(662) 256-5603 ▪ FAX (662) 256-5604
www.nmcpa.com

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below to selected records of the Town of Gattman, Mississippi as of and for the year ended September 30, 2025. Town officials are responsible for these procedures. An agreed-upon procedures engagement involves our firm performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting findings based on the procedures performed.

Town officials of the Town of Gattman, Mississippi have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of testing compliance with the provisions of certain laws and regulations as required by the Office of the State Auditor, under the provisions of Section 21-35-31, Miss. Code Ann. (1972). This report may not be suitable for any other purpose. The procedures performed may not address all 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:

Fund	Balance per General Ledger
General	$ 4,983
Water	6,788
Water	247
	$ 12,018

2. There were no investment securities owned by the town as of September 30, 2025; nor were there any investment security transactions during the year ended September 30, 2025. Accordingly, the agreed-upon procedure to physically examine securities held for investment, confirm securities held in trust, and examine securities transactions for compliance with Section 21-33-323, Miss. Code Ann. (1972) was not applicable as of and for the fiscal year ended September 30, 2025.

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

   a. Verified use of certified county assessment rolls and traced levies to governing body minutes; Traced distribution of taxes collected to proper funds; and
   b. Analyzed increase in taxes for most recent period for compliance 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.

   Ad valorem tax collections were found to be within the limitations of section 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 deposit in the respective bank accounts and recorded in the general ledger without exception. Payments traced were as follows:

Payment Purpose	Receiving Fund	Ledger Amount
Sales Tax Allocation	General Fund	$ 631
TVA payments in lieu of taxes	General Fund	$ 678
Gasoline Tax	General Fund	$ 226
Homestead Exemption Reimbursement	General Fund	$ 143
General Municipal Aid	General Fund	$ 38
Fire Protection Allocation	General Fund	$ 6,491

5. We examined all purchases made during the year in the general fund. We selected a sample of purchases made in the water enterprise fund.

   The sample consisted of the following:

Number of sample items	40
Total dollar value of sample	$ 31,361

   Each item tested was evaluated for compliance with purchasing requirements set forth in Title 31, Chapter 7, Miss. Code Ann. (1972) as applicable. We found the municipality's purchasing procedures to be in agreement with the requirements of the above mentioned sections.

6. The Town of Gattman, Mississippi does not currently have a court system in place. Therefore, the collection of fines and timely settlement to the State of Mississippi does not apply to the Town of Gattman, Mississippi.

7. We have read the Municipal Compliance Questionnaire completed by the municipality. The completed survey indicated three instances of noncompliance with state requirements.

a. The monthly report of expenditures submitted to the board does not compare the expenditures against the budget or the unexpended balances of each budget item.

b. The Town has not completed an annual inventory of its assets in accordance with guidelines established by the Office of the State Auditor.

c. The Town has not adopted and entered on its minutes a budget in the format prescribed by the Office of the State Auditor.

We were engaged by the Town of Gattman, Mississippi to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively on the Town's compliance with the laws and regulations tested, on the records subjected to testing, or on the financial information included in this report. 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. This report should not be associated with the financial statements of the Town of Gattman, Mississippi, for the year ended September 30, 2025.

We are required to be independent of the Town of Gattman, 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 Town of Gattman, Mississippi and the Mississippi Office of the State Auditor and is not intended to be and should not be used by anyone other than those parties.

Neil McKinney Professional Association

Amory, Mississippi
October 8, 2026