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Town of McLain
Annual Municipal Compilation
FYE September 30, 2019

Cary E. Williams, CPA
PO Box 965
Leakesville, MS 39451

CARY E. WILLIAMS
CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT ACCOUNTANT'S REPORT

February 17, 2020

Honorable Mayor and Alderpersons
Town of McLain
Post Office Box 5
McLain, Mississippi 39456

I have applied certain agreed upon procedures, as discussed below, to the accounting records of the Town of McLain, Mississippi as of September 30, 2019, and for the year then ended, as required by the Office of the State Auditor, under the provisions of Section 21-35-31, Mississippi Code, 1972, annotated. It is understood that the report is solely for the use of the governing body of the Town of McLain, Mississippi, and the Office of the State Auditor and should not be used for any other purpose. My procedures and findings are as follows:

- A. I reconciled cash on deposit in checking accounts with the following banks to balances in the respective general ledger accounts and obtained confirmation of the related balances from the banks:

Bank	Fund	Balance Per General Ledger
Trustmark National Bank	General	\$8,551
Trustmark National Bank	Water and Sewer	7,667
Trustmark National Bank	Emer. CDBG&HUD Fund	48
Trustmark National Bank	Water & Sewer Annual	8,189
Trustmark National Bank	Fire Department	139
Total		<hr/> \$24,594

- B. I confirmed directly with respective banks all investments, including certificates of deposits, owned by the Town of McLain. All investment transactions during the year were examined for compliance with investments authorized by Section 21-33-323, Mississippi Code, 1972.

<u>Investment</u>	<u>Fund</u>	<u>Amount</u>
Trustmark CD	Water	\$5,973
Trustmark CD	General	<u>1,055</u>
Total investment		\$7,028

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

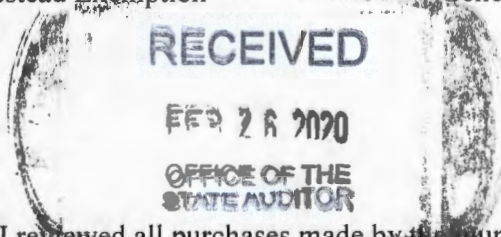
1. Verified use of certified county assessment rolls and traced levies to governing body minutes.
2. Examined uncollected taxes for proper handling, including tax sales.
3. Traced distribution of taxes collected to proper funds.
4. Analyzed increase in taxes for most recent period for completion with increase limitations of Section 27-39-320 to 27-39-329 of the Mississippi Code of 1972.

The distribution of taxes to funds was found to be in accordance with prescribed law levies, and uncollected taxes were determined to be properly handled.

Ad valorem tax collections were found to be within the limitations of sections 27-29-320 through 27-39-323, Mississippi Code Ann. (1972).

D. I obtained a statement of payments made by the State Department of Finance and Administration to the Town. The payments were traced to deposits in the respective bank accounts and recorded in the general ledger. Cash receipts traced were as follows:

Payment Purpose	Receiving Fund	General Ledger Amount
Sales Tax Allocation	General	\$46,240
Gasoline Tax	General	1,351
General Municipal Aid	General	220
Homestead Exemption	General	<u>5,069</u>
Total		\$ 52,880



- E. I reviewed all purchases made by the municipality during the fiscal year. Each item was evaluated for compliance with public purchasing requirements set forth in Sections 31-7-1, 31-7-57, Mississippi Code, 1972, annotated, as applicable.
- F. I selected a sample of collection of fines and forfeitures and verified that the municipal court clerk had settled daily with the municipal clerk. I also sampled court assessments

collected and determined that the municipal clerk had settled monthly with the Department of Finance and Administration.

I found the Town's purchasing procedures to be in compliance with the requirements of the above sections.

- G. The town did complete the Municipal Compliance Questionnaire as required. I reviewed the questionnaire and determined it to be correct and consistent and indicated no instances of non-compliance with state requirements.

- H. Long term debt for the town at 9-30-18 is shown below:

<u>Long Term Debt</u>	<u>Balance 10-01-18</u>	<u>Redeemed</u>	<u>Balance 09-30-19</u>
USDA Water & Sewer, 4.5%	\$141,594	\$5,090	\$136,504
Total	<u>\$141,594</u>	<u>\$5,090</u>	<u>\$136,504</u>

Because the above procedures do not constitute an audit conducted in accordance with generally accepted auditing standards, I do not express an opinion on any of the accounts or items referred to above. In connection with the procedures referred to above, no matters came to my attention that caused me to believe that the specified accounts or items should be adjusted. Had I performed additional procedures or had I conducted an audit of the financial statements in accordance with generally accepted auditing standards, matters might have come to my attention that would have been reported to you. This report relates only to the accounts and items specified above and do not extend to any financial statements of the Town of McLain, taken as a whole.

Cary E. Williams, CPA
February 17, 2020

Town of McLain, Mississippi
STATEMENT OF CASH RECEIPTS (ALL FUNDS)
For the Fiscal Year Ended September 30, 2019

	Governmental Fund Type General	Proprietary Fund Type Enterprise	Grants	Totals (Memorandum Only) 2019
Revenue Receipts				
General Property Taxes	\$63,357			\$63,357
Rail Car Tax	7,318			7,318
Licenses and Permits	1,195			1,195
Intergovernmental Revenues				
General Municipal Aid:				
Municipal Aid	220			220
Homestead Exempt Reimb	5,069			5,069
State Shared Receipts				
Sales Tax	46,240			46,240
Gasoline Taxes	1,351			1,351
Grants			37,848	37,848
Charges for Services:				
Water Utility		77,350		77,350
Garbage Fees		19,692		19,692
Fines and Forfeits	7,214			7,214
Other Receipts				
Insurance	7,465			7,465
Fire Protection	1,000			1,000
Franchise Tax Utilities	16,034			16,034
Miscellaneous/Water Meter Deposits	3,232	4,437		7,669
Total Operating Receipts	159,695	101,479	37,848	299,022
Cash Balance-- Beg. Of Year	23,683	22,404	68	46,155
TOTAL AMT TO ACCOUNT FOR	\$183,378	\$123,883	\$37,916	\$345,177

See Accountant's Compilation Report.



Town of McLain, Mississippi
Combined Statement of Cash Disbursements (All Funds)
For the Fiscal Year Ended September 30, 2019

	Governmental Fund Type General	Proprietary Fund Type Enterprise	Grants	Totals (Memorandum Only) 2019
Operating Disbursements				
Grants			\$ 38,631	\$ 38,631
General Government	\$ 133,022			133,022
Public Safety	28,708			28,708
Enterprises:				
Water and Sewer		101,866		101,866
Interest on Loans		6,238		6,238
Total Operating Disbursements	161,730	108,104	38,631	308,465
Other Disbursements				
Principal Retirement		5,090		5,090
Total Disbursements	161,730	113,194	38,631	313,555
Cash Balance End of Year	15,718	15,856	48	31,622
Total Amount Accounted For	<u>\$177,448</u>	<u>\$129,050</u>	<u>\$38,679</u>	<u>\$345,177</u>

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TOWN OF MCLAIN

Schedule of Surety Bonds of Municipal Officials
September 30, 2019

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Amount</u>
Steve McCluskey	Mayor	Clyde C. Scott	25,000
Ashley Williams	Town Clerk	South Group	50,000
<u>Alderman</u>			
Len J Moody		Clyde C. Scott	25,000
David Hartfield		Clyde C. Scott	25,000
Francis Byrd		Clyde C. Scott	25,000
Janice Guest		Clyde C. Scott	25,000
Ken Cumbie		Clyde C. Scott	25,000
Brent Pursell	Police Chief	Clyde C. Scott	50,000

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TOWN OF MCLAIN, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended September 30, 2019

Note A: Summary of Significant Accounting Policies

General Information

The City operates under the Board of alderman form of government and provides services as authorized by law.

Reporting Entity

The financial statement of the City consists of all the funds of the City.

Fund Accounting

The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. Funds are classified into categories as follows:

Government Funds

The *General Fund* is the main operating fund of the Town. It is used to account for all the financial resources except those required to be accounted for in another fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from this fund.

Special Revenue Funds are used to account for the proceeds of specific revenue resources that are legally restricted to expenditure for specified purposes.

Proprietary Funds

The *Enterprise Fund* is used to account for those operations that are financed and operated in a manner similar to private business enterprises or where the Town had decided that periodic determination of revenues earned, expenses incurred and/or net income is necessary for management accountability.

Basis of Accounting

The financial statement is prepared on a regulatory basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than generally accepted accounting principles. This basis is prescribed by the Office of the State Auditor. Consequently, certain revenues are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligation is incurred.

TOWN OF MCLAIN, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended September 30, 2019

Note A: Summary of Significant Accounting Policies—continued

Property Tax Revenues

The Town's Board of Alderpersons, each year at a meeting in September, levies property tax for the ensuing fiscal year which begins on October 1. Real 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 succeeding year. Taxes on motor vehicles and mobile homes become a lien and are due in the month that coincides with the month of original purchase. For the current year, the Town levied taxes in the amount of 31.46 mills.

Note B: 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 and does not conform to the form and format as implemented in GASB Statement No. 34, "Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments."

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