

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 Duncan, Mississippi

Financial Statements

September 30, 2022

Ellis & Hirsberg

Certified Public Accountants, PLLC

Clarksdale, Mississippi

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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Honorable Mayor and Aldermen
Town of Duncan
Duncan, Mississippi

Management is responsible for the accompanying statement of cash receipts and disbursements – governmental and business-type activities of the Town of Duncan, Mississippi, for the year ended September 30, 2022, and the related notes to the financial statements, 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 statement of cash receipts and disbursements – governmental and business type activities nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the statement of cash receipts and disbursements – governmental and business-type activities.

We draw attention to Note 1 of the financial statement, which describes the basis of accounting. The statement of receipts and disbursements – governmental and business-type activities is 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.

Other Matters

Required Supplementary Information

Management has omitted the Management Discussion and Analysis that the Governmental Accounting Standards Board requires 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 Governmental 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.

The supplementary information contained in Schedules 1 through 5 is presented in compliance with the requirements of the Mississippi Office of the State Auditor 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 nor reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

Other Information

The Statement of Cash Receipts and Disbursements – Governmental and Business-Type Activities and related notes to financial statement are intended to comply with the requirements of the Mississippi Office of the State Auditor and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

In accordance with the provisions of Section 21-35-31, Miss. Code Ann. (1972), we have issued a report dated October 2, 2023, on the results of our agreed-upon procedures.

Ellis & Hirsberg CPA's PLLC

Ellis & Hirsberg CPA's PLLC
Clarksdale, Mississippi
October 2, 2023

TOWN OF DUNCAN, MISSISSIPPI

FINANCIAL STATEMENTS

TOWN OF DUNCAN, MISSISSIPPI
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Governmental Activities				Business-type Activities
	Major Funds				
	General		2021 Community	Total	
	Fund	Health Fund	Park Fund	Governmental Funds	Water Fund
RECEIPTS					
Taxes					
Property Taxes	63,015			63,015	
Licenses and Permits:					
Permits	600			600	
Privilege Licenses	450			450	
Franchise Taxes	10,303			10,303	
Intergovernmental Revenues:					
Intergovernmental Grants			100,000	100,000	38,485
General Municipal Aid	211			211	
Other Aid	70,710			70,710	
Homestead Exemption	5,435			5,435	
State Shared Revenues					
Fire Protection Allocation	3,488			3,488	
Gasoline Tax	830			830	

See independent accountants' compilation report.

TOWN OF DUNCAN, MISSISSIPPI
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Governmental Activities				Business-type Activities
	Major Funds				
	General Fund	Health Fund	2021 Community Park Fund	Total Governmental Funds	Water Fund
Sales Taxes	7,701			7,701	
Truck and Bus Tax	327			327	
Grand Gulf Payment	2,400			2,400	
Charges for Services:					
Sanitation	14,307			14,307	
Water/Sewer					83,404
Other Receipts:					
Interest	32			32	6
Miscellaneous Receipts	2,943			2,943	
Transfer In (Out)	13,757			13,757	(13,757)
Total Receipts	196,509	-	100,000	296,509	108,138

See independent accountants' compilation report.

TOWN OF DUNCAN, MISSISSIPPI
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Governmental Activities				Business-type Activities
	Major Funds				
	General		2021	Total	
	Fund	Health Fund	Community Park Fund	Governmental Funds	Water Fund
DISBURSEMENTS					
General Government	28,858			28,858	
Public Safety					
Fire	4,676			4,676	
Police	10,420			10,420	
Public Works					
Beautification	22,335			22,335	
Sanitation	20,244			20,244	
Streets	10,477			10,477	
Proprietary Funds					
Water and Sewer					53,256
Sewer Rehabilitation					8,000
Total Disbursements	97,010	-	-	97,010	61,256

See independent accountants' compilation report.

TOWN OF DUNCAN, MISSISSIPPI
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Governmental Activities				Business-type Activities
	Major Funds				
	General Fund	Health Fund	2021 Community Park Fund	Total Governmental Funds	Water Fund
Excess (Deficiency) of Receipts Over Disbursements	99,499	-	100,000	199,499	46,882
Cash Basis of Fund Balance - Beginning	151,100	599		151,699	46,383
Cash Basis of Fund Balance - Ending	250,599	599	100,000	351,198	93,265

See independent accountants' compilation report.

**TOWN OF DUNCAN, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Town of Duncan operates under a Mayor-Board of Aldermen form of government. The Town has an approximate population of 423. The accounting policies of the Town of Duncan conform to the laws of Mississippi for a municipality with revenues or expenditures of less than \$1,000,000. The following is a summary of the more significant policies.

Reporting Entity - This report includes all the funds and account groups of the Town of Duncan. The Town has developed criteria to determine whether outside agencies or authorities with activities which benefit the citizens of the Town should be included within its financial reporting entity. The criteria include, but are not limited to, whether the Town exercises oversight responsibility on financial inter-dependency, selection of governing authority, and accountability for fiscal matter, scope of public service and special financing relationships. No component unit was identified for inclusion or potential inclusion utilizing the criteria indicated.

Basis of Presentation - Fund Accounting - The accounts of the Town of Duncan are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. Each fund is accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures/expenses. The individual funds account for the governmental resources allocated to them for the purpose of carrying on specific activities in accordance with laws, regulations, or other restrictions.

Basis of Accounting - All governmental and proprietary funds are accounted for using the cash receipts and disbursements basis of accounting, as allowed by the Mississippi State Department of Audit. This basis of accounting differs from accounting principles generally accepted in the United States of America in that revenues are recognized when received rather than when measurable and available as net current assets and expenditures are generally recognized when the related fund expense is disbursed rather than when the related fund liability is incurred. Consequently, these financial statements are not intended to present financial position or results of operations in accordance with accounting principles generally accepted in the United States of America. Financial statements issued following accounting principles generally accepted in the United States of America normally contain Government-wide Financial Statements, Fund Financial Statements, Management Discussion and Analysis (MD&A), and other supplemental information.

Receipts and disbursements were classified according to requirements for small towns as permitted by the Office of the State Auditor.

The following funds and groups of accounts are used by the Town:

**TOWN OF DUNCAN, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Governmental Fund Types:

General Fund - This fund is established to account for resources devoted to financing the general services that the Town performs for its citizens, including the servicing of general long-term debt (debt service funds). General tax revenues and other sources of revenue used to finance the fundamental operations of the Town are included in this fund. The fund is charged with all costs of operating the government for which a separate fund has not been established.

Special Revenue Fund - The Special Revenue Fund is used to account for revenue sources that are legally restricted to expenditures for specific purposes.

Proprietary Fund Types:

Enterprise Funds - These funds account for operations that are organized to be self-supporting through user charges. Included in this category is the Water and Sewer Fund.

Budgetary Data - Formal budgetary accounting is employed as a management control for all funds of the Town. Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required for governmental and proprietary funds. For governmental funds, receipts are budgeted on the cash basis.

Expenditures are budgeted on the modified cash basis of accounting. This is consistent with the applicable laws of Mississippi for municipalities. Budgets for Special Revenue Funds are made on a project basis, spanning more than one fiscal year. Budgetary control is exercised at the departmental level or by projects.

All unencumbered budget appropriations, except special revenue project budgets, lapse at the end of each fiscal year.

Cash - Cash in excess of current requirements is invested in various interest-bearing bank deposits.

Property Tax Revenues - Property taxes are levied on January 1 based on the assessed value of property per the County Tax Bills. Assessed values are an approximation of market value.

Property taxes are recognized as revenue when they are received.

Encumbrances - The Town of Duncan does not use encumbrance accounting.

Compensated Absences - The Town of Duncan, Mississippi does not grant sick leave or vacation pay.

Interfund Transfers - The interfund transfers have not been eliminated.

**TOWN OF DUNCAN, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Restricted Funds - When an expenditure is incurred that could be paid by either restricted or unrestricted funds, restricted funds are used first.

Total Columns - The Combined Statements of Cash Receipts and Disbursements, Governmental and Business-type Activities includes a total column that is described as memorandum only. Data in this column does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Interfund transactions have not been eliminated from the total column of this financial statement.

NOTE 2 - PROPERTY TAXES:

Property taxes attach as an enforceable lien as of February 1.

The Town 2021 tax levy was 45 mills on assessed valuation for taxing property within the incorporated boundaries. The Town utilized the county tax rolls and values in assessing the ad valorem taxes on real and personal property within the Town boundaries. The Town pays a fee to the Bolivar County Tax Collector to collect its ad valorem taxes.

Property for which ad valorem taxes have not been paid is advertised for sale in April of each year. Property not sold at the auction is purchased by the State of Mississippi. Since unpaid ad valorem taxes at year end are usually not collected within the 60 day period following the close of the Town's fiscal year, delinquent property taxes are not recorded as a receivable on the books of the Town.

NOTE 3 - CASH AND OTHER DEPOSITS:

The collateral for public entities' deposits in financial institutions, is now held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Depository Insurance Corporation.

The carrying amount of the Town's deposits with financial institutions was \$444,462 and the bank balance was \$444,462. The bank balance is categorized as follows:

Amount insured or collateralized with securities held by the Town or its agent in the Town's name	\$444,462
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Custodial Credit Risk - Deposits. Custodial credit risk is defined as the risk that, in the event of the failure of a financial institution, the Town will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Town does not have a deposit policy

**TOWN OF DUNCAN, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

for custodial credit risk. However, the Mississippi State Treasurer manages that risk on behalf of the Town. Deposits above FDIC coverage are collateralized by the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on behalf of the Town. As of September 30, 2022, none of the Town's bank balances of \$444,462 were exposed to custodial credit risk.

NOTE 4 - LONG-TERM DEBT:

The Town did not have any long-term debt at September 30, 2022.

NOTE 5 - RISK MANAGEMENT:

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors, and omissions; injuries to employees; and natural disasters. Except as described below, the Town has commercial insurance for these risks. Settled claims resulting from these insured risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Participation in Public Entity Risk Pool

The Town is a member of the Mississippi Municipal Workers' Compensation Group (MMWCG). The group is a risk-sharing pool; such a pool is frequently referred to as a self-insurance pool. The pool was formed on March 28, 1989, by the Mississippi Nonprofit Corporation Act, pursuant to Section 71-3-75, Mississippi Code Annotated (1972), to provide public entities within the State of Mississippi worker's compensation and employers' liability coverage. The Town pays premiums on a quarterly basis for its workers' compensation insurance coverage based on total payroll. The participation agreement provides that the pool will be self-sustaining through member premiums. The risk of total claims exceeding the pool's resources is remote. In the event claims deplete the trust account, pool members would be required to pay for the deficiencies. Settlement amounts have not exceeded for the current year nor the prior three years.

The Town is a member of the Mississippi Municipal Liability Plan, a public entity risk pool. The Mississippi Municipal Liability Plan covers liability against its members. The Plan is funded by member contributions. The Town has not had an additional assessment for excess losses.

NOTE 6 - ECONOMIC DEPENDENCY:

The Town is a rural community located in the Mississippi Delta. It is dependent on ad valorem taxes and user fees from its residents to remain viable.

**TOWN OF DUNCAN, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

NOTE 7 - SUBSEQUENT EVENTS:

Events that occur after the statement of net assets date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of net assets date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of net assets date require disclosure in the accompanying notes. Management of the Town of Duncan evaluated the activity of the Town through October 2, 2023 and determined that the following subsequent event requires disclosure in the financial statements.

- The Town was awarded \$186,843 from Mississippi Department of Environmental Quality Mississippi Municipality and County Water Infrastructure Grant. The Town is to match the funds with ARPA funds in the amount of \$93,421.

TOWN OF DUNCAN, MISSISSIPPI

SUPPLEMENTAL INFORMATION

**TOWN OF DUNCAN, MISSISSIPPI
SCHEDULE OF LONG-TERM DEBT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

There was no long-term debt outstanding at September 30, 2022.

See independent accountants' compilation report.

TOWN OF DUNCAN, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS
SEPTEMBER 30, 2022

<u>Name</u>	<u>Position</u>	<u>Company</u>	<u>Bond Amount</u>
Charles Harvey	Mayor	St. Paul Travelers	50,000
Curtis Boschert	Town Clerk	Western Surety Company	50,000
Shirley Reddicks	Alderman	St. Paul Travelers	10,000
Erma C. Lee	Alderman	St. Paul Travelers	10,000
Earnest Caston	Alderman	St. Paul Travelers	10,000
Lynn Sutton McMurchy	Alderman	St. Paul Travelers	10,000
John J. Janous	Alderman	St. Paul Travelers	10,000
Kevin Craig	Police Chief	CNA Surety	50,000

See independent accountants' compilation report.

TOWN OF DUNCAN, MISSISSIPPI
SCHEDULE OF BUDGET AND ACTUAL REVENUE AND EXPENSES - CASH BASIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Revised Budget	Actual	Budget Variance Favorable (Unfavorable)
Receipts			
Franchise Tax	10,000	10,303	303
Miscellaneous Income	12,837	12,567	(270)
Municipal Aid	1,000	70,921	69,921
State Fire Aid	373	3,488	3,115
Intergovernmental Revenue		100,000	100,000
Privilege Taxes	200	450	250
Property Taxes	67,140	63,015	(4,125)
Sales Taxes	5,000	7,701	2,701
Sanitation Fees	12,600	14,307	1,707
Water & Sewer Fees	75,700	121,895	46,195
Total Receipts	<u>184,850</u>	<u>404,647</u>	<u>219,797</u>
General Government	50,225	28,858	21,367
Public Safety			
Fire	5,000	4,676	324
Police	10,000	10,420	(420)
Public Works			
Beautification	12,000	22,335	(10,335)
Sanitation	21,425	20,244	1,181
Streets	10,500	10,477	23
Proprietary Funds			
Water and Sewer	75,700	61,256	14,444
Total Disbursements	<u>184,850</u>	<u>158,266</u>	<u>26,584</u>
Excess (Deficiency) of Receipts Over Disbursements	<u>-</u>	<u>246,381</u>	<u>246,381</u>

See independent accountants' compilation report.

**TOWN OF DUNCAN, MISSISSIPPI
SCHEDULE OF INVESTMENTS
FOR THE FISCAL YEAR SEPTEMBER 30, 2022**

None

See independent accountants' compilation report.

TOWN OF DUNCAN, MISSISSIPPI
SCHEDULE OF CAPITAL ASSETS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Governmental Activities:					
Capital Assets:					
Land					-
Buildings	82,362				82,362
Machinery and Equipment	56,935				56,935
Infrastructure					-
Construction in Progress					-
Total Governmental Activities Capital Assets	<u>139,297</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>139,297</u>
Business-type Activities:					
Capital Assets:					
Land					-
Construction in Progress		8,000			8,000
Buildings					-
Machinery and Equipment					-
Infrastructure	500,997				500,997
Total Business-type Activities Capital Assets	<u>500,997</u>	<u>8,000</u>	<u>-</u>	<u>-</u>	<u>508,997</u>

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH
STATE LAWS AND REGULATIONS**

Honorable Mayor and Aldermen
Town of Duncan, Mississippi

We have compiled the Statement of Cash Receipts and Disbursements - Governmental and Business-type Activities of the Town of Duncan, Mississippi as of and for the year ended September 30, 2022, and have issued our report thereon dated October 2, 2023. Our report differed from the standard report due to the basis of accounting. All governmental and proprietary funds contained in this report are accounted for using the cash receipts and disbursements basis of accounting, as allowed by the Mississippi State Department of Audit. This basis of accounting differs from generally accepted accounting principles in that revenues are recognized when received rather than when measurable and available as net current assets and expenditures are generally recognized when the related fund expense is disbursed rather than when the related fund liability is incurred. Consequently, these financial statements are not intended to present financial position or results of operations in accordance with generally accepted accounting principles. Financial statements issued following accounting principles generally accepted in the United States of America normally contain Government-Wide Financial Statements, Fund Financial Statements, Management Discussion and Analysis (MD&A). Management elected to omit the MD&A.

We have performed procedures to test compliance with certain state laws and regulations as described in the Municipal Compliance Questionnaire that is prescribed by the Office of the State Auditor. Our procedures were substantially less than an audit, the objective of which is to express an opinion on the Town's compliance with those requirements. Accordingly, we do not express such an opinion.

With respect to items tested, the results of those procedures and our compilation of the accompanying Statement of Cash Receipts and Disbursements - Governmental and Business-Type Activities, Schedule of Long-Term Debt, Schedule of Surety Bonds for Town Officials, Schedule of Budget and Actual Revenue and Expenses, Schedule of Investments and Schedule of Capital Assets for the year ended October 2, 2023, disclosed no instances of noncompliance.

This report is intended for the information and use of management and is not intended and should not be used by anyone other than those specified parties.

Ellis & Hirsberg CPA's PLLC

Ellis & Hirsberg CPA's PLLC
Clarksdale, Mississippi
October 2, 2023

**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING
AGREED-UPON PROCEDURES**

To the Mayor and Aldermen
Town of Duncan
Duncan, Mississippi

We have performed the procedures enumerated below on State of Mississippi municipal procedures of the Mississippi Office of the State Auditor for the year ended September 30, 2022.

The Mayor and Board of Aldermen of the Town of Duncan have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the Mississippi Code requirements for municipalities. This report may not be suitable for any other purpose. The procedures performed do not address all the 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 bank:

<u>Bank</u>	<u>Fund</u>	Balance Per <u>General Ledger</u>
Southern Bancorp (MMA account)	General Fund	45,835
Southern Bancorp (ARPA account)	General Fund	93,421
Southern Bancorp (General account)	General Fund	141,828
Total General Fund		<u>281,084</u>
Southern Bancorp (Community Park)	Special Revenue Fund	100,000
Southern Bancorp (Health Account)	Special Revenue Fund	599
Total Special Revenue		<u>100,599</u>
Southern Bancorp (Sewer account)	Proprietary Fund	7,068
Southern Bancorp (Utility account)	Proprietary Fund	48,060
Southern Bancorp (Water Meter Deposit)	Proprietary Fund	7,274
Southern Bancorp (FMHA account)	Proprietary Fund	378
Total Proprietary Fund		<u>62,780</u>

The General account of \$141,828 contains \$30,485 which is due to the proprietary fund for the 2021 Sewer CDBG project.

Findings: No exceptions were noted.

2. Physically inspect investment securities as of the end of the fiscal year if amounts were not confirmed. Examine all investment transactions during the fiscal year for compliance with Section 21-33-323.

Findings: This procedure did not apply as the Town of Duncan did not hold any securities at year end nor during the year.

3. We performed the following procedures with respect to taxes on real 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 compliance with increase limitations of Section 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

Findings: No exceptions were noted.

4. We obtained a statement of payments made by the Department of Finance and Administration to the municipality. Payments were traced to deposits into the municipal treasury and recorded in the general ledger. Payments traced were as follows:

<u>Payment Purpose</u>	<u>Receiving Fund</u>	<u>Amount</u>
General Municipal Aid	General Fund	211
Other Aid	General Fund	70,710
Nuclear Payment	General Fund	2,400
Sales Tax Allocation	General Fund	7,701
Homestead Exemption Reimbursement	General Fund	5,435
Gasoline Tax	General Fund	830
Fire Protection	General Fund	3,488
2021 Community Park	Special Revenue	100,000
Community Development Block Grant	Proprietary Fund	38,485
Total		<u><u>229,260</u></u>

Findings: No exceptions were noted.

5. We selected a sample of purchases made by the municipality during the fiscal year. Each sample item was tested for board approval prior to disbursement. In addition, each sample item was evaluated for compliance with purchasing requirements set forth in Title 31, Chapter 7, Miss. Code Ann. (1972), as applicable.

The sample consisted of the following:

Number of Sample Items	60
Dollar Value of Sample	\$26,325

Findings: No exceptions were noted.

6. Sample collection of fines and forfeitures and determine court clerk has settled daily with the municipal clerk Section 21-15-21. Test a same of state-imposed court assessments collected and determine that the municipal clerk has settled monthly with the Department of Finance and Administration Sections 99-19-73 & 83-39-3.

Findings: The procedures do not apply to the Town of Duncan. The Town does not have a municipal court.

7. Determine that the Municipal Compliance Questionnaire was completed, signed and recorded in the board's minutes. Tests of the questionnaire determined that it was accurately prepared. Include any instances of non-compliance in the special report on agreed-upon procedures.

Findings: No exceptions nor instances of non-compliance were noted.

We were engaged by the Town of Duncan to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on State of Mississippi municipal procedures. Accordingly, we do not express an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Town of Duncan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report should not be associated with the financial statements of the Town of Duncan, Mississippi, for the year ended September 30, 2022.

This report is intended solely for the use of the Office of the State Auditor, State of Mississippi and the mayor and Board of Aldermen of the Town of Duncan 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 purposes.

Ellis & Hirsberg CPA's PLLC

Ellis & Hirsberg CPA's PLLC
Clarksdale, Mississippi
October 2, 2023