

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 McLain
Annual Municipal Compilation
FYE September 30, 2023

Barrow & Associates, PLLC
PO Box 965
Leakesville, MS 39451



Barrow & Associates, PLLC
CPAs & Business Advisors
Beyond Compliance

INDEPENDENT ACCOUNTANT'S REPORT

December 23, 2023

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, 2023, 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 Nation Bank	General American Rescue	\$90,074
Trustmark National Bank	General	32,847
Trustmark National Bank	Water	16,720
Trustmark National Bank	Emer. CDBG & HUD Fund	18
Trustmark National Bank	Water Annual	16,059
Trustmark National Bank	Modernization Water	21,539
Trustmark National Bank	Fire Department	191
Total		<hr/> \$177,448

- 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	\$6,097
Trustmark CD	General	<u>1,077</u>
Total investment		\$7,174

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
Fire Protection	General	\$7,752
Patent Fees	General	408
Sales Tax Allocation	General	63,241
Gasoline Tax	General	959
General Municipal Aid	General	156
Homestead Exemption	General	6,919
Other Aid	General	16,890
MDA	General American Recue	44,290
Total		<u>140,615</u>

- 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 9-30-23 is shown below:

<u>Long Term Debt</u>	<u>Balance 10-01-21</u>	<u>Redeemed</u>	<u>Balance 09-30-22</u>
USDA Water & Sewer, 4.5%	\$122,807	\$5,673	\$117,134

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.



Barrow & Associates, PLLC
December 23, 2023

Town of McLain, Mississippi
STATEMENT OF CASH RECEIPTS (ALL FUNDS)
For the Fiscal Year Ended September 30, 2023

	Governmental Fund Type General	Proprietary Fund Type Enterprise	Grants	Totals (Memorandum Only) 2022
Revenue Receipts				
General Property Taxes	\$66,195			\$66,195
Rail Car Tax	7,399			7,399
Licenses and Permits	1,018			1,018
Intergovernmental Revenues				
General Municipal Aid:				
MOA Grant (American Rescue)			44,290	44,290
Other State Aid	16,890			16,890
Municipal Aid	156			156
Homestead Exempt Reimb	6,919			6,919
State Shared Receipts				
Sales Tax	63,241			63,241
Gasoline Taxes	959			959
Charges for Services:				
Water Utility		97,590		97,590
Garbage Fees		21,173		21,173
Fines and Forfeits	4,810			4,810
Other Receipts				
Fire Protection	7,804			7,804
Franchise Tax Utilities	9,683			9,683
Miscellaneous	9,991			9,991
Total Operating Receipts	195,065	118,763	44,290	358,118
Cash Balance-- Beg. Of Year	140,172	27,492	18	167,682
TOTAL AMT TO ACCOUNT FOR	\$335,237	\$146,255	\$44,308	\$525,800

See Accountant's Compilation Report.

Town of McLain, Mississippi
Combined Statement of Cash Disbursements (All Funds)
For the Fiscal Year Ended September 30, 2023

	Governmental Fund Type General	Proprietary Fund Type Enterprise	Grants	Totals (Memorandum Only) 2022
Operating Disbursements				
General Government	\$ 135,420		46835	\$ 182,255
Public Safety	28,537			28,537
Enterprises:				
Water and Sewer		130,718		130,718
Interest on Loans		5,655		5,655
Total Operating Disbursements	<u>163,957</u>	<u>136,373</u>	<u>46,835</u>	<u>347,165</u>
Other Disbursements				
Principal Retirement		5,673		5,673
Total Disbursements	163,957	142,046	46,835	352,838
Cash Balance End of Year	140,165	32,779	18	172,962
Total Amount Accounted For	<u>\$304,122</u>	<u>\$174,825</u>	<u>\$46,853</u>	<u>\$525,800</u>

See Accountant's Compilation Report

TOWN OF MCLAIN

Schedule of Surety Bonds of Municipal Officials
September 30, 2023

<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

See Accountant's Compilation Report

TOWN OF MCLAIN, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended September 30, 2023

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, 2023

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."