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TOWN OF MCLAIN, MISSISSIPPI  
COMPILED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2006

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**CARY E. WILLIAMS**  
CERTIFICATED PUBLIC ACCOUNTANT  
&  
CERTIFIED FINANCIAL PLANNER

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

November 29, 2006

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

I have compiled the accompanying statement of cash receipts and disbursements-- all fund types--of the Town of McLain for the year ended September 30, 2006, in accordance with statements on standards for accounting and review services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying statement of cash receipts and disbursements--all funds types-- and, accordingly, do not express an opinion or any other form of assurance on it.

The town's policy is to prepare its financial statement on the basis of cash receipts and disbursements; consequently, certain revenue is recognized when received rather than when measurable and available, and certain expenditures are recognized when paid rather than when the obligation is incurred. Accordingly, the statement of cash receipts and disbursement- -all fund types- - is not intended to present results of operations, in conformity with generally accepted accounting principles.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements. If the omitted disclosures were included, they might influence the user's conclusions about the town's cash receipts and disbursements. Accordingly, the financial statement is not designed for those who are not informed about such matters.



Cary E. Williams  
Certified Public Accountant

**Town of McLain, Mississippi**  
**COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS)**  
For the Fiscal Year Ended September 30, 2006

|   | Governmental         | Proprietary             | Totals            |                  |
|---|----------------------|-------------------------|-------------------|------------------|
|   | Fund Type<br>General | Fund Type<br>Enterprise | (Memorandum Only) |                  |
|   |                      |                         | 2006              | 2005             |
| Revenue Receipts                              |                      |                         |                   |                  |
| General Property Taxes                        | \$54,680             |                         | \$54,680          | \$42,012         |
| Penalties and Interest<br>on Delinquent Taxes |                      |                         |                   | 314              |
| Licenses and Permits                          | 333                  |                         | 333               | 13,847           |
| Intergovernmental Revenues                    |                      |                         |                   |                  |
| General Municipal Aid:                        |                      |                         |                   |                  |
| Municipal Aid                                 | 17,817               | 60,820                  | 78,637            | 315              |
| Homestead Exempt Reimb                        | 2,569                |                         | 2,569             | 2,274            |
| State Shared Receipts                         |                      |                         |                   |                  |
| Sales Tax                                     | 25,090               |                         | 25,090            | 17,768           |
| Fire Protection Alloc.                        |                      |                         |                   | 2,841            |
| Gasoline Taxes                                | 1,692                |                         | 1,692             | 1,696            |
| Traffic Safety Grant                          |                      |                         |                   | 3,000            |
| Charges for Services:                         |                      |                         |                   |                  |
| Water Utility                                 |                      | 83,251                  | 83,251            | 77,983           |
| Garbage Fees                                  |                      | 24,854                  | 24,854            | 22,714           |
| Fines and Forfeits                            | 2,622                |                         | 2,622             | 1,468            |
| Other Receipts                                |                      |                         |                   |                  |
| Franchise Tax Utilities                       | 10,613               |                         | 10,613            |                  |
| Interest Income                               | 2                    |                         | 2                 | 1                |
| Driver Training Fees                          | 294                  |                         | 294               | 313              |
| Beatification                                 | 25                   |                         | 25                | 500              |
| CDBG Project-- W & S                          |                      |                         | 0                 | 356,000          |
| Community Room Revenue                        | 50                   |                         | 50                | 175              |
| Katrina Insurance Reimb.                      |                      | 99,716                  | 99,716            |                  |
| Miscellaneous                                 | 509                  |                         | 509               | 659              |
| Greene County--Fire Funds                     | 6,135                |                         | 6,135             | 12,669           |
| <b>Total Cash Receipts</b>                    | <b>122,431</b>       | <b>268,641</b>          | <b>391,072</b>    | <b>556,549</b>   |
| Cash Balance-- Beg. Of Year                   | 44,609               | 5,365                   | 49,974            | 32,314           |
| <b>TOTAL AMT TO ACCOUNT FOR</b>               | <b>\$167,040</b>     | <b>\$274,006</b>        | <b>\$441,046</b>  | <b>\$588,863</b> |

See acct's compilation report.

**Town of McLain, Mississippi**  
**COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS)**  
For the Fiscal Year Ended September 30, 2006

|                              | <u>Governmental<br/>Fund Type<br/>General</u> | <u>Proprietary<br/>Fund Type<br/>Enterprise</u> | <u>Totals<br/>(Memorandum Only)</u> |                      |
|------------------------------|---|---|-------------------------------------|----------------------|
|                              |   |   | <u>2006</u>                         | <u>2005</u>          |
| Operating Disbursements      |   |   |                                     |                      |
| General Government           | \$69,337                                      |   | \$69,337                            | \$71,032             |
| Public Safety                | 50,544  |   | 50,544                              | 29,399               |
| Enterprises:                 |   |   |                                     |                      |
| Water and Sewer              |   | 156,028   | 156,028                             | 80,266               |
| Community Dev. BG            |   | 40,020  | 40,020                              | 355,565              |
| Other                        |   |   |                                     | 7,069                |
|                              |   |   |                                     |                      |
| Total Cash Disbursements     | 119,881                                       | 196,048   | 315,929                             | 543,331              |
| Ending Cash Balance          | <u>33,469</u>                                 | <u>91,648</u>                                   | <u>125,117</u>                      | <u>45,532</u>        |
| <br>TOTAL AMT. ACCOUNTED FOR | <br><u>\$153,350</u>                          | <br><u>\$287,696</u>                            | <br><u>\$441,046</u>                | <br><u>\$588,863</u> |

See acct's compilation report

TOWN OF MCLAIN

Schedule of Surety Bonds of Municipal Officials  
September 30, 2006

| <u>Name</u>      | <u>Position</u> | <u>Surety</u>                         | <u>Amount</u> |
|------------------|-----------------|---------------------------------------|---------------|
| Jimmie G. McLain | Mayor           | Briar Field Ins. Co.                  | 50,000        |
| Sherrie Burley   | Town Clerk      | Fidelity & Deposit<br>Co. of Maryland | 50,000        |
| Jamie Denton     | Deputy Clerk    | Brier Field Ins Co                    | 25,000        |
| Robert Brannon   | Police Chief    | Brock – Wyman Inc Co                  | 50,000        |

Alderman

|                      |                       |       |
|----------------------|-----------------------|-------|
| Melanie L. Byrd      | MS Municipal Bond PGM | 3,000 |
| Billy Harvison       | MS Municipal Bond PGM | 3,000 |
| James Hobby          | MS Municipal Bond PGM | 3,000 |
| Clyde Sylvester      | MS Municipal Bond PGM | 3,000 |
| George Williams, Sr. | MS Municipal Bond PGM | 3,000 |

See accountant's compilation report.

**CARY E. WILLILAMS**  
CERTIFICATED PUBLIC ACCOUNTANT  
&  
CERTIFIED FINANCIAL PLANNER

**INDEPENDENT ACCOUNTANT'S REPORT**

November 29, 2006

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

I have applied certain agreed upon procedures, as discussed below, to the accounting records the Town of McLain, Mississippi as of September 30, 2006, 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. However, this report is a matter of public record, and its distribution is not limited. My procedures and findings are as follows:

- A. I 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:

| Bank                    | Fund                        | Balance Per General<br>Ledger |
|-------------------------|-----------------------------|-------------------------------|
| Trustmark National Bank | General                     | \$21,587.37                   |
| Trustmark National Bank | Water and Sewer             | 31,647.56                     |
| Trustmark National Bank | General FEMA Fund           | 6,497.89                      |
| Trustmark National Bank | General Fire Funds          | 4,637.59                      |
| Trustmark National Bank | General (Savings)           | 619.30                        |
| Trustmark National Bank | General Beautification Fund | 126.84                        |
| TOTAL                   |                             | \$65,116.55                   |

- 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 & Sewer Katrina CD | \$60,000      |

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 without exceptions. Cash receipts traced were as follows:

| Payment Purpose             | Receiving Fund | General Ledger Amount |
|-----------------------------|----------------|-----------------------|
| Emergency Management        | General        | \$11,559.45           |
| Sales Tax Allocation        | General        | 25,090.33             |
| Gasoline Tax                | General        | 1,692.83              |
| General Municipal Aid       | General        | 314.30                |
| Other Aid to Municipalities | General        | 5,940.00              |
| Homestead Exemption         | General        | 2,569.43              |
| Other Aid                   | Water & Sewer  | 60,820.00             |

E. I selected a sample of purchases made by the municipality during the fiscal year. Each sample 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.

The sample consisted of the following:

|                        |            |
|------------------------|------------|
| Number of sample items | 9          |
| Dollar value of sample | \$8,240.53 |

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

F. The town did complete the Municipal Compliance Questionnaire as required. I reviewed the questionnaire and determined it to be correct and consistent.

G. Long term debt for the town at 9-30-06 is shown below:

| <u>Long Term Debt</u>        | <u>Balance 10-01-05</u> | <u>Redeemed</u> | <u>Balance 09-30-06</u> |
|------------------------------|-------------------------|-----------------|-------------------------|
| USDA Water & Sewer, 4.5%     | \$190,314               | \$2,360         | \$187,954               |
| MS Development Authority, 3% | \$8,339                 | \$1,515         | \$6,824                 |

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

November 29, 2006