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TOWN OF LENA, MISSISSIPPI

FINANCIAL STATEMENT AND SUPPLEMENTARY INFORMATION

SPECIAL REPORT ON AGREED-UPON PROCEDURES

For the Fiscal Year Ended September 30, 2015

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FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

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Butchart, Ellzey & Associates

A Professional Corporation

Thomas B. Butchart, CPA, MBF
William S. Ellzey, CPA

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Honorable Mayor and Board of Aldermen
Town of Lena
Lena, Mississippi

We have compiled the accompanying statement of cash receipts and disbursements – all fund types of the Town of Lena for the year ended September 30, 2015. We have not audited or reviewed the accompanying financial statement and, accordingly, do not express an opinion or provide any assurance about whether the financial statement is in accordance with the cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statement.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statement.

Management has 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 applies to the Town's cash basis of accounting, require the presentation of government-wide financial statements. The amounts that would be reported in government – wide financial statements resulting from the cash basis transactions for the Town's governmental activities and business-type activities are not reasonably determinable.

Management has 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 financial position and cash receipts and disbursements. Accordingly, the financial statement is not designed for those who are not informed about such matters.

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Management has omitted the management's discussion and analysis information that is required to be presented for purposes of additional analysis. 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 Page 5 has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and accordingly, we do not express an opinion or provide any assurance on such supplementary information.

In accordance with the provisions of Section 21-35-31, Miss. Code Ann. (1972), we have issued a report dated November 13, 2015, on the results of our agreed-upon procedures.

Butchart, Fllzey & Associates

Canton, Mississippi
November 13, 2015

TOWN OF LENA, MISSISSIPPI

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - ALL FUND TYPES
SEE ACCOUNTANTS' COMPILATION REPORT
 For the Fiscal Year Ended September 30, 2015

	<u>GOVERNMENTAL</u>	<u>TOTALS</u>
	<u>FUND</u>	<u>(Memorandum only)</u>
	<u>General</u>	<u>2014</u>
	<u>2015</u>	
<u>REVENUE RECEIPTS</u>		
General property taxes	\$ 13,280	\$ 14,717
Licenses and permits	25	25
Franchise taxes on utilities	6,802	5,391
Intergovernmental revenues:		
County assistance	-	15,686
General municipal aid (from State)	74	74
State shared revenues:		
Homestead exemption	1,150	1,105
Sales tax	21,174	21,768
Gasoline tax	444	405
Fire insurance premium tax distribution	805	807
Public safety	5,552	3,304
Fines	8,816	21,792
Interest income	126	150
Donations and rent- old school building	1,227	1,844
Miscellaneous	1,768	1,469
	\$ 61,243	\$ 88,537
 <u>TOTAL REVENUE RECEIPTS</u>	 <u>\$ 61,243</u>	 <u>\$ 88,537</u>
 <u>OTHER RECEIPTS</u>		
Sale of surplus equipment	\$ -	\$ -
 <u>TOTAL OTHER RECEIPTS</u>	 <u>\$ -</u>	 <u>\$ -</u>
 <u>TOTAL RECEIPTS</u>	 <u>\$ 61,243</u>	 <u>\$ 88,537</u>

TOWN OF LENA, MISSISSIPPI

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - ALL FUND TYPES

SEE ACCOUNTANTS' COMPILATION REPORT

For the Fiscal Year Ended September 30, 2015

	<u>GOVERNMENTAL</u>	
	<u>FUND</u>	<u>TOTALS</u>
	<u>General</u>	<u>(Memorandum Only)</u>
	<u>2015</u>	<u>2014</u>
<u>OPERATING DISBURSEMENTS</u>		
General government (Executive & Financial)		
Personnel	\$ 10,234	\$ 7,497
Professional fees	4,745	8,870
Municipal dues	344	344
Utilities and telephone	3,535	3,985
Insurance	4,424	4,541
Other	10,729	15,153
	\$ 34,011	\$ 40,390
Public Safety		
Police		
Personnel	\$ 9,879	\$ 6,769
Supplies and equipment	5,520	1,907
Court assessment fees	1,884	7,310
	\$ 17,283	\$ 15,986
Fire		
Personnel	\$ 85	\$ 76
Insurance	3,755	3,653
Vehicle operation	211	500
Supplies and equipment	1,406	1,058
Maintenance and repairs	4,242	2,593
	\$ 9,699	\$ 7,880
Highways and streets		
Lights and supplies	\$ 7,837	\$ 7,672
Sanitation	\$ 2,591	\$ 2,244
Culture and recreation		
Parks and old school	\$ 1,476	\$ 2,018
TOTAL OPERATING DISBURSEMENTS	\$ 72,897	\$ 76,190
<u>OTHER DISBURSEMENTS</u>		
Capital outlay-general		\$ -
Capital outlay-public safety	875	2,671
TOTAL OTHER DISBURSEMENTS	\$ 875	\$ 2,671
TOTAL CASH DISBURSEMENTS	\$ 73,772	\$ 78,861
EXCESS CASH RECEIPTS (DISBURSEMENTS)	\$ (12,529)	\$ 9,676
CASH BALANCE - BEGINNING OF YEAR	126,750	117,074
CASH BALANCE - END OF YEAR	\$ 114,221	\$ 126,750

TOWN OF LENA, MISSISSIPPI

SUPPLEMENTARY SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS

SEE ACCOUNTANTS' COMPILATION REPORT

For the Fiscal Year Ended September 30, 2015

<u>NAME</u>	<u>POSITION</u>	<u>COMPANY</u>	<u>BOND</u>
Jerry Williams	Mayor	Brierfield Insurance Co.	10,000
Trixi Spencer	City Clerk	Brierfield Insurance Co.	50,000
Jamie Johnson	Police Chief	Brierfield Insurance Co.	50,000
Jimmy Lewis	Deputy Marshall	Brierfield Insurance Co.	50,000
Jeff Rhinewalt	Fire Chief	Brierfield Insurance Co.	10,000
Robert Bone	Alderman	MS. Muni. Serv. Co.	10,000
Ralph Sessums	Alderman	MS. Muni. Serv. Co.	10,000
Joseph Langford	Alderman	MS. Muni. Serv. Co.	10,000
Steven Goodman	Alderman	MS. Muni. Serv. Co.	10,000
Todd Mascagni	Alderman	MS. Muni. Serv. Co.	10,000

SPECIAL REPORT
ON AGREED - UPON PROCEDURES

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A Professional Corporation

Thomas B. Butchart, CPA, MBT
William S. Ellzey, CPA

INDEPENDENT ACCOUNTANTS' REPORT ON AGREED-UPON PROCEDURES FOR SMALL MUNICIPALITIES (TOWNS)

Mayor and Board of Aldermen
Town of Lena, Mississippi

We have performed certain agreed-upon procedures enumerated below to the accounting records of the Town of Lena, Mississippi, as of September 30, 2015, and for the year then ended, as required by the Office of the State Auditor, under the provisions of Section 21-35-31, Miss. Code Ann. (1972). This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and the associated findings are as follows:

- A. 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:

<u>Bank</u>	<u>Fund</u>	<u>Balance Per General Ledger</u>
Merchants & Farmers Bank	General-Old School	\$ 884
Merchants & Farmers Bank	General-Fire Protection	22,892
Merchants & Farmers Bank	General	38,396
Merchants & Farmers Bank	Special Fire Protection	<u>52,049</u>
Total General Fund		<u>\$114,221</u>

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

1. Traced levies to governing body minutes;
2. Traced distribution of taxes collected to proper funds; and

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3. Analyzed increase in taxes for most recent period for completion 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 Sections 27-39-320 to 27-39-323 Miss. Code Ann. (1972)

- C. 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 were traced as follows:

<u>Payment Purpose</u>	<u>Receiving Fund</u>	<u>Ledger Amount</u>
Sales Tax Allocation	General Fund	\$ 21,174
Fire Protection	General Fund	805
General Municipal Fund	General Fund	74
Gasoline	General Fund	444
Homestead Exemption	General Fund	1,150
Public Safety	General Fund	<u>5,552</u>
		<u>\$ 29,199</u>

- D. We selected a sample of purchases made by the municipality during the fiscal year. 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	7
Total Dollar Value of Sample	\$6,764

We found the municipality's purchasing procedures to be in agreement with the requirements of the above-mentioned sections.

- E. Selected a sample of collection of fines and forfeitures to verify that the municipal court clerk had settled daily with the municipal clerk. We also selected a sample of state-imposed court assessments collected to determine that the municipal clerk had settled monthly with the Department of Finance and Administration.

We found the municipality's to be in agreement with the requirements of the above mentioned sections except as follows:

The Court is held every three months, with the state-imposed court assessments collected during this period settled the following month. In our sample we found three instances where the collections were settled later than the following month.

- F. We have read the Municipal Compliance Questionnaire completed by the municipality. The following responses to the questionnaire indicate non-compliance with state requirements:

1. Local privilege taxes were not collected from all businesses located within the municipality. (Section 27-17-5)
2. Transient vendor taxes were not collected from all transient vendors within the municipality. (Section 75-85-1)
3. The municipality did not determine the full and complete cost for solid waste for the previous fiscal year. (Section 17-17-347)

Because the above procedures do not constitute an audit in accordance with generally accepted auditing standards, we do not express an opinion on any of the specific accounts or classes of transaction referred to above. Had we performed additional procedures or had we conducted an audit of the financial statements in accordance with generally accepted auditing standards, 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 Lena, Mississippi, for the year ended September 30, 2015.

Butchart, Fllzey & Associates

Canton, Mississippi
November 13, 2015

STATE AUDITOR COMPLIANCE

Butchart, Ellzey & Associates

A Professional Corporation

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REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

To the Mayor and the Board of Aldermen
Town of Lena, Mississippi

We have compiled the accompanying statement of cash receipts and disbursements-all funds types and schedule of surety bonds for town officials of the Town of Lena, Mississippi, for the year ended September 30, 2015, in accordance with Statements on 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 accounting principles generally accepted 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 products 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 and our compilation of the accompanying statement of cash receipts and disbursements-all fund types and schedule of surety bonds for town officials of the Town of Lena, Mississippi, for the year ended September 30, 2015, disclosed four instances of noncompliance with the state laws and regulations which are noted in items E and F in the Independent Accountants' Special Report on Applying Agreed-Upon Procedures.

This report is intended solely for the information and use of the Town's management and the Office of the State Auditor 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.

Butchart, Ellzey & Associates

Canton, Mississippi
November 13, 2015

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