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**Town of Lake  
P O Box 39  
100 Front Street  
Lake, Mississippi**

August 18, 2016

Office of the State Auditor  
PO Box 956  
Jackson, MS 39205

Re: Annual Municipal Report

Accompanying this letter are two copies of the annual compilation of the Town of Lake, Mississippi, for the fiscal year ended September 30, 2015. In connection with this compilation, a separate management letter was not written to the town in connection with the compilation report.

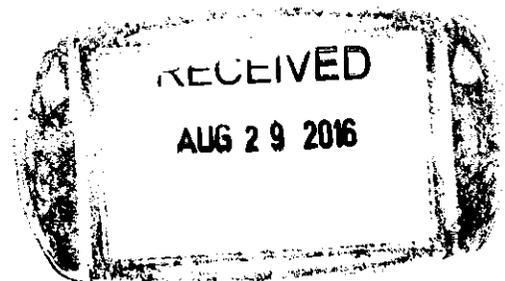
We are also providing two copies of the agreed-upon procedures report of the Town of Lake for the fiscal year ended September 30, 2015.

Sincerely,

  
Mayor Donald Simpson



**Town of Lake, Mississippi**  
**Independent Accountants' Report on Applying**  
**Agreed-Upon Procedures**  
**Year Ended September 30, 2015**



**Gay & Co., CPA Firm, P.A.**  
**Certified Public Accountants**

P.O. Box 734  
 526-E Deer Field Drive  
 Forest, Mississippi 39074

Honorable Mayor and Board of Alderpersons  
 Town of Lake  
 Lake, Mississippi

We have performed the procedures enumerated below, which were agreed to by the Office of the State Auditor, to the accounting records of the Town of Lake, solely to assist the Office of Auditor evaluate the Town of Lake’s compliance with certain laws and regulations as of September 30, 2015, and for the year then ended. 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 Office of the State Auditor, State of Mississippi. 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.

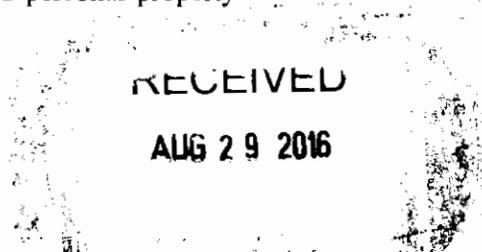
1. We reconciled cash on deposit with the following bank to balances in the respective general ledger accounts and obtained confirmation of the related balances from the bank:

<u>Bank</u>	<u>Fund</u>	<u>General Ledger Balance</u>
Newton County Bank	General Fund – Checking Account	\$25,281
Newton County Bank	General Fund – Checking Account – Lake Fest	26,832
Newton County Bank	General Fund – Checking Account – Police Fund	1,280
Newton County Bank	General Fund – Certificate of Deposit	47,314
Newton County Bank	General Fund – Certificate of Deposit	<u>26,292</u>
	Total General Fund	<u>\$126,999</u>
Newton County Bank	Special Revenue Fund – Fire – Checking Account	\$43,236
Newton County Bank	Special Revenue Fund – Fire – Certificate of Deposit	20,220
Newton County Bank	Special Revenue Fund – Fire – Certificate of Deposit	25,794
Newton County Bank	Special Revenue Fund – Fire – Restricted	<u>2,716</u>
	Total Special Revenue Fund	<u>\$91,966</u>
Newton County Bank	Water and Sewer Fund – Checking Account	\$41,345
Newton County Bank	Water and Sewer Fund – Sewer Reserve Fund – Certificate of Deposit	<u>54,798</u>
	Total Water and Sewer Fund	<u>\$96,143</u>
	<b>TOTAL AVAILABLE FUNDS</b>	<u><b>\$315,108</b></u>

2. The Town of Lake, Mississippi has no investments. Certificates of Deposit are included in Item 1 above.

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 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, and uncollected taxes were to be properly handled by Scott and Newton Counties. The Town of Lake contracts with Scott County and Newton County, Mississippi for the collection of all property taxes. The Counties allocate tax collections as to real, personal, and motor vehicle, mobile home current and prior in their office's judgment and reports this information in monthly settlements to the Town of Lake. The Town of Lake total tax accounts were in agreement with the total taxes collected by Scott and Newton Counties.

Ad valorem tax collections were found to be within the limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972). The tax levy for the Town of Lake has been 18 mills since the 2012 tax levy year.

Ad valorem tax collections for the retirement of general obligation debt was found to be sufficient for payment of current principal and interest in accordance with limitations imposed by Sections 21-33-87 and 21-33-303, Miss. Code Ann. (1972). At September 30, 2015 there were no levies for general obligation debt and no general obligation debt of the Town of Lake.

4. We obtained a statement of payments made by the Mississippi Department of Finance and Administration to the town. Payments indicated were traced to deposit in the respective bank accounts and recorded in the general ledger without exception. Payments traced were as follows:

<u>Payment Purpose</u>	<u>Receiving Fund</u>	<u>Amount</u>
Sales Tax Allocation	General Fund	\$74,968
Gasoline Tax	General Fund	992
General Municipal Aid	General Fund	162
Homestead Exemption Reimbursement	General Fund	3,218
TVA Payments in Lieu of Taxes	General Fund	85
City Utilities Taxes	Special Revenue Fund	352
Fire Protection Allocation	Special Revenue Fund	1,762
Transfer to Sub-grantee - Public Safety Grant	General Fund	3,000
Grantor Payments	Special Revenue Fund	<u>616</u>
TOTAL PAYMENTS		<u>\$85,155</u>

5. We sampled a selection of purchases made by the municipality during the fiscal year. Each selected purchase 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	<u>5</u>
(100% of transactions equal or greater than \$5,000)	
Dollar Value of Sample	<u>\$360,959</u>

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

6. We reviewed and verbally inquired the collection of fines and forfeitures and verified that the municipal court clerk had settled daily with the municipal clerk, the same individual holds both positions at the Town of Lake. We also reviewed the state-imposed court assessments collected

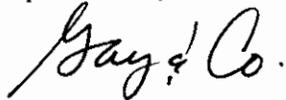
and determined that the municipal clerk had settled on a timely basis with the Department of Finance and Administration.

7. We have read the Municipal Compliance Questionnaire completed by the municipality. The following responses to the questionnaire indicate noncompliance with the state requirements.

The following questions were answered no ("Y", YES) by the City Clerk; however we do not believe this to be inaccurate and was an incorrect answer.

17. Are fixed assets properly tagged and accounted for? (Section II – Municipal Audit and Accounting Guide) Note – Fixed assets are not tagged.

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 transactions referred to above. In connection with the procedures referred to above, no matters came to our attention that caused us to believe the items specified in Paragraphs 1, 2 and 3 should be adjusted. 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 Lake, Mississippi, for the year ended September 30, 2015.



Gay & Co., CPA Firm, P.A.  
August 19, 2016

RECEIVED

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