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

July 12, 2017

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

Re: Annual Municipal Report

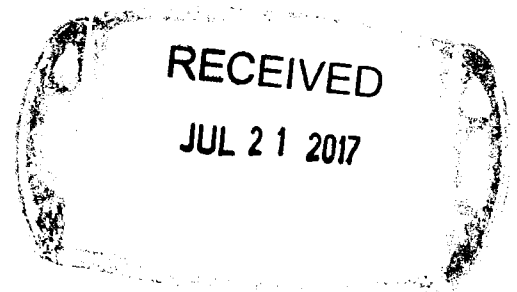
Accompanying this letter are two copies of the annual compilation of the Town of Lake, Mississippi, for the fiscal year ended September 30, 2016. In connection with this compilation, a separate management letter was not written to the town in connection with the compilation report.

We are also providing two copies of the agreed-upon procedures report of the Town of Lake for the fiscal year ended September 30, 2016.

Sincerely,



Mayor Donald Simpson



Town of Lake, Mississippi
Independent Accountants' Report on Applying
Agreed-Upon Procedures
Year Ended September 30, 2016

JUL 21 2017

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, 2016, 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	\$27,424
Newton County Bank	General Fund – Checking Account	22,704
Newton County Bank	General Fund – Checking Account	1,280
Newton County Bank	General Fund – Certificate of Deposit	47,385
Newton County Bank	General Fund – Certificate of Deposit	26,330
	Total General Fund	<u>\$125,123</u>
Newton County Bank	Special Revenue Fund – Fire – Checking Account	\$46,852
Newton County Bank	Special Revenue Fund – Fire – Certificate of Deposit	20,235
Newton County Bank	Special Revenue Fund – Fire – Certificate of Deposit	25,832
Newton County Bank	Special Revenue Fund – Fire – Restricted	3,035
	Total Special Revenue Fund	<u>\$95,954</u>
Newton County Bank	Water and Sewer Fund – Checking Account	\$50,731
Newton County Bank	Water and Sewer Fund – Sewer Reserve Fund – Certificate of Deposit	54,880
	Total Water and Sewer Fund	<u>\$105,611</u>
	TOTAL AVAILABLE FUNDS	<u>\$326,688</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

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- 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, 2016 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	\$78,884
Gasoline Tax	General Fund	992
General Municipal Aid	General Fund	162
Homestead Exemption Reimbursement	General Fund	2,994
TVA Payments in Lieu of Taxes	General Fund	46
City Utilities Taxes	Special Revenue Fund	763
Fire Protection Allocation	Special Revenue Fund	<u>2,078</u>
Total Payments		<u>\$85,919</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>2</u>
(100% of transactions equal or greater than \$5,000)	
Dollar Value of Sample	<u>\$13,146</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.

PART II - 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, 2016.

Gay & Co. CPA Firm, P.A.

Gay & Co., CPA Firm, P.A.
July 17, 2017

Member: American Institute of Certified Public Accountants
Mississippi Society of Certified Public Accountants
Phone: (601) 469-5929; Fax (601) 469-5934

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Town of Lake, Mississippi
Compiled Financial Statements
Year Ended September 30, 2016

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Gay & Co., CPA Firm, P.A.

Certified Public Accountants

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

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

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

Management is responsible for the accompanying financial statement of the Town of Lake, Mississippi, which comprise the Combined Statement of Cash Receipts and Disbursements – Government and Business-type Activities for the Fiscal Year Ended September 30, 2016. We have performed a compilation engagement in accordance with Statements on Standards and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statement nor were we required to perform 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 this financial statement.

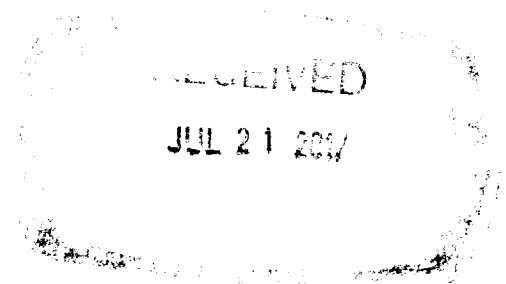
The Mayor and Alderpersons have elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the town's cash receipts and disbursements. Accordingly, this financial statement is not designed for those who are not informed about such matters.

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 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 §21-35-31, Miss. Code Ann. (1972), we have issued a report dated July 17, 2017 on the results of our agreed-upon procedures.

Gay & Co. CPA Firm, P.A.

Gay & Co., CPA Firm, P.A.
July 17, 2017



Town of Lake, Mississippi
Combined Statement of Cash Receipts and Disbursements - Government and Business-type Activities
For the Fiscal Year Ended September 30, 2016

	Governmental Activities			Business-type Activities	
	General	Special Revenue	TOTAL	Water and Sewer Fund	TOTAL
RECEIPTS					
Taxes:					
General Property Taxes - Including Penalties & Interest	\$ 45,772		45,772		
Licenses and Permits:					
Utility Franchise Charges	22,263		22,263		
Privilege Licenses and Permits	1,104		1,104		
Intergovernmental Receipts:					
State Shared Receipts					
General Municipal Aid	162		162		
Public Safety					
Homestead Exemption	2,994		2,994		
Sales Tax	78,884		78,884		
Fire Protection		2,078	2,078		
City Utilities Taxes	763		763		
Gasoline Taxes	992		992		
TVA Payments In Lieu of Taxes	46		46		
County Grants					
Fire Allocation and County Street Maintenance	482	17,600	18,082		
Fines	4,104		4,104		
Charges for Services:					
Water Utility				\$ 181,187	\$ 181,187
Other Receipts:					
Interest Income	110	55	165	82	\$ 82
Donations	685	80	765		
Lakefest	11,425		11,425		
Transfers In		1,266	1,266		
TOTAL RECEIPTS	\$ 169,786	\$ 21,079	\$ 190,865	\$ 181,269	\$ 181,269
DISBURSEMENTS					
General Government	\$ 105,616		\$ 105,616		
Transfers Out	1,266		1,266		
Public Safety					
Police	44,030		44,030		
Fire	166	\$ 16,807	16,973		
Public Works			0		
Culture and Recreation	20,004		20,004		
Enterprises					
Water Utility				\$ 151,432	\$ 151,432
Other Disbursements:					
Debt Service				13,606	13,606
TOTAL DISBURSEMENTS	\$ 171,082	\$ 16,807	\$ 187,889	\$ 165,038	\$ 165,038
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	\$ (1,296)	\$ 4,272	\$ 2,976	\$ 16,231	\$ 16,231
FUND'S MISCLASSIFICATIONS AND BASIS OF ACCOUNTING CASH VS. ACCRUAL ADJUSTMENT QUICKBOOKS ACCRUALS	(580)	(283)	(863)	(6,763)	(6,763)
CASH BASIS FUND BALANCE - BEGINNING	126,999	91,966	218,965	96,143	96,143
CASH BASIS FUND BALANCE - ENDING	\$ 125,123	\$ 95,955	\$ 221,078	\$ 105,611	\$ 105,611

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Town of Lake
Supplementary Information
Fiscal Year Ending September 30, 2016

SCHEDULE OF INVESTMENTS

The Town of Lake has no investments. Certificates of Deposit are included in cash on deposit.

SCHEDULE OF LONG-TERM DEBT

<u>Date Of Issue</u>	<u>Definition & Purpose</u>	<u>Balance Outstanding October 1, 2015</u>	<u>Transactions During Fiscal Year</u>		<u>Balance Outstanding September 30, 2016</u>
			<u>Borrowed</u>	<u>Retired</u>	
08/2011	Water & Sewer System Revenue Bonds Highway 80 East Water & Sewer Project	\$71,039	0	\$3,513	\$67,526
09/2014	Water & Sewer Fund Newton County Bank Excavator	29,652	0	7,184	22,468
		<u>\$100,691</u>	<u>0</u>	<u>\$10,697</u>	<u>\$89,994</u>

SCHEDULE OF SURETY BONDS

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Bond Amount</u>
Donald Simpson	Mayor	MS Municipal Bond Program	\$ 25,000
Jeffrey Gladney	Alderman	MS Municipal Bond Program	10,000
Vernon White	Alderman	MS Municipal Bond Program	10,000
Rodney Street	Alderman	MS Municipal Bond Program	10,000
Chad Hillman	Alderman	MS Municipal Bond Program	10,000
Bobby Luckett	Alderman	MS Municipal Bond Program	10,000
Pamela Luke	Municipal Clerk	Travelers Insurance Co	10,000
Pamela Luke	Municipal Clerk	Travelers Insurance Co	50,000
Police Officers'	Police Officers'	Travelers Insurance Co	25,000

See accompanying Accountants' Compilation Report.

JUL 21 2017

