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

January 12, 2019

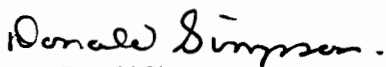
Office of the State Auditor
PO Box 956
Jackson, MS 39205

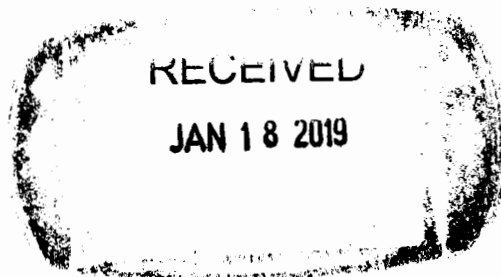
Re: Annual Municipal Report

Accompanying this letter are two copies of the annual compilation of the Town of Lake, Mississippi, for the fiscal year ended September 30, 2017. In connection with this compilation, a separate management letter was not written to the town in connection with the compilation report.

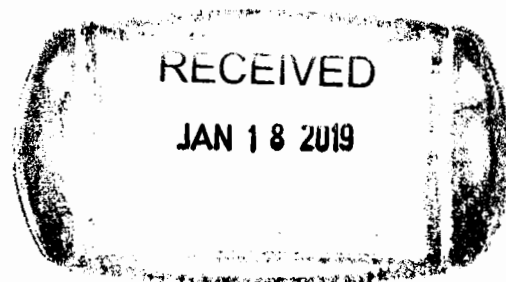
We are also providing two copies of the agreed-upon procedures report of the Town of Lake for the fiscal year ended September 30, 2017.

Sincerely,


Mayor Donald Simpson



Town of Lake, Mississippi
Compiled Financial Statements
Year Ended September 30, 2017



Chance, Gay & Cieglo, PLLC

P.O. Box 734
514B Airport Road
Forest, Mississippi 39074

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Governing Body
Town of Lake, Mississippi

The Governing Body 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, 2017. We have performed a compilation engagement in accordance with regulatory requirements of the Office of State Auditor of Mississippi and determining that the regulatory basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting 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.

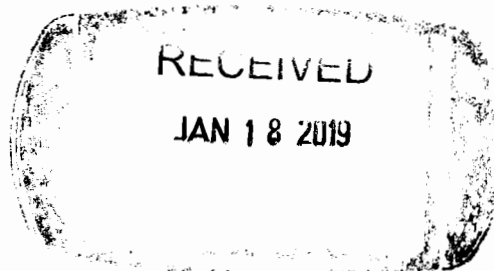
The Governing Body has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared on the regulatory basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the town's cash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

The Governing Body 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 separate report dated January 12, 2019 on the results of the Office of State Auditor of Mississippi agreed-upon procedures.

Chance, Gay & Cieglo, PLLC

Chance, Gay & Cieglo, PLLC
January 12, 2019



Town of Lake, Mississippi
Compilation Report - Regulatory Basis
Combined Statement of Cash Receipts and Disbursements - Government and Business-type Activities
For the Fiscal Year Ended September 30, 2017

	Governmental Activities			Business-type Activities	
	General	Special Revenue	TOTAL	Water and Sewer Fund	TOTAL
RECEIPTS					
Taxes:					
General Property Taxes - Including Penalties & Interest	58,237		58,237		
Licenses and Permits:					
Utility Franchise Charges	18,468		18,468		
Privilege Licenses and Permits	2,899		2,899		
Intergovernmental Receipts:					
State Shared Receipts					
General Municipal Aid	162		162		
Public Safety					
Homestead Exemption	2,968		2,968		
Sales Tax	149,228		149,228		
Fire Protection	1,814		1,814		
City Utilities Taxes	601		601		
Gasoline Taxes	992		992		
TVA Payments In Lieu of Taxes	75		75		
County Grants					
Fire Allocation and County Street Maintenance	293	16,500	16,793		
Fines	5,281		5,281		
Charges for Services:					
Water Utility				184,324	184,324
Other Receipts:					
Interest Income	110	51	161	82	82
Donations	2,930	120	3,050		
Lakefest	7,052		7,052		
Miscellaneous	986		986	254	254
Transfers In		1,963	1,963	247	247
TOTAL RECEIPTS	252,096	18,634	270,730	184,907	184,907
DISBURSEMENTS					
General Government	127,692		127,692		
Transfers Out	2,210		2,210		
Public Safety					
Police	51,028		51,028		
Fire		8,119	8,119		
Culture and Recreation	27,515		27,515		
Enterprises					
Water Utility				153,828	153,828
Transfers Out					0
Other Disbursements:					
Debt Service	23,265			13,606	13,606
TOTAL DISBURSEMENTS	231,710	8,119	216,564	167,434	167,434
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	20,386	10,515	54,166	17,473	17,473
FUND'S MISCLASSIFICATIONS AND BASIS OF ACCOUNTING CASH VS. ACCRUAL ADJUSTMENT QUICKBOOKS ACCRUALS	-1,981	741	-1,240	2,346	2,346
CASH BASIS FUND BALANCE - BEGINNING	125,123	95,955	221,078	105,611	105,611
CASH BASIS FUND BALANCE - ENDING	143,528	107,211	250,739	125,430	125,430

TOWN OF LAKE, MISSISSIPPI
NOTES TO COMPILATION REPORT
SEPTEMBER 30, 2017

Note A: Summary of Significant Accounting Policies

General Information

The Town operated under the municipal form of government and provides services as authorized by law.

Reporting Entity

The financial statement of the Town consists of all the funds of the Town.

Fund Accounting

The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity.

Basis of Accounting

The financial statement is prepared on a cash receipts and disbursements basis, as prescribed 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.

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.

Note C: Contingent Liability – Litigation

There is no contingent liability reported to the accountant by the Town.

Town of Lake, Mississippi

**Supplementary Information
September 30, 2017**

SCHEDULE OF INVESTMENTS

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

SCHEDULE OF LONG-TERM DEBT

<u>Date Of Issue</u>	<u>Definition & Purpose</u>	<u>Balance Outstanding October 1, 2017</u>	<u>Transactions During Fiscal Year</u>		<u>Balance Outstanding September 30, 2017</u>
			<u>Borrowed</u>	<u>Retired</u>	
08/2011	Water & Sewer System				
	Revenue Bonds				
	Highway 80 East				
	Water & Sewer Project	\$67,526	0	\$3,633	\$63,893
09/2014	Water & Sewer Fund				
	Newton County Bank				
	Excavator	22,468	0	7,339	15,129
		<u>\$89,994</u>	<u>0</u>	<u>\$10,972</u>	<u>\$79,022</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 Lockett	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

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Town of Lake, Mississippi
Independent Accountants' Report on Applying
Agreed-Upon Procedures
Year Ended September 30, 2017

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Chance, Gay & Cieglo, PLLC

P.O. Box 734

514B Airport Road

Forest, Mississippi 39074

SPECIAL REPORT ON AGREED-UPON PROCEDURES FOR SMALL MUNICIPALITIES (TOWNS)

COMPLIANCE LETTER

Governing Body
Town of Lake, Mississippi

We have applied certain agreed-upon procedures, as discussed below, to the accounting records of the Town of Lake, Mississippi, as of September 30, 2017, 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). It is understood the report is solely for the use of the governing body of Town of Lake, Mississippi and the Office of the State Auditor and should not be used for any other purposes. 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. Our procedures and findings are as follows:

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>
BankFirst	General Fund – Checking Account	\$60,599
BankFirst	General Fund – Checking Account	8,172
BankFirst	General Fund – Checking Account	931
BankFirst	General Fund – Certificate of Deposit	47,456
BankFirst	General Fund – Certificate of Deposit	26,370
	Total General Fund	<u>\$143,528</u>
BankFirst	Special Revenue Fund – Fire – Checking Account	\$57,397
BankFirst	Special Revenue Fund – Fire – Certificate of Deposit	20,266
BankFirst	Special Revenue Fund – Fire – Certificate of Deposit	25,852
BankFirst	Special Revenue Fund – Fire – Restricted	<u>3,696</u>
	Total Special Revenue Fund	<u>\$107,211</u>
BankFirst	Water and Sewer Fund – Checking Account	\$70,468
BankFirst	Water and Sewer Fund – Sewer Reserve Fund – Certificate of Deposit	<u>54,963</u>
	Total Water and Sewer Fund	<u>\$125,431</u>
	TOTAL AVAILABLE FUNDS	<u>\$376,170</u>

2. The Town of Lake, Mississippi has no investments other than Certificates of Deposit which 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, 2017 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 & Cities Utilities Taxes	General Fund	\$149,829
Gasoline Tax	General Fund	992
General Municipal Aid	General Fund	162
Homestead Exemption Reimbursement	General Fund	2,968
TVA Payments in Lieu of Taxes	General Fund	75
Fire Protection Allocation	Special Revenue Fund	<u>1,814</u>
Total Payments		<u>\$155,840</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>1</u>
(100% of transactions equal or greater than \$5,000)	
Dollar Value of Sample	<u>\$15,000</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.

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7. We have read the Municipal Compliance Questionnaire completed by the municipality. We found no response indicating instances of noncompliance. It should be reported that the Town of Lake, Mississippi maintains no records for a Schedule of Capital Assets.

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, 2017.

Chance, Gay & Cieglo, PLLC

Chance, Gay & Cieglo, PLLC
January 12, 2019

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Member: American Institute of Certified Public Accountants
Mississippi Society of Certified Public Accountants
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