



The following document was not prepared by the Office of the State Auditor, but was prepared by and submitted to the Office of the State Auditor by a private CPA firm. The document was placed on this web page as it was submitted. The Office of the State Auditor assumes no responsibility for its content or for any errors located in the document. Any questions of accuracy or authenticity concerning this document should be submitted to the CPA firm that prepared the document. The name and address of the CPA firm appears in the document.

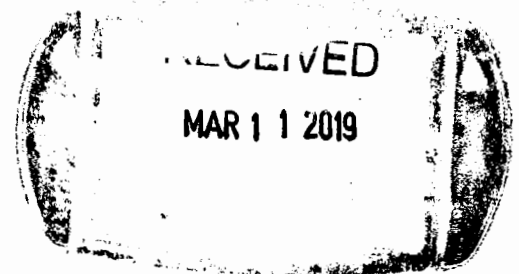
**TOWN OF LAMBERT  
LAMBERT, MISSISSIPPI**

-----

**AUDITED STATEMENT OF CASH RECEIPTS  
AND DISBURSEMENTS**

-----

**SEPTEMBER 30, 2017**



---

**ATRIS NITER, JR.**  
**CERTIFIED PUBLIC ACCOUNTANT**

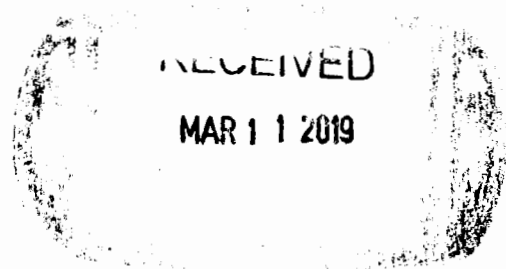
**TOWN OF LAMBERT  
LAMBERT, MISSISSIPPI**

---

**AUDITED STATEMENT OF CASH RECEIPTS  
AND DISBURSEMENTS**

---

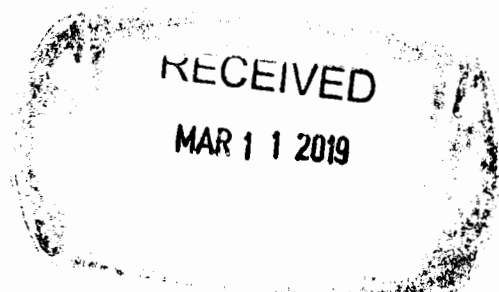
**SEPTEMBER 30, 2017**



**TOWN OF LAMBERT  
LAMBERT, MISSISSIPPI**

**TABLE OF CONTENTS**

	<u>Page</u>
<b>Independent Auditor's Report on the Financial Statement and Supplemental Information.....</b>	<b>1-2</b>
<b>Combined Statement of Cash Receipts and Disbursements (All Funds).....</b>	<b>3-4</b>
<b>Notes to the Financial Statement.....</b>	<b>5-7</b>
<b>Supplemental Information:</b>	
<b>Schedule of Surety Bonds for Town Officials.....</b>	<b>8</b>
<b>Schedule of Investments .....</b>	<b>9</b>
<b>Schedule of Capital Assets .....</b>	<b>10</b>
<b>Schedule of Long-Term Debt .....</b>	<b>11-12</b>
<b>Independent Auditor's Report on Compliance with State Laws and Regulations .....</b>	<b>13</b>



**ATRIS NITER, JR.**

**CERTIFIED PUBLIC ACCOUNTANT**

1750 Madison Avenue, Suite 220  
Memphis, Tennessee 38104  
Ph. (901) 726-9700  
Fax (901) 726-9708  
aniter1378@bellsouth.net

**INDEPENDENT AUDITOR'S REPORT  
ON THE FINANCIAL STATEMENT  
AND SUPPLEMENTAL INFORMATION**

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

**Report on Financial Statement**

I have audited the accompanying combined statement of cash receipts and disbursements (all funds) of the Town of Lambert, Mississippi, for the year ended September 30, 2017. This financial statement is the responsibility of the Town's management. My responsibility is to express an opinion on this statement based on my audit.

**Management's Responsibility for the Financial Statement**

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

My responsibility is to express an opinion on this financial statement based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management as well as evaluating the overall presentation of the financial statement.

RECEIVED

MAR 11 2019

Honorable Mayor and Board of Aldermen  
Town of Lambert, Mississippi  
Page 2

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

As described in Note 1, the combined statement of cash receipts and disbursements (all funds) is a summary of the cash activity of the Town and does not present transactions that would be included in financial statements of the Town prepared in conformity with generally accepted accounting principles.

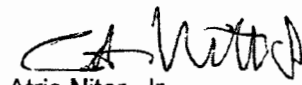
### **Opinion**

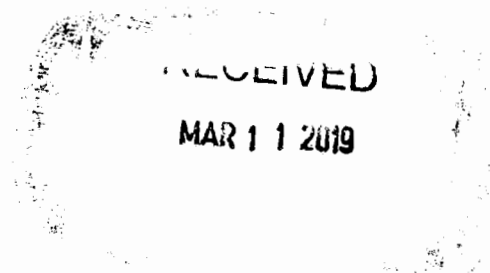
In my opinion, the accompanying financial statement presents fairly the cash receipts and disbursements of the Town of Lambert for the year ended September 30, 2017.

### **Other Matters**

My audit was performed for the purpose of forming an opinion on the financial statement taken as a whole. The schedules and supplemental information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statement of the Town of Lambert, Mississippi. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and, in my opinion, is fairly presented in all material respects in relation to the financial statement taken as a whole.

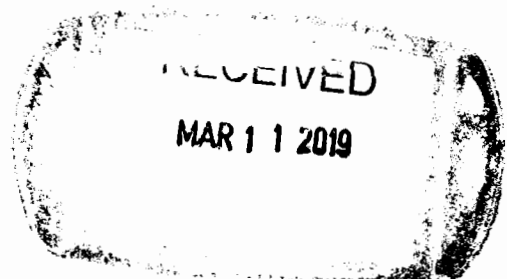
In accordance with *Government Auditing Standards*, I have also issued a report dated March 1, 2019 on my consideration of the Town of Lambert's compliance with state laws and regulations.

  
Atris Niter, Jr.  
Memphis, Tennessee  
March 1, 2019



**TOWN OF LAMBERT**  
**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - ALL FUNDS**  
**For the Year Ended September 30, 2017**

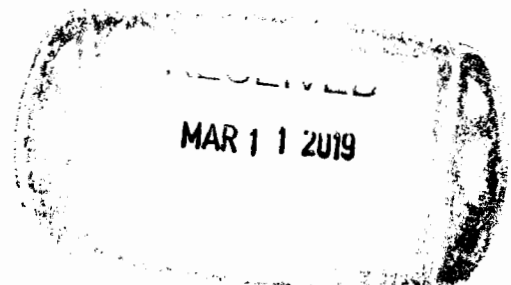
	FUND				TOTAL
	General	Debt Service	Federal Capital Project	Water & Sewer	
<b>REVENUE RECEIPTS:</b>					
Privilege License	\$ 430				\$ 430
Taxes - Vehicles	49,000				49,000
Taxes - Property	156,503				156,503
Penalty and Interest	1,200				1,200
Homestead Exemptions	19,170				19,170
Sales Taxes	38,910				38,910
Franchise Taxes	24,679				24,679
ABC License	900				900
Gas Tax Rebate	4,914				4,914
County Fire Aid	9,171				9,171
Road Maintenance	600				600
Fines	13,963				13,963
Utility Fees	87,709			373,308	461,017
Federal/State Aid	25,364				25,364
Bond and Interest	21,503				21,503
Interest	92		1	221	314
Miscellaneous	6,883	1,249		-0-	8,132
<b>TOTAL</b>	<b>460,991</b>	<b>1,249</b>	<b>1</b>	<b>373,529</b>	<b>835,770</b>
<b>Other Financing Sources (Uses):</b>					
Transfers IN (OUT)	250,000			(250,000)	-0-
<b>CASH - Beginning</b>	<b>\$ 125,510</b>	<b>35,074</b>	<b>2,807</b>	<b>145,964</b>	<b>\$ 309,355</b>
<b>TOTAL TO ACCOUNT FOR</b>	<b>\$ 836,501</b>	<b>36,323</b>	<b>2,808</b>	<b>269,493</b>	<b>\$ 1,145,125</b>



**TOWN OF LAMBERT**  
**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**  
For the Year Ended September 30, 2017

	FUND				TOTAL
	General	Debt Service	Federal Capital Project	Water & Sewer	
<b><u>OPERATING DISBURSEMENTS:</u></b>					
Administration	\$ 423,763				\$ 423,763
Public Safety - Police	134,712				134,712
Public Safety - Fire	4,204				4,204
Public Works - Streets	49,032				49,032
Public Works - Sanitation	79,105				79,105
Enterprise - Water & Sewer	-0-			52,127	52,127
Debt Principal	-0-			81,831	81,831
Interest	-0-			15,000	15,000
<b>TOTAL DISBURSEMENTS</b>	690,816	-0-	-0-	148,958	839,774
<b>CASH - Ending</b>	\$ 145,685	36,323	2,808	120,535	\$ 305,351
<b>TOTAL AMOUNT ACCOUNTED FOR</b>	\$ 836,501	36,323	2,808	269,493	\$ 1,145,125

See notes to the financial statement.





**TOWN OF LAMBERT**  
**Notes to the Financial Statement**  
**September 30, 2017**

**NOTE 1 - SUMMARY OF ACTIVITIES AND SIGNIFICANT ACCOUNTING  
POLICIES**

**A. Reporting Entity**

The Town of Lambert was incorporated on May 12, 1905. The Town operates under the Mayor and Board of Aldermen form of government and provides the following services: public safety (Police & Fire), streets, sanitation, culture, recreation, public improvements, planning and zoning and general administrative services.

The Town has no component units.

**B. Accounting Method**

The Town uses funds to report its cash receipts and disbursements. Fund accounting is used to demonstrate legal compliance by segregating transactions related to specific government functions.

The Town uses three classifications of funds: general fund, special revenue and proprietary fund. Each fund has a separate balanced set of accounts.

The Town uses the following fund types and account groups:

Governmental funds are used to account for all or most of a government's general activities including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government, which are not required legally, or by sound financial management, to be accounted for in another fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration.

**C. Basis of Accounting**

The financial statement is prepared using the cash receipts and disbursements method of accounting as prescribed by the Office of the State Auditor. Revenues are recognized when received rather than when earned and expenses are recognized when paid rather than when incurred.

**TOWN OF LAMBERT**  
**Notes to the Financial Statement (continued)**  
**September 30, 2017**

**D. Cash Deposits**

The Town deposits all its funds in financial institutions selected by the board of aldermen that are insured by the Federal Deposit Insurance Corporation up to \$250,000.

**E. Column Totals**

The total column in this financial statement is presented for overview information purposes and is not meant to present fairly the cash receipts and disbursements on a consolidated basis.

**F. Date of Management's Review**

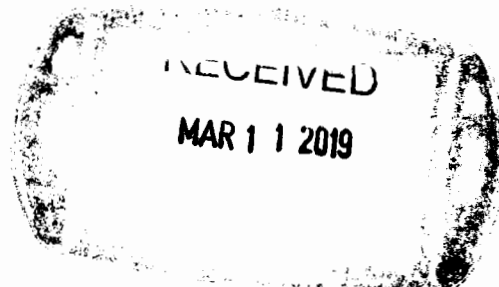
The Town's management has evaluated subsequent events through March 1, 2019, the date on which the financial statement was available to be issued.

**NOTE 2 – AD VALOREM TAX**

The Town uses the county tax rolls for the assessment of its Ad Valorem tax. Property is assessed in January of each year and the millage rate is set in September of each year. The Town Clerk bills property owners for the Ad Valorem tax in December of each year. They are due on January 1<sup>st</sup> and become delinquent after February 1<sup>st</sup>. The taxes levied for the year ended September 30, 2017 was .89 mills.

**NOTE 3 – CASH AND OTHER DEPOSITS**

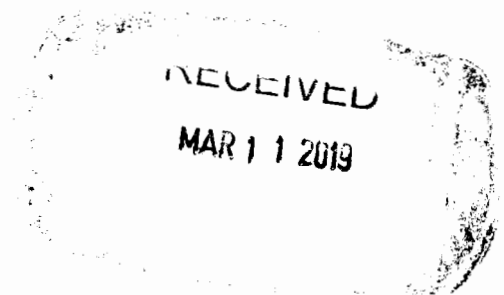
The collateral for public entities' deposit in financial institutions are now held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5 Miss. Code (1972). Under this program, the entity's funds are protected through a collateral pool administered by the securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasury to replace the public deposits not covered by the Federal Depository Insurance Corporation.



**TOWN OF LAMBERT**  
**Notes to the Financial Statement (continued)**  
**September 30, 2017**

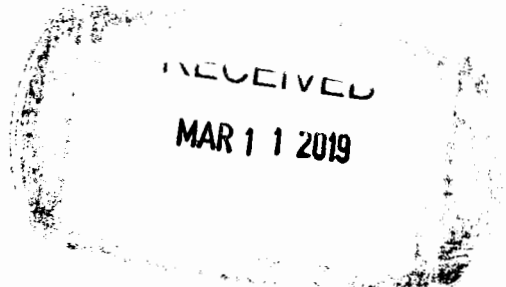
**NOTE 4 – PENSION BENEFIT PLAN**

The Town of Lambert contributes to the Public Employees Retirement System of Mississippi (PERS), a cost sharing multiple-employee, defined benefit pension plan. PERS provides retirement and disability benefits and death benefits to plan members and beneficiaries. At September 30, 2017, PERS members were required to contribute 9% of their annual covered salaries, and the town is required to contribute at an actuarially determined rate. The rate at September 30, 2017 was 15.75% of annual covered payroll. The Town of Lambert share to PERS for the years ended September 30, 2017 and 2016 were \$ 38,991 and \$ 20,842 respectively, equal to the required contributions for each year.



**TOWN OF LAMBERT**  
**Schedule of Surety Bonds for Town Officials**  
**September 30, 2017**

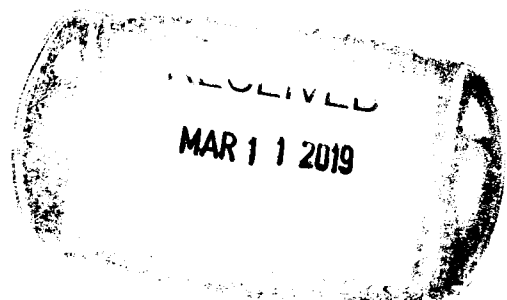
<u>POSITION</u>	<u>SURETY</u>	<u>BOND</u>
Mayor	Western Surety	\$100,000
Aldermen (5)	Traveler's Casualty and Surety	\$50,000
Town Clerk	RLI Surety	\$100,000
Court Clerk	RLI Surety	\$50,000
Assistant Clerk	RLI Surety	\$50,000
Police Chief	RLI Surety	\$50,000
Assistant Police Chief	RLI Surety	\$25,000
Captain Police Department	RLI Surety	\$25,000
Policemen	RLI Surety	\$25,000



**TOWN OF LAMBERT  
SCHEDULE OF INVESTMENTS  
September 30, 2017**

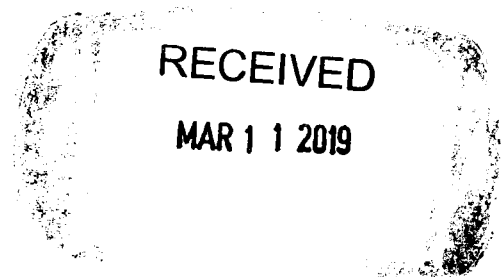
<u>Description</u>	<u>TYPE</u>	<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>TOTAL</u>
Water & Sewer Fund	CD's	0.89%	Various	\$ <u>75,282</u>

The certificates of deposit are held at the Southern Bancorp Bank with various maturities and interest rates. The certificate of deposits serve as a reserve account to help pay for the various notes payable to rural development.



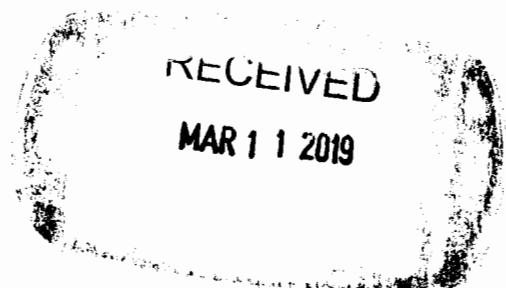
**TOWN OF LAMBERT  
SCHEDULE OF CAPITAL ASSETS  
SEPTEMBER 30, 2017**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>GOVERNMENTAL ACTIVITIES:</b>				
Land	\$ 21,046			\$ 21,046
Buildings	158,951			158,951
Machinery and Equipment	114,611			114,611
Infrastructure	570,438			570,438
	<u>865,046</u>	<u>-0-</u>	<u>-0-</u>	<u>865,046</u>
<b>ACCUMULATED DEPRECIATION:</b>				
Buildings	28,609	4,576		33,185
Machinery and Equipment	79,555	11,145		90,700
Infrastructure	150,761	31,823	-0-	182,584
	<u>258,925</u>	<u>47,544</u>	<u>-0-</u>	<u>306,469</u>
<b>CAPITAL ASSETS, NET</b>	<u>\$ 606,121</u>	<u>47,544</u>	<u>-0-</u>	<u>\$ 558,577</u>
<b>BUSINESS TYPE ACTIVITIES:</b>				
Machinery and Equipment	\$ 73,392	-0-	-0-	\$ 73,392
Water and Sewer System	2,142,726	-0-	-0-	2,142,726
	<u>2,216,118</u>	<u>-0-</u>	<u>-0-</u>	<u>2,216,118</u>
<b>ACCUMULATED DEPRECIATION:</b>				
Machinery and Equipment	13,326	4,442	-0-	17,768
Water and Sewer System	1,320,354	188,622	-0-	1,508,976
	<u>1,333,680</u>	<u>193,064</u>	<u>-0-</u>	<u>1,526,744</u>
<b>CAPITAL ASSETS, NET</b>	<u>\$ 882,438</u>	<u>193,064</u>	<u>-0-</u>	<u>\$ 689,374</u>



**TOWN OF LAMBERT  
SCHEDULE OF LONG-TERM DEBT  
SEPTEMBER 30, 2017**

	Balance Outstanding Oct. 1, 2016	<u>Issued</u>	<u>Redeemed</u>	Balance Outstanding Sept. 30, 2017
<b>GENERAL OBLIGATION BONDS:</b>				
Street Improvement Bond - Interest rate 4.5% - 15 variable annual payments Beginning January 20, 2005 thru January 20, 2019.	\$ 21,503	-	10,427	\$ 11,076
State of Mississippi Rail Service Revolving Loan - Interest rate 1/4% of 1%. 180 Monthly payments of \$67.93.	1,840	-	821	1,019
Total General Long-term Debt	23,343	-	11,248	12,095
<b>REVENUE BONDS:</b>				
Rural Development Water and Sewer System Revenue Bonds (2000 Issue) 4.5% interest rate; original amount of \$295,400 collateralized by revenues and water and sewer plant facilities. Monthly payments of \$1,447 (including interest) starting June 17, 2001 until 2033.	205,254	-	8,264	196,990
Rural Development Water and Sewer System Revenue Bonds (2004 Issue) 4.5% interest rate; original amount of \$998,000 payment in 420 monthly payments of approximately \$4,822.84 beginning February 2005 and ending January 2040.	815,203	-	30,126	785,077



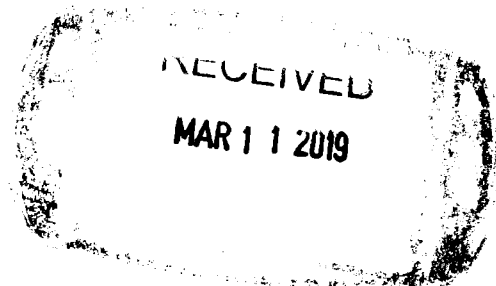
**TOWN OF LAMBERT  
SCHEDULE OF LONG-TERM DEBT  
SEPTEMBER 30, 2017**

	Balance Outstanding Oct. 1, 2016	<u>Issued</u>	<u>Redeemed</u>	Balance Outstanding Sept. 30, 2017
Other Debt:				
Southern Bancorp Bank				
2 - 2014 Dodge Rams				
4.5% Loan Originating 5/7/14				
Payable 48 monthly payments				
of \$689	13,268	-	7,838	5,430
State Revolving Fund Loan				
4.5% interest rate original amount				
of \$411,627, monthly payments				
of \$2,757 including interest to be				
withheld from monthly sales tax				
reimbursement to 2017.	<u>24,355</u>	<u>-</u>	<u>24,355</u>	<u>-0-</u>
Total enterprise fund debt	<u>1,058,080</u>	<u>-</u>	<u>70,583</u>	<u>987,497</u>
Total Long-term Debt	\$ <u>1,081,423</u>	<u>-</u>	<u>81,831</u>	\$ <u>999,592</u>

The aggregate maturity of the long-term debt is as follows:

2,017	\$	81,947
2,018		32,821
2,019		27,261
2,020		27,021
2,021		27,021
Later years		<u>803,521</u>
	\$	<u>999,592</u>

The interest requirement for the next year is approximately \$42,000.





**ATRIS NITER, JR.**

**CERTIFIED PUBLIC ACCOUNTANT**

1750 Madison Avenue, Suite 220

Memphis, Tennessee 38104

Ph. (901) 726-9700

Fax (901) 726-9708

aniter1378@bellsouth.net

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH STATE LAWS AND REGULATIONS**

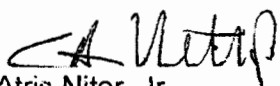
Honorable Mayor and Board of Aldermen  
Town of Lambert  
Lambert, Mississippi

I have audited the general-purpose financial statement of cash receipts and disbursements of the Town of Lambert as of and for the year ended September 30, 2017 and have issued my report dated March 1, 2019. I have conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*.

As required by the state legal compliance audit program prescribed by the Office of the State Auditor, I have also performed procedures to test compliance with certain state laws and regulations. However, providing an opinion on compliance with state laws and regulations was not an objective of my audit and, accordingly, I do not express such an opinion.

The results of those procedures and my audit of the general-purpose financial statement of cash receipts and disbursements disclosed the following instances of noncompliance with state laws and regulations. My findings and recommendations and your responses are as follows: NONE

This report is intended for the information of the Town of Lambert'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.

  
Atris Niter, Jr.  
Memphis, Tennessee  
March 1, 2019

**ATRIS NITER, JR.****CERTIFIED PUBLIC ACCOUNTANT**

July 3, 2018

1750 Madison Avenue, Suite 220

Memphis, Tennessee 38104

Ph. (901) 726-9700

Fax (901) 726-9708

aniter1378@bellsouth.net

To Mayor & Board of Aldermen  
Town of Lambert  
Lambert, MS

We are pleased to confirm our understanding of the services we are to provide the Town of Lambert, Mississippi for the year ended September 30, 2017. We will audit the financial statements of the governmental activities including the related notes to the financial statements, which collectively comprise the basic financial statements of the Town of Lambert as of and for the year ended September 30, 2017. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Town of Lambert's basic financial statements. Such 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. As part of our engagement, we will apply certain limited procedures to the Town of Lambert's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited.

1. Management's Discussion and Analysis. (If Required)

We have also been engaged to report on supplementary information other than RSI that accompanies the Town of Lambert's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole.

1. Schedule of Investments
2. Schedule of Town officials
3. Schedule of Fixed Assets

**Audit Objective**

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the Town of Lambert's financial statements. Our report will be addressed to the Town of Lambert. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or may withdraw from this engagement.

MAR 11 2019

#### **Audit Procedures-General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors are limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

#### **Audit Procedures-Internal Control**

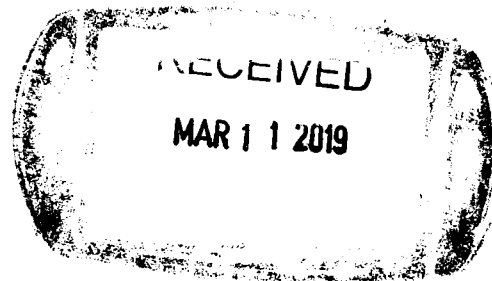
Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

#### **Audit Procedures-Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Town of Lambert's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

#### **Other Services**

We will also assist in preparing the financial statements of the Town of Lambert in conformity with U.S. generally accepted accounting principles based on information provided by you.



### Management Responsibilities

Management is responsible for establishing and maintaining effective internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

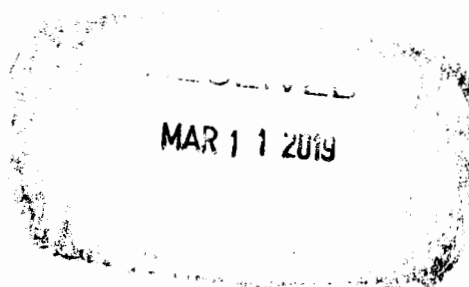
Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

You agree to assume all management responsibilities for financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.



**Engagement Administration, Fees, and Other**

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

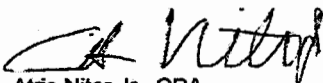
The audit documentation for this engagement is the property of Atris Niter Jr., CPA and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to State of Mississippi or its designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Atris Niter Jr., CPA personnel. Furthermore, upon request, we may provide copies of selected audit documentation to State of Mississippi or its designee. The State of Mississippi or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

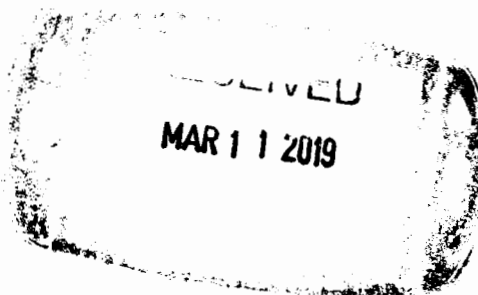
We expect to begin our audit on approximately July 3, 2018 and to issue our reports no later than August 30, 2018. Atris Niter Jr., CPA is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses will not exceed \$5,500. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to the Town of Lambert and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions; please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

  
Atris Niter Jr., CPA  
Memphis, TN



Page 5 .

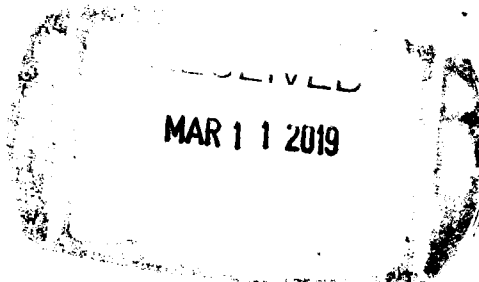
RESPONSE:

This letter correctly sets forth the understanding of the Town of Lambert.

Management signature: Shirley Smith Taylor

Title: Mayor

Date: 7/3/2018





**STATE OF MISSISSIPPI**  
**OFFICE OF THE STATE AUDITOR**  
**SHAD WHITE**  
**STATE AUDITOR**



**TO:** Municipal Clerk  
Municipality of Lambert

**FROM:** Emily McNeil, CPA  
Technical Assistance Division

**DATE:** February 20, 2019

**SUBJECT:** Notice of Noncompliance with Mississippi Code Annotated  
Section 21-35-31

The Office of the State Auditor has not received the Municipality's annual financial report for Fiscal Year End 2017, which is required by Mississippi Code Annotated Section 21-35-31 to be filed before the close of the next succeeding fiscal year end (September 30, 2018), in accordance with procedures and reporting requirements prescribed by the State Auditor.

Therefore, the Office of the State Auditor is hereby serving the Municipality with this Notice of Noncompliance with Mississippi Code Annotated Section 21-35-31. If within thirty (30) days of the receipt of this notice the Municipality remains in noncompliance, Mississippi Code Annotated Section 21-35-31 authorizes the Office of the State Auditor to issue a Certificate of Noncompliance to the clerk of the Municipality, the Department of Revenue (formally the State Tax Commission) and to the Attorney General. Thereafter, the Department of Revenue shall withhold from all allocations and payments to the Municipality that would otherwise be payable, the amount necessary to pay one hundred fifty percent (150%) of the cost of preparing the required report as contracted for by the State Auditor.

In order to avoid the issuance of the Certificate of Noncompliance, file the Municipality's annual financial report with us or provide evidence of substantial compliance within thirty (30) days of receipt of this notice. I also ask that you contact the Division of Technical Assistance upon receipt of this letter to make us aware of your intentions with regard to this notice. We may be reached at (800) 321-1275.