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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, 2017

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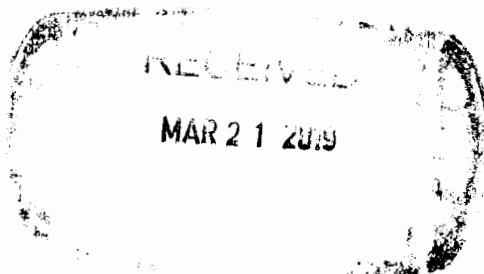
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FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION



Butchart, Ellzey & Associates
A Professional Corporation

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

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

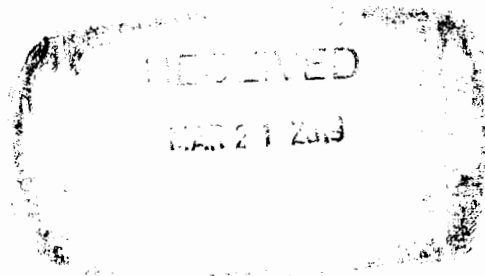
Honorable Mayor and Board of Aldermen
Town of Lena
Lena, Mississippi

Management is responsible for the accompanying statement of cash receipts and disbursements – all fund types of the Town of Lena, Mississippi, as of and for the year ended September 30, 2017, in accordance with the cash basis of accounting. 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 statement of cash receipts and disbursements nor were we required to perform any 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 the statement cash receipts and disbursements.

The statement of cash receipts and disbursements is prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The supplementary information contained on pages 5 and 6 are presented for purposes of additional analysis and is not a required part of the basic financial statement. 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, do not express an opinion or provide any assurance on such supplementary information.

Management has elected to omit substantially all of the disclosures ordinarily included in a financial statement prepared in accordance with the cash basis of accounting. If the omitted disclosures were included in the financial statement, they might influence the user's conclusions about the Town's 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 also omitted the management's discussion and analysis, budgetary comparison information, and the schedules related to the net pension liability that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. However, under the cash basis of accounting, this information is not required and as such, is not presented.

In accordance with the provisions of Section 21-35-31, Miss. Code Ann. (1972), we have issued a report dated March 2, 2018, on the results of our agreed-upon procedures.

Butchart, Fllzey & Associates

Canton, Mississippi
March 2, 2018

TOWN OF LENA, MISSISSIPPI

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - ALL FUND TYPES

SEE ACCOUNTANTS' COMPILATION REPORT

For the Fiscal Year Ended September 30, 2017

	<u>GOVERNMENTAL</u> <u>FUND</u> <u>General</u> <u>2017</u>	<u>TOTALS</u> <u>(Memorandum only)</u> <u>2016</u>
<u>REVENUE RECEIPTS</u>		
General property taxes	\$ 12,673	\$ 10,801
Licenses and permits	25	-
Franchise taxes on utilities	5,765	3,293
Intergovernmental revenues:		
County assistance	2,250	28,400
General municipal aid (from State)	74	74
State shared revenues:		
Homestead exemption	1,020	1,128
Sales tax	22,417	21,090
Gasoline tax	444	444
Fire insurance premium tax distribution	829	949
Public safety	491	-
MDA grant- town hall	138,000	10,500
Fines	11,768	13,448
Interest income	151	57
Donations and rent- old school building	751	642
Miscellaneous	1,873	1,312
 TOTAL REVENUE RECEIPTS	 \$ 198,531	 \$ 92,138
 <u>OTHER RECEIPTS</u>		
Loan proceeds	\$ 22,500	\$ -
 TOTAL OTHER RECEIPTS	 \$ 22,500	 \$ -
 TOTAL RECEIPTS	 \$ 221,031	 \$ 92,138



TOWN OF LENA, MISSISSIPPI

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - ALL FUND TYPES

SEE ACCOUNTANTS' COMPILATION REPORT

For the Fiscal Year Ended September 30, 2017

	<u>GOVERNMENTAL</u>	
	<u>FUND</u>	<u>TOTALS</u>
	<u>General</u>	<u>(Memorandum Only)</u>
	<u>2017</u>	<u>2016</u>
<u>OPERATING DISBURSEMENTS</u>		
General government (Executive & Financial)		
Personnel	\$ 7,110	\$ 9,484
Professional fees	5,075	4,900
Municipal dues	469	344
Utilities and telephone	3,972	3,578
Insurance	3,117	4,999
Other	8,617	6,153
	<u>\$ 28,360</u>	<u>\$ 29,458</u>
Public Safety		
Police		
Personnel	\$ 5,973	\$ 7,336
Supplies and equipment	2,662	3,104
Court assessment fees	1,628	4,269
	<u>\$ 10,263</u>	<u>\$ 14,709</u>
Fire		
Personnel	\$ 80	\$ 77
Insurance	6,034	3,765
Vehicle operation	-	58
Supplies and equipment	1,047	700
Maintenance and repairs	4,055	638
	<u>\$ 11,216</u>	<u>\$ 5,238</u>
Highways and streets		
Lights and supplies	\$ 7,261	\$ 7,519
Sanitation	\$ -	\$ 1,161
Culture and recreation		
Parks and old school	\$ 837	\$ 1,223
TOTAL OPERATING DISBURSEMENTS	<u>\$ 57,937</u>	<u>\$ 59,308</u>
<u>OTHER DISBURSEMENTS</u>		
Capital outlay-general (town hall)	\$ 137,686	\$ 4,950
Capital outlay-public safety	-	-
TOTAL OTHER DISBURSEMENTS	<u>\$ 137,686</u>	<u>\$ 4,950</u>
TOTAL CASH DISBURSEMENTS	<u>\$ 195,623</u>	<u>\$ 64,258</u>
 EXCESS CASH RECEIPTS (DISBURSEMENTS)	 \$ 25,408	 \$ 27,880
CASH BALANCE - BEGINNING OF YEAR	<u>142,101</u>	<u>114,221</u>
CASH BALANCE - END OF YEAR	<u>\$ 167,509</u>	<u>\$ 142,101</u>

TOWN OF LENA, MISSISSIPPI

SUPPLEMENTARY SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS

SEE ACCOUNTANTS' COMPILATION REPORT

For the Fiscal Year Ended September 30, 2017

<u>NAME</u>	<u>POSITION</u>	<u>COMPANY</u>	<u>BOND</u>
Randy Jones	Mayor	ST Paul	10,000
Trixi Spencer	City Clerk	Travelers Insurance	50,000
Trixi Spencer	Tax Collector	RLI Surety	10,000
Jamie Johnson	Police Chief	Travelers Insurance	50,000
Jimmy Lewis	Deputy Marshall	RLI Surety	50,000
Jeff Rhinewalt	Fire Chief	Travelers Insurance	10,000
Hughlon Ellis	Alderman	MS. Muni. Serv. Co.	10,000
Tammy Jones	Alderman	MS. Muni. Serv. Co.	10,000
Antoinette Bond	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

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TOWN OF LENA, MISSISSIPPI

SUPPLEMENTARY SCHEDULE OF LONG TERM DEBT

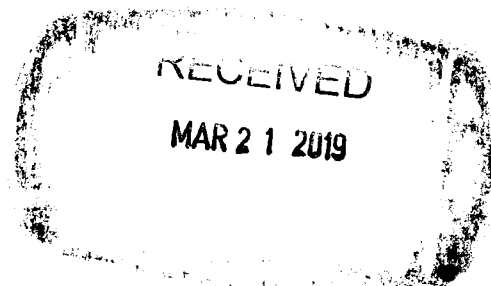
SEE ACCOUNTANTS' COMPILATION REPORT

For the Fiscal Year Ended September 30, 2017

BALANCE OUTSTANDING <u>9/30/2016</u>	TRANSACTIONS <u>DURING FISCAL YEAR</u> <u>ISSUED</u> <u>REDEEMED</u>	BALANCE OUTSTANDING <u>9/30/2017</u>
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OTHER NOTES PAYABLE

Trustmark National Bank	\$ <u>-</u>	\$ <u>22,500</u>	\$ <u>-</u>	\$ <u>22,500</u>
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SPECIAL REPORT
ON AGREED - UPON PROCEDURES

Butchart, Ellzey & Associates

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, 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). 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:

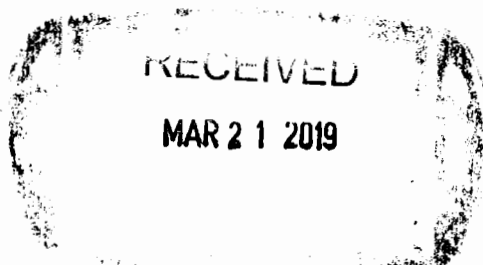
- A. We reconciled cash on deposit with the following banks to balances in the respective general ledger accounts and obtained confirmation of the related balances from the banks:

<u>Bank</u>	<u>Fund</u>	<u>Balance Per General Ledger</u>
Merchants & Farmers Bank	General-Old School	\$ 445
Merchants & Farmers Bank	General-Fire Protection	23,410
Merchants & Farmers Bank	General	69,370
Merchants & Farmers Bank	Special Fire Protection	<u>74,284</u>
Total General Fund		<u>\$167,509</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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March 2, 2018

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>
Public Safety	General Fund	\$ 491
Sales Tax Allocation	General Fund	22,417
Fire Protection	General Fund	829
General Municipal Fund	General Fund	74
Gasoline	General Fund	444
Homestead Exemption	General Fund	1,020
MDA Grant	General Fund	138,000
		<u>\$ 163,275</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	15
Total Dollar Value of Sample	<u>\$150,530</u>

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

March 2, 2018

- E. We 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:

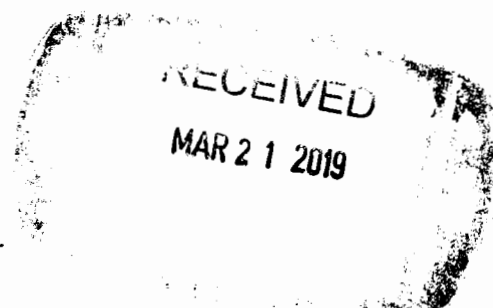
The Court is held every three months, with the state-imposed court assessments collected during this period to be settled the following month. During our testing, we found, that the Town was not settling court assessments monthly with the Department of Finance and Administration.

- F. We have read the Municipal Compliance Questionnaire completed by the municipality. The completed survey indicated no instances of non-compliance with state requirements.

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, 2017.

Butchart, Fllzey & Associates

Canton, Mississippi
March 2, 2018



STATE AUDITOR COMPLIANCE

Butchart, Ellzey & Associates

A Professional Corporation

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

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, 2017, 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.

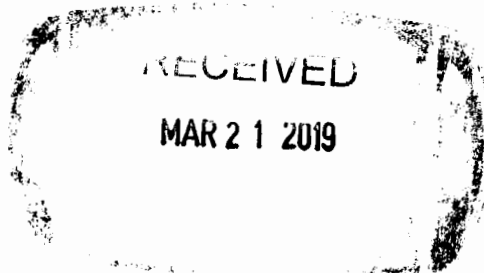
We have performed procedures to test compliance with certain state laws and regulations as described by the Municipal Compliance Questionnaire that is prescribed by the Office of the State Auditor. Our products were substantially less in scope than an audit, the objective of which is the expression of 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, 2017, disclosed one instance of noncompliance with the state laws and regulations which is noted in item E 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
March 2, 2018



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