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Town of Lyon
Financial Statements
September 30, 2017

Ellis & Hirsberg
Certified Public Accountants, PLLC
Clarksdale, Mississippi

**TOWN OF LYON, MISSISSIPPI
TABLE OF CONTENTS**

	<u>Page</u>
INDEPENDENT ACCOUNTANTS' COMPILATION REPORT	1
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES	3
SELECTED DISCLOSURES TO FINANCIAL STATEMENTS	7
Schedule of Investments	9
Schedule of Long-Term Debt	10
Schedule of Surety Bonds for Town Officials	11
Special Report on Agreed Upon Procedures For Small Municipalities (Towns)	12
Independent Auditors' Report on Compliance With State Laws and Regulations	15

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

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

Management is responsible for the accompanying statement of cash receipts and disbursements - governmental and business-type activities of the Town of Duncan, Mississippi, for the year ended September 30, 2017 and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents, and for determining that the cash 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 statement of cash receipts and disbursements - governmental and business-type activities 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 of cash receipts and disbursements - governmental and business-type activities.

The financial statements are 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.

Other Matters

Required Supplementary Information

Management has omitted the Management Discussion and Analysis 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 for placing the basic financial statements in an appropriate operational, economic, or historical context.

The supplementary information contained in Schedules 1 through 3 is presented in compliance with the requirements of the Mississippi Office of the State Auditor and is not a required

part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited nor reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

Other Information

In accordance with the provisions of Section 21-35-31, Miss. Code Ann. (1972), we have issued a report dated December 11, 2017 on the results of our agreed-upon procedures.



Ellis & Hirsberg, CPAs, PLLC
Clarksdale, Mississippi
December 11, 2017

TOWN OF LYON, MISSISSIPPI
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2017

Governmental Activities			Business-type Activities
General Fund	Special Revenue Fund	Total	Proprietary Fund

Revenue Receipts

Ad Valorem Taxes - Current	127,770.15		127,770.15
Prior Ad Valorem Taxes, Penalties & Interest			0.00
Franchise Tax - Utilities	4,838.75		4,838.75
Privilege License	90.00		90.00
Shared Taxes			0.00
Building Permit	50.00		50.00

Intergovernmental Revenues:

State Shared Revenues:

Sales Tax	25,699.41		25,699.41
Gasoline Tax	1,028.16		1,028.16
Municipal Aid	174.54		174.54
Fire Aid		1,959.67	1,959.67
Grants - Others	176.25		176.25
Homestead Exemption	7,011.56		7,011.56
Law Enforcement	651.68		651.68

TOWN OF LYON, MISSISSIPPI
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Governmental Activities			Business-type Activities
	General Fund	Special Revenue Fund	Total	Proprietary Fund
Charges for Service:				
Water Fees			0.00	48,588.00
Sewer Fees			0.00	41,652.00
Other Receipts:				
Public Works Revenue	41,324.00		41,324.00	
Mosquito Control Revenue	4,964.00		4,964.00	
Rents	5,630.00		5,630.00	
Interest Earned	1,742.25		1,742.25	106.41
Miscellaneous - Law Enforcement	12,077.15		12,077.15	
Transfers - Proprietary Funds	7,913.60		7,913.60	13,702.92
<u>Total Receipts</u>	241,141.50	1,959.67	243,101.17	104,049.33
Cash: Beginning of Year	328,049.03		328,049.03	139,427.16
<u>Total Amount Accounted For</u>	<u>569,190.53</u>	<u>1,959.67</u>	<u>571,150.20</u>	<u>243,476.49</u>

TOWN OF LYON, MISSISSIPPI
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Governmental Activities			Business-type Activities
	General Fund	Special Revenue Fund	Total	Proprietary Fund
<u>Disbursements</u>				
Financial & Administrative				
Salaries & Wages	50,540.00		50,540.00	
Other Services & Charges	65,405.75		65,405.75	
Public Safety - Police				
Salaries & Wages	12,480.00		12,480.00	
Other Services & Charges	15,266.15		15,266.15	
Public Safety - Fire				
Other Services & Charges		1,959.67	1,959.67	
Public Works Department				
Salaries & Wages	45,470.56		45,470.56	
Other Services & Charges	36,298.60		36,298.60	
Animal Control				
Salaries & Wages	2,475.00		2,475.00	
Other Services & Charges	630.82		630.82	

TOWN OF LYON, MISSISSIPPI
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Governmental Activities			Business-type Activities
	General Fund	Special Revenue Fund	Total	Proprietary Fund
Water & Sewer Department				
Salaries & Wages			0.00	8,640.00
Other Services & Charges			0.00	46,524.98
Other				
Loan Repayment			0.00	18,617.79
Transfer - Proprietary Fund	13,702.92		13,702.92	7,913.60
<u> Total Disbursements</u>	242,269.80	1,959.67	244,229.47	81,696.37
Cash: End of Year	326,920.73		326,920.73	161,780.12
<u>Total Amount Accounted For</u>	<u>569,190.53</u>	<u>1,959.67</u>	<u>571,150.20</u>	<u>243,476.49</u>

See the accompanying notes to the financial statements

**TOWN OF LYON, MISSISSIPPI
SELECTED DISCLOSURES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

Note 1 - Significant Accounting Policies

A. Reporting Entity

In evaluating and defining the Town's government it was found that the Town has no component units and therefore was considered as one unit.

B. Accounting

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

The general government funds are used to account for all the Town's general governmental activities and includes the accounting for fixed assets and general long-term debt.

The special revenue fund is used to account for specific revenues that are restricted to expenditures for specific purposes.

The proprietary funds are used to account for activities where net income or net loss is determined as if operated as a business-type activity.

C. Basis of Accounting

The financial statements are 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.

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 (FDIC).

E. 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.

**TOWN OF LYON, MISSISSIPPI
SELECTED DISCLOSURES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

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 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 and become delinquent after February 1. The taxes levied for the year ending September 30, 2017 was 57.2 mills.

Auto taxes are collected and remitted to the Town by the Coahoma County tax collector.

Note 3 - Long-Term Debt

The Town has two interest bearing notes payable as reflected on Schedule 2. These notes and interest are paid annually from water and sewer revenues.

Note 4 - Cash and Other Deposits

The collateral for public entities' deposits in financial institutions is 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 Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge 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 Treasurer to replace the public deposits not covered by the Federal Depository Insurance Corporation.

The carrying amount of the Town's deposits with financial institutions was \$488,700.85 and the bank balance was \$492,840.72.

**TOWN OF LYON, MISSISSIPPI
SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2017**

<u>General Fund</u>	<u>Amount</u>
<u>General Revenue Funds - First National</u>	
<u>Bank of Clarksdale</u>	
.80% Certificate of Deposit, #74766	
Dated August 23, 2017, due August 23, 2018	284,548.89
<u>Proprietary Funds</u>	
<u>Water System Fund - First National</u>	
<u>Bank of Clarksdale</u>	
.50% Certificate of Deposit, #74566	
Dated December 3, 2016, due December 3, 2017	30,592.99
.50% Certificate of Deposit, #74567	
Dated December 3, 2016, due December 3, 2017	11,891.32
<u>Sewer System Fund - First National</u>	
<u>Bank of Clarksdale</u>	
.50% Certificate of Deposit, #74565	
Dated December 3, 2016, due December 3, 2017	29,342.81
.50% Certificate of Deposit, #74568	
Dated December 3, 2016, due December 3, 2017	17,728.88
<u>Total Investments</u>	<u>374,104.89</u>

See independent accountants' compilation report.

TOWN OF LYON, MISSISSIPPI
 SCHEDULE OF LONG-TERM DEBT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

<u>Definition & Purpose</u>	Balance Outstanding 10/1/16	Transactions During Fiscal Year		Balance Outstanding 9/30/17
		Issued	Redeemed	
<u>Other Long-Term Debt</u>				
MS Dept. Environmental Quality	132,585.94		10,312.31	122,273.63
United States Department of Agriculture	<u>238,797.49</u>		<u>8,305.48</u>	<u>230,492.01</u>
	<u>371,383.43</u>	<u>0.00</u>	<u>18,617.79</u>	<u>352,765.64</u>

See independent accountants' compilation report.

TOWN OF LYON, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS
SEPTEMBER 30, 2017

<u>Name</u>	<u>Position</u>	<u>Company</u>	<u>Amount</u>
John R. Sawyer	Mayor	Travelers Casualty & Surety Co.	25,000.00
Jennifer Cummins	Town Clerk	Fidelity & Deposit	50,000.00
James Gaston	Alderman	Travelers Casualty & Surety Co.	10,000.00
Donald W. Sewell	Alderman	Travelers Casualty & Surety Co.	10,000.00
Gary Alan Foster	Alderman	Travelers Casualty & Surety Co.	10,000.00
Lee Sturdivant	Alderman	Travelers Casualty & Surety Co.	10,000.00
G. Paul Tedford	Alderman	Travelers Casualty & Surety Co.	10,000.00
Raney Reece	Commissioner	Western Surety Co.	50,000.00

See independent accountants' compilation report.

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

Honorable Mayor and
Board of Alderman
Town of Lyon
Lyon, Mississippi

We have applied certain agreed-upon procedures, as discussed below, to the accounting records of the Town of Lyon, 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 the Town of Lyon, Mississippi, and the Office of the State Auditor and should not be used for any other purposes. 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>Balance Per General Ledger</u>
First National Bank	General	42,371.84
First National Bank - Certificates of Deposit	General	<u>284,548.89</u>
<u>Total Governmental Activities</u>		<u>326,920.73</u>
First National Bank	Proprietary	72,224.12
First National Bank - Certificates of Deposit	Proprietary	<u>89,556.00</u>
<u>Total Proprietary</u>		<u>161,780.12</u>
<u>Total All Funds</u>		<u><u>488,700.85</u></u>

2. We performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year.
 - A. Verify use of certified county assessment rolls and trace levies to governing body minutes;
 - B. Determined that sales of property for delinquent taxes were conducted;
 - C. Traced settlements to the proper funds; and
 - D. Determined that increase in ad valorem taxes were within the growth limitations allowed by law Sections 27-39-320 through 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 determined to be properly handled.

3. 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 traced were as follows:

<u>Payment Purpose</u>	<u>Ledger Amount</u>
Sales Tax Allocation	25,699.41
Fire Protection Allocation	1,959.67
General Municipal Aid	1,174.54
Gasoline Tax	1,028.16
Homestead Exemption Reimbursement	7,011.56
Payments - Nuclear Plant	176.25
Law Enforcement Reimbursement	<u>651.68</u>
<u>Total</u>	<u><u>37,701.27</u></u>

4. 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	81
Total Dollar Value of Sample	61,317.47

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

5. We have read the Municipal Compliance Questionnaire completed by the municipality. The completed survey indicated no instances of noncompliance 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 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 and 2 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 Lyon, Mississippi, for the year ended September 30, 2017.



Ellis & Hirsberg, CPAs, PLLC
Clarksdale, Mississippi
December 11, 2017

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
STATE LAWS AND REGULATIONS**

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

We have compiled the accompanying combined statement of cash receipts and disbursements - governmental and business-type activities of the Town of Lyon for the year ended September 30, 2017, and have issued our report thereon dated December 11, 2017, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

We 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 our compilation engagement and, accordingly, we do not express such an opinion.

In connection with our compilation report, nothing came to our attention that caused us to believe that the Town of Lyon, Mississippi had not complied with the requirements of the Office of the State Auditor as set forth in the Municipal Compliance Questionnaire and other state laws and regulations.

This report is intended for the information 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.



Ellis & Hirsberg, CPAs, PLLC
Clarksdale, Mississippi
December 11, 2017

(662)627-1600

(662)483-1263

TOWN OF LYON

111 Park Street
Post office Box 511
Lyon, Mississippi 38645

January 17, 2018

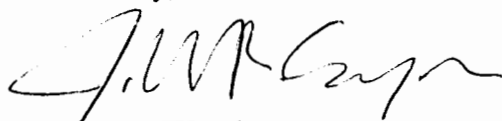
Office of the State Auditor
501 North West Street
Suite 801, Woolfork Building
Jackson, Mississippi 39201

RE: Annual Municipal Audit

Department of Technical Assistance

Accompanying this letter are two copies of the annual audit of the Town of Lyon, Mississippi, for the fiscal year ended September 30, 2017. A separate management letter was not written to the Town of Lyon with this audit.

Sincerely,

A handwritten signature in black ink, appearing to read "J. R. Sawyer", written over the printed name.

John R. (Woody) Sawyer
Mayor