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**TOWN OF LAMBERT
LAMBERT, MISSISSIPPI**

**AUDITED STATEMENT OF CASH RECEIPTS
AND DISBURSEMENTS**

SEPTEMBER 30, 2018

**TOWN OF LAMBERT
LAMBERT, MISSISSIPPI**

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ATRIS NITER JR., CPA

**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, 2018. 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.

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, 2018.

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 August 17, 2018 on my consideration of the Town of Lambert's compliance with state laws and regulations.



Atris Niter, Jr.
Memphis, Tennessee
August 17, 2020

TOWN OF LAMBERT
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - ALL FUNDS
For the Year Ended September 30, 2018

	FUND				TOTAL
	General	Debt Service	Federal Capital Project	Water & Sewer	
<u>REVENUE RECEIPTS:</u>					
Check free pay - Income	\$ 162,975				\$ 162,975
Privilege License	375				375
Taxes - Vehicles	47,000				47,000
Taxes - Property	160,812				160,812
Penalty and Interest	-0-				-0-
Homestead Exemptions	20,217				20,217
Sales Taxes	27,200				27,200
Franchise Taxes	29,684				29,684
ABC License	900				900
Gas Tax Rebate	4,914				4,914
County Fire Aid	16,284				16,284
Road Maintenance	-0-				-0-
Fines	35,330				35,330
Utility Fees	82,351			321,656	404,007
Federal/State Aid	8,102				8,102
Bond and Interest	-0-				-0-
Interest	308		-0-	-0-	308
Miscellaneous	14,604	-0-		-0-	14,604
TOTAL	611,056	-0-	-0-	321,656	932,712
Other Financing Sources (Uses):					
Transfers IN (OUT)	-0-			-0-	-0-
CASH - Beginning	\$ 145,685	35,074	2,807	145,964	\$ 329,530
TOTAL TO ACCOUNT FOR	\$ 756,741	35,074	2,807	467,620	\$ 1,262,242

TOWN OF LAMBERT
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
For the Year Ended September 30, 2018

	FUND				TOTAL
	General	Debt Service	Federal Capital Project	Water & Sewer	
<u>OPERATING DISBURSEMENTS:</u>					
Administration	\$ 390,158				\$ 390,158
Public Safety - Police	177,277				177,277
Public Safety - Fire	-0-				-0-
Public Works - Streets	6,432				6,432
Public Works - Sanitation	25,872				25,872
Enterprise - Water & Sewer	-0-			51,267	51,267
Debt Principal	-0-			291,744	291,744
Interest	31,492			-0-	31,492
TOTAL DISBURSEMENTS	631,231	-0-	-0-	343,011	974,242
CASH - Ending	\$ <u>125,510</u>	<u>35,074</u>	<u>2,807</u>	<u>124,609</u>	\$ <u>288,000</u>
TOTAL AMOUNT ACCOUNTED FOR	\$ <u>756,741</u>	<u>35,074</u>	<u>2,807</u>	<u>467,620</u>	\$ <u>1,262,242</u>

See notes to the financial statement.

TOWN OF LAMBERT
Notes to the Financial Statement
September 30, 2018

**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, 2018

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 August 17, 2018, 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 1st and become delinquent after February 1st. The taxes levied for the year ended September 30, 2018 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
Schedule of Surety Bonds for Town Officials
September 30, 2018

<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, 2018**

<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. The certificates were cashed in October 2018 to help pay for operating expenses.

**TOWN OF LAMBERT
SCHEDULE OF CAPITAL ASSETS
SEPTEMBER 30, 2018**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
GOVERNMENTAL ACTIVITIES:				
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>
ACCUMULATED DEPRECIATION:				
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>
CAPITAL ASSETS, NET	<u>\$ 606,121</u>	<u>47,544</u>	<u>-0-</u>	<u>\$ 558,577</u>
BUSINESS TYPE ACTIVITIES:				
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>
ACCUMULATED DEPRECIATION:				
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>
CAPITAL ASSETS, NET	<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, 2018**

<u>GENERAL OBLIGATION BONDS:</u>	Balance Outstanding Oct. 1, 2017	<u>Issued</u>	<u>Redeemed</u>	Balance Outstanding Sept. 30, 2018
Street Improvement Bond - Interest rate 4.5% - 15 variable annual payments Beginning January 20, 2005 thru January 20, 2019.	\$ 11,076	-	-	\$ 11,076
State of Mississippi Rail Service Revolving Loan - Interest rate 1/4% of 1%. 180 Monthly payments of \$67.93.	1,019	-	815	204
Total General Long-term Debt	12,095	-	815	11,280

REVENUE BONDS:

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.	196,990	-	8,714	188,276
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.	785,134	-	13,000	772,134

**TOWN OF LAMBERT
SCHEDULE OF LONG-TERM DEBT
SEPTEMBER 30, 2018**

	Balance Outstanding Oct. 1, 2017	<u>Issued</u>	<u>Redeemed</u>	Balance Outstanding Sept. 30, 2018
Other Debt:				
Southern Bancorp Bank				
2 - 2014 Dodge Rams				
4.5% Loan Originating 5/7/14				
Payable 48 monthly payments				
of \$689	5,430	54,217	-0-	59,647
2 - Dodge Police cars	-0-	39,693	-0-	39,693
 Total enterprise fund debt	<u>987,554</u>	<u>93,910</u>	<u>21,714</u>	<u>1,059,750</u>
 Total Long-term Debt	\$ <u>999,649</u>	<u>93,910</u>	<u>22,529</u>	\$ <u>1,071,030</u>

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

2,018	\$	32,821
2,019		27,261
2,020		27,021
2,021		27,021
2,022		27,021
Later years		929,885
	\$	<u>1,071,030</u>

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



ATRIS NITER JR., CPA

**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, 2018 and have issued my report dated August 17, 2020. 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
August 17, 2020