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**TOWN OF LYON, MISSISSIPPI
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OFFICE OF THE
STATE AUDITOR

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 Lyon, Mississippi, for the year ended September 30, 2019 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.

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The statement of cash receipts and disbursements - governmental and business-type activities 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.

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.



Supplementary and Other Information

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.

The statement of cash receipts and disbursements - governmental and business-type activities and related notes to financial statement are intended to comply with the requirements of the Mississippi Office of the State Auditor, and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

In accordance with the provisions of Section 21-35-31, Miss. Code Ann. (1972), we have issued a report dated January 31, 2020 on the results of our agreed-upon procedures.

Ellis & Hirsberg CPA's PLLC

Ellis & Hirsberg, CPAs, PLLC
Clarksdale, Mississippi
January 31, 2020

TOWN OF LYON, MISSISSIPPI
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Governmental Activities			Business-type Activities
	General Fund	Special Revenue Fund	Total	
<u>Revenue Receipts</u>				
Ad Valorem Taxes - Current	151,409.09		151,409.09	
Franchise Tax - Utilities	5,589.33		5,589.33	
Privilege License	50.00		50.00	
 Intergovernmental Revenues:				
State Shared Revenues:				
Sales Tax	22,647.86		22,647.86	
Gasoline Tax	1,028.16		1,028.16	
Municipal Aid	174.54		174.54	
Fire Aid		2,065.74	2,065.74	
Grants - DRA	49,006.25		49,006.25	
Homestead Exemption	7,804.61		7,804.61	
Payments - Nuclear Plant	135.52		135.52	
 Charges for Service:				
Water Fees			0.00	43,025.00
Sewer Fees			0.00	36,310.69

TOWN OF LYON, MISSISSIPPI
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Governmental Activities			Business-type Activities
	General Fund	Special Revenue Fund	Total	Proprietary Fund
Other Receipts:				
Public Works Revenue	40,940.00		40,940.00	
Mosquito Control Revenue	4,862.00		4,862.00	
Rents	6,598.64		6,598.64	
Interest Earned	2,531.40		2,531.40	969.91
Miscellaneous - Law Enforcement	16,651.67		16,651.67	
Transfers - Proprietary Funds			0.00	14,342.16
<u>Total Receipts</u>	309,429.07	2,065.74	311,494.81	94,647.76
Cash: Beginning of Year	350,995.26		350,995.26	173,910.99
<u>Total Amount Accounted For</u>	<u>660,424.33</u>	<u>2,065.74</u>	<u>662,490.07</u>	<u>268,558.75</u>



TOWN OF LYON, MISSISSIPPI
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Governmental Activities		Total	Business-type Activities
	General Fund	Special Revenue Fund		
<u>Disbursements</u>				
Financial & Administrative				
Salaries & Wages	52,035.00		52,035.00	
Other Services & Charges	60,082.99		60,082.99	
Public Safety - Police				
Salaries & Wages	12,883.20		12,883.20	
Other Services & Charges	6,593.99		6,593.99	
Public Safety - Fire				
Other Services & Charges		2,065.74	2,065.74	
Public Works Department				
Salaries & Wages	48,364.04		48,364.04	
Other Services & Charges	28,636.72		28,636.72	
Animal Control				
Salaries & Wages	1,950.00		1,950.00	
Other Services & Charges	694.67		694.67	

TOWN OF LYON, MISSISSIPPI
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Governmental Activities		Business-type Activities
	General Fund	Special Revenue Fund	Proprietary Fund
			Total
Water & Sewer Department			
Salaries & Wages			8,640.00
Other Services & Charges			53,736.65
Other			
DRA - Sewer Project	69,460.25		
Loan Repayment			
Transfer - Proprietary Fund	14,342.16		19,226.45
<u>Total Disbursements</u>	295,043.02	2,065.74	
			81,603.10
Cash: End of Year	365,381.31		183,955.65
<u>Total Amount Accounted For</u>	<u>660,424.33</u>	<u>2,065.74</u>	<u>265,558.75</u>

See the accompanying notes to the financial statements

**TOWN OF LYON, MISSISSIPPI
SELECTED DISCLOSURES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

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.

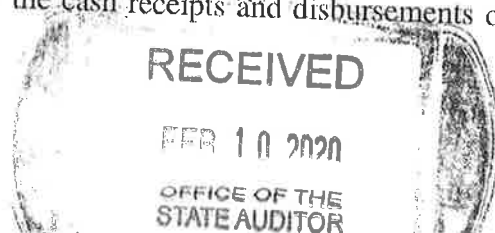
C. Basis of Accounting

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, 2019**

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, 2019 was 66.7 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 Depositary Insurance Corporation.

The carrying amount of the Town's deposits with financial institutions was \$552,336.96 and the bank balance was \$574,601.30.

Note 5 - Subsequent Events

Events that occur after the statement of cash receipts and disbursements - governmental and business-type activities date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at September 30, 2019 are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after September 30, 2019 require disclosure in the accompanying notes. Management of Town of Lyon, Mississippi evaluated the activity of the Town through January 31, 2020 and determined that no subsequent events have occurred requiring disclosure in the notes to the financial statements.

**TOWN OF LYON, MISSISSIPPI
SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2019**

General FundAmountGeneral Revenue Funds - First NationalBank of Clarksdale

.80% Certificate of Deposit, #75182

Dated December 3, 2018, due December 3, 2019

287,466.51

Proprietary FundsWater System Fund - First NationalBank of Clarksdale

.80% Certificate of Deposit, #75184

Dated December 3, 2018, due December 3, 2019

30,991.91

.80% Certificate of Deposit, #75180

Dated December 3, 2018, due December 3, 2019

12,046.37

Sewer System Fund - First NationalBank of Clarksdale

.80% Certificate of Deposit, #75179

Dated December 3, 2018, due December 3, 2019

29,725.52

.80% Certificate of Deposit, #75183

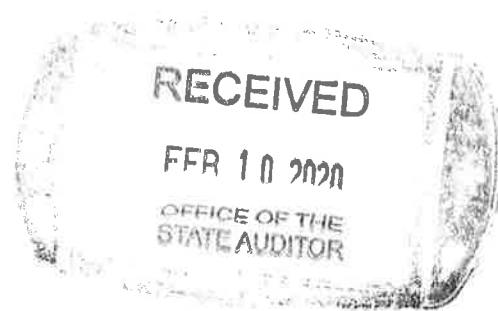
Dated December 3, 2018, due December 3, 2019

17,960.05

Total Investments

378,190.36

See independent accountants' compilation report.



TOWN OF LYON, MISSISSIPPI
 SCHEDULE OF LONG-TERM DEBT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

<u>Definition & Purpose</u>	<u>Balance Outstanding 10/1/18</u>	<u>Transactions During Fiscal Year</u>		<u>Balance Outstanding 9/30/19</u>
		<u>Issued</u>	<u>Redeemed</u>	
<u>Other Long-Term Debt</u>				
MS Dept. Environmental Quality	111,801.90		10,763.36	101,038.54
United States Department of Agriculture	<u>223,364.55</u>	<u> </u>	<u>8,463.09</u>	<u>214,901.46</u>
	<u><u>335,166.45</u></u>	<u><u>0.00</u></u>	<u><u>19,226.45</u></u>	<u><u>315,940.00</u></u>

See independent accountants' compilation report.

TOWN OF LYON, MISSISSIPPI
 SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS
 SEPTEMBER 30, 2019

<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, 2019, 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	77,914.80
First National Bank - Certificates of Deposit	General	<u>287,466.51</u>
<u>Total Governmental Activities</u>		<u>365,381.31</u>
First National Bank	Proprietary	96,231.80
First National Bank - Certificates of Deposit	Proprietary	<u>90,723.85</u>
<u>Total Proprietary</u>		<u>186,955.65</u>
<u>Total All Funds</u>		<u>552,336.96</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	22,647.86
Fire Protection Allocation	2,065.74
General Municipal Aid	174.54
Gasoline Tax	1,028.16
Homestead Exemption Reimbursement	7,804.61
Payments - Nuclear Plant	135.52
<u>Total</u>	<u>33,856.43</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	62
Total Dollar Value of Sample	\$24,967.50

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, 2019.

Ellis & Hirsberg CPAs PLLC

Ellis & Hirsberg, CPAs, PLLC
Clarksdale, Mississippi
January 31, 2020

**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, 2019, and have issued our report thereon dated January 31, 2020, 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

Ellis & Hirsberg, CPAs, PLLC
Clarksdale, Mississippi
January 31, 2020

