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Town of Lake, Mississippi

Independent Accountant's Report on Applying

Agreed-Upon Procedures

Year Ended September 30, 2020



CHANCE, GAY & CIEGLO

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

Governing Body
Town of Lake, Mississippi

We have applied certain agreed-upon procedures, as discussed below, to the accounting records of the Town of Lake, Mississippi, as of September 30, 2020, 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 Town of Lake, Mississippi and the Office of the State Auditor and should not be used for any other purposes. 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. Our procedures and findings are as follows:

1. We reconciled cash on deposit with the following bank balances in the respective general ledger accounts and obtained confirmation of the related balances from the bank:

<u>Bank</u>	<u>Fund</u>	<u>General Ledger Balance</u>
BankFirst	General Fund - Checking Account	\$14,868
BankFirst	General Fund - Checking Account	429,162
BankFirst	General Fund - Checking Account	931
BankFirst	General Fund - Certificate of Deposit	47,741
BankFirst	General Fund - Certificate of Deposit	<u>26,528</u>
	Total General Fund	<u>\$519,230</u>
BankFirst	Special Revenue Fund - Fire - Checking Account	\$45,195
BankFirst	Special Revenue Fund - Fire - Certificate of Deposit	26,046
BankFirst	Special Revenue Fund - Fire - Certificate of Deposit	20,387
BankFirst	Special Revenue Fund - Fire - Restricted	<u>4,107</u>
	Total Special Revenue Fund	<u>\$95,735</u>
BankFirst	Water and Sewer Fund - Checking Account	\$34,196
BankFirst	Water and Sewer Fund - Sewer Reserve - Certificate of Deposit	<u>55,292</u>
	Total Water and Sewer Fund	<u>\$89,488</u>
	TOTAL AVAILABLE FUNDS	<u>\$704,453</u>

2. The Town of Lake, Mississippi has no investments other than Certificates of Deposit which are included in Item 1 above.

3. We performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:

- a. Traced levies to governing body minutes,
- b. Traced distribution of taxes collected to proper funds; and
- c. Analyzed increase in taxes for most recent period for compliance 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, and uncollected taxes were to be properly handled by Scott and Newton Counties. The Town of Lake contracts with Scott County and Newton County, Mississippi for the collection of all property taxes. The Counties allocate tax collections as to real, personal, and motor vehicle, mobile home current and prior in their office's judgment and reports this information in monthly settlements to the Town of Lake. The Town of Lake total tax accounts were in agreement with the total taxes collected by Scott and Newton Counties.

Ad valorem tax collections were found to be within the limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972). The tax levy for the Town of Lake has been 18 mills since the 2012 tax levy year.

Ad valorem tax collections for the retirement of general obligation debt was found to be sufficient for payment of current principal and interest in accordance with limitations imposed by Sections 21-33-87 and 21-33-303, Miss. Code Ann. (1972). At September 30, 2020 there were no levies for general obligation debt and no general obligation debt of the Town of Lake.

4. We obtained a statement of payments made by the Mississippi Department of Finance and Administration to the town. 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>Receiving Fund</u>	<u>Amount</u>
Sales Tax Allocation & Cities Utilities Taxes	General Fund	\$298,609
Gasoline Tax	General Fund	992
General Municipal Aid	General Fund	162
Homestead Exemption Reimbursement	General Fund	3,151
TVA Payments in Lieu of Taxes	General Fund	7,253
Fire Protection Allocation	Special Revenue Fund	1,955
Other Aid	General Fund	12,089
Grantor Payments	General Fund	4,833
Total Payments		<u>\$329,044</u>

5. We sampled a selection of purchases made by the municipality during the fiscal year. Each selected purchase 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	<u>9</u>
(100% of transactions equal or greater than \$5,000)	
Dollar Value of Sample	<u>\$250,606</u>

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

6. We reviewed and verbally inquired the collection of fines and forfeitures and verified that the municipal court clerk had settled daily with the municipal clerk, the same individual holds both positions at the Town of Lake. We also reviewed the state-imposed court assessments collected and

determined that the municipal clerk had settled on an intermittent basis with the Department of Finance and Administration.

7. We have read the Municipal Compliance Questionnaire completed by the municipality. We found no response indicating instances of noncompliance other than not settling fines to the State of Mississippi monthly. It should be reported that the Town of Lake, Mississippi maintains no records for a Schedule of Capital Assets.

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 procedures 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 Lake, Mississippi, for the year ended September 30, 2020.

CJC, PLLC

Forest, Mississippi
November 19, 2020

PUBLIC NOTICE

The Town of Lake
hereby gives notice that its annual financial
report for the year ended September 30, 2020
has been completed.
Copies are available to the public at Town Hall.

Town of Lake
P O Box 39
100 Front Street
Lake, Mississippi

December 2, 2020

Office of the State Auditor
PO Box 956
Jackson, MS 39205

Re: Annual Municipal Report

Accompanying this letter are two copies of the annual compilation of the Town of Lake, Mississippi, for the fiscal year ended September 30, 2020. In connection with this compilation, a separate management letter was not written to the town in connection with the compilation report.

We are also providing two copies of the agreed-upon procedures report of the Town of Lake for the fiscal year ended September 30, 2020.

Sincerely,

Mayor Donald Simpson

Town of Lake, Mississippi

Compiled Financial Statements

Year Ended September 30, 2020



CHANCE, GAY & CIEGLO

Chance, Gay & Cieglo, PLLC
514-B Airport Road
Forest, MS 39074

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Governing Body
Town of Lake, Mississippi

The Governing Body is responsible for the accompanying financial statement of the Town of Lake, Mississippi, which comprise the Combined Statement of Cash Receipts and Disbursements – Governmental and Business-type Activities for the Fiscal Year Ended September 30, 2020 in accordance with the cash-basis of accounting 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 financial statement nor were we required to perform 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 this financial statement.

The financial statement 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 Governing Body has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the cash-basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the town's cash receipts and disbursements. Accordingly, this financial statement is not designed for those who are not informed about such matters.

The Governing Body has omitted the management's discussion and analysis information that is required to be presented for purposes of additional analysis. 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 has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and accordingly, we do not express an opinion or provide any assurance on such supplementary information.

In accordance with the provisions of §21-35-31, Miss. Code Ann. (1972), we have issued a separate report dated November 19, 2020 on the results of the Office of State Auditor of Mississippi agreed-upon procedures.

C&G, PLLC

Forest, Mississippi
November 19, 2020

Town of Lake, Mississippi
 Compilation Report - Regulatory Basis
 Combined Statement of Cash Receipts and Disbursements - Government and Business-type Activities
 For the Fiscal Year Ended September 30, 2020

	Governmental Activities			Business-type Activities	
	General	Special Revenue	TOTAL	Water and Sewer Fund	TOTAL
RECEIPTS					
Taxes:					
General Property Taxes - Including Penalties & Interest	\$ 167,587		\$ 167,587		
Licenses and Permits:					
Utility Franchise Charges	21,523		21,523		
Privilege Licenses and Permits	1,504		1,504		
Intergovernmental Receipts:					
State Shared Receipts					
General Municipal Aid	162		162		
Public Safety	4,833		4,833		
Homestead Exemption	3,151		3,151		
Sales Tax	297,972		297,972		
Road & Bridge Maintenance	24,594		24,594		
Fire Protection		2,349	2,349		
City Utilities Taxes	637		637		
Gasoline Taxes	992		992		
TVA Payments in Lieu of Taxes	7,253		7,253		
Fines	2,786		2,786		
Charges for Services:					
Water Utility				\$ 175,882	\$ 175,882
Other Receipts:					
Interest Income	148	75	223	110	110
Donations	25	500	525		
Insurance Claim	11,433		11,433		
Loan Proceeds				27,922	27,922
Transfers In				43,103	43,103
TOTAL RECEIPTS	\$ 544,600	\$ 2,924	\$ 547,524	\$ 247,017	\$ 247,017
 DISBURSEMENTS					
General Government	\$ 306,668		\$ 306,668		
Transfers Out	43,103		43,103		
Public Safety					
Police	79,247	13,071	92,318		
Fire					
Culture and Recreation	622		622		
Public Works	62,791		62,791		
Enterprise					
Water Utility				\$ 181,129	\$ 181,129
Other Disbursements:					
Debt Service				54,449	54,449
TOTAL DISBURSEMENTS	\$ 492,431	\$ 13,071	\$ 505,502	\$ 235,578	\$ 235,578
 EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	\$ 52,169	\$ (10,147)	\$ 42,022	\$ 11,439	\$ 11,439
FUND MISCLASSIFICATIONS AND BASIS OF ACCOUNTING CASH BASIS VS. ACCRUAL ADJUSTMENT QUICKBOOKS ACCRUALS					
CASH BASIS FUND BALANCE - BEGINNING	466,028	105,882	571,910	77,866	77,866
 CASH BASIS FUND BALANCE - ENDING	\$ 519,230	\$ 95,735	\$ 614,965	\$ 89,488	\$ 89,488

SEE ACCOUNTANTS' REPORT

**TOWN OF LAKE, MISSISSIPPI
NOTES TO COMPILATION REPORT
SEPTEMBER 30, 2020**

Note A: Summary of Significant Accounting Policies

General Information

The Town operated under the municipal form of government and provides services as authorized by law.

Reporting Entity

The financial statement of the Town consists of all the funds of the Town.

Fund Accounting

The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity.

Basis of Accounting

The financial statement is prepared on a cash receipts and disbursements basis, as prescribed the Office of the State Auditor. Consequently, certain revenues are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred.

Note B: Report Classifications

Receipts and disbursements were classified according to requirements for small towns in the State of Mississippi as prescribed by the Office of the State Auditor.

Note C: Contingent Liability – Litigation

There is no known contingent liability reported to the accountant by the Town.

Town of Lake, Mississippi
Supplementary Information
September 30, 2020

SCHEDULE OF INVESTMENTS

The Town of Lake has no investments. Certificates of Deposit are included in cash on deposit as cash and cash equivalents.

SCHEDULE OF LONG-TERM DEBT

Date of Issue; Definition & Purpose	Balance Outstanding 10/01/2018	Transactions During Fiscal Year Borrowed	Transactions During Fiscal Year Retired	Balance Outstanding 09/30/2020
08/2011 Water & Sewer Fund Revenue Bond USDA Hwy 80 Water & Sewer Project	<u>\$56,249</u>	-	<u>\$4,019</u>	<u>\$52,230</u>

SCHEDULE OF SURETY BONDS

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Bond Amount</u>
Donald Simpson	Mayor	MS Municipal Bond Program	\$ 25,000
Kimberly L. Gladney	Alderman	MS Municipal Bond Program	10,000
Paul F. Tadlock	Alderman	MS Municipal Bond Program	10,000
Rodney Street	Alderman	MS Municipal Bond Program	10,000
Chad Hillman	Alderman	MS Municipal Bond Program	10,000
Bobby Lockett	Alderman	MS Municipal Bond Program	10,000
Pamela Luke	Municipal Clerk	Travelers Insurance Co	10,000
Pamela Luke	Municipal Clerk	Travelers Insurance Co	50,000
Police Officers'	Police Officers'	Travelers Insurance Co	25,000



CHANCE, GAY & CIEGLO

Chance, Gay & Cieglo, PLLC
514-B Airport Road
Forest, MS 39074

REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

Governing Body
Town of Lake, Mississippi

We have compiled the accompanying Combined Statement of Cash Receipts and Disbursements – Governmental and Business-type Activities in accordance with the cash-basis of accounting, Schedule of Investments, Schedule of Long-term Debt and Schedule of Surety Bonds for Municipal Officials and Employees of the Town of Lake, Mississippi, for the year ended September 30, 2020, in accordance with the 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 generally accepted accounting principles in the United States of America.

We have performed procedures to test compliance with certain state laws and regulations as described in the Municipal Compliance Questionnaire that is prescribed by the Office of the State Auditor. Our procedures 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 Combined Statement of Cash Receipts and Disbursements – Governmental and Business-type Activities in accordance with the cash-basis of accounting, Schedule of Investments, Schedule of Long-term Debt and Schedule of Surety Bonds for Municipal Officials and Employees of the Town of Lake, Mississippi, for the year ended September 30, 2020, disclosed no instances of noncompliance with state laws and regulations.

This report is intended solely for the information and use of management 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.

C&G, PLLC

Forest, Mississippi
November 19, 2020