

OFFICE OF THE STATE AUDITOR REPORT NOTE:

Section 7-7-211, Mississippi Code Annotated (1972) gives the Office of the State Auditor the authority to audit, with the exception of municipalities, any governmental entity in the state. In the case of municipalities, *Section 21-35-31, Mississippi Code Annotated (1972)* requires municipalities to obtain an annual audit performed by a private CPA firm and submit that audit report to the Office of the State Auditor. The Office of the State Auditor files these audit reports for review in case questions arise related to the municipality.

As a result, the following document was not prepared by the Office of the State Auditor. Instead, it was prepared by a private CPA firm and submitted to the Office of the State Auditor. The document was placed on this web page as it was submitted and no review of the report was performed by the Office of the State Auditor prior to finalization of the report. The Office of the State Auditor assumes no responsibility for its content or for any errors located in the document. Any questions of accuracy or authenticity concerning this document should be submitted to the CPA firm that prepared the document. The name and address of the CPA firm appears in the document.

TOWN OF LENA, MISSISSIPPI

FINANCIAL STATEMENT AND SUPPLEMENTARY INFORMATION

SPECIAL REPORT ON AGREED-UPON PROCEDURES

For the Fiscal Year Ended September 30, 2024

C O N T E N T S

Financial Statements and Supplementary Information

Independent Accountants' Compilation Report	Page	1 - 2
Statement of Cash Receipts and Disbursements (All Fund Types)		3 - 4
Schedule of Surety Bonds for Town Officials		5

Special Report on Agreed-Upon Procedures

Independent Accountants' Special Report	6 – 8
---	-------

State Auditor Compliance

Report on Compliance with State Laws and Regulations	9
--	---

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

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, 2024, 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 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 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.

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.

Post Office Box 629
160 East Peace Street, Suite C
Canton, MS 39046-0629
Telephone (601) 859-3275
Telephone (601) 948-4694
Fax (601) 859-3260

Management has omitted the management's discussion and analysis and budgetary comparison information 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.

The supplementary information contained on page 5 is 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.

In accordance with the provisions of Section 21-35-31, Miss. Code Ann. (1972), we have issued a report dated December 17, 2024, on the results of our agreed-upon procedures.

Fillzey & Associates, P.A.

Canton, Mississippi
December 17, 2024

TOWN OF LENA, MISSISSIPPI

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - ALL FUND TYPES

SEE ACCOUNTANTS' COMPILATION REPORT

For the Fiscal Year Ended September 30, 2024

	<u>GOVERNMENTAL</u>
	<u>FUND</u>
	<u>General</u>
<u>RECEIPTS</u>	
General property taxes	\$ 19,486
Licenses and permits	272
Franchise taxes on utilities	7,718
Intergovernmental revenues:	
County assistance	18,758
State revenues:	
General municipal aid (from State)	78
HB603 grant	500,000
State shared revenues:	
Homestead exemption	1,245
Sales tax	23,950
Gasoline tax	471
Fire insurance premium tax distribution	6,901
Public safety	3,588
Modernization use tax	23,012
Fines	3,614
Interest income	16,786
Miscellaneous	<u>550</u>
 TOTAL RECEIPTS	 <u>\$ 626,429</u>

TOWN OF LENA, MISSISSIPPI

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - ALL FUND TYPES

SEE ACCOUNTANTS' COMPILATION REPORT

For the Fiscal Year Ended September 30, 2024

GOVERNMENTAL

FUND

General

OPERATING DISBURSEMENTS

General government (Executive & Financial)

Personnel	7,280
Professional fees	4,675
Administrative	3,021
Utilities and telephone	5,000
Insurance	7,830
Other	9,348
	<u>\$ 37,154</u>

Public Safety

Police

Personnel	\$ 3,986
Supplies and equipment	571
Court assessment fees	2,624
	<u>\$ 7,181</u>

Fire

Personnel	\$ 615
Insurance	8,026
Supplies and equipment	1,799
Maintenance and repairs	3,994
	<u>\$ 14,434</u>

Highways and streets

Lights and supplies	<u>\$ 8,614</u>
---------------------	-----------------

TOTAL OPERATING DISBURSEMENTS

\$ 67,383

OTHER DISBURSEMENTS

Capital outlay-general (infrastructure)	\$ 43,929
Capital outlay-ARPA funds	33,757
Capital outlay-HB603 grant	88,813
TOTAL OTHER DISBURSEMENTS	<u>\$ 166,499</u>

TOTAL CASH DISBURSEMENTS

\$ 233,882

EXCESS CASH RECEIPTS (DISBURSEMENTS)

\$ 392,547

CASH BALANCE - BEGINNING OF YEAR

269,940

CASH BALANCE - END OF YEAR

\$ 662,487

TOWN OF LENA, MISSISSIPPI

SUPPLEMENTARY SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS

SEE ACCOUNTANTS' COMPILATION REPORT

For the Fiscal Year Ended September 30, 2024

<u>NAME</u>	<u>POSITION</u>	<u>COMPANY</u>	<u>BOND</u>
Randy Jones	Mayor	Travelers Insurance	10,000
Antoinette Bond	City Clerk	Travelers Insurance	50,000
Steve Goodman	Police Chief	Travelers Insurance	-
Jeff Rhinewalt	Fire Chief	Travelers Insurance	10,000
John Lowry	Alderman	Travelers Insurance	10,000
Tammy Jones	Alderman	Travelers Insurance	10,000
Scott Bell	Alderman	Travelers Insurance	10,000
Trey Wilson	Alderman	Travelers Insurance	10,000
Jennifer Sherman	Alderman	Travelers Insurance	10,000

SPECIAL REPORT
ON AGREED – UPON PROCEDURES

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, 2024, 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>
Citizens National Bank	General-Fire Protection	\$ 4,172
Citizens National Bank	General	87,488
Citizens National Bank	Special Fire Protection	148,566
Citizens National Bank	Road Grant	<u>422,261</u>
Total General Fund		<u>\$662,487</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;

Post Office Box 629
160 East Peace Street, Suite C
Canton, MS 39046-0629
Telephone (601) 859-3275
Telephone (601) 948-4694
Fax (601) 859-3260

2. Traced distribution of taxes collected to proper funds; and
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. The town of Lena contracts with Leake County, Mississippi for the collection of all property taxes. The County allocates 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 Lena.

Ad valorem tax collections were found to be within the limitations of Sections 27-39-320 to 27-39-323 Mississippi 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>
Modernization Use Tax	General Fund	\$ 23,012
Public Safety	General Fund	3,588
Sales Tax Allocation	General Fund	23,950
Fire Protection	General Fund	6,901
General Municipal Fund	General Fund	78
Gasoline	General Fund	471
Homestead Exemption	General Fund	1,245
HB603 Grant	General Fund	<u>500,000</u>
		<u>\$ 559,245</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	14
------------------------	----

Total Dollar Value of Sample	<u>\$182,746</u>
------------------------------	------------------

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

- 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 had not settled court assessments monthly with the Department of Finance and Administration in every case.

- F. We have read the Municipal Compliance Questionnaire completed by the municipality. The following response to the questionnaire and our observation indicate noncompliance with state requirements:

Part I – Question 6. The Town had not obtained the required surety bond for the Chief of Police in accordance with Section 21-21-1.

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, 2024.

Flzey & Associates, P.A.

STATE AUDITOR COMPLIANCE

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, 2024, 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, 2024, disclosed instances of noncompliance with the state laws and regulations which are noted in items E and F 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.

Ellzey & Associates, P.A.

Canton, Mississippi
December 17, 2024

Post Office Box 629
160 East Peace Street, Suite C
Canton, MS 39046-0629
Telephone (601) 859-3275
Telephone (601) 948-4694
Fax (601) 859-3260