



The following document was not prepared by the Office of the State Auditor, but was prepared by and submitted to the Office of the State Auditor by a private CPA firm. The document was placed on this web page as it was submitted. 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 Lyon
Financial Statements
September 30, 2009

Ellis & Hirsberg
Certified Public Accountants, PLLC
Clarksdale, Mississippi

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

	<u>Page</u>
ACCOUNTANTS' COMPILATION REPORT	1
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES	2
SELECTED DISCLOSURES TO FINANCIAL STATEMENTS	6
Schedule of Investments	8
Schedule of Long-Term Debt	9
Schedule of Surety Bonds for Town Officials	10
Special Report on Agreed Upon Procedures For Small Municipalities (Towns)	11
Independent Auditors' Report on Compliance With State Laws and Regulations	14

ACCOUNTANTS' COMPILATION REPORT

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, 2009, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying Statement of Cash Receipts and Disbursements - Governmental and Business-type Activities and, accordingly, do not express an opinion or any other form of assurance on it.

The Town's policy is to prepare its financial statements on the basis of cash receipts and disbursements; consequently, certain revenue is recognized when received rather than when measurable and available, and certain expenditures are recognized when paid rather than when the obligation is incurred. Accordingly, the combined Statement of Cash Receipts and Disbursements - Governmental and Business-type Activities is not intended to present results of operations, in conformity with generally accepted accounting principles.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements. If the omitted disclosures were included, 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.

The supplementary information contained in Schedules 1, 2 and 3 is presented for purposes of additional analysis and has been compiled by us from information that is the representation of management of the Town of Lyon, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on such supplementary information.

Ellis & Hirsberg, CPAs

October 4, 2010

TOWN OF LYON, MISSISSIPPI
 STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
 GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
 FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Governmental Activities			Business-type Activities
	General Fund	Special Revenue Fund	Total	
<u>Revenue Receipts</u>				
Ad Valorem Taxes - Current	79,788.04		79,788.04	
Prior Ad Valorem Taxes, Penalties & Interest	23.00		23.00	
Franchise Tax - Utilities	13,372.97		13,372.97	
Privilege License	260.00		260.00	
Share of Gaming - Coahoma County	50,000.00		50,000.00	
Shared Taxes	556.72		556.72	
Intergovernmental Revenues:				
State Shared Revenues:				
Sales Tax	28,085.28		28,085.28	
Gasoline Tax	1,123.07		1,123.07	
Municipal Aid	217.88		217.88	
Fire Aid		2,208.77	2,208.77	
Grand Gulf	162.23		162.23	

TOWN OF LYON, MISSISSIPPI
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Governmental Activities			Business-type Activities
	General Fund	Special Revenue Fund	Total	
Homestead Exemption	5,385.32		5,385.32	
Charges for Service:				
Water Fees			0.00	69,904.01
Sewer Fees			0.00	38,161.50
Garbage Fees			0.00	13,284.81
Other Receipts:				
Rents	4,980.55		4,980.55	
Interest Earned	17,414.36		17,414.36	2,932.57
Miscellaneous - Law Enforcement	10,000.00		10,000.00	
Transfers - Proprietary Funds	9,391.00		9,391.00	13,702.92
<u>Total Receipts</u>	220,760.42	2,208.77	222,969.19	137,985.81
Cash: Beginning of Year	652,418.29		652,418.29	184,549.37
<u>Total Amount Accounted For</u>	<u>873,178.71</u>	<u>2,208.77</u>	<u>875,387.48</u>	<u>322,535.18</u>

TOWN OF LYON, MISSISSIPPI
 STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
 GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
 FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Governmental Activities		Total	Business-type Activities
	General Fund	Special Revenue Fund		
<u>Disbursements</u>				
Financial & Administrative				
Salaries & Wages	112,232.77		112,232.77	
Other Services & Charges	113,770.28		113,770.28	
Public Safety - Police				
Salaries & Wages	13,006.00		13,006.00	
Other Services & Charges	504.00		504.00	
Public Safety - Fire				
Other Services & Charges		2,208.77	2,208.77	
Water Department				
Salaries & Wages			0.00	5,195.00
Other Services & Charges			0.00	15,004.51

**TOWN OF LYON, MISSISSIPPI
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	Governmental Activities		Business-type Activities
	General Fund	Special Revenue Fund	
Sewer Department			
Salaries & Wages			3,600.00
Other Services & Charges			13,275.51
Sanitation			
Garbage Pickup			36,350.36
<u>Other</u>			
Loan Repayment			33,330.61
Capital Outlay	16,611.83		6,309.45
Transfers to General Fund			9,391.00
Transfer - Proprietary Fund	13,702.92		
	<u>269,827.80</u>	<u>2,208.77</u>	<u>122,456.44</u>
<u>Total Disbursements</u>			
Cash: End of Year	<u>603,350.91</u>	<u>603,350.91</u>	<u>200,078.74</u>
<u>Total Amount Accounted For</u>	<u>873,178.71</u>	<u>2,208.77</u>	<u>322,535.18</u>

See the accompanying notes to the financial statements

**TOWN OF LYON, MISSISSIPPI
SELECTED DISCLOSURES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

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, 2009

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 owner 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, 2009 was 36.5 mills.

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

Note 3 - Long-Term Debt

The Town has three 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 \$803,429.65 and the bank balance was \$815,630.84.

**TOWN OF LYON, MISSISSIPPI
SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2009**

<u>General Fund</u>	<u>Amount</u>
<u>General Revenue Funds - First National</u>	
<u>Bank of Clarksdale</u>	
2.30% Certificate of Deposit, #68506 Dated February 14, 2009, due February 14, 2010	500,000.00
 <u>Proprietary Funds</u>	
<u>Water System Fund - First National</u>	
<u>Bank of Clarksdale</u>	
2.30% Certificate of Deposit, #68509 Dated February 15, 2009, due February 14, 2010	29,148.83
2.30% Certificate of Deposit, #68507 Dated February 15, 2009, due February 14, 2010	11,330.00
 <u>Sewer System Fund - First National</u>	
<u>Bank of Clarksdale</u>	
2.30% Certificate of Deposit, #68508 Dated February 15, 2009, due February 14, 2010	27,957.68
2.30% Certificate of Deposit, #68505 Dated February 15, 2009, due February 14, 2010	<u>16,892.00</u>
 <u>Total Investments</u>	 <u><u>585,328.51</u></u>

See accountants' compilation report.

TOWN OF LYON, MISSISSIPPI
 SCHEDULE OF LONG-TERM DEBT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

<u>Definition & Purpose</u>	Balance Outstanding	Transactions During Fiscal Year		Balance Outstanding
	10/1/08	<u>Issued</u>	<u>Redeemed</u>	9/30/09
<u>Other Long-Term Debt</u>				
Capmark	46,283.79		9,027.74	37,256.05
MS Dept. Environmental Quality	202,800.00	60,981.21	13,702.92	250,078.29
United States Department of Agriculture	<u>288,112.48</u>		<u>10,599.95</u>	<u>277,512.53</u>
	<u>537,196.27</u>	<u>60,981.21</u>	<u>33,330.61</u>	<u>564,846.87</u>

See accountants' compilation report.

TOWN OF LYON, MISSISSIPPI
 SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS
 SEPTEMBER 30, 2009

<u>Name</u>	<u>Position</u>	<u>Company</u>	<u>Amount</u>
John R. Sawyer	Mayor	Fidelity & Deposit	25,000.00
Cathy Davis	Clerk	Fidelity & Deposit	50,000.00
Malcolm Ashcraft, Jr.	Alderman	Scott Municipal Ins.	10,000.00
Donald W. Sewell	Alderman	Scott Municipal Ins.	10,000.00
Amanda Kirk	Alderman	Scott Municipal Ins.	10,000.00
Lee Sturdivant	Alderman	Scott Municipal Ins.	10,000.00
G. Paul Tedford	Alderman	Scott Municipal Ins.	10,000.00
Larry Cook, Jr.	Maintenance Superintendent	Fidelity & Deposit	10,000.00
Raney Reese	North Delta Municipal Commissioner	Western Surety	10,000.00

See 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, 2009, and for the year then ended, as required by the Office of the State Auditors, 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 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>
First National Bank	General	103,350.91
First National Bank - Certificates of Deposit	General	<u>500,000.00</u>
<u>Total Governmental Activities</u>		<u>603,350.91</u>
First National Bank	Proprietary	114,750.23
First National Bank - Certificates of Deposit	Proprietary	<u>85,328.51</u>
<u>Total Proprietary</u>		<u>200,078.74</u>
<u>Total All Funds</u>		<u><u>803,429.65</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	28,085.28
Fire Protection Allocation	2,208.77
General Municipal Aid	217.88
Gasoline Tax	1,123.07
Homestead Exemption Reimbursement	5,385.32
Payments - Nuclear Plant	<u>162.23</u>
 <u>Total</u>	 <u><u>37,182.55</u></u>

4. We selected a sample of purposes 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:

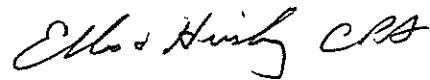
Number of Sample Items	26
Total Dollar Value of Sample	\$ 28,102.96

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, 2009.

ELLIS & HIRSBERG, CPA, PLLC

A handwritten signature in cursive script, appearing to read "Ellis & Hirsberg CPA".

October 4, 2010

**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, 2009, and have issued our report thereon dated October 4, 2010, 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.



October 4, 2010