TOWN OF TAYLORSVILLE, MISSISSIPPI

Audited Financial Statements

For Year Ended September 30, 2014

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CHARLES ROBERT PRINCE
CERTIFIED PUBLIC ACCOUNTANT

TOWN OF TAYLORSVILLE, MISSISSIPPI

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor Rosalyn Glenn and
Honorable Members of the Board of Aldermen
Town of Taylorsville, Mississippi

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Taylorsville, Mississippi, ("Town") as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements 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 opinions on these financial statements based on my audit. I 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, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, 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 statements 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 statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

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Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of September 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Budgetary Comparison Schedules and corresponding notes be presented to supplement the basic financial statements. Such 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Omission of Required Supplementary Information

The Town of Taylorsville, Mississippi, has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America required 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. Our opinion on the basic financial statements is not affected by this missing information.

Supplemental and Other Information

The Schedule of Surety Bonds for Town Officials has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, I do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated September 30, 2015, on my consideration of the Town's, internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

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September 30, 2015
Magee, Mississippi

TOWN OF TAYLORSVILLE, MISSISSIPPI

BASIC FINANCIAL STATEMENTS

Exhibit A

TOWN OF TAYLORSVILLE, MISSISSIPPI
Statement of Net Position
September 30, 2014

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 572,052	185,446	757,498
Property tax receivable	225,000		225,000
Accounts receivable (Net of allowance for uncollectibles - Note 6)		88,016	88,016
Intergovernmental receivables	31,301	99,721	131,022
Restricted assets:			
Cash and cash equivalents		72,636	72,636
Capital assets:			
Land and construction in progress	419,806	11,125	430,931
Other capital assets (Net of depreciation - Note 7)	2,662,932	2,417,610	5,080,542
Total Assets	3,911,091	2,874,554	6,785,645
LIABILITIES			
Accounts payable	17,182	20,729	37,911
Accounts payable - Water	99,721		99,721
Payable from restricted assets:			
Customer deposits		38,517	38,517
Long-term liabilities:			
Due within one year:			
Capital debt	28,631	123,815	152,446
Due in more than one year:			
Capital debt	15,925	230,201	246,126
Total Liabilities	161,459	413,262	574,721
DEFERRED INFLOWS OF RESOURCES			
Property tax for future reporting period	225,000		225,000
Total Deferred Inflows of Resources	225,000	0	225,000
NET POSITION			
Invested in capital assets, net of related debt	3,038,180	2,074,719	5,112,899
Restricted:			
Expendable:			
Debt service	1,453		1,453
Public safety	3,021		3,021
Public works		386,573	386,573
Unrestricted	481,978		481,978
Total Net Position	$ 3,524,632	2,461,292	5,985,924

The notes to financial statements are an integral part of this statement.

TOWN OF TAYLORSVILLE, MISSISSIPPI
Statement of Activities
For the Year Ended September 30, 2014

Exhibit B

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Total
Primary government:							
Governmental Activities:							
General government	$ 411,334	16,190	11,792		(383,352)		(383,352)
Public safety	499,306		23,355		(475,951)		(475,951)
Highways and streets	266,639				(266,639)		(266,639)
Sanitation	91,923				(91,923)		(91,923)
Cultural and recreational	57,288				(57,288)		(57,288)
Economic Development	6,267				(6,267)		(6,267)
Interest on long-term debt	1,766				(1,766)		(1,766)
Total Governmental Activities	1,334,523	16,190	35,147	0	(1,283,186)	0	(1,283,186)
Business-type Activities:							
Water and sewer	528,060	851,168	0	0	0	323,108	323,108
Total Primary Government	$ 1,862,583	867,358	35,147	0	(1,283,186)	323,108	(960,078)
General revenues:							
Property tax					$ 338,814		338,814
Sales tax					308,595		308,595
Franchise tax					67,723		67,723
Licenses and permits					8,525		8,525
Grants and contributions not restricted to specific programs					33,212		33,212
Unrestricted interest income					942	304	1,246
Miscellaneous revenue					178,538	2,003	180,541
Transfers					353,573	(353,573)	
Total General Revenues and Transfers					1,289,922	(351,266)	938,656
Changes in Net Position					6,736	(28,158)	(21,422)
Net Position - Beginning					3,517,896	2,489,450	6,007,346
Net Position - Ending					$ 3,524,632	2,461,292	5,985,924

The notes to financial statements are an integral part of this statement.

TOWN OF TAYLORSVILLE, MISSISSIPPI
Balance Sheet - Governmental Funds
September 30, 2014

Exhibit C

		Major Funds		
		General Fund	A & B Components Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$	570,599	1,453	572,052
Property taxes receivable		225,000		225,000
Intergovernmental receivables		31,301		31,301
Total Assets	$	826,900	1,453	828,353
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	$	17,182		17,182
Accounts payable - Water Fund		99,721		99,721
Total Liabilities		116,903	0	116,903
Deferred Inflows of Resources				
Property tax for future reporting period		225,000		225,000
Total Deferred Inflows of Resources		225,000	0	225,000
Fund Balances:				
Restricted for:				
Debt service			1,453	1,453
Public safety		3,021		3,021
Unassigned		481,976		481,976
Total Fund Balances		484,997	1,453	486,450
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$	826,900	1,453	828,353

The notes to financial statements are an integral part of this statement.

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TOWN OF TAYLORSVILLE, MISSISSIPPI

Exhibit C-1

Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
September 30, 2014

	Amount
Total Fund Balance - Governmental Funds	$ 486,450
Amounts reported for governmental services in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of $1,442,513.	3,082,738
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(44,556)
Total Net Position - Governmental Activities	$ 3,524,632

The notes to the financial statements are an integral part of this statement.

TOWN OF TAYLORSVILLE, MISSISSIPPI

Exhibit D

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds

For the Year Ended September 30, 2014

	Major Funds		
	General Fund	A & B Components Fund	Total Governmental Funds
REVENUES			
Property tax	$ 338,814		338,814
Sales tax	308,595		308,595
Franchise tax	67,723		67,723
Licenses and permits	8,525		8,525
Fines and forfeitures	16,190		16,190
Intergovernmental revenues	68,359		68,359
Interest income	939	3	942
Miscellaneous revenue	148,323	29,904	178,227
Total Revenues	957,468	29,907	987,375
EXPENDITURES			
Current:			
General government	413,271		413,271
Public safety	486,731		486,731
Highway and streets	254,077		254,077
Sanitation	91,923		91,923
Culture and recreation	45,561		45,561
Debt service:			
Principal	73,323	28,892	102,215
Interest	2,027	1,037	3,064
Total Expenditures	1,366,913	29,929	1,396,842
Excess of Revenues over (under) Expenditures	(409,445)	(22)	(409,467)
OTHER FINANCING SOURCES (USES)			
Sale of personal property	810		810
Proceeds of long term-debt	26,996		26,996
Transfers in	368,021		368,021
Transfers out	(14,448)		(14,448)
Total Other Financing Sources and Uses	381,379	0	381,379
Net Changes in Fund Balances	(28,066)	(22)	(28,088)
Fund Balances - Beginning	513,064	1,475	514,539
Fund Balances - Ending	$ 484,998	1,453	486,451

The notes to financial statements are an integral part of this statement.

TOWN OF TAYLORSVILLE, MISSISSIPPI

Exhibit D-1

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2014

		Amount
Net Changes in Fund Balances - Governmental Funds	$	(28,088)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Thus, the change in net assets differs from the change in fund balances by the amount that depreciation of $100,736 exceeded capital outlay of $59,543 in the current period.		(41,193)
In the Statement of Activities, only gains and losses from the sale of capital assets are reported, whereas in the Governmental Funds, proceeds from the sale of capital assets increase financial resources. Thus, the change in net position differs from the change in fund balances by the amount of the net gain of $310 and the proceeds from the sale of $810 in the current period.		(500)
Debt proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. Thus, the change in net assets differs from the change in fund balances by the amount of debt incurred of $26,996 and repayments of $102,215.		75,219
Under the modified accrual basis of accounting used in the Governmental Funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However, in the Statement of Activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is recognized under the modified accrual basis of accounting when due, rather than as it accrues. Thus, the change in net assets differs from the change in fund balances by the decrease in accrued interest payable.		1,298
Change in Net Assets of Governmental Activities	$	6,736

The notes to financial statements are an integral part of this statement.

TOWN OF TAYLORSVILLE, MISSISSIPPI
Statement of Net Position - Proprietary Fund
September 30, 2014

Exhibit E

	Business-type Activities - Enterprise Fund Water and Sewer Fund
ASSETS	
Current Assets:	
Cash and cash equivalents	$ 185,446
Accounts receivable (Net of allowance for uncollectibles – Note 6)	88,016
Intergovernmental receivables	99,721
Total Current Assets	373,183
Noncurrent Assets:	
Restricted assets:	
Cash and cash equivalents	72,636
Capital assets:	
Land	11,125
Other capital assets (Net of depreciation - Note 7)	2,417,610
Total Noncurrent Assets	2,501,371
Total Assets	2,874,554
LIABILITIES	
Current Liabilities:	
Accounts payable	20,729
Payable from restricted assets:	
Customer deposits	38,517
Long-term liabilities:	
Due within one year:	
Capital debt	123,815
Due in more than one year:	
Capital debt	230,201
Total Liabilities	413,262
NET POSITION	
Invested in capital assets, net of related debt	2,074,719
Restricted:	
Expendable for:	
Public works	386,573
Total Net Position	$ 2,461,292

The notes to financial statements are an integral part of this statement.

TOWN OF TAYLORSVILLE, MISSISSIPPI

Exhibit F

Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Fund
September 30, 2014

	Business-type Activities - Enterprise Fund
	Water and Sewer Fund
Operating Revenues:	
Charges for services	$ 851,168
Miscellaneous revenue	2,003
Total Operating Revenues	853,171
Operating Expenses:	
Utilities	93,725
Contractual services, materials and supplies	126,045
Other services and charges	123,129
Depreciation	174,184
Total Operating Expenses	517,083
Net Income/(Loss) From Operations	336,088
Nonoperating Revenues/(Expenses):	
Interest income	304
Interest expense	(10,977)
Net Nonoperating Revenues/(Expenses)	(10,673)
Net Income/(Loss) Before Transfers	325,415
Transfers in	14,448
Transfers out	(368,021)
Changes in Net Position	(28,158)
Net Position - Beginning	2,489,450
Net Position - Ending	$ 2,461,292

The notes to financial statements are an integral part of this statement.

TOWN OF TAYLORSVILLE, MISSISSIPPI
Statement of Cash Flows - Proprietary Fund
September 30, 2014

Exhibit G

		Business-type Activities - Enterprise Fund
		Water and Sewer Fund
Cash Flows From Operating Activities:		
Cash received from customers and users	$	808,120
Other operating cash receipts		2,003
Cash payments to suppliers for goods and services		(305,959)
Net Cash Provided/(Used) by Operating Activities		504,164
Cash Flows From Noncapital and Related Financing Activities:		
Cash received from other funds:		
Transfers in		14,448
Cash paid to other funds:		
Transfers out		(368,021)
Net Cash Provided/(Used) by Noncapital and Related Financing Activities		(353,573)
Cash Flows From Capital and Related Financing Activities:		
Intergovernmental receivables		
Proceeds from long-term capital debt		65,870
Acquisition and construction of capital assets		(65,870)
Principal paid on long-term debt		(73,830)
Interest paid on debt		(10,977)
Net Cash Provided/(Used) by Capital and Related Financing Activities		(84,807)
Cash Flows From Investing Activities:		
Interest income		304
Net Cash Provided/(Used) by Investing Activities		304
Net Increase/(Decrease) in Cash and Cash Equivalents		66,088
Cash and Cash Equivalents at Beginning of Year		191,994
Cash and Cash Equivalents at End of Year	$	258,082
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:		
Operating income (loss)	$	336,088
Adjustments to reconcile operating income/(loss) to net cash provided (used) by operating activities:		
Depreciation expense		174,184
Changes in assets and liabilities:		
(Increase) decrease in accounts receivables		(12,184)
Increase (decrease) in accounts payable		2,470
Increase (decrease) in customer deposits		3,606
Total Adjustments		168,076
Net Cash Provided/(Used) by Operating Activities	$	504,164
Cash and Cash Equivalents Reconciliation:		
Current assets - cash and cash equivalents	$	185,446
Restricted assets - cash and cash equivalents		72,636
Cash and Cash Equivalents at September 30, 2014	$	258,082

The notes to financial statements are an integral part of this statement.

TOWN OF TAYLORSVILLE, MISSISSIPPI
Statement of Fiduciary Assets and Liabilities
September 30, 2014

Exhibit H

		Agency Funds
ASSETS		
Cash	$	32,451
Total Assets	$	32,451
LIABILITIES		
Amounts held in custody for others	$	32,451
Total Liabilities	$	32,451

The notes to financial statements are an integral part of this statement.

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(1) Summary of Significant Accounting Policies.

A. Introduction.

The Town of Taylorsville, Mississippi ("Town") was incorporated in 1900. The Town operates under a Mayor-Aldermen form of government and provides the following services as authorized by its charter: Public Safety (Police and Volunteer Fire Protection), Highway and Streets, Sanitation, Culture-Recreation, Public Improvements, Planning and Zoning, and General Administrative Services.

The accounting and reporting framework and the more significant accounting principles and practices of the Town are discussed in subsequent sections of this Note. The remainder of the Notes is organized to provide explanation, including required disclosures, of the Town's financial activities for the fiscal year ended September 30, 2014.

B. Financial Statements.

Government-wide Statements:

Government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements report information for the Town as a whole, excluding fiduciary activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and the Town's general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The Statement of Activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, fines and forfeitures, and other charges to users of the Town's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements:

Fund financial statements of the Town are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues and expenditures/expenses. Funds are organized into governmental, proprietary and fiduciary. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation.

The financial statements of the Town are prepared in accordance with generally accepted accounting principles (GAAP). The Town's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements, applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements. The Town's reporting entity does not apply FASB pronouncements or APB opinions issued after November 30, 1989.

The government-wide and proprietary funds financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year for which they are levied. Shared revenues are recognized when the provider government recognizes the liability to the Town. Grants are recognized as revenues as soon as all eligibility requirements have been satisfied.

The revenues and expenses of proprietary funds are classified as operating and nonoperating. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's primary operations. All other revenues and expenses are reported as nonoperating.

Governmental financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period when they are both measurable and available. Available means collected within the current period or soon enough thereafter to pay current liabilities. The Town considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Measurable means knowing or being able to reasonably estimate the amount. Expenditures are recognized in the accounting period when the related fund liabilities are incurred. Debt service expenditures and expenditures related to claims and judgments are recognized only when payment is due.

Major revenue sources susceptible to accrual include: sales taxes, property taxes, franchise fee, intergovernmental revenue, charges for garbage and utility services, fines and forfeitures, and investment earnings. In general, other revenues are recognized when cash is received.

The Town reports the following major Governmental Funds:

General Fund - This fund is the primary operating fund of the Town. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

A and B Components Fund - This fund is used to account for rental income and debt payments related to the A and B Components Building.

The Town reports the following major Proprietary Fund:

Water and Sewer Fund - This fund is used to account for the provisions of water and sewer services to customers within the service area.

Additionally, the Town reports the following fund type:

FIDUCIARY FUND TYPE

Agency Funds - Agency Funds are used to report resources held by the Town in a purely custodial capacity (assets equal liabilities) and do not involve measurement of results of operations.

D. Account Classifications.

The account classifications used in the financial statements conform to the broad classifications recommended in *Governmental Accounting, Auditing and Financial Reporting* as issued in 2012 by the Government Finance Officers Association.

E. Cash and Investments.

The Town's cash and cash equivalents are considered to be cash on hand or invested in certificates of deposit, which are short-term highly liquid investments that are readily convertible to cash. All cash deposits are reported at carrying amount (cost) which reasonably estimates fair market value.

State law authorizes the Town to invest in interest bearing time certificates of deposit with depositories and in obligations of the U.S. Treasury, State of Mississippi, or any county, municipality or school district of this state.

F. Receivables.

Receivables are reported net of allowances for uncollectible accounts, where applicable.

G. Capital Assets.

Capital acquisition and construction are reflected as expenditures in governmental fund statements and the related assets are reported as capital assets in the applicable governmental or business-type activities column in the government-wide financial statements. The Town's property, plant, equipment and infrastructure purchased or acquired are recorded at historical cost or estimated historical cost. Donated assets are recorded at fair value on the date donated. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized.

Governmental accounting and financial reporting standards allow governments meeting certain criteria to elect not to report major general infrastructure assets retroactively. Therefore, infrastructure acquired prior to October 1, 2002, has not been recorded, unless the value was already included in the Town's inventory of capital assets.

Capital assets are depreciated using the straight-line method. When capital assets are disposed of, the cost and applicable depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Interest expenditures are not capitalized on capital assets. Estimated useful lives, in years, for depreciable assets are as follows:

	Estimated Useful Life
Land	N/A
Infrastructure	20-50 years
Buildings	40 years
Mobile equipment	5-10 years
Furniture and equipment	3-7 years
Leased property under capital leases	*

* Leased property capitalization policy will correspond with the time for the asset classification, as listed above.

H. Long-term Liabilities.

Long-term liabilities are the unmatured principal of bonds, loans, notes or other forms of noncurrent or long-term general obligation indebtedness. Long-term liabilities are not limited to liabilities from debt issuances, but may also include liabilities on lease-purchase agreements and other commitments.

In the government-wide financial statements and in the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities. The governmental fund financial statements recognize the proceeds of debt as other financing resources of the current period.

I. Equity Classifications.

Government-wide Financial Statements:

Equity is classified as Net Position and displayed in three components:

Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings attributable to the acquisition, construction or improvement of those assets.

Restricted net position - Consists of net assets with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or law through constitutional provisions or enabling legislation.

Unrestricted net position - All other net assets not meeting the definition of "restricted" or "invested in capital assets, net of related debt."

Net Position Flow Assumption:

When an expense is incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) resources are available, it is the county's general policy to use restricted resources first. When expenses are incurred for purposes for which unrestricted (committed and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the county's general policy to spend committed resources first, followed by assigned amounts, and then unassigned amounts.

Fund Financial Statements:

Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Governmental fund balance is classified as nonspendable, restricted, committed, assigned or unassigned. The following are descriptions of fund classifications used by the Town:

Restricted fund balance includes amounts that have constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.

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Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other Governmental Funds if expenditures incurred for specific purposes exceeded the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

Fund Balance Flow Assumption:

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) resources are available, it is the Town's general policy to use restricted resources first. When expenditures are incurred for purposes for which unrestricted (committed, assigned and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the Town's general policy to spend committed resources first, followed by assigned amounts, and then unassigned amounts.

J. Property Tax Revenues.

State statutes exist under which the Board of Aldermen may levy property taxes. The selection of authorities is made based on the objectives and responsibilities of the Town. Restrictions associated with property tax levies vary with the statutory authority. The amount of increase in certain property taxes is limited by state law. Generally, this restriction provides that these tax levies shall produce no more than 110% of the amount which resulted from the assessments of the previous year.

The Board of Aldermen, each year at a meeting in September, levies property taxes for the ensuing fiscal year which begins on October 1. Real property taxes become a lien on January 1 of the current year, and personal property taxes become a lien on March 1 of the current year. Taxes on both real and personal property, however, are due on or before February 1 of the next succeeding year. Taxes on motor vehicles and mobile homes become a lien and are due in the month that coincides with the month of original purchase.

Accounting principles generally accepted in the United States of America require property taxes to be recognized at the levy date if measurable and available. All property taxes are recognized as revenue in the year for which they are levied. Motor vehicle and mobile home taxes do not meet the measurability and collectability criteria for property tax recognition because the lien and due date cannot be established until the date of original purchase occurs.

Smith County bills and collects the Town's property taxes, including automobile ad valorem. Tax revenue is remitted to the Town monthly.

K. Intergovernmental Revenues in Governmental Funds.

Intergovernmental revenues, consisting of grants, entitlements and shared revenues, are usually recorded in Governmental Funds when measurable and available. However, the "available" criterion applies for certain federal grants and shared revenues when the expenditure is made because expenditure is the prime factor for determining eligibility. Similarly, if cost sharing or matching requirements exist, revenue recognition depends on compliance with these requirements.

(2) Change in Accounting Standard.

The Town implemented the following standards issued by the Governmental Accounting Standards Board (GASB) in the current fiscal year as required: GASB Statement 65, *Items Previously Reported as Assets and Liabilities;* GASB Statement 66, *Technical Corretions-2012-an amendment of GASB Statements No. 10 and No. 62.* The provisions of these standards have been incorporated into the financial statements and notes.

(3) Deposits and Investments.

The carrying amount of the Town's total deposits, which include cash accounts and certificates of deposits, with financial institutions at September 30, 2014, was $862,585, and the bank balance was $909,848. The collateral for public entities' deposits in financial institutions is 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.

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of the failure of a financial institution, the Town will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Town does not have a formal policy for custodial credit risk. However, the Mississippi State Treasurer manages that risk on behalf of the Town. Deposits above FDIC coverage are collateralized by the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on behalf of the Town. As of September 30, 2014, none of the Town's bank balance of $909,848 was exposed to custodial credit risk.

Credit Risk - State law limits investments to those prescribed in Sections 27-105-33(d) and 27-105-33(e), Miss. Code Ann. (1972). The Town does not have a formal investment policy that would further limit its investment choices or one that addresses credit risk.

Concentration of Credit Risk - Disclosure of investments by amount and issuer for any issuer that represents five percent or more of the total investments is required. This requirement does not apply to investments issued or explicitly guaranteed by the U.S. government, investments in mutual funds and external investment pools, and other pooled investments. As of September 30, 2014, the Town had no investments other than certificates of deposits.

(4) Interfund Transactions and Balances.

The following is a summary of interfund balances at September 30, 2014:

Transfers In/Out:

Transfer In	Transfer Out	Amount
General	Water and Sewer	$ 368,021
Water and Sewer	General	14,448
Total		$ 382,469

The principal purposes of interfund transfers were to reimburse debt payments, and water and sewer employee salaries and fringe benefits.

(5) Intergovernmental Receivables.

Intergovernmental receivables at September 30, 2014, consisted of the following:

Description	Amount
Governmental Activities:	
Sales tax	$ 26,480
Smith County Tax Collector	4,821
Total Governmental Activities	$ 31,301
Business-type Activities:	
Water Project	$ 99,721
Total Business-type Activities	$ 99,721

(6) Accounts Receivable and Uncollectible Accounts.

Business-type Activities:

Significant receivables include amounts due from customers primarily for utility services. Certain enterprise funds report accounts receivable net of an allowance for uncollectible accounts and revenues net of uncollectibles. The allowance amount is estimated using accounts receivable past due more than 60 to 90 days. Related amounts are shown in the following table:

		Water and Sewer Fund
Accounts receivable	$	107,278
Less: allowance for uncollectible accounts		(19,262)
Net accounts receivable	$	88,016
Uncollectible amounts netted with revenues	$	19,262

(7) Capital Assets.

The following is a summary of capital assets activity:

		Balance Oct. 1, 2013	Additions	Deletions	Adjustments	Balance Sept. 30, 2014
Governmental activities:						
Non-depreciable capital assets:						
Land	$	404,806				404,806
Construction in progress			15,000			15,000
Total non-depreciable capital assets		404,806	15,000	0	0	419,806
Depreciable capital assets:						
Buildings and improvements		2,204,467				2,204,467
Machinery and equipment		584,376	7,500	5,000		586,876
Other furniture and equipment		94,684	10,047			104,731
Leased property under capital leases		24,977	26,996			51,973
Infrastructure		1,157,398				1,157,398
Total depreciable capital assets		4,065,902	44,543	5,000	0	4,105,445

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	Balance Oct. 1, 2013	Additions	Deletions	Adjustments	Balance Sept. 30, 2014
Less accumulated depreciation for:					
Buildings and improvements	585,076	43,172			628,248
Machinery and equipment	438,729	22,637	4,500		456,866
Other furniture and equipment	65,974	7,882			73,856
Leased property under capital leases	6,744	4,496			11,240
Infrastructure	249,753	22,550			272,303
Total accumulated depreciation	1,346,276	100,737	4,500	0	1,442,513
Total depreciable capital assets, net	2,719,626	(56,194)	500	0	2,662,932
Governmental activities capital assets, net	$ 3,124,432	(41,194)	500	0	3,082,738

Business-type activities:	Balance Oct. 1, 2013	Additions	Deletions	Adjustments	Balance Sept. 30, 2014
Non-depreciable capital assets:					
Land	$ 11,125				11,125
Total non-depreciable capital assets	11,125	0	0	0	11,125
Depreciable capital assets:					
Water and sewer lines facilities	4,004,095				4,004,095
Machinery and equipment	621,800				621,800
Leased property under capital leases	19,732	65,870			85,602
Total depreciable capital assets	4,645,627	65,870	0	0	4,711,497
Less accumulated depreciation for:					
Water and sewer lines facilities	1,659,823	137,734			1,797,557
Machinery and equipment	455,736	32,402			488,138
Leased property under capital leases	4,144	4,048			8,192
Total accumulated depreciation	2,119,703	174,184	0	0	2,293,887
Total depreciable capital assets, net	2,525,924	(108,314)	0	0	2,417,610
Business-type activities capital assets, net	$ 2,537,049	(108,314)	0	0	2,428,735

Depreciation expense was charged to the following functions:

		Amount
Governmental Activities:		
General government	$	13,063
Public safety		39,571
Highway and streets		20,062
Culture and recreation		21,774
Economic development		6,267
Total Governmental Activities depreciation expense	$	100,737
Business-type Activities:		
Water and sewer	$	174,184

(8) Claims and Judgments.

Risk Management:

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town carries commercial insurance for these risks. Settled claims resulting from these insured risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(9) Capital Leases.

As Lessee:

The Town is obligated for the following capital assets acquired through capital leases as of September 30, 2014:

Classes of Property		Amount
Governmental Activities:		
Mobile equipment	$	51,973
Less: Accumulated depreciation		11,240
Leased Property Under Capital Leases	$	40,733
Business-type Activities:		
Mobile equipment	$	85,602
Less: Accumulated depreciation		8,192
Leased Property Under Capital Leases	$	77,410

The following is a schedule by years of the total payments due as of September 30, 2014:

Year Ending September 30	Governmental Activities Principal	Governmental Activities Interest	Business-type Activities Principal	Business-type Activities Interest
2015	$ 19,767	487	64,252	2,026
2016	15,925	154	2,647	26
Total	$ 35,692	641	66,899	2,052

(10) Long-term Debt.

Debt outstanding as of September 30, 2014, consisted of the following:

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
Governmental Activities:			
A. Loans:			
CAP Loan - Industrial site expansion	$ 8,864	4.00%	01/01/2016
Total Loans	$ 8,864		
B. Capital Leases:			
2012 Chevrolet Tahoe	$ 8,696	2.00%	01/17/2016
2014 Dodge Charger	26,996	1.75%	05/01/2016
Total Capital Leases	$ 35,692		
Business-type Activities:			
A. Loans:			
CAP Loan - Sewer improvements	$ 29,623	3.00%	01/01/2016
CAP Loan - Sewer improvements	119,426	3.00%	06/01/2021
CAP Loan - Water improvements	22,619	3.00%	08/01/2022
MS Department of Environmental Quality Revolving Loan - Sewer improvements	115,449	2.00%	10/27/2025
Total Loans	$ 287,117		
B. Capital Leases:			
2012 Chevrolet C 2500 truck	$ 7,681	2.00%	03/21/2016
Tractor	59,218	1.68%	05/01/2016
Total Capital Leases	$ 66,899		

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Annual debt service requirements to maturity for the following debt reported in the Statement of Net Assets are as follows:

	Governmental Activities		Business-type Activities	
	Loans		Loans	
Year Ending September 30	Principal	Interest	Principal	Interest
2015	$ 8,864	937	59,563	8,027
2016			30,756	5,713
2017			31,593	4,875
2018			32,454	4,014
2019			33,339	3,129
2020-2024			86,964	5,245
2025-2029			12,448	144
Total	$ 8,864	937	287,117	31,147

Legal Debt Margin - The amount of debt, excluding specific exempted debt that can be incurred by the town is limited by state statute. Total outstanding debt during a year can be no greater than 15% of assessed value of the taxable property within the town, according to the then last completed assessment for taxation. However, the limitation is increased to 20% whenever a town issues bonds to repair or replace washed out or collapsed bridges on the public roads of the town. As of September 30, 2014, the amount of outstanding debt was less than one percent of the latest property assessment.

The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2014:

	Balance Oct. 1, 2013	Additions	Reductions	Balance Sept. 30, 2014	Amount due within one year
Governmental Activities:					
Loans	$ 104,954		96,090	8,864	8,864
Capital leases	14,821	26,996	6,125	35,692	19,767
Total	$ 119,775	26,996	102,215	44,556	28,631
Business-type Activities:					
Loans	$ 349,466		62,349	287,117	59,563
Capital leases	12,510	65,870	11,481	66,899	64,252
Total	$ 361,976	65,870	73,830	354,016	123,815

(11) Contingencies.

Federal Grants - The Town has received federal grants for specific purposes that are subject to audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a grantor audit may become a liability of the Town. Accordingly, no provision for any liability that may result has been recognized in the Town's financial statements.

Litigation - The Town of Taylorsville, Mississippi, is not a defendant in any lawsuits at this time.

(12) Defined Benefit Pension Plan.

Plan Description. The Town of Taylorsville, Mississippi, contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing, multiple-employer, defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Benefit provisions are established by state law and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to Public Employees' Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling 1-800-444-PERS.

Funding Policy. At September 30, 2014, PERS members were required to contribute 9% of their annual covered salary, and the Town was required to contribute at an actuarially determined rate. The rate at September 30, 2014, was 15.75% of annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The Town's contributions (employer share only) to PERS for the years ending September 30, 2014, 2013 and 2012 were $86,811, $85,320 and $74,151, respectively, equal to the required contributions for each year.

(13) Subsequent Events.

Events that occur after the Statement of Net Position 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 the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. The management of the Town of Taylorsville evaluated the activity of the town through September 30, 2015, the date the financial statements were available to be issued, and determined that the following subsequent event has occurred requiring disclosure in the notes to the financial statements:

> The Town entered into a SLRF loan agreement for up to $1,042,000 at 1.975% to be used for water and sewer repairs.

TOWN OF TAYLORSVILLE, MISSISSIPPI

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF TAYLORSVILLE, MISSISSIPPI
Budgetary Comparison Schedule -
Budget and Actual (Non-GAAP Basis)
General Fund
For the Year Ended September 30, 2014

		Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES					
Property taxes	$	290,290	365,801	365,801	
Sales tax		331,000	293,288	293,288	
Licenses, commissions and other revenue		62,220	76,248	76,248	
Intergovernmental revenues		81,727	22,728	22,728	
Fines and forfeitures		30,000	16,000	16,000	
Interest income		200	286	286	
Miscellaneous revenues		347,400	165,327	165,327	
Total Revenues		1,142,837	939,678	939,678	0
EXPENDITURES					
Current:					
General government		681,579	592,904	592,904	
Public safety		430,061	397,595	397,595	
Public works		328,868	305,529	305,529	
Culture and recreation		70,350	45,561	45,561	
Total Expenditures		1,510,858	1,341,589	1,341,589	0
Excess of Revenues over (under) Expenditures		(368,021)	(401,911)	(401,911)	0
OTHER FINANCING SOURCES (USES)					
Other financing sources		368,021	368,021	368,021	
Total Other Financing Sources and Uses		368,021	368,021	368,021	0
Net Change in Fund Balance		0	(33,890)	(33,890)	0
Fund Balances - Beginning		546,814	515,437	515,437	0
Fund Balances - Ending	$	546,814	481,547	481,547	0

The accompanying notes to the Required Supplementary Information are an integral part of this schedule.

A. Budgetary Information.

The Town Clerk submits an annual budget to the Board of Aldermen on or before the last Tuesday of August in accordance with the State of Mississippi's statutory requirements. The budget is presented to the Board of Aldermen for review, and public hearings are held to address priorities and the allocation of resources. In September, the Board of Aldermen adopts the annual fiscal year budget for Board of Aldermen operating funds.

B. Basis of Budgeting.

The Town's budget is prepared principally on the cash basis of accounting. All appropriations lapse at year end, and there are no encumbrances to budget because state law does not require that funds be available when goods or services are ordered, only when payment is made.

Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department within a fund as follows: personal services, contracted services, supplies, other services and charges, and capital outlay. Budget revisions are subject to final review by the Board of Aldermen. The legal level of control is by department within a fund. Expenditures may not exceed appropriations at this level. One revision to the budget was made throughout the year.

C. Basis of Presentation.

The Budgetary Comparison Schedule - Budget and Actual (Non-GAAP Basis) presents the original legally adopted budget, the final legally adopted budget, actual amounts on a budgetary (Non-GAAP Basis) and variances between the final budget and the actual amounts. The schedule is presented for the General Fund and each major Special Revenue Fund. The Budgetary Comparison Schedule - Budget and Actual (Non-GAAP Basis) is a part of required supplemental information.

D. Budget/GAAP Reconciliation.

The major differences between the budgetary basis and the GAAP basis are:

1. Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

2. Expenditures are recorded when paid in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

The following schedule reconciles the net change in fund balance on the budgetary basis schedules to the net change in fund balance on the GAAP basis financial statements for the General Fund:

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	Governmental Fund Type
	General Fund
Budget (Cash Basis)	$ (33,890)
Increase (Decrease):	
Net adjustments for revenue accruals	17,790
Net adjustments for expenditure accruals	(25,324)
Net adjustment for other financing sources/uses	13,358
GAAP Basis	$ (28,066)

E. Unbudgeted Funds.

The Town does not prepare a budget for the A & B Components Fund, a major special revenue fund, since it mainly accounts for rental income used to pay debt related to the building being rented.

TOWN OF TAYLORSVILLE, MISSISSIPPI

SUPPLEMENTAL INFORMATION

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TOWN OF TAYLORSVILLE, MISSISSIPPI
Schedule of Surety Bonds for Officials
September 30, 2014

Name	Position	Company	Bond Amount
Ray Lancaster	Alderman	Western Surety Company	$ 10,000
Arthur Shelby	Alderman	Western Surety Company	$ 10,000
Larry Moffett	Alderman	Western Surety Company	$ 10,000
Dennis Robinson	Alderman	Western Surety Company	$ 10,000
Janette Brewer	Alderman	Western Surety Company	$ 10,000
Gabe Horn	Police Chief	Western Surety Company	$ 50,000
Mitzi Ford	Town Clerk	Western Surety Company	$ 50,000
Arthur Newman	Deputy Clerk	Western Surety Company	$ 50,000

TOWN OF TAYLORSVILLE, MISSISSIPPI

SPECIAL REPORTS

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INDEPENDENT AUDITOR'S REPORT
ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Mayor Rosalyn Glenn and
Honorable Members of the Board of Aldermen
Town of Taylorsville, Mississippi

I have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Taylorsville, Mississippi, ("Town") as of and for the year ended September 30, 2014, which collectively comprise the Town's basic financial statements and have issued my report thereon dated September 30, 2015. I 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*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Town's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Town's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Honorable Mayor Rosalyn Glenn, Honorable Members of the Board of Aldermen, management and federal awarding agencies and pass-through entities 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.

September 30, 2015
Magee, Mississippi

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INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

The Honorable Mayor Rosalyn Glenn and
Honorable Members of the Board of Aldermen
Town of Taylorsville, Mississippi

I have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Taylorsville, Mississippi, ("Town") as of and for the year ended September 30, 2014, which collectively comprise the Town's basic financial statements and have issued my report thereon dated September 30, 2015, I 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*, issued by the Comptroller General of the United States.

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.

Due to the reduced scope, these compliance tests cannot and do not provide absolute assurance that all state legal requirements have been complied with. The results of my compliance tests and my audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information disclosed no material instance of noncompliance with state laws and regulations.

This report is intended solely for the information and use of the Honorable Mayor Rosalyn Glenn, Honorable Members of the Board of Aldermen, management and federal awarding agencies and pass-through entities 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.

Charles Robert Prince

September 30, 2015
Magee, Mississippi

TOWN OF TAYLORSVILLE, MISSISSIPPI

SCHEDULE OF FINDINGS

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TOWN OF TAYLORSVILLE, MISSISSIPPI

Schedule of Findings
For the Year Ended September 30, 2014

Section 1: Summary of Auditor's Results

Financial Statements:

1.	Type of auditor's report issued on the financial statements.	Unmodified
2.	Internal control over financial reporting:	
	a. Material weaknesses identified?	No
	b. Significant deficiencies identified that are not considered to be material weaknesses?	No
3.	Noncompliance material to the financial statements noted?	No

Section 2: Financial Statement Findings

The results of my tests did not disclose any findings related to the financial statements that are required to be reported by *Government Auditing Standards*.