

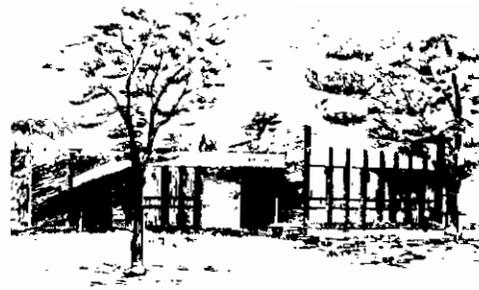


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The Town of *Tylertown* Mississippi



October 29, 2015

Office of the State Auditor
P O Box 956
Jackson, MS 39205

RE: Annual Municipal Audit

Accompanying this letter are two copies of the annual audit of the Town of Tylertown, Mississippi, for the fiscal year ended September 30, 2014. A separate management letter was not written to the town in connection with this audit.

Sincerely,

Edward Hughes
Mayor

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TOWN OF TYLERTOWN, MISSISSIPPI

Audited Financial Statements
For the Year Ended September 30, 2014

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TOWN OF TYLERTOWN, MISSISSIPPI
AUDIT REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2014

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Stringer & Company, CPAs
Certified Public Accountants / Financial Consultants

Melissa Stringer, CPA
Kimberly Piper, CPA

MEMBER
AICPA

Mississippi Society
of Certified Public
Accountants

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Board of Alderpersons
Town of Tylertown, Mississippi

We have audited the accompanying financial statements of each major fund, and the aggregate remaining fund information of the Town of Tylertown, Mississippi, as of and for the year ended September 30, 2014, which collectively comprise the basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Tylertown, Mississippi's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 1, the Town of Tylertown, Mississippi prepares its financial statements on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position - cash basis of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Tylertown, Mississippi, as of September 30, 2014, and the respective changes in financial position-cash basis thereof for the year then ended in conformity with the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2015, on our consideration of the Town of Tylertown, Mississippi's internal control over financial reporting and on our 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 our 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 and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require the budgetary comparison information on pages 13-14 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.

The Town of Tylertown has not presented the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statement, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the 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 the missing information.

The supplemental information section, which includes the Schedule of Capital Assets, Schedule of Surety Bonds, and Schedule of Long-term Debt is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Stringer and Company, CPAs
October 14, 2015

BASIC FINANCIAL STATEMENTS

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TOWN OF TYLERTOWN, MISSISSIPPI
Statement of Cash Basis Assets and Fund Balances and
Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances
As of and For the Year Ended September 30, 2014

	Governmental Activities			Business-Type Activities	
	General Fund	Other Nonmajor Funds	Total	Water, Sewer and Sanitation Fund	Total
RECEIPTS					
Property taxes	\$ 541,035		541,035	-	-
Penalties and interest on delinquent taxes	3,290		3,290	-	-
Sales taxes	640,865		640,865	-	-
Franchise fees	76,730		76,730	-	-
Licenses and other revenue	7,328		7,328	-	-
Fines and forfeitures	23,463		23,463	-	-
Intergovernmental revenues	35,765		35,765	-	-
Charges for services	-		-	602,727	602,727
Rental fees	88,572	29,700	118,272	-	-
Interest income	4,561	959	5,520	1,516	1,516
Miscellaneous revenues	112,737	3,300	116,037	39,428	39,428
Total receipts	<u>1,534,348</u>	<u>33,959</u>	<u>1,568,305</u>	<u>643,671</u>	<u>643,671</u>
DISBURSEMENTS					
General government	475,460		475,460	-	-
Public safety - police	412,105		412,105	-	-
Public safety - fire	57,419		57,419	-	-
Public works	174,106		174,106	-	-
Perks and recreation	123,312		123,312	-	-
Economic development	125,705		125,705	-	-
Other	156,163	18,000	174,163	-	-
Enterprises:					
Water, sewer, and sanitation			-	499,761	499,761
Debt service on loans	36,959		36,959	53,911	53,911
Total disbursements	<u>1,561,229</u>	<u>18,000</u>	<u>1,579,229</u>	<u>553,672</u>	<u>553,672</u>

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

TOWN OF TYLERTOWN, MISSISSIPPI
Statement of Cash Basis Assets and Fund Balances and
Cash Receipts, Disbursements and Changes In Cash Basis Fund Balances
As of and For the Year Ended September 30, 2014

	Governmental Activities			Business-Type Activities	
	General Fund	Other Nonmajor Funds	Total	Water, Sewer and Sanitation Fund	Total
Excess of Receipts over (under) Disbursements	(26,883)	15,959	(10,924)	89,999	89,999
OTHER CASH SOURCES (USES)					
Capital outlay	(85,060)	(221,761)	(306,821)		-
Total other cash sources and (uses)	<u>(85,060)</u>	<u>(221,761)</u>	<u>(306,621)</u>	-	-
Excess (Deficiency) of Receipts and Other Cash Sources Over Disbursements and Other Cash Uses	(111,943)	(205,802)	(317,745)	69,999	89,999
Cash Basis Fund Balance - Beginning of Year	1,366,294	560,317	1,926,611	525,574	525,574
Cash Basis Fund Balance - End of Year	<u>\$ 1,254,351</u>	<u>354,515</u>	<u>1,608,866</u>	<u>615,573</u>	<u>615,573</u>
Cash Basis Assets - End of Year					
Cash and cash equivalents	1,254,351	354,515	1,608,866	615,573	615,573
Total Cash Basis Assets	<u>1,254,351</u>	<u>354,515</u>	<u>1,608,866</u>	<u>615,573</u>	<u>615,573</u>
Cash Basis Fund Balances - End of Year					
Unreserved	1,254,351	354,515	1,608,866	615,573	615,573
Total Cash Basis Fund Balance	<u>1,254,351</u>	<u>354,515</u>	<u>1,608,866</u>	<u>615,573</u>	<u>615,573</u>

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

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NOTES TO FINANCIAL STATEMENTS

TOWN OF TYLERTOWN, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

NOTE 1: Summary of Significant Accounting Policies.

The Town of Tylertown, Mississippi was incorporated on December 19, 1907, under the provisions of the laws of the State of Mississippi. The Town operates under an Aldermen-Mayor form of government, with a Mayor and five Aldermen serving as the governing body. Elected officials include the Mayor, and five Aldermen. Services provided by the Town include: Public Safety – Police and fire, Highways and Street, Water and Sewer, Health and Social Services, Culture and Recreation, Public Improvements, Planning and Zoning, and General Administration Services. A public school system is available to residents of the Town of Tylertown but is not under jurisdiction of the Town government.

The financial statements of the Town have been prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

A. Reporting Entity.

The financial statements of the Town consist only of the funds and accounts of the Town. The Town has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent on the Town. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board. The Town of Tylertown is the primary government which includes street maintenance, police and fire protection, water and sewer services, and garbage pick-up services. These services are departments of the primary government and these departments are supervised by and responsible to the Mayor and the Board of Aldermen. There are no component units.

B. Fund Financial Statements.

Fund Financial Statements

Fund financial statements report detailed information about the Town. The focus of governmental and enterprise financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds, if any, are aggregated and presented in a single column.

The Town reports the following major government fund:

General Fund – The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

The town reports the following enterprise funds:

Water and Sewer – The Water and Sewer fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user

TOWN OF TYLERTOWN, MISSISSIPPI

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2014

charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Solid Waste – The Solid Waste fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Other non-major funds:

Special Revenue Funds – Special revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted for specific expenditure purposes.

Debt Service Fund – Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. The primary revenue source is local property taxes levied specifically for Debt Service

Capital Projects Funds – Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and Trust Funds).

C. Assets and Net Assets or Equity.

Cash and cash equivalents

The Town holds cash and cash equivalents in their respective funds. The Town considers highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents.

Fund Equity

The governmental fund financial statements report reserved fund balance for amounts not available for appropriation or legally restricted for special purposes. Designations of fund balance represent tentative management plans that are subject to change.

TOWN OF TYLERTOWN, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

NOTE 2: Cash and Cash Equivalents

The Town deposits funds in financial institutions selected by the Board of aldermen.

All cash and checking accounts are with financial institutions insured by the Federal Deposit Insurance Corporation (FDIC) which insures the account for \$250,000. The collateral for public entities' deposits in the 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 town'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 should be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Depository Insurance Corporation. Custodial credit risk for deposits is the risk that in the event of a bank failure, the Town's deposits may not be returned or the Town.

At year-end, the carrying amount of the Town's deposits were \$2,224,439. At year-end, the Town's bank balances were not exposed to any custodial credit risk because all deposits were fully collateralized.

Custodial Credit Risk – Deposits. Custodial credit risk is defined as the risk that, in the event of a 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 risk. However, the Mississippi State Treasury manages the risk on behalf of the Town. Deposits above FDIC coverage are collateralized by the pledging financial institutions 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 \$2,275,380 was exposed to custodial credit risk.

Interest Rate Risk. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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.

Custodial Credit Risk – Investments. Custodial credit risk is defined as the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a formal investment policy that addresses custodial risk. However, the Mississippi State Treasurer manages the risk on behalf of the Town. Deposits above FDIC coverage are collateralized by the pledging financial institutions trust department or agent in the name of the Mississippi State Treasurer on behalf of the Town.

Concentration of Credit Risk. Disclosures of investments by amount and issuer for any issuer that represents five percent or more of 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.

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TOWN OF TYLERTOWN, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Following is a list of the Town's eligible investments, which in accordance with state statute are limited to the investment of funds in excess of sums required for immediate expenditure or current obligations.

Certificates of deposit with municipal depositories approved annually by the State Treasurer bonds or direct obligations of the:

- United States of America
- State of Mississippi
- County or Municipality of Mississippi
- School Districts

State statute allows the investment of funds received from the sale of bonds, notes, or certificates of indebtedness which are not immediately required for disbursement for the purpose issued, in direct obligations issued by or guaranteed in full by the United States of America, or in certificates of deposit with approved municipal depositories.

NOTE 3: Property Taxes

Numerous 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.

Property taxes attach an enforceable lien on property as of January 1. Taxes are levied on January 1 and payable on or before February 1. The town bills and collects its own property taxes except for the personal auto and mobile home taxes that are collected for and remitted to the Town by the county tax collector. The millage rate for the Town for January through December 2013 was 42 mills, allocated for the general fund.

NOTE 4: Defined Benefit Pension Plan

Plan Description

The Town 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 report may be obtained by writing to Public Employees' retirement System of Mississippi, PERS Building, 429 Mississippi Street, Jackson, Mississippi 39201 or by calling (601) 359-3589 or 1-800-444-PERS.

Funding Policy

PERS members are required to contribute 9.00% of their annual covered salary and the Town is required to contribute at an auctorial determine rate. The current rate is 15.75% of annual covered payroll. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. The Town

TOWN OF TYLERTOWN, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

of Tylertown's contributions to PERS for the years ending September 30, 2014, 2013, and 2012, were \$93,834, \$87,406, and \$71,213, respectively, equaled to the required contributions for each year.

NOTE 5: 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 years.

NOTE 6: Contingencies – Pending or Threatened Litigation

According to the Town attorney, there are currently no material matters under litigation.

NOTE 7: Concentration of Credit Risk

The Town derives most of its revenues from the citizens of the Town. The Town is located in Walthall County, Mississippi.

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REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF TYLERTOWN, MISSISSIPPI
 Budgetary Comparison Schedule for the General Fund
 For the Year Ended September 30, 2014

Schedule 1

	Budgeted Amounts		Actual (GAAP Basis)	Variances	
	Original	Final		Positive (Negative)	
				Original to Final	Final to Actual
REVENUES					
Taxes - property	\$ 541,035	\$ 541,035	\$ 541,035	\$ -	-
Penalties and Interest	3,290	3,290	3,290	-	-
Taxes - sales and other	640,965	840,965	640,965	-	-
Franchise fees	76,730	76,730	76,730	-	-
Licenses and permits	7,328	7,328	7,328	-	-
Intergovernmental revenues	35,765	35,765	35,765	-	-
Fines and forfeitures	23,463	23,463	23,463	-	-
Rental income	88,572	88,572	88,572	-	-
Interest income	4,561	4,561	4,561	-	-
Miscellaneous Revenues	112,737	112,737	112,737	-	-
Total Revenues	1,534,346	1,534,346	1,534,346	-	-
EXPENDITURES					
General government	475,460	475,460	475,460	-	-
Public safety - police	412,105	412,105	412,105	-	-
Public safety - fire	57,419	57,419	57,419	-	-
Public works	174,106	174,106	174,106	-	-
Parks and recreations	123,312	123,312	123,312	-	-
Economic development	125,705	125,705	125,705	-	-
Other	156,163	156,163	156,163	-	-
Debt Service	36,959	36,959	36,959	-	-
Total Expenditures	1,561,229	1,561,229	1,561,229	-	-
Excess of Revenues over (under) Expenditures	(26,883)	(26,883)	(26,883)	-	-
OTHER FINANCING SOURCES (USES)					
Capital outlay	(85,060)	(85,060)	(85,060)	-	-
Total Other Financing Sources and Uses	(85,060)	(85,060)	(85,060)	-	-
Net Changes in Fund Balances	(111,943)	(111,943)	(111,943)	-	-
Fund Balances - Beginning	1,023,488	1,023,488	1,366,294	-	-
Fund Balances - Ending	\$ 911,545	\$ 911,545	\$ 1,254,351	\$ -	-

The notes to the required supplementary information are an integral part of this statement.

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TOWN OF TYLERTOWN, MISSISSIPPI

Notes to the Required Supplementary Information For the Year Ended September 30, 2014

Note A – Budgetary Information

Generally, in the of August, prior to the ensuing fiscal year beginning October 1, the Board of Alderpersons of the Town, using historical and anticipated fiscal data, prepares an original budget for the general fund for said fiscal year. The completed budget for the fiscal year includes every source of revenue, each general item of expenditure, and the cash and investment balances. When during the fiscal year it appears to the Board of Alderpersons that budgetary estimates will not be met, it may make revisions to the budget.

The City's budget is prepared on the cash basis of accounting.

Note B - Basis of Presentation.

The Budgetary Comparison Schedule presents the original legally adopted budget, the final legally adopted budget, the actual amounts on a budgetary basis, and variances between the final budget and the actual data.

As discussed in Note 1, the financial statements are prepared on the cash basis of cash receipts and disbursements which is the same as the basis used for budget preparation.

SUPPLEMENTARY INFORMATION

TOWN OF TYLERTOWN, MISSISSIPPI
SCHEDULE OF CAPITAL ASSETS
For the Fiscal Year Ended September 30, 2014

Governmental Activities:	<u>Balance</u>			<u>Balance</u>
Capital Assets:	<u>10/1/2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>9/30/2014</u>
Land	\$ 328,478			\$ 328,476
Buildings	1,041,025	279,319		1,320,344
Improvements other than buildings	338,058			338,058
Machinery and equipment	1,235,408	55,538		1,290,948
Transportation equipment	180,120	42,023		222,143
Infrastructure	552,171			552,171
Total Governmental activities capital assets	3,875,258	376,880	-	4,052,138

Business-type Activities:	<u>Balance</u>			<u>Balance</u>
Capital Assets:	<u>10/1/2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>9/30/2014</u>
Land	\$ 33,346			33,348
Buildings	241,915			241,915
Plant and distribution system	3,197,251	229,243		3,426,494
Machinery and equipment	836,381			838,381
Transportation equipment	565,785			565,785
Total Business-type activities capital assets	4,876,678	229,243	-	5,105,921

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

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Bond Amount</u>
Edward Hughes	Mayor	F & D Surety	\$ 50,000
Doug Walker	Alderman	Travelers Casualty & Surety	25,000
Carolyn Magee	Aldewoman	Travelers Casualty & Surety	25,000
Mary Lib Duncan	Aldewoman	Travelers Casualty & Surety	25,000
Denson Case	Alderman	Travelers Casualty & Surety	25,000
Fred Lambert	Alderman	Travelers Casualty & Surety	25,000
Becky Dyson	City Clerk	F & D Surety	50,000
Brandon Bright	Police Chief	Western Surety	50,000

TOWN OF TYLERTOWN, MISSISSIPPI

Schedule of Long-Term Debt

September 30, 2014

	Balance Outstanding Oct. 1, 2013	Issued	Redeemed	Balance Outstanding Sept. 30, 2014
<u>Long-term debt:</u>				
MS Development Authority	\$ 166,858		(12,826)	\$ 154,032
MS Department of Enviromental Quality	84,731		(5,384)	59,347
Loan - Citizens Bank	68,824		(33,554)	35,270
Ban Corp South - Garbage Truck	84,199		(28,826)	55,373
Total	<u>384,612</u>	<u>-</u>	<u>(80,590)</u>	<u>304,022</u>
Grand Total Debt	<u>\$ 384,612</u>	<u>-</u>	<u>(80,590)</u>	<u>\$ 304,022</u>

REPORTS ON INTERNAL CONTROL AND COMPLIANCE

Stringer & Company, CPAs
Certified Public Accountant / Financial Consultant

Melissa Stringer, CPA
Kimberly Piper, CPA

MEMBER
AICPA

Mississippi Society
of Certified Public
Accountants

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*

October 14, 2015

To the Honorable Mayor and Board of Alderpersons
Town of Tylertown

We have audited the financial statements of each major fund and the aggregate remaining fund information of Town of Tylertown as of and for the year ended September 30, 2014, which collectively comprise Town of Tylertown's basic financial statements and have issued our report thereon dated October 14, 2015. We conducted our 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 our audit, we considered the town's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our 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, we 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our 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. We did not identify any deficiencies in internal control over financial reporting that we 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, we 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 our audit and, accordingly, we do not express such an opinion. The results of our 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 board and 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.

Stringer & Company, CPAs

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Stringer & Company CPAs
Certified Public Accountants / Financial Consultants

Melissa Stringer, CPA
Kimberly Piper, CPA

MEMBER
AICPA

Mississippi Society
of Certified Public
Accountants

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

To the Honorable Mayor and Board of Alderpersons
Town of Tylertown, Mississippi

We have audited the financial statements of each major fund, and the aggregate remaining fund information of the Town of Tylertown, Mississippi as of and for the year ended September 30, 2014, and have issued our report hereon dated October 14, 2015. We conducted our 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, 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 audit and, accordingly, we do not express such an opinion.

The results of those procedures and our audit of the basic financial statements disclosed no material instances of noncompliance with 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.

Stringer & Company, CPAs
October 14, 2015

Town of Tylertown, Mississippi
Schedule of Findings and Questioned Costs
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: | unqualified |
| 2. Material noncompliance relating to the financial statements ? | no |
| 3. Internal control over financial reporting: | |
| a. Material weakness(es) identified ? | no |
| b. Significant deficiency(ies) identified that are not considered to be material weaknesses? | no |

Section 2: Financial Statement Findings

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