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The Town of *Tylertown* Mississippi



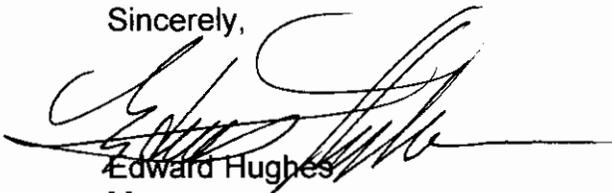
August 3, 2016

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, 2015. A separate management letter was written to the town in connection with this audit.

Sincerely,



Edward Hughes  
Mayor

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# Stringer & Company, CPAs

Certified Public Accountants / Financial Consultants

Melissa Stringer, CPA

MEMBER  
AICPA

Mississippi Society  
of Certified Public  
Accountants

Mayor & Board Members  
Town of Tylertown  
Tylertown, MS 39667

To Mayor & Board Members:

Thank you for the opportunity to work with the Town of Tylertown. The following are comments related to the audit for the year ending 09/30/2015.

1. All expenses tested were supported by a paid invoice and were properly approved.
2. All capital assets that we tested were located and verified.
3. Payroll was verified and equaled reports filed with the Internal Revenue Service.
4. We were able to trace water fees collected, taxes collected, court fines received, and other revenue sources to a deposit slip and where that money was deposited in the bank.
5. The Town is doing a good job of keeping expenses and operating costs as low as possible.
6. The Town is doing a good job of keeping long-term debt low.
7. The Town has a financial Alt-Z ratio of 26.2, anything over a 3.0 is consider very good. This financial ratio measures the overall financial strength of a town or company.

Best regards,

*Stringer & Company*  
June 10, 2016

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**TOWN OF TYLERTOWN, MISSISSIPPI**

FINANCIAL STATEMENTS

AND

AUDITOR'S REPORTS

SEPTEMBER 30, 2015

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**AUG 10 2016**

STRINGER & COMPANY, CPAs  
706 Beulah Avenue  
Tylertown, MS 39667  
601-876-6400

TOWN OF TYLERTOWN, MISSISSIPPI  
AUDIT REPORT  
FOR THE YEAR ENDED SEPTEMBER 30, 2015  
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MEMBER  
AICPA

Melissa Stringer, CPA

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 statement of cash receipts and disbursements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Tylertown, Mississippi for the year ended September 30, 2015, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the cash basis of accounting described in Note 1, this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for 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 error or fraud.

### **Auditor's Responsibility**

Our responsibility is to express opinions on this financial statement 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 Government 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 statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, 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 statement 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, we express no such opinion. An audit also includes evaluating the appropriateness

## **Auditor's Responsibility - continued**

of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the governmental activities, business-type activities, each major fund, and the remaining fund information of the Town of Tylertown, Mississippi for the year ended September 30, 2015 in accordance with the basis of accounting as described in Note 1.

### **Basis of Accounting**

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. Our opinions are not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

Management has omitted the management's discussion and analysis information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an operational, economic, or historical context. Our opinions on the financial statement are not affected by this missing information.

Accounting principles generally accepted in the United States of America require the budgetary comparison information on pages 14-15 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.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statement of the Town of Tylertown, Mississippi. The supplementary information section is presented for purposes of additional analysis and is not a required part of the basic financial statement.

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.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2016, 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.

*Stringer and Company, CPAs*  
June 10, 2016

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**BASIC FINANCIAL STATEMENTS**

**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, 2015

	Governmental Activities			Business-Type Activities	
	General Fund	Other Nonmajor Funds	Total	Water, Sewer and Sanitation Fund	Total
<b>RECEIPTS</b>					
Property taxes	\$ 541,841	-	541,841	-	-
Penalties and interest on delinquent taxes	3,850	-	3,850	-	-
Sales taxes	661,827	-	661,827	-	-
Franchise fees	64,761	-	64,761	-	-
Licenses and other revenue	21,094	-	21,094	-	-
Fines and forfeitures	27,805	-	27,805	-	-
Intergovernmental revenues	62,770	-	62,770	-	-
Charges for services	-	-	-	593,978	593,978
Rental fees	105,495	39,214	144,709	-	-
Interest income	2,481	930	3,411	1,657	1,657
Miscellaneous revenues	130,561	-	130,561	21,055	21,055
Total receipts	1,622,485	40,144	1,662,629	616,690	616,690
<b>DISBURSEMENTS</b>					
General government	510,187	-	510,187	-	-
Public safety - police	420,732	-	420,732	-	-
Public safety - fire	34,925	-	34,925	-	-
Public works	148,564	-	148,564	-	-
Parks and recreation	143,240	-	143,240	-	-
Economic development	121,348	-	121,348	-	-
Other	168,814	4,768	173,582	-	-
Enterprises:					
Water, sewer, and sanitation	-	-	-	582,568	582,568
Debt service on loans	-	-	-	91,023	91,023
Total disbursements	1,547,810	4,768	1,552,578	673,591	673,591

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, 2015

	Governmental Activities			Business-Type Activities	
	General Fund	Other Nonmajor Funds	Total	Water, Sewer and Sanitation Fund	Total
<b>Excess of Receipts over (under) Disbursements</b>	74,675	35,376	110,051	(56,901)	(56,901)
	(245,029)		(245,029)		
	(245,029)	-	(245,029)		
<b>OTHER CASH SOURCES (USES)</b>					
Capital outlay					
Total other cash sources and (uses)			(245,029)		
			(245,029)		
<b>Excess (Deficiency) of Receipts and Other Cash Sources Over Disbursements and Other Cash Uses</b>	(170,354)	35,376	(134,978)	(56,901)	(56,901)
Cash Basis Fund Balance - Beginning of Year	1,258,577	353,854	1,612,431	668,472	668,472
Cash Basis Fund Balance - End of Year	\$ 1,088,223	389,230	1,477,453	611,571	611,571
<b>Cash Basis Assets - End of Year</b>					
Cash and cash equivalents	1,088,223	389,230	1,477,453	611,571	611,571
Total Cash Basis Assets	1,088,223	389,230	1,477,453	611,571	611,571
<b>Cash Basis Fund Balances - End of Year</b>					
Unreserved	1,088,223	389,230	1,477,453	611,571	611,571
Total Cash Basis Fund Balance	1,088,223	389,230	1,477,453	611,571	611,571

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

**NOTES TO FINANCIAL STATEMENTS**

TOWN OF TYLERTOWN, MISSISSIPPI

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

**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, 2015**

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.

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TOWN OF TYLERTOWN, MISSISSIPPI

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

**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 or book amount of the Town's deposits were \$2,089,024. 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, 2015, none of the Town's bank balance of \$2,104,064, 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, 2015 the Town had no investments.

TOWN OF TYLERTOWN, MISSISSIPPI

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

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 2014 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, 2015**

of Tylertown's contributions to PERS for the years ending September 30, 2015, 2014, and 2013, were \$81,540, \$93,834, and \$87,406, 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.

**REQUIRED SUPPLEMENTARY INFORMATION**

TOWN OF TYLERTOWN, MISSISSIPPI  
 Budgetary Comparison Schedule for the General Fund  
 For the Year Ended September 30, 2015

	Budgeted Amounts		Actual (GAAP Basis)	Variances Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
<b>REVENUES</b>					
Taxes - property	\$ 540,500	\$ 541,841	\$ 541,841	\$	1,341
Penalties and interest	3,600	3,850	3,850		250
Taxes - sales and other	651,000	661,827	661,827		10,827
Franchise fees	62,000	64,761	64,761		2,761
Licenses and permits	18,000	21,094	21,094		3,094
Intergovernmental revenues	45,000	62,770	62,770		17,770
Fines and forfeitures	25,000	27,805	27,805		2,805
Rental income	75,000	105,495	105,495		30,495
Interest income	2,100	2,481	2,481		381
Miscellaneous Revenues	114,000	130,561	130,561		16,561
Total Revenues	1,536,200	1,622,465	1,622,465		86,265
<b>EXPENDITURES</b>					
General government	515,000	510,187	510,187		4,813
Public safety - police	420,000	420,732	420,732		(732)
Public safety - fire	35,000	34,925	34,925		75
Public works	149,000	148,564	148,564		436
Parks and recreations	145,000	143,240	143,240		1,760
Economic development	122,000	121,348	121,348		652
Other	169,000	168,814	168,814		186
Debt Service	-	-	-		-
Total Expenditures	1,555,000	1,547,810	1,547,810		7,190
Excess of Revenues over (under) Expenditures	(18,800)	74,675	74,675		79,095
<b>OTHER FINANCING SOURCES (USES)</b>					
Capital outlay	(246,000)	(245,029)	(245,029)		(971)
Total Other Financing Sources and Uses	(246,000)	(245,029)	(245,029)		(971)
Net Changes in Fund Balances	(264,800)	(170,354)	(170,354)		78,124
Fund Balances - Beginning	1,279,791	1,279,791	1,279,791		-
Fund Balances - Ending	\$ 1,014,991	\$ 1,109,437	\$ 1,109,437		\$ 78,124

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

TOWN OF TYLERTOWN, MISSISSIPPI

Notes to the Required Supplementary Information  
For the Year Ended September 30, 2015

**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.

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**SUPPLEMENTARY INFORMATION**

**TOWN OF TYLERTOWN, MISSISSIPPI**  
**SCHEDULE OF CAPITAL ASSETS**  
For the Fiscal Year Ended September 30, 2015

Governmental Activities: Capital Assets:	Balance 10/1/2014	Increases	Decreases	Balance 9/30/2015
Land	\$ 328,476			\$ 328,476
Buildings Improvements other than buildings	1,320,344			1,320,344
Machinery and equipment	338,058			338,058
Transportation equipment	1,290,946			1,290,946
Infrastructure	222,143			222,143
	552,171	245,029		797,200
<b>Total Governmental activities capital assets</b>	<b>4,052,138</b>	<b>245,029</b>	<b>-</b>	<b>4,297,167</b>

Business-type Activities: Capital Assets:	Balance 10/1/2014	Increases	Decreases	Balance 9/30/2015
Land	\$ 33,346			33,346
Buildings	241,915			241,915
Plant and distribution system	3,426,494			3,426,494
Machinery and equipment	838,381			838,381
Transportation equipment	565,785			565,785
<b>Total Business-type activities capital assets</b>	<b>5,105,921</b>	<b>-</b>	<b>-</b>	<b>5,105,921</b>

TOWN OF TYLERTOWN, MISSISSIPPI

Schedule of Long-Term Debt

September 30, 2015

	Balance Outstanding Oct. 1, 2014	Issued	Redeemed	Balance Outstanding Sept. 30, 2015
<u>Long-term debt:</u>				
MS Development Authority	\$ 154,032		(13,239)	\$ 140,793
MS Department of Enviromental Quality	59,347		(5,479)	53,868
Loan - Citizens Bank	35,270		(35,270)	-
Ban Corp South - Garbage Truck	55,373		(29,789)	25,584
Total	<u>304,022</u>	<u>-</u>	<u>(83,777)</u>	<u>220,245</u>
Grand Total Debt	<u>\$ 304,022</u>	<u>-</u>	<u>(83,777)</u>	<u>\$ 220,245</u>

**TOWN OF TYLERTOWN, MISSISSIPPI**  
Schedule of Surety Bonds for Municipal Officials  
September 30, 2015

<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	Alderwoman	Travelers Casualty & Surety	25,000
Mary Lib Duncan	Alderwoman	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
Deidra Thomas	Clerk	Western Surety	50,000
Lori Hawn	Water Clerk	Western Surety	50,000
Melody Rushing	Court Clerk	Western Surety	50,000

**RECEIVED**  
**AUG 10 2016**

**REPORTS ON INTERNAL CONTROL AND COMPLIANCE**

# Stringer & Company, CPAs

Certified Public Accountant / Financial Consultant

MEMBER  
AICPA

Melissa Stringer, CPA  
Kimberly Piper, CPA

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*

June 10, 2016

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, 2015, which collectively comprise Town of Tylertown's basic financial statements and have issued our report thereon dated June 10, 2016. 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*

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, 2015, and have issued our report hereon dated June 10, 2016. 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*  
June 10, 2016

**Town of Tylertown, Mississippi**  
Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2015

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*.

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AUG 10 2016