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TOWN OF TAYLORSVILLE, MISSISSIPPI

Audited Financial Statements

For Year Ended September 30, 2016

**Prince CPA Firm, PLLC
Certified Public Accountants**

TOWN OF TAYLORSVILLE, MISSISSIPPI

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

Report on the Financial Statements

We 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, 2016, 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 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 statements 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 fraud or error.

Auditor's Responsibility

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. Those standards require that we 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, we 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.

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 statements referred to above present fairly, in all material respects, the respective cash basis 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, 2016, and the respective changes in the cash basis financial position thereof for the year then ended in accordance with the basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describe the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a 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

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 on pages 15 through 17 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 me 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Taylorsville, Mississippi's financial statements as a whole. The other supplemental section, which includes the Schedule of Changes in Long-term Debt, Schedule of Surety Bonds for Municipal Officials and Employees, Schedule of Interfund Receivables and Payables, and Schedule of Capital Assets, are presented for purposes of additional analysis and are not a required part of the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Pring CPA Firm, PLLC

February 14, 2017
Magee, Mississippi

TOWN OF TAYLORSVILLE, MISSISSIPPI

BASIC FINANCIAL STATEMENTS

TOWN OF TAYLORSVILLE, MISSISSIPPI
Statement of Activities and Net Position-Cash Basis
As of and For the Year Ended September 30, 2016

Exhibit A

Functions/Programs	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Position		
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 401,510	18,579			(382,931)		(382,931)
Public safety	529,513		20,678		(508,835)		(508,835)
Public works	326,546		1,100,505		773,959		773,959
Culture and recreation	31,576				(31,576)		(31,576)
Debt Service							
Principal	14,799				(14,799)		(14,799)
Total Governmental Activities	<u>1,303,944</u>	<u>18,579</u>	<u>1,121,183</u>	<u>0</u>	<u>(164,182)</u>		<u>(164,182)</u>
Business-type activities:							
Water, sewer and electricity	665,665	791,268				125,603	125,603
Debt Service:							
Principal	49,947					(49,947)	(49,947)
Interest	6,899					(6,899)	(6,899)
	<u>722,511</u>	<u>791,268</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>68,757</u>	<u>68,757</u>
Total Primary Government	<u>\$ 2,026,455</u>	<u>809,847</u>	<u>1,121,183</u>	<u>0</u>	<u>(164,182)</u>	<u>68,757</u>	<u>(95,425)</u>
General Receipts and Transfers:							
Taxes							
Property taxes					\$ 347,572		347,572
Sales					327,120		327,120
Franchise fees					58,905		58,905
Rents					2,592		2,592
Grants and contributions not restricted to specific programs					27,834	11,622	39,456
Unrestricted interest income					1,820	467	2,287
Loan proceeds						260,747	260,747
Miscellaneous					118,407		118,407
Transfers					368,021	(368,021)	
Total General Receipts and Transfers					<u>1,252,271</u>	<u>(95,185)</u>	<u>1,157,086</u>
Changes in Net Position					1,088,089	(26,428)	1,061,661
Net Position - Beginning					699,814	289,412	989,226
Net Position - Ending					<u>\$ 1,787,903</u>	<u>262,984</u>	<u>2,050,887</u>

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

TOWN OF TAYLORSVILLE, MISSISSIPPI
Statement of Activities and Net Position-Cash Basis
As of and For the Year Ended September 30, 2016

Exhibit A (Continued)

Functions/Programs	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Position		
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Business-type Activities	Total
Net Position							
Restricted for:							
Public safety					6,221		6,221
Public works					1,000,224	262,984	1,263,208
Culture and recreation					9,760		9,760
Economic Development and assistance					393,061		393,061
Unrestricted					378,637		378,637
					<u>1,787,903</u>	<u>262,984</u>	<u>2,050,887</u>

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

TOWN OF TAYLORSVILLE, MISSISSIPPI

Exhibit B

Statement of Cash Basis Assets and Fund Balances and Cash Receipts, Disbursements
and Changes in Cash Basis Fund Balances-Governmental Funds
As of and for the Year Ended September 30, 2016

	<u>Major Funds</u>		<u>Total</u>
	<u>General</u>	<u>A & B Components</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>
REVENUES			
Property taxes	\$ 347,572		347,572
Sales Taxes	327,120		327,120
Franchise Fees	58,905		58,905
Licenses, commissions and other revenue	3,752		3,752
Fines and forfeitures	14,827		14,827
Intergovernmental revenues	1,149,017		1,149,017
Interest income	1,800	20	1,820
Rent		2,592	2,592
Miscellaneous revenues	118,407		118,407
Total Revenues	<u>2,021,400</u>	<u>2,612</u>	<u>2,024,012</u>
EXPENDITURES			
Current:			
General government	401,510		401,510
Public safety	483,509		483,509
Public works	326,546		326,546
Culture and recreation	31,576		31,576
Debt Service			
Principal	14,799		14,799
Capital Outlay			
Public Safety	46,004		46,004
Total Expenditures	<u>1,303,944</u>	<u>0</u>	<u>1,303,944</u>
Excess of Revenues over (under) Expenditures	<u>717,456</u>	<u>2,612</u>	<u>720,068</u>

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

TOWN OF TAYLORSVILLE, MISSISSIPPI

Exhibit B (Continued)

Statement of Cash Basis Assets and Fund Balances and Cash Receipts, Disbursements
and Changes in Cash Basis Fund Balances-Governmental Funds
As of and for the Year Ended September 30, 2016

	Major Funds		Total Governmental Funds
	General Fund	A & B Components Fund	
OTHER FINANCING SOURCES (USES)			
Transfers in	368,021		368,021
Total Other Financing Sources and Uses	368,021	0	368,021
Net Changes in Fund Balances	1,085,477	2,612	1,088,089
Fund Balances - Beginning	685,892	13,922	699,814
Fund Balances - Ending	\$ 1,771,369	16,534	1,787,903
Fund Balance			
Restricted for:			
Public safety	6,221		6,221
Public works	1,000,224		1,000,224
Culture and recreation	9,760		9,760
Economic Development and assistance	376,527	16,534	393,061
Unassigned	378,637		378,637
	1,771,369	16,534	1,787,903

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

TOWN OF TAYLORSVILLE, MISSISSIPPI

Exhibit C

Statement of Cash Basis Assets and Net Position and

Cash Receipts, Disbursements and Changes in Cash Basis Net Position-Proprietary Funds

As of and For the Year Ended September 30, 2016

	Business-type Activities -
	Enterprise Funds
	Water and Sewer
	Fund
Operating Receipts	
Charges for services	\$ 786,676
Miscellaneous	4,592
Total Operating Receipts	791,268
Operating Disbursements:	
Utilities	89,756
Contractual services, materials and supplies	520,136
Capital Outlay	55,773
Total Operating Disbursements	665,665
Excess Operating Receipts Over (Under)	
Operating Disbursements	125,603
Nonoperating Receipts/(Disbursements):	
Sales tax	11,622
Proceeds of loans	260,747
Investment income	467
Debt Service:	
Principal	(49,947)
Interest	(6,899)
Net Nonoperating Receipts/(Disbursements)	215,990
Excess Receipts Over (Under) Disbursements	
Before Transfers	341,593
Transfers out	(368,021)
	(368,021)
Changes in Net Position	(26,428)
Net Position - Beginning	289,412
Net Position - Ending	\$ 262,984

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

TOWN OF TAYLORSVILLE, MISSISSIPPI
Statement of Fiduciary Assets
As of and for the Year Ended September 30, 2016

Exhibit D

		<u>Agency Funds</u>
ASSETS		
Cash	\$	66,827
Total Assets	\$	<u>66,827</u>

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

TOWN OF TAYLORSVILLE, MISSISSIPPI
Notes to the Financial Statements
For the Year Ended September 30, 2016

(1) Summary of Significant Accounting Policies

A. Introduction.

The Town of Taylorsville, Mississippi ("Town") is incorporated under the laws of the State of Mississippi. The Town operates under a Code Charter with a full-time Mayor elected from the Town at large and five aldermen, with four aldermen elected from wards and one alderman elected from the Town at large. The Town's major operations include police and fire protection, parks and recreation, public works and general administrative services. In addition, the Town owns and operates a water and sewer system, a cable communication system and an electric utility system.

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.

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, 2016.

B. Financial Statements.

Government-wide Statements:

Government-wide financial statements is the Statement of Activities and Net Position- Cash Basis. 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 receipts, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of activities reports the disbursements of a given function offset by program receipts 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 disbursements and program receipts associated with a distinct functional activity. Program receipts 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 receipts are subject to externally imposed restrictions to these program uses. Taxes and other receipts sources not properly included with program receipts are reported as general receipts.

Fund Financial Statements:

Fund financial statements are provided for governmental and proprietary funds. 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 government-wide financial statements are reported using 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. Receipts are recorded when collected and expenditures are recorded when cash is spent.

TOWN OF TAYLORSVILLE, MISSISSIPPI
Notes to the Financial Statements
For the Year Ended September 30, 2016

(1) **Summary of Significant Accounting Policies - Continued**

Governmental fund financial statements are reported using 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. Receipts are recorded when they are collected and disbursements are recorded when cash is spent.

The Town reports the following major Governmental Funds:

General Fund - This fund is used to account for all financial resources not reported in other funds.

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

The Town reports the following major Proprietary Funds:

Water and Sewer Fund - This fund is used to account for the operating activities of the Town's water utility services.

Additionally, the Town reports the following fund type:

FIDUCIARY FUND TYPE

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 maintains and controls cash in each of the funds or fund type types operated. Investments are separately held and reflected in respective funds as investments, some of which are restricted funds.

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.

Cash includes cash on hand, demand deposits, and all certificates of deposit and cash equivalents, which are short-term highly liquid investments that are readily convertible to cash (generally three months or less). All cash deposits are reported at carrying amount (cost) which reasonably estimates fair market value.

F. Equity Classifications.

Government-wide Financial Statements:

Equity is classified as net position and displayed in two components:

Restricted net position - Consists of net position 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.

TOWN OF TAYLORSVILLE, MISSISSIPPI
Notes to the Financial Statements
For the Year Ended September 30, 2016

(1) Summary of Significant Accounting Policies - Continued

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

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 restricted 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.

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.

G. Property Tax Receipts.

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.

H. Change in Accounting Principle

Prior to October 1, 2015, the Town's financial statements were presented using the accrual basis of accounting. For the fiscal year ended September 30, 2016, the basic financial statements are prepared on a cash basis of accounting wherein amounts are recognized when received or disbursed. This basis of accounting differs from accounting principles generally accepted in the United States of America, which require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

TOWN OF TAYLORSVILLE, MISSISSIPPI
Notes to the Financial Statements
For the Year Ended September 30, 2016

(2) Deposits and Investments

Deposits:

The carrying amount of the Town's total deposits with financial institutions at September 30, 2016, was \$1,601,898, and the bank balance was \$1,625,560. 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.

Investments:

As of September 30, 2016, the Town's investments consisted of certificates of deposit of \$515,816 with maturities of one year or less.

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.

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, 2016, the Town had no investments other than Certificates of Deposits.

(3) 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.

(4) 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.

TOWN OF TAYLORSVILLE, MISSISSIPPI
Notes to the Financial Statements
For the Year Ended September 30, 2016

(5) 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, at 429 Mississippi Street, Jackson, MS 39201-1005 or by calling (601) 359-3589 or 1-800-444-PERS.

Membership in PERS is a condition of employment for all eligible employees of the State of Mississippi, public schools, institutions of higher learning, community and junior colleges, and eligible employees of municipalities, counties and other political subdivisions and instrumentalities of municipal and county government that have entered into a Membership Agreement approved by the PERS Board of Trustees (Board).

Funding Policy: PERS members are required to contribute 9% of their annual covered salary and the Town of Taylorsville, Mississippi is required to contribute at an actuarially determined rate. The current rate is 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 of Taylorsville, Mississippi's contributions to PERS for the years ended September 30, 2016, 2015 and 2014 were \$93,171, \$86,985, and \$86,811, respectively, which is equal to the required contributions for each year.

(6) 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.

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, 2016

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
RECEIPTS				
Property taxes	\$ 342,914	347,572	347,572	0
Sales taxes	332,000	327,120	327,120	0
Licenses, commissions and other receipts	5,000	3,752	3,752	0
Fines and forfeitures	20,000	14,827	14,827	0
Intergovernmental receipts	20,173	1,149,017	1,149,017	0
Franchise fees	80,477	58,905	58,905	0
Interest income	260	1,800	1,800	0
Miscellaneous receipts	256,266	118,407	118,407	0
Total Receipts	<u>1,057,090</u>	<u>2,021,400</u>	<u>2,021,400</u>	<u>0</u>
DISBURSEMENTS				
Current:				
General government	635,465	401,510	401,510	0
Public Safety	444,362	529,513	529,513	0
Public works	291,501	326,546	326,546	0
Health and Welfare	5,300			0
Culture and Recreation	48,483	31,576	31,576	0
Debt Service				0
Principal		14,799	14,799	0
Total Disbursements	<u>1,425,111</u>	<u>1,303,944</u>	<u>1,303,944</u>	<u>0</u>
Excess of Receipts over (under) Disbursements	<u>(368,021)</u>	<u>717,456</u>	<u>717,456</u>	<u>0</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	368,021	368,021	368,021	0
Total Other Financing Sources and Uses	<u>368,021</u>	<u>368,021</u>	<u>368,021</u>	<u>0</u>
Net Change in Fund Balance	0	1,085,477	1,085,477	0
Fund Balances - Beginning		685,892	685,892	0
Fund Balances - Ending	<u>\$ 0</u>	<u>1,771,369</u>	<u>1,771,369</u>	<u>0</u>

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

TOWN OF TAYLORSVILLE, MISSISSIPPI
Notes to the Required Supplementary Information
For the Year Ended September 30, 2016

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. Receipts 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. The Budgetary Comparison Schedule - Budget and Actual (Non-GAAP Basis) is a part of required supplemental information.

TOWN OF TAYLORSVILLE, MISSISSIPPI

SUPPLEMENTAL INFORMATION

TOWN OF TAYLORSVILLE, MISSISSIPPI
Schedule of Capital Assets
For the Fiscal Year Ended September 30, 2016

	Balance Oct. 1, 2015	Additions	Deletions	Adjustments	Balance Sept. 30, 2016
GOVERNMENTAL ACTIVITIES					
<u>Non-depreciable capital assets:</u>					
Land	404,806				404,806
Total non-depreciable capital assets	404,806	0	0	0	404,806
<u>Depreciable capital assets:</u>					
Buildings	2,244,467				2,244,467
Machinery and equipment	586,876	46,004		51,973	684,853
Other furniture and equipment	104,731				104,731
Infrastructure	1,157,398				1,157,398
Leased property under capital lease	51,973			(51,973)	0
Total depreciable capital assets	4,145,445	46,004	0	0	4,191,449
Total fixed assets	4,550,251	46,004	0	0	4,596,255
BUSINESS-TYPE ACTIVITIES					
<u>Non-depreciable capital assets:</u>					
Land	11,125	12,000			23,125
Total non-depreciable capital assets	11,125	12,000	0	0	23,125
<u>Depreciable capital assets:</u>					
Water and sewer lines facilities	4,004,095				4,004,095
Machinery and equipment	621,800	43,733		19,732	685,265
Leased property under capital lease	85,602			(19,732)	65,870
Total depreciable capital assets	4,711,497	43,733	0	0	4,755,230
Total fixed assets	4,722,622	55,733	0	0	4,778,355

TOWN OF TAYLORSVILLE, MISSISSIPPI
Statement of Interfund Receivables and Payables
For the Year Ended September 30, 2016

<u>Receivable</u>	<u>Payable</u>	<u>Amount</u>
Water and Sewer Fund	General Fund	<u>99,721</u>

This transaction was the result of reimbursements that was recorded in the incorrect fund.

TOWN OF TAYLORSVILLE, MISSISSIPPI
Schedule of Changes in Long Term Debt
For the Year Ended September 30, 2016

<u>Description</u>	<u>Outstanding Balance 10/1/2015</u>	<u>Issued</u>	<u>Paid</u>	<u>Outstanding Balance 9/30/2016</u>
GOVERNMENTAL ACTIVITIES				
Capital leases	<u>14,799</u>		<u>14,799</u>	<u>0</u>
BUSINESS-TYPE ACTIVITIES				
Loans	366,480	260,747	31,848	595,379
Capital leases	<u>45,700</u>		<u>18,099</u>	<u>27,601</u>
	<u>412,180</u>	<u>260,747</u>	<u>49,947</u>	<u>622,980</u>

TOWN OF TAYLORSVILLE, MISSISSIPPI
Schedule of Surety Bonds for Officials
For the Year Ended September 30, 2016

<u>NAME</u>	<u>POSITION</u>	<u>COMPANY</u>	<u>BOND</u>
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 REPORT



PRINCE CPA FIRM, PLLC

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CONSULTANTS AND ADVISORS**

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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

We 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, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated February 14, 2017. 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.

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 our 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.

The purpose of this report is solely to describe the scope of my testing of compliance with certain state laws and regulations and the result of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.

Prince CPA Firm, PLLC

February 14, 2017
Magee, Mississippi