



The following document was not prepared by the Office of the State Auditor, but was prepared by and submitted to the Office of the State Auditor by a private CPA firm. The document was placed on this web page as it was submitted. The Office of the State Auditor assumes no responsibility for its content or for any errors located in the document. Any questions of accuracy or authenticity concerning this document should be submitted to the CPA firm that prepared the document. The name and address of the CPA firm appears in the document.

TOWN OF TAYLORSVILLE, MISSISSIPPI

Audited Financial Statements

For Year Ended September 30, 2018

**PRINCE CPA FIRM, PLLC
CERTIFIED PUBLIC ACCOUNTANTS**

TOWN OF TAYLORSVILLE, MISSISSIPPI

Table of Contents

	PAGE
INDEPENDENT AUDITOR’S REPORT	1-2
BASIC FINANCIAL STATEMENTS	3
Government-wide Financial Statements:	
Statement of Net Position-Cash Basis	4
Statement of Activities-Cash Basis	5-6
Statement of Cash Basis Assets and Fund Balances –Governmental Funds	7
Statement of Cash Receipts, Disbursements and	
Changes in Cash Basis Fund Balances	8
Statement of Net Position – Cash Basis – Proprietary Fund	9
Statement of Cash Receipts, Disbursements and	
Changes in Net Position – Proprietary Fund	10
Statement of Agency Funds.....	11
Notes to Financial Statements.....	12-17
SUPPLEMENTARY INFORMATION.....	18
Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis):	
General Fund	19
Notes to the Required Supplementary Information	20
OTHER INFORMATION.....	21
Schedule of Changes in Long-Term Debt	22
Schedule of Changes in Fixed Assets	23
Schedule of Interfund Transactions.....	24
Schedule of Surety Bonds for Town Officials	25
SPECIAL REPORT	26
Independent Auditor’s Report on Compliance and with State Laws and Regulations	27



PRINCE CPA FIRM, PLLC

CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS AND ADVISORS

Telephone: (601) 849-2544
Fax: (601) 849-5147
Website: www.charlesprincecpa.com

1109 Laurel Drive SE
Post Office Box 353
Magee, Mississippi 39111

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor Kellie Phipps and
Members of the Board of Aldermen
Town of Taylorsville, Mississippi

Report on the Financial Statements

We have audited the accompanying cash basis 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, 2018, 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, 2018, and the respective changes in cash basis financial position thereof for the year then ended in accordance with the basis of accounting described in Note 1.

Other Matters

Supplementary and Other 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 supplemental section, which includes Budgetary Comparison Schedule and other information section, which includes the Schedule of Changes in Long-term Debt, Schedule of Capital Assets, Schedule of Interfund Loans and Schedule of Surety Bonds for Municipal Officials and Employees, are presented for purposes of additional analysis and are not a required part of the financial statements. This information has not been subjected to the auditing procedures applies in the basis financial statements, and accordingly, we do not express an opinion or provide any assurance on them

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the 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 Reporting Requirements required by the Office of State Auditor

In accordance with requirements set forth by the Office of State Auditor of Mississippi, we have issued our report dated February 28, 2019, on our consideration of the Town of Taylorsville, Mississippi's compliance with state laws and regulations. The purpose of this report is to describe the scope of our testing of compliance with certain laws and regulations and the result of that testing, and not provide an opinion on compliance.

Prima CPA Firm, PLLC

February 28, 2019
Magee, Mississippi

TOWN OF TAYLORSVILLE, MISSISSIPPI

BASIC FINANCIAL STATEMENTS

TOWN OF TAYLORSVILLE, MISSISSIPPI
Statement of Net Position-Cash Basis
September 30, 2018

Exhibit 1

ASSETS	Primary Government		Total
	Governmental Activities	Business- type Activities	
Cash and Cash Equivalents	\$ 696,719	1,444,471	2,141,190
Total Assets	\$ 696,719	1,444,471	2,141,190
NET POSITION			
Restricted for:			
Public safety	\$ 3,658		3,658
Public works		1,444,471	1,444,471
Culture and recreation	7,358		7,358
Economic Development and assistance	16,575		16,575
Assigned for:			0
Economic Development and assistance	378,533		378,533
Unrestricted	290,595		290,595
Total Net Position	\$ 696,719	1,444,471	2,141,190

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, 2018

Exhibit 2

Functions/Programs	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Position		
	Disbursements	Cash Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary government:							
Governmental activities:							
General government	\$	284,840	12,803		(272,037)		(272,037)
Public safety		530,837			(530,837)		(530,837)
Public works		493,239			(493,239)		(493,239)
Health and welfare					0		0
Culture and recreation		82,019			(82,019)		(82,019)
Economic development and assistance					0		0
Debt Service							
Principal		14,647			(14,647)		(14,647)
Interest		822			(822)		(822)
Total Governmental Activities		1,406,404	12,803	0	(1,393,601)		(1,393,601)
Business-type activities:							
Water and sewer fund		621,500	828,682	158,193		365,375	365,375
Debt service:						0	0
Principal		43,589				(43,589)	(43,589)
Interest		3,582				(3,582)	(3,582)
		668,671	828,682	158,193		318,204	318,204
Total Primary Government	\$	2,075,075	841,485	158,193	(1,393,601)	318,204	(1,075,397)

TOWN OF TAYLORSVILLE, MISSISSIPPI
Statement of Activities and Net Position-Cash Basis
As of and For the Year Ended September 30, 2018

Exhibit 2
Continued

Functions/Programs	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Position		
	Disbursements	Cash	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
						Governmental Activities	Business-type Activities
							Total
General Receipts and Transfers:							
Taxes					\$	364,917	364,917
Property taxes						289,408	289,408
Sales						56,602	56,602
Franchise fees							0
Rents						27,072	27,072
Grants and contributions not restricted to specific programs						1,780	1,756
Unrestricted interest income						136,684	197,411
Proceeds from loans						105,957	334,095
Miscellaneous						(608,376)	24,994
Transfers						374,044	608,376
Total General Receipts and Transfers							832,537
							1,206,581
Changes in Net Position						(1,019,557)	1,150,741
							131,184
Net Position - Beginning						1,716,276	293,730
							2,010,006
Net Position - Ending					\$	696,719	1,444,471
							2,141,190

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

TOWN OF TAYLORSVILLE, MISSISSIPPI
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
As of and For the Year Ended September 30, 2018

Exhibit 3

	<u>Major Funds</u>		
	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and Cash equivalents	\$ 680,144	16,575	696,719
Total Cash Basis Assets	\$ 680,144	16,575	696,719
FUND BALANCES			
Restricted for:			
Public safety	3,658		3,658
Economic development and assistance		16,575	16,575
Culture and recreation	7,358		7,358
Assigned for			
Economic development and assistance	378,533		378,533
Unassigned	290,595		290,595
	\$ 680,144	16,575	696,719

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

TOWN OF TAYLORSVILLE, MISSISSIPPI
State of Cash Receipts, Disbursements and
Changes in Cash Basis Fund Balances
Governmental Funds
As of and For the Year Ended September 30, 2018

Exhibit 4

	Major Funds	Other	Total
	General	Governmental	Governmental
	Fund	Funds	Funds
RECEIPTS			
Property taxes	\$ 364,917		364,917
Sales Taxes	289,408		289,408
Franchise Fees	56,602		56,602
Licenses, commissions and other revenue	2,458		2,458
Fines and forfeitures	10,345		10,345
Intergovernmental receipts	27,072		27,072
Interest income	1,759	21	1,780
Miscellaneous receipts	105,957		105,957
Total Receipts	858,518	21	858,539
DISBURSEMENTS			
Current:			
General government	284,840		284,840
Public safety	525,843		525,843
Public works	349,555		349,555
Culture and recreation	62,909		62,909
Debt Service			
Principal	14,647		14,647
Interest	822		822
Capital Outlay			
Public Safety	4,994		4,994
Public Works	143,684		143,684
Culture and Recreation	19,110		19,110
Total Disbursements	1,406,404	0	1,406,404
Excess of Receipts over (under) Disbursements	(547,886)	21	(547,865)
OTHER FINANCING SOURCES (USES)			
Long term debt incurred	136,684		136,684
Transfers in	375,000		375,000
Transfers out	(983,376)		(983,376)
Total Other Financing Sources and Uses	(471,692)	0	(471,692)
Net Changes in Fund Balances	(1,019,578)	21	(1,019,557)
Cash Basis Fund Balances - Beginning	1,699,722	16,554	1,716,276
Cash Basis Fund Balances - Ending	\$ 680,144	16,575	696,719

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

Exhibit 5

Proprietary Fund

Business-type Activities	
Enterprise Funds	
Water and Sewer Fund	

Restricted cash	\$	<u>1,444,471</u>
Total Assets		<u>1,444,471</u>

Restricted for:	
Public works	1,444,471
Total Net Position	\$ 1,444,471

9

TOWN OF TAYLORSVILLE, MISSISSIPPI

Exhibit 6Statement of Cash Receipts, Disbursements and Changes
in Net Position - Proprietary Fund
As of and For the Year Ended September 30, 2018

	Business-type Activities Enterprise Funds
	Water and Sewer Fund
Operating Receipts	
Charges for services	\$ 761,973
Late charges and service charges	66,709
Miscellaneous	24,994
Total Operating Receipts	853,676
Operating Disbursements:	
Contractual services, materials and supplies	93,170
Other costs	128,541
Capital Outlay	399,789
Indirect administrative costs	
Total Operating Disbursements	621,500
Excess Operating Receipts Over (Under) Operating Disbursements	232,176
Nonoperating Receipts/(Disbursements):	
Intergovernmental grants	158,193
Long term debt incurred	197,411
Payment on long term debt	(43,589)
interest on long term debt	(3,582)
Investment income	1,756
Net Nonoperating Receipts/(Disbursements)	310,189
Excess Receipts Over (Under) Disbursements Before Transfers	542,365
Transfers	
Transfers In	983,376
Transfer Out	(375,000)
Total Transfers	608,376
Changes in Net Position	1,150,741
Net Position - Beginning	293,730
Net Position - Ending	\$ 1,444,471

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, 2018

Exhibit 7

	Agency Funds
ASSETS	
Cash	\$ 76,909
Total Assets	\$ <u>76,909</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, 2018

(1) Summary of Significant Accounting Policies

A. Introduction.

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

The financial statements are presented in accordance with a cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. This basis of accounting involves the reporting of only cash and cash equivalents and the changes therein resulting from cash inflows (cash receipts) and cash outflows (cash disbursements) reported in the period in which they occurred.

The cash basis of accounting differs from GAAP primarily because revenues (cash receipts) are recognized when received in cash rather than when earned and susceptible to accrual, and expenditures or expenses (cash disbursements) are recognized when paid rather than when incurred or subject to accrual. As a result, only cash and cash equivalents and related net position or fund balances arising from cash transactions are reported in the statements of net position and balance sheets. All other economic assets, deferred outflows of resources, liabilities, and deferred inflows of resources that would be reported in GAAP basis financial statements are not reported in this cash presentation.

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, 2018.

B. Financial Statements.

Government-wide Statements:

Government-wide financial statements are 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. Nonmajor funds are aggregated and presented in a single column.

TOWN OF TAYLORSVILLE, MISSISSIPPI
Notes to the Financial Statements
For the Year Ended September 30, 2018

.(1) Summary of Significant Accounting Policies - Continued

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

The government-wide financial statements are reported using the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America as established by Governmental Accounting Standards Board. Receipts are recorded when collected and expenditures are recorded when cash is spent.

Governmental fund financial statements are reported using the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America as established by Governmental Accounting Standards Board. 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.

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 and sewer services.

Additionally, the Town reports the following fund types:

GOVERNMENTAL FUND TYPE

Special Revenue Funds - These funds are used to account for the proceeds of specific cash sources (other than for major capital projects) that are legally restricted or committed to disbursement for specified purposes. Special Revenue Funds account for, among others, certain federal grant programs, taxes levied with statutorily defined distributions and other resources restricted or committed as to purpose.

Capital Projects Funds - These funds are used to account for and report financial resources that are restricted, committed, or assigned to disbursements for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

PROPRIETARY FUND TYPE

Enterprise Funds - These funds are used to account for those operations that are financed and operated in a manner similar to private business enterprises or where the Town has decided that periodic determination of receipts earned, disbursements paid and/or net income is necessary for management accountability.

FIDUCIARY FUND TYPE

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

TOWN OF TAYLORSVILLE, MISSISSIPPI
Notes to the Financial Statements
For the Year Ended September 30, 2018

(1) Summary of Significant Accounting Policies – Continued

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 Other Deposits.

The Town maintains and controls cash in each of the funds or fund types operated.

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.

Unrestricted net position - All other net position not meeting the definition of “restricted”.

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, assigned or unassigned. The following are descriptions of fund classifications used by the Town.

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

Assigned fund balance includes amounts that are constrained by the Town’s intent to be used for a specific purpose, but are neither restricted nor committed. For governmental funds, other than the general fund, this is the residual amount within the fund that is not classified as nonspendable and is neither restricted nor committed. Assignments of fund balance are created by the Board of Aldermen pursuant to authorization established by Section 21-17-5, Miss. Code Ann. (1972).

TOWN OF TAYLORSVILLE, MISSISSIPPI
Notes to the Financial Statements
For the Year Ended September 30, 2018

(1) Summary of Significant Accounting Policies - Continued

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.

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

(2) Deposits

The carrying amount of the Town's total deposits with financial institutions, which includes both demand accounts and certificates of deposits, at September 30, 2018, was \$2,218,099, and the bank balance was \$2,372,157. 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.

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, 2014, the Town had no investments other than Certificates of Deposits.

TOWN OF TAYLORSVILLE, MISSISSIPPI
Notes to the Financial Statements
For the Year Ended September 30, 2018

(3) Transfers

The following is a summary of transfers at September 30, 2018:

Transfer In	Transfer Out	Amount
General Fund	Water and Sewer Fund	\$ 375,000
Water and Sewer Fund	General Fund	983,376
Total		\$ 1,358,376

The principal purpose of these transfers was to provide funds for the payment of water and sewer fund employee salaries and fringe benefits and to reimburse the Town for its proportionate share of administrative costs and to transfer funds to the business type activities for water and sewer projects. These transfers are budgeted and are routine and consistent with the activities of the fund making the transfer.

(4) 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.

(5) 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 a party in a lawsuit at this time. It is not possible at the present time to estimate ultimate outcome or liability, if any, of the Town with respect to the proceedings. The Town's legal counsel believes that ultimate liability will not have a material adverse effect on the financial condition of the Town.

(6) Defined Benefit Pension Plan

General Information about the Pension Plan.

Plan Description: The Town of Taylorsville is a member of the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing multiple-employer defined benefit pension plan as defined in GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Membership in PERS is a condition of employment and is granted upon hiring for qualifying employees and officials of the Town. Code Section 25-11-15, Miss. Code Ann. (1972), grants the authority for general administration and proper operation of PERS to the PERS Board of Trustees (PERS Board). PERS issues a publicly available Comprehensive Annual Financial Report that can be obtained at www.pers.ms.gov.

Funding Policy: Per Chapter 11 of Title 25, Miss. Code Ann. (1972), contribution requirements of plan members and their employers are established and may be amended only by the PERS Board. The adequacy of these rates is assessed annually by actuarial valuation. For the year ended September 30, 2015, member employees were required to contribute 9.00 percent of their annual pay, while the Town's required contribution rate was 15.75 percent of annual covered payroll. The Town's employer contributions to PERS for the years ended September 30, 2018, 2017 and 2016 were \$106,229, \$94,573 and \$93,171, respectively. The contributions for each year met the required contributions.

TOWN OF TAYLORSVILLE, MISSISSIPPI
Notes to the Financial Statements
For the Year Ended September 30, 2018

(7) 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. Management of the Town evaluated the activity of the Town through February 28, 2019 and determined that the following subsequent event has occurred which requires disclosure in the notes to the financial statements: The Town entered into a lease for equipment in the amount of \$129,624 at an interest rate of 3.39%.

TOWN OF TAYLORSVILLE, MISSISSIPPI

SUPPLEMENTARY INFORMATION

TOWN OF TAYLORSVILLE, MISSISSIPPI
 Budgetary Comparison Schedule -
 Budget and Actual (Non-GAAP Basis)
 General Fund
 For the Year Ended September 30, 2018

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)	
RECEIPTS					
Property taxes	\$ 403,000	403,000	364,917	(38,083)	
Sales taxes	384,962	384,962	289,408	(95,554)	
Licenses, commissions and other receipts			2,458	2,458	
Fines and forfeitures	18,000	18,000	10,345	(7,655)	
Intergovernmental receipts	50,978	50,978	27,072	(23,906)	
Franchise fees	84,000	84,000	56,602	(27,398)	
Interest income	300	300	1,759	1,459	
Miscellaneous receipts	81,000	81,000	105,957	24,957	
Total Receipts	<u>1,022,240</u>	<u>1,022,240</u>	<u>858,518</u>	<u>(163,722)</u>	
DISBURSEMENTS					
Current:					
General government	640,285	640,285	284,840	355,445	C
Public Safety	527,444	527,444	530,837	(3,393)	
Public works	373,611	373,611	493,239	(119,628)	A
Health and Welfare	300	300		300	
Culture and Recreation	40,600	40,600	82,019	(41,419)	
Debt Service				0	
Principal			14,647	(14,647)	
Interest			822	(822)	
Total Disbursements	<u>1,582,240</u>	<u>1,582,240</u>	<u>1,406,404</u>	<u>175,836</u>	
Excess of Receipts over (under) Disbursements	<u>(560,000)</u>	<u>(560,000)</u>	<u>(547,886)</u>	<u>12,114</u>	
OTHER FINANCING SOURCES (USES)					
Transfers in	375,000	375,000	375,000	0	
Transfer out			(983,376)	(983,376)	B
Proceeds of loans	185,000	185,000	136,684	(48,316)	
Total Other Financing Sources and Uses	<u>560,000</u>	<u>560,000</u>	<u>(471,692)</u>	<u>(1,031,692)</u>	
Net Change in Fund Balance	0	0	(1,019,578)	(1,019,578)	
Fund Balances - Beginning			1,699,722	1,699,722	
Fund Balances - Ending	<u>\$ 0</u>	<u>0</u>	<u>680,144</u>	<u>680,144</u>	

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

- A Included in this amount is an adjustment for the purchase of a vehicle that was acquired via lease purchase, \$136,684.
- B The transfer was an audit adjustment to move funds from governmental to business type activities
 Projects from this fund were water and sewer projects
- C Included in the budget were funds for a water sewer project that was moved to business type activities and the distribution of insurance to the various functions.

TOWN OF TAYLORSVILLE MISSISSIPPI
Notes to Required Supplementary Information
For the Year Ended September 30, 2018

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

OTHER INFORMATION

TOWN OF TAYLORSVILLE, MISSISSIPPI
Schedule of Changes in Long Term Debt
For the Year Ended September 30, 2018

Description	Outstanding Balance 10/1/2017	Issued	Paid	Adjustment	Outstanding Balance 9/30/2018
GOVERNMENTAL ACTIVITIES					
Capital leases	<u>22,418</u>	<u>136,684</u>	<u>9,309</u>	<u>(435) *</u>	<u>149,358</u>
BUSINESS-TYPE ACTIVITIES					
Loans	964,390	197,411	33,644	(106,085) **	1,022,072
Capital leases	<u>11,404</u>		<u>15,283</u>	<u>(1,459) *</u>	<u>(5,338)</u>
	<u>975,794</u>	<u>197,411</u>	<u>48,927</u>	<u>(107,544)</u>	<u>1,016,734</u>

Adjustments

* Interest in prior year was applied to principal

**Loan amount forgiven per the original loan agreement

TOWN OF TAYLORSVILLE, MISSISSIPPI
Schedule of Capital Assets
For the Fiscal Year Ended September 30, 2018

	Balance 10/1/17	Additions	Deletions	Adjustments	Balance 9/30/18
GOVERNMENTAL ACTIVITIES					
<u>Non-depreciable capital assets:</u>					
Land	\$ 404,806		20,000		384,806
Construction in progress	88,578	19,110		(107,688)	0
Total non-depreciable capital assets	493,384	19,110	20,000	(107,688)	384,806
<u>Depreciable capital assets:</u>					
Buildings	2,244,467				2,244,467
Machinery and equipment	687,070	7,000		(26,996)	667,074
Other furniture and equipment	124,428	4,994			129,422
Leased property under capital lease		136,684			136,684
Infrastructure	1,202,734			80,478	1,283,212
Total depreciable capital assets	4,258,699	148,678	0	53,482	4,460,859
Total fixed assets	\$ 4,752,083	167,788	20,000	(54,206)	4,845,665
BUSINESS-TYPE ACTIVITIES					
<u>Non-depreciable capital assets:</u>					
Land	\$ 26,625	5,400			32,025
Construction in progress	802,905	380,038		27,210	1,210,153
Total non-depreciable capital assets	829,530	385,438	0	27,210	1,242,178
<u>Depreciable capital assets:</u>					
Water and sewer lines facilities	4,028,595			(57,999)	3,970,596
Buildings and improvements				105,499	105,499
Machinery and equipment	737,855	14,351	91,964	18,370	678,612
Leased property under capital lease	65,870			(65,870)	0
Total depreciable capital assets	4,832,320	14,351	91,964	0	4,754,707
Total fixed assets	\$ 5,661,850	399,789	91,964	27,210	5,996,885

TOWN OF TAYLORSVILLE, MISSISSIPPI
Statement of Interfund Receivables and Payables
For the Year Ended September 30, 2018

<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 in 2013 that was recorded in the incorrect fund.

The Town is to pay this back over a period of three years.

TOWN OF TAYLORSVILLE, MISSISSIPPI
Schedule of Surety Bonds for Officials
For the Year Ended September 30, 2018

NAME	POSITION	COMPANY	BOND
Arthur Shelby	Alderman	Western Surety Company	10,000
Larry Moffett	Alderman	Western Surety Company	10,000
Sarah Jones	Alderman	Western Surety Company	10,000
Mark Jones	Alderman	Western Surety Company	10,000
Ken May	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

CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS AND ADVISORS

Telephone: (601) 849-2544
Fax: (601) 849-5147
Website: www.charlesprincecpa.com

1109 Laurel Drive SE
Post Office Box 353
Magee, Mississippi 39111

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

The Honorable Mayor Kellie Phipps 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, 2018, 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 28, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

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 our 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 28, 2019
Magee, Mississippi

