

OFFICE OF THE STATE AUDITOR REPORT NOTE:

Section 7-7-211, Mississippi Code Annotated (1972) gives the Office of the State Auditor the authority to audit, with the exception of municipalities, any governmental entity in the state. In the case of municipalities, *Section 21-35-31, Mississippi Code Annotated (1972)* requires municipalities to obtain an annual audit performed by a private CPA firm and submit that audit report to the Office of the State Auditor. The Office of the State Auditor files these audit reports for review in case questions arise related to the municipality.

As a result, the following document was not prepared by the Office of the State Auditor. Instead, it was prepared by a private CPA firm and submitted to the Office of the State Auditor. The document was placed on this web page as it was submitted and no review of the report was performed by the Office of the State Auditor prior to finalization of the report. 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 TAYLOR, MISSISSIPPI
COMPILATION REPORT
AND REPORT ON AGREED-UPON PROCEDURES
SEPTEMBER 30, 2021**

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COMPILATION REPORT AND REPORT ON AGREED-UPON PROCEDURES
SEPTEMBER 30, 2021**

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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To the Honorable Mayor and Board of Aldermen
Town of Taylor, Mississippi

Management is responsible for the accompanying Statement of Cash Receipts and Disbursements of the Town of Taylor, Mississippi for the year ended September 30, 2021, and the related notes to financial statement, which collectively comprise the Town's basic financial statements as listed in the contents, in accordance with the cash basis of accounting, and for determining that the cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the Statement of Cash Receipts and Disbursements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the Statement of Cash Receipts and Disbursements.

We draw attention to Note 1 of the financial statement, which describes the basis of accounting. The Statement of Cash Receipts and Disbursements is prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires 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.

The supplementary information contained in Schedule of Surety Bonds for Municipal Officials is presented in compliance with the requirements of the Mississippi Office of the State Auditor and has been compiled from information that is the representation of management. This information was subject to our compilation engagement, however, we have not audited or reviewed the required supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such information.

Other Information

The Statement of Cash Receipts and Disbursements and related notes to financial statement are intended to comply with the requirements of the Mississippi Office of the State Auditor, and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

In accordance with the provisions of §21-35-31, Miss Code Ann. (1972), we have issued a report dated December 8, 2021 on the results of our agreed-upon procedures.

Oxford, Mississippi
December 8, 2021

Watkins Ward and Stafford, P.C.

TOWN OF TAYLOR
Statement of Cash Receipts and Disbursements
For the Year Ended September 30, 2021

CASH RECEIPTS:

Taxes

General property tax	\$ 32,171
Franchise tax	11,707
Privilege tax	248
State shared revenue	
General municipal aid	161
Liquor tax	1,050
Sales tax	28,356
Gasoline tax	986
In lieu of taxes-TVA	3,233
MS lottery funds	27,054
Covid relief funds	40,164
Emergency Management grant	7,542
Homestead reimbursement	2,496

Other receipts

Licenses & permits	7,149
Interest earned	89
Miscellaneous	<u>4,076</u>

TOTAL CASH RECEIPTS	<u>\$ 166,482</u>
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See accompanying notes and independent accountants' compilation report.

TOWN OF TAYLOR
Statement of Cash Receipts and Disbursements
For the Year Ended September 30, 2021

DISBURSEMENTS:

General government	\$ 23,447
Public safety	1,479
Public works	<u>46,837</u>
TOTAL DISBURSEMENTS	<u><u>71,763</u></u>

**EXCESS OF CASH RECEIPTS OVER
DISBURSEMENTS**

94,719

CASH BALANCE-BEGINNING

124,947

CASH BALANCE-ENDING

\$ 219,666

See accompanying notes and independent accountants' compilation report.

TOWN OF TAYLOR, MISSISSIPPI NOTES TO FINANCIAL STATEMENT

Note 1: Summary of Significant Accounting Policies

Reporting Entity

The financial statement of the Town consists of the general governmental fund.

The Citizens of Taylor have elected to operate under a Code Charter as permitted by Mississippi Statute 21-3-3, which prescribes a Mayor and Board of Aldermen form of government.

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in accounting principles generally accepted in the United States of America. The basic - but not only - criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financial relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, there are no includable or excludable potential component units.

Fund Accounting

The accounts of the Town are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The Town of Taylor only has one type of fund and is categorized as follows:

General Governmental 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.

TOWN OF TAYLOR, MISSISSIPPI NOTES TO FINANCIAL STATEMENT

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The Town uses the cash basis of accounting as prescribed by the Mississippi Office of the State Auditor.

In the fund financial statements, governmental activities are presented using a cash basis of accounting. This basis recognizes assets, liabilities, net-assets/fund equity, revenues and expenditures/expenses when they result from cash transactions with a provision for depreciation in the proprietary fund statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

If the town utilized accounting principles generally accepted in the United States of America, the fund financial statement for the governmental fund would use the modified accrual basis of accounting.

Under the modified accrual basis revenues are recognized when measurable and available. Measurable means, being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

Note 2: Report Classifications

Receipts and disbursements were classified according to requirements for small towns in the State of Mississippi as prescribed by the Office of the State Auditor.

Note 3: Contingencies

Since the advent of the COVID-19 pandemic in March 2020, the Town has maintained relative operating normalcy. To date, national COVID-19 related regulation has not adversely impacted operations. Per discussion with management, cash receipts have remained consistent with prior years. Additionally, the Town has had no ongoing projects that have been impacted by the pandemic. As of the date of the audit report, management declines to speculate on when a return to pre-COVID-19 operations will occur, but does not anticipate a material impact on normal operations for the Town.

Note 4: Subsequent Events

Events that occur after the Statement of Cash Receipts and Disbursements 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 Cash Receipts and Disbursements date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Cash Receipts and Disbursements date require disclosure in the accompanying notes. The Board and Management of the Town of Taylor evaluated the activity of the Town through December 8, 2021, and determined that no events requiring disclosure occurred.

SUPPLEMENTAL INFORMATION

TOWN OF TAYLOR, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS
SEPTEMBER 30, 2021

POSITION	NAME	INSURANCE COMPANY	COVERAGE
Mayor	Christi Hardy	Travelers	\$ 25,000
City Clerk	Cindy Conrad	Travelers	\$ 50,000
Alderman	Bill Taylor	Travelers	\$ 25,000
Alderman	Shawn Edwards	Travelers	\$ 25,000
Alderman	Sarah M. Hewlett	Travelers	\$ 25,000
Alderman	Lyn Roberts	Travelers	\$ 25,000
Alderman	Jimmie Willingham	Travelers	\$ 25,000
Town Marshal	Micah East	Travelers	\$ 50,000

See accompanying notes and independent accountants' compilation report.



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REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

The Honorable Mayor and Board of Aldermen
Town of Taylor, Mississippi

We have compiled the accompanying Statement of Cash Receipts and Disbursements and Schedule of Surety Bonds for Municipal Officials of the Town of Taylor, Mississippi, for the year ended September 30, 2021, in accordance with Statements of Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statement has been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles in the United States of America.

We have performed procedures to test compliance with certain state laws and regulations as described in the Municipal Compliance Questionnaire that is prescribed by the Office of the State Auditor. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the town's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures and our compilation of the accompanying Statement of Cash Receipts and Disbursements and Schedule of Surety Bonds for Municipal Officials of the Town of Taylor, Mississippi, for the year ended September 30, 2021, disclosed no instances of noncompliance with state laws and regulations.

This report is intended solely for the information and use of management 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.

Oxford, Mississippi
December 8, 2021

Watkins Ward and Stafford, PLLC



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**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING
AGREED-UPON PROCEDURES**

The Honorable Mayor and Board of Aldermen
Town of Taylor, Mississippi

We have performed the procedures enumerated below, which were agreed to by the Office of the State Auditor, to the accounting records of the Town of Taylor, Mississippi, solely to assist the Office of the State Auditor in evaluating the Town of Taylor, Mississippi's compliance with certain laws and regulations as of September 30, 2021, and for the year then ended. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Office of the State Auditor, State of Mississippi. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

- 1) We reconciled cash on deposit with the following banks to balances in the respective general ledger accounts and obtained confirmation of the related balances from First National Bank of Oxford:

<u>Fund</u>	<u>Balance</u>
General fund	\$ 219,066
Total General funds	\$ 219,066

- 2) We performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:
 - a. Trace levies to governing body minutes;
 - b. Traced distribution of taxes collected to proper funds; and
 - c. Analyzed increase in taxes for most recent period for completion with increase limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

The distribution of taxes to funds was found to be in accordance with prescribed tax levies.

Ad valorem tax collections were found to be within the limitations of §27-39-320 to §27-39-323, Miss. Code Ann. (1972).

There were no ad valorem tax collections for the retirement of General Obligation Debt.

The tax assessments, billing and collections are handled by Lafayette County and remitted to the Town monthly, therefore we will not perform a reconciliation of the tax roll and will rely on the work of Lafayette County's auditor.

- 3) We obtained a statement of payments made by the Department of Finance and Administration to the municipality. Payments indicated were traced to deposit in the respective bank accounts and recorded in the general ledger without exception. Payments traced were as follows:

Gasoline tax	General	\$	986
General municipal aid	General		161
Liquor tax	General		1,050
Homestead exemption reimbursement	General		2,496
Sales tax allocation	General		28,356
In lieu of taxes-TVA	General		3,233
MS lottery funds	General		27,054
Covid relief funds	General		40,164
MS Emergency Management Grant	General		7,542
	Total	\$	<u>111,042</u>

- 4) We selected a sample of purchases made by the municipality during the fiscal year. Each sample item was evaluated for compliance with purchasing requirements set forth in Title 31, Chapter 7, Miss. Code Ann. (1972), as applicable.

The sample consisted of the following:

- a. Number of Sample Items 60
- b. Total Dollar Value of Sample \$25,456

We found the municipality's purchasing procedures to be in agreement with the requirements of the above-mentioned sections.

- 5) We have read the Municipal Compliance Questionnaire completed by the municipality. The completed survey indicated no instances of noncompliance with state requirements.
- 6) State Court Fine Assessment – the town does not have any revenue provided by fines or forfeitures. [Section 21-15-21, Miss. Code Ann. (1972)]. The Town also does not have state imposed assessments, and are therefore not required to file a monthly report with the Department of Finance and Administration [Section 99-19-73 & 83-39-31 Miss. Code Ann. (1972)].

We were not engaged to, and did not perform, an examination, the objective of which would be the expression of an opinion on management's compliance with laws and regulations. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the Office of the State Auditor, State of Mississippi and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

Oxford, Mississippi
December 8, 2021

Watkins Ward and Stafford, P.C.