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**TOWN OF TAYLORSVILLE**  
**AUDITED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2007**

**TOWN OF TAYLORSVILLE, MISSISSIPPI  
AUDITED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2007**

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**LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT**

**INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor, Members of the  
Board of Aldermen, and Town Clerk  
Town of Taylorsville, Mississippi

I 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, as of and for the year ended September 30, 2007, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Taylorsville's management. My responsibility is to express opinions on these financial statements based on my audit.

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


In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Taylorsville, Mississippi, as of September 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated March 28, 2008, on my consideration of the Town of Taylorsville, Mississippi's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

The Town of Taylorsville, Mississippi, has not presented Management's Discussion and Analysis that is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board.

The Budgetary Comparison Schedule and corresponding notes are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Town of Taylorsville, Mississippi's basic financial statements. The accompanying financial information listed as schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

  
Marcus J. Martin  
Certified Public Accountant  
March 28, 2008

**Town of Taylorsville  
Statement of Net Assets  
September 30, 2007**

**EXHIBIT 1**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash, Cash Equivalents, and Investments	\$ 544,774	\$ 177,574	\$ 722,348
Restricted Assets - Cash and Investments	51,833	25,266	77,099
Receivables (net of uncollectibles):			
Property Tax Receivable	219,000		219,000
Accounts		96,606	96,606
Intergovernmental	97,259		97,259
Accrued Interest	4,061	629	4,690
Prepaid Items	27,815		27,815
Capital Assets (net of accumulated depreciation):			
Land	387,883	11,125	399,008
Buildings and Improvements	1,152,210		1,152,210
Machinery and Equipment	70,894	260,002	330,896
Other Furniture and Equipment	4,845		4,845
Infrastructure	1,042,936		1,042,936
Water and Sewer Lines and Facilities		1,705,549	1,705,549
Total Assets	<u>\$ 3,603,510</u>	<u>\$ 2,276,751</u>	<u>\$ 5,880,261</u>
<b>LIABILITIES AND NET ASSETS</b>			
Liabilities:			
Accounts Payable	\$ 110,611	\$ 24,061	\$ 134,672
Accrued Salaries and Taxes	14,798		14,798
Deferred Revenue	219,000		219,000
Customer Deposits		28,535	28,535
Non-Current Liabilities:			
Due Within One Year	40,647	66,622	107,269
Due In More Than One Year	208,106	656,909	865,015
Total Liabilities	<u>593,162</u>	<u>776,127</u>	<u>1,369,289</u>
Net Assets:			
Invested in Capital Assets, Net of Related Debt	2,410,015	1,253,145	3,663,160
Restricted	1,430		1,430
Unrestricted	598,903	247,479	846,382
Total Net Assets	<u>3,010,348</u>	<u>1,500,624</u>	<u>4,510,972</u>
Total Liabilities and Net Assets	<u>\$ 3,603,510</u>	<u>\$ 2,276,751</u>	<u>\$ 5,880,261</u>

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

**Town of Taylorsville**  
**Statement of Activities**  
**For the Year Ended September 30, 2007**

**EXHIBIT 2**

Function/Programs:	Program Revenues				Business-Type Activities	
	Expenses	Charges for Services	Operating Grants	Capital Grants	Governmental Activities	Business-Type Activities
<b>Governmental Activities:</b>						
General Government	\$ 315,846				\$ (315,846)	\$ (315,846)
Public Safety	454,714		2,784		(451,930)	(451,930)
Highways and Streets	276,994			389,782	112,788	112,788
Sanitation	74,486				(74,486)	(74,486)
Culture and Recreation	39,032				(39,032)	(39,032)
Economic Development	6,267				(6,267)	(6,267)
Interest on Long-term Debt	11,033				(11,033)	(11,033)
<b>Total Governmental Activities</b>	<b>1,178,372</b>		<b>2,784</b>	<b>389,782</b>	<b>(785,806)</b>	<b>(785,806)</b>
<b>Business-Type Activities:</b>						
Water and Sewer	342,109	721,367		10,402		389,660
<b>Total Functions/Programs</b>	<b>\$ 1,520,481</b>	<b>\$ 721,367</b>	<b>\$ 2,784</b>	<b>\$ 400,184</b>	<b>(785,806)</b>	<b>(396,146)</b>
<b>General Revenues:</b>						
Property Tax					323,381	323,381
Franchise Tax					64,613	64,613
Sales Tax					347,276	347,276
Licenses and Permits					7,524	7,524
Intergovernmental, Not Restricted to Specific Functions/Programs					33,260	33,260
Fines and Forfeits					47,326	47,326
Other Revenue					246,734	249,899
Transfers					288,409	(288,409)
<b>Total General Revenues and Transfers</b>					<b>1,358,523</b>	<b>1,073,279</b>
Change in Net Assets					572,717	677,133
Net Assets, Beginning of Year					2,437,631	3,833,839
<b>Net Assets, End of Year</b>					<b>\$ 3,010,348</b>	<b>\$ 4,510,972</b>

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

**Town of Taylorsville  
Balance Sheet  
Governmental Funds  
September 30, 2007**

**EXHIBIT 3**

	<b>General Fund</b>	<b>A &amp; B Components</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>			
Cash, Cash Equivalents and Investments	\$ 543,371	\$ 1,403	\$ 544,774
Restricted Cash and Investments	51,833		51,833
Property Tax Receivable	219,000		219,000
Intergovernmental Receivable	97,259		97,259
Accrued Interest Receivable	4,061		4,061
Prepaid Items	27,815		27,815
<b>Total Assets</b>	<b>\$ 943,339</b>	<b>\$ 1,403</b>	<b>\$ 944,742</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts Payable	\$ 110,611		\$ 110,611
Accrued Payroll	14,798		14,798
Deferred Revenue	219,000		219,000
<b>Total Liabilities</b>	<b>344,409</b>		<b>344,409</b>
<b>Fund Balances:</b>			
Reserved for Debt Service		1,403	1,403
Unreserved - Undesignated	598,930		598,930
<b>Total Fund Balances</b>	<b>598,930</b>	<b>1,403</b>	<b>600,333</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 943,339</b>	<b>\$ 1,403</b>	<b>\$ 944,742</b>

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

**Town of Taylorsville**  
**Reconciliation of the Balance Sheet**  
**to the Statement of Net Assets**  
**Governmental Funds**  
**September 30, 2007**

**EXHIBIT 3.1**

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<b>Fund Balances - Total Governmental Funds</b>	<b>\$</b>	<b>600,333</b>
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Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Governmental Capital Assets	\$ 3,567,182	
Less: Accumulated Depreciation	<u>(908,414)</u>	2,658,768

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Notes Payable	(248,753)	<u>(248,753)</u>
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<b>Net Assets of Governmental Activities</b>	<b>\$</b>	<b><u><u>3,010,348</u></u></b>
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The notes to the financial statements are an integral part of this statement.

**Town of Taylorsville**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended September 30, 2007**

**EXHIBIT 4**

	<b>General Fund</b>	<b>A &amp; B Components</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>			
Property Taxes	\$ 323,381		\$ 323,381
Licenses and Permits	72,137		72,137
Intergovernmental Revenue	773,102		773,102
Fines and Forfeits	47,326		47,326
Miscellaneous Revenue	216,776	29,958	246,734
<b>Total Revenues</b>	<b>1,432,722</b>	<b>29,958</b>	<b>1,462,680</b>
<b>EXPENDITURES</b>			
Current:			
General Government	312,260		312,260
Public Safety	438,126		438,126
Highways and Streets	647,418		647,418
Sanitation	74,486		74,486
Culture and Recreation	21,319		21,319
Debt Service:			
Principal	35,305	22,140	57,445
Interest	3,239	7,794	11,033
<b>Total Expenditures</b>	<b>1,532,153</b>	<b>29,934</b>	<b>1,562,087</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(99,431)</b>	<b>24</b>	<b>(99,407)</b>
<b>OTHER FINANCING SOURCES AND (USES)</b>			
Transfers In	300,031		300,031
Transfers Out	(11,622)		(11,622)
<b>Total Other Financing Sources and (Uses)</b>	<b>288,409</b>		<b>288,409</b>
<b>Net Change in Fund Balances</b>	<b>188,978</b>	<b>24</b>	<b>189,002</b>
<b>Fund Balances - Beginning</b>	<b>409,952</b>	<b>1,379</b>	<b>411,331</b>
<b>Fund Balances - Ending</b>	<b>\$ 598,930</b>	<b>\$ 1,403</b>	<b>\$ 600,333</b>

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

**Town of Taylorsville**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Year Ended September 30, 2007**

**EXHIBIT 4.1**

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**Net Change in Fund Balances - Total Governmental Funds** **\$ 189,002**

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is depreciated over their estimated useful lives.

Expenditures for Capital Assets	\$ 405,509	
Less: Current Year Depreciation	(76,200)	
Immaterial Loss on Sale of Asset	<u>(3,039)</u>	326,270

Debt proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of debt principal is an expenditure in Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Assets

Principal Payments		<u>57,445</u>
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<b>Change in Net Assets of Governmental Activities</b>		<b><u><u>\$ 572,717</u></u></b>
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The notes to the financial statements are an integral part of this statement.

**Town of Taylorsville  
Statement of Net Assets  
Proprietary Fund  
September 30, 2007**

**EXHIBIT 5**

	<b>Enterprise Fund</b>
	<b>Water &amp; Sewer</b>
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 177,574
Accounts Receivable	96,606
Accrued Interest Receivable	629
Total Current Assets	274,809
Noncurrent Assets:	
Restricted Asset - Cash and Cash Equivalents	25,266
Capital Assets:	
Land	11,125
Water and Sewer Lines and Facilities	2,835,701
Machinery and Equipment	528,323
Less Accumulated Depreciation	(1,398,473)
Total Noncurrent Assets	2,001,942
Total Assets	2,276,751
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	24,061
Customer Deposits	28,535
Current Portion of Long-term Debt	66,622
Total Current Liabilities	119,218
Noncurrent Liabilities:	
Long-term Debt	656,909
Total Liabilities	776,127
<b>NET ASSETS</b>	
Invested in Capital Assets, Net of Related Debt	1,253,145
Unrestricted	247,479
Total Net Assets	\$ 1,500,624

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

**Town of Taylorsville**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Proprietary Fund**  
**For the Year Ended September 30, 2007**

**EXHIBIT 6**

	<b>Enterprise Fund</b>
	<b>Water &amp; Sewer</b>
Operating Revenues:	
Charges for Services	\$ 721,367
Operating Expenses:	
Utilities	81,323
Contractual Services, Materials, and Supplies	13,748
Other Services and Charges	90,183
Depreciation	120,728
Capital Improvements	15,119
Total Operating Expenses	321,101
Operating Income	400,266
Nonoperating Revenues (Expenses):	
Grant Income	10,402
Interest Income	3,165
Interest Expense	(21,008)
Total Nonoperating Revenues (Expenses)	(7,441)
Income Before Transfers	392,825
Transfers In	11,622
Transfers Out	(300,031)
Change in Net Assets	104,416
Total Net Assets - Beginning	1,396,208
Total Net Assets - Ending	\$ 1,500,624

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

**Town of Taylorsville  
Statement of Cash Flows  
Proprietary Fund  
For the Year Ended September 30, 2007**

**EXHIBIT 7**

	<b>Enterprise Fund Water &amp; Sewer</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash received from customers and users	\$ 697,308
Cash payments to suppliers	(203,905)
Net cash provided (used) by operating activities	493,403
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
Transfers from other funds	11,622
Transfers to other funds	(300,031)
Net cash provided (used) by noncapital financing activities	(288,409)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Capital grants	10,402
Principal paid on long-term debt	(65,741)
Interest paid	(21,008)
Net cash provided (used) by capital and related financing activities	(76,347)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest received	3,109
Acquisition and construction of capital assets (net of adjustments)	(53,361)
Net cash provided (used) by investing activities	(50,252)
Net increase (decrease) in cash and cash equivalents	78,395
Cash and cash equivalents, October 1	124,445
Cash and cash equivalents, September 30	\$ 202,840
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>	
Operating income (loss)	\$ 400,266
<b>Adjustments not affecting cash:</b>	
Depreciation expense	120,728
<b>Changes in assets and liabilities:</b>	
(Increase) decrease in accounts receivable	(24,908)
Increase (decrease) in accounts payable	(3,532)
Increase (decrease) in customer deposits	849
Total adjustments	93,137
Net cash provided (used) by operating activities	\$ 493,403
<b>Cash and cash equivalents reconciliation:</b>	
Cash in banks	\$ 177,574
Restricted asset - cash and cash equivalents	25,266
Cash and cash equivalents at September 30	\$ 202,840

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

**TOWN OF TAYLORSVILLE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2007**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

The financial statements of the Town have been prepared in accordance with accounting principles generally accepted in the United States of America, as applicable to local governmental units, (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Town also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its Enterprise Funds provided they do not conflict with or contradict GASB pronouncements. The Town has elected not to apply FASB pronouncements issued after November 30, 1989 to its business-type activities or Enterprise Funds. The most significant of the Town's accounting policies are described below.

**A. Government-wide and Fund Financial Statements**

The government-wide and fund financial statements along with the notes to the financial statements comprise the basic financial statements.

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges between the Town's water and sewer function and various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which direct expenses of a given function or activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenues include 1) charges to customers who purchase, use, or directly benefit from goods and services provided by a given function or activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for Governmental Funds and Proprietary Funds. Major individual Governmental Funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements.

**B. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the Proprietary Fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

**TOWN OF TAYLORSVILLE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2007**

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Franchise and utility taxes, state revenue sharing, charges for garbage and utility services, fines and forfeitures and investment earnings associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, and then unrestricted resources as they are needed.

**C. Fund Accounting**

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The following is a summary of the Town's funds by fund type:

**GOVERNMENTAL FUNDS:** Governmental Funds are those through which most governmental functions of the Town are financed. Governmental Fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various Governmental Funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between Governmental Fund assets and liabilities is reported as fund balance. The following are the Town's major Governmental Funds:

- The *General Fund* is the primary operating fund of the Town. It accounts for all financial resources of the general government, except those required to be accounted for in another fund
- The *A and B Components Fund* accounts for rental income and debt payments related to the A and B Components Building.

**PROPRIETARY FUNDS:** Proprietary Fund reporting focuses on the determination of operating income, changes in net assets, financial position, and cash flows. The Town's Proprietary Fund is an Enterprise Fund. Enterprise Funds may be used to account for any activity for which a fee is charged to external users for goods or services. The Town's Enterprise Fund is a major fund.

- The *Water and Sewer Fund* accounts for the provisions of water and sewer services to customers within the service area.

**D. Capital Assets**

Property and equipment purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at fair market value as of the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Pursuant to GASB 34, small governmental entities (less than \$10 million in annual revenue) are not required to retroactively state the values of infrastructure purchased or constructed in prior years. Therefore, infrastructure acquired prior to October 1, 2002 has not been recorded, unless the value was already included in the Town's inventory of capital assets. GASB 34 requires the reporting and depreciation of new infrastructure expenditures effective with the beginning of the implementation year (October, 1, 2002).

Depreciation has been provided using the straight-line method over the following estimated useful lives:

Building & Improvements	20-40 Years
Machinery & Equipment	5-10 Years
Other Furniture & Equipment	5-10 Years
Infrastructure	20-50 Years
Water & Sewer Lines & Facilities	5-20 Years

**TOWN OF TAYLORSVILLE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2007**

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**E. Cash and Cash Equivalents**

For the purpose of cash flows, the Town considers all cash, certificates of deposit and restricted cash to be cash and cash equivalents.

**F. Allowances for Doubtful Accounts**

The Town uses the direct write-off method for writing off bad accounts. At the end of each year accounts that are considered uncollectible are written off. The difference between this method and the reserve method as required by GAAP is immaterial.

**G. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed as an extension of formal budgetary integration.

**H. Construction in Progress**

Construction in progress represents costs accumulated for various construction and improvement and expansion projects that were not completed at year end.

**I. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond September 30, 2007 are prepaid items.

**J. Mississippi Municipal Compliance Questionnaire**

The Mississippi Municipal Compliance Questionnaire was not completed as prescribed by law.

**K. Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**L. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the Proprietary Funds. For the Town, these revenues are charges for services for water and sewer utility services. Operating expenses are necessary costs that have been incurred in order to provide the good or service that is the primary activity of the fund.

**M. Surety Bonds**

Surety bond coverage meets the legal requirements for the year ended September 30, 2007.

**N. Equity Classifications**

Government-wide Financial Statements:

Equity is classified as net assets and displayed in three components:

Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings attributable to the acquisition, constructions or improvements of those assets.

**TOWN OF TAYLORSVILLE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2007**

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Restricted net assets - Consists of net assets with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or law through constitutional provisions or enabling legislation.

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

**Fund Financial Statements:**

Governmental Fund equity is classified as fund balance. Fund balance is classified as reserved or unreserved, with unreserved classified as designated and undesignated. A reserve is used to indicate that a portion of the fund balance is legally segregated for a specific future use. The Town's reserved fund balances for the current year are for grant or other designated income and for debt service expenditures.

Unreserved fund balance represents the amount available for budgeting future operations. Reservations of fund balance represent amounts that are not appropriate or are legally segregated for a specific purpose.

**NOTE 2 – CASH AND INVESTMENTS**

The Town deposits funds in financial institutions selected by the Board of Aldermen in accordance with state statutes. Various restrictions on deposits are imposed by statutes.

Code Sec. 21-33-323 Miss. Code Ann. (1972), allows municipalities to invest their surplus funds. The Town may only invest in direct obligations of the United States, or the State of Mississippi, or certain local Mississippi governments. They may also invest in certificates of deposit from municipal depositories or State of Mississippi depositories located within the municipality. There is no authority to invest in mutual funds or brokerage firm accounts.

All investments of the Town throughout the year and at year-end are interest bearing time certificates of deposit which are recorded at cost plus interest earned at September 30, 2007. The market value equals the carrying amount of these investments.

The collateral for public entities' deposits in financial institutions is now held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5 Miss. Code Ann. (1972). Under this program, the Town's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Depository Insurance Corporation.

The Town's deposits, which includes all cash accounts and certificates of deposits, with a carrying value of \$799,447 and a bank balance of \$821,314 at September 30, 2007, are covered by federal depository insurance and by deposits held in banks that are members of the State of Mississippi's Collateral Pool.

**TOWN OF TAYLORSVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2007**

**NOTE 3 – CAPITAL ASSETS**

The following is a summary of changes in capital assets during the year ended September 30, 2007:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Governmental Activities:</b>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 387,883			\$ 387,883
Construction in progress	62,718	387,286	(450,004)	-
Total capital assets not being depreciated	<u>450,601</u>	<u>387,286</u>	<u>(450,004)</u>	<u>387,883</u>
<i>Capital assets being depreciated:</i>				
Buildings and improvements	1,520,274			1,520,274
Machinery and equipment	442,734	18,223	(21,297)	439,660
Other furniture and equipment	71,050		(9,083)	61,967
Infrastructure	707,394	450,004		1,157,398
Total capital assets being depreciated	<u>2,741,452</u>	<u>468,227</u>	<u>(30,380)</u>	<u>3,179,299</u>
<i>Less accumulated depreciation for:</i>				
Buildings and improvements	(338,576)	(29,488)		(368,064)
Machinery and equipment	(355,617)	(32,316)	19,167	(368,766)
Other furniture and equipment	(64,448)	(848)	8,174	(57,122)
Infrastructure	(100,914)	(13,548)		(114,462)
Total accumulated depreciation	<u>(859,555)</u>	<u>(76,200)</u>	<u>27,341</u>	<u>(908,414)</u>
Total capital assets being depreciated, net	<u>1,881,897</u>	<u>392,027</u>	<u>(3,039)</u>	<u>2,270,885</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 2,332,498</u>	<u>\$ 779,313</u>	<u>\$ (453,043)</u>	<u>\$ 2,658,768</u>

Depreciation expense was charged to governmental functions as follows:

<b>Governmental Activities:</b>	
General Government	\$ 3,586
Public Safety	34,810
Highways and Streets	13,824
Culture and Recreation	17,713
Economic Development	6,267
Total Depreciation Expense	<u>\$ 76,200</u>
<b>Business-type Activities:</b>	
Water and Sewer	<u>\$ 120,728</u>

**TOWN OF TAYLORSVILLE, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2007**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-type Activities:</b>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 11,125			\$ 11,125
Construction in progress	45,900	10,402	(56,302)	-
Total capital assets not being depreciated	<u>57,025</u>	<u>10,402</u>	<u>(56,302)</u>	<u>11,125</u>
<i>Capital assets being depreciated:</i>				
Water and sewer lines and facilities	2,779,399	56,302		2,835,701
Machinery and equipment	485,364	42,959		528,323
Total capital assets being depreciated	<u>3,264,763</u>	<u>99,261</u>	<u>-</u>	<u>3,364,024</u>
<i>Less accumulated depreciation for:</i>				
Water and sewer lines and facilities	(1,038,868)	(91,284)		(1,130,152)
Machinery and equipment	(238,877)	(29,444)		(268,321)
Total accumulated depreciation	<u>(1,277,745)</u>	<u>(120,728)</u>	<u>-</u>	<u>(1,398,473)</u>
Total capital assets being depreciated, net	<u>1,987,018</u>	<u>(21,467)</u>	<u>-</u>	<u>1,965,551</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 2,044,043</u>	<u>\$ (11,065)</u>	<u>\$ (56,302)</u>	<u>\$ 1,976,676</u>

**NOTE 4 – LONG-TERM DEBT**

The following is a summary of changes in long-term debt for the year ended September 30, 2007:

<u>DEFINITION AND PURPOSE</u>	<u>% INTEREST RATE</u>	<u>BALANCE OUTSTANDING 10/1/06</u>	<u>TRANSACTIONS DURING FISCAL YEAR</u>		<u>BALANCE OUTSTANDING 9/30/07</u>
			<u>ISSUED</u>	<u>REDEEMED</u>	
<b>Governmental Activities:</b>					
CAP Loan – Industrial Site Expansion	4.00	\$ 208,258		\$ 22,140	\$ 186,118
Magnolia State Bank – Ballpark	3.90	13,127		13,127	
Magnolia State Bank – Land	3.00	13,000		6,000	7,000
CAP Loan – Fire Truck	2.00	65,813		10,178	55,635
Trustmark – Railroad Property	4.87	6,000		6,000	
Total Governmental Activities		<u>306,198</u>		<u>57,445</u>	<u>248,753</u>
<b>Business-type Activities:</b>					
CAP Loan – Sewer Improvements	3.00	264,077		26,536	237,541
CAP Loan – Sewer Improvements	3.00	250,754		14,976	235,778
CAP Loan – Water Improvements	3.00	43,222		2,233	40,989
Magnolia State Bank – Case Loader	4.13	28,718		7,253	21,465
Magnolia State Bank – 2001 Chevrolet Truck	2.89	8,319		2,549	5,770
Magnolia State Bank – 2005 Chevrolet Truck	2.89	9,935		4,184	5,751
MS Department of Environmental Quality Revolving Loan – Sewer Improvements	2.00	184,247		8,010	176,237
Total Business-type Activities		<u>789,272</u>		<u>65,741</u>	<u>723,531</u>
<b>TOTAL GOVERNMENT-WIDE LONG-TERM DEBT</b>		<u>\$ 1,095,470</u>	<u>\$</u>	<u>\$ 123,186</u>	<u>\$ 972,284</u>

**TOWN OF TAYLORSVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2007**

Principal and interest maturities of all long-term debt are as follows:

Year	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	Principal	Interest	Principal	Interest
2008	\$ 40,647	\$ 8,561	\$ 66,622	\$ 19,465
2009	34,568	7,225	65,675	17,469
2010	35,526	6,061	58,353	15,577
2011	36,524	4,854	55,610	13,979
2012	37,988	3,601	57,213	12,376
2013-2017	63,500	3,662	247,915	37,655
2018-2022			137,417	11,533
2022-2027			34,726	1,109
	<u>\$ 248,753</u>	<u>\$ 33,964</u>	<u>\$ 723,531</u>	<u>\$ 129,163</u>

Legal Debt Margin – The amount of debt, excluding specific exempted debt, that can be incurred by the Town is limited by state statute. Total outstanding debt during a year can be no greater than 15% of assessed value of the taxable property within the Town, according to the then last completed assessment for taxation. However, the limitation is increased to 20% whenever a Town issues bonds to repair or replace washed out or collapsed bridges on the public roads of the Town. As of September 30, 2007, the amount of outstanding debt was equal to 4.3% of the latest property assessments.

**NOTE 5 – RISK MANAGEMENT**

The Town has purchased commercial insurance policies for various risks of loss related to torts; theft, damage or destruction of assets; errors or omissions; injuries to employees; or acts of God. Payments of premiums for these policies are recorded as expenditures/expenses. Insurance settlements have not exceeded insurance coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

**NOTE 6 – SICK AND VACATION LEAVE**

The Town has no policy whereby sick pay and vacation pay are accumulated.

**NOTE 7 – PROPERTY TAXES**

Property taxes on real and personal property, exclusive of automobiles, become an enforceable lien on January 1, for the preceding year. Taxes are levied before September 15, and are due before February 1. As of 2005 tax year, Smith County bills and collects the Town's property taxes, including automobile ad valorem. Tax revenue is remitted to the Town monthly.

**NOTE 8 – DEFINED BENEFIT PENSION PLAN**

Plan Description. The Town of Taylorsville 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 Employee Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling 1-800-444-PERS.

Funding Policy. PERS members are required to contribute 7.25% of their annual covered salary, and the Town is required to contribute at an actuarially determined rate. The rate at September 30, 2007 was 11.85% 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's contributions (employer share only) to PERS for the years ending September 30, 2007, 2006, and 2005, were \$59,816, \$57,211, and \$54,728, respectively, equal to the required contributions for each year.

**TOWN OF TAYLORSVILLE, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2007**

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**NOTE 9 – INTERFUND TRANSACTIONS**

Interfund transfers for the year ended September 30, 2007 consisted to the following:

<b>Transfers To</b>	<b>Transfers From</b>	<b>Total</b>
General Fund	Water and Sewer Fund	\$ 300,031
Water and Sewer Fund	General Fund	<u>(11,622)</u>
		<u>\$ 288,409</u>

These transfers were made for general operating purposes as needed and for providing funds to pay water and sewer employee salaries.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Town of Taylorsville, Mississippi**  
**Budgetary Comparison Schedule -**  
**Budget and Actual (Non-GAAP Basis)**  
**General Fund**  
**For the Year Ended September 30, 2007**

	<b>General Fund</b>			
	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 282,961	\$ 278,100	\$ 323,381	\$ 45,281
Licenses, commissions and other revenue	72,686	74,323	69,617	(4,706)
Fines and forfeitures	27,240	31,067	47,326	16,259
Intergovernmental revenues	388,894	377,093	686,862	309,769
Interest income	1,700	1,965	10,083	8,118
Miscellaneous revenues	61,512	45,250	225,555	180,305
<b>Total Revenues</b>	<b>834,993</b>	<b>807,798</b>	<b>1,362,824</b>	<b>555,026</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
General government	467,933	431,869	457,306	(25,437)
Public safety	381,160	399,979	363,098	36,881
Public works	240,514	282,533	262,300	20,233
Culture and recreation	45,386	25,897	21,319	4,578
Debt service principal, interest, and fees			27,136	(27,136)
<b>Total Expenditures</b>	<b>1,134,993</b>	<b>1,140,278</b>	<b>1,131,159</b>	<b>9,119</b>
Excess of Revenues over (under) Expenditures	(300,000)	(332,480)	231,665	564,145
<b>OTHER FINANCING SOURCES (USES)</b>				
Other financing sources	300,000	332,480	300,030	(32,450)
<b>Total Other Financing Sources and Uses</b>	<b>300,000</b>	<b>332,480</b>	<b>300,030</b>	<b>(32,450)</b>
Net Change in Fund Balance	-	-	531,695	531,695
Fund Balances - Beginning	409,952	409,952	409,952	-
<b>Fund Balances - Ending</b>	<b>\$ 409,952</b>	<b>\$ 409,952</b>	<b>\$ 941,647</b>	<b>\$ 531,695</b>

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, 2007**

**A. Budgetary Information.**

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

Prior to September 1, the Mayor submits to the Board of Aldermen a proposed operating budget for the fiscal year commencing the following October. The operating budget includes proposed expenditures and the means of financing them. A public hearing is conducted at the Town Hall to obtain taxpayer comments. Prior to October 1, the budget is legally enacted through passage of an ordinance. All budget amendments are approved by the board and are in compliance with the municipal law as determined by the Mississippi Code.

The Board of Aldermen has not taken any official action to authorize anyone to transfer budgeted amounts between departments within any fund. Formal budgetary integration is employed as a management control device during the year for the General Fund. Mississippi law requires that municipalities budget Governmental Funds on a modified-cash basis. Claims that have been incurred prior to the end of the year and that are paid within 30 days are recorded under the accrual basis. Prior year claims that are paid after 30 days revert to the cash basis. All revenue is accounted for under the cash basis. Capital project funds, however, are budgeted per project and do not lapse at year-end. The required budgetary basis is therefore not considered a generally accepted accounting principle.

**B. 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 and each major special revenue fund.

**C. Budget/GAAP Reconciliation.**

The major differences between the budgetary basis and the GAAP basis are:

1. Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

The following schedule reconciles the budgetary basis schedules to the GAAP basis financial statements for the General Fund and each major special revenue fund:

	<u>Governmental Fund Types</u>
	<u>General Fund</u>
Budget (Cash Basis)	\$ 531,695
Net adjustments for revenue accruals	104,654
Net adjustments for expenditure accruals	(447,371)
GAAP Basis	\$ 188,978

**D. Unbudgeted Funds.**

The Town does not prepare a budget for the A&B Components Fund, a major special revenue fund, since it mainly accounts for rental income used to pay debt related to the building being rented.

**SUPPLEMENTAL INFORMATION**

**TOWN OF TAYLORSVILLE, MISSISSIPPI  
SCHEDULE OF INVESTMENTS – ALL FUNDS  
SEPTEMBER 30, 2007**

**SCHEDULE 1**

**GENERAL FUNDS:**

General Revenue Fund:

5.47% Certificate of Deposit, Dated April 17, 2007, Due 12 Months after Date	\$ 96,864
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General Revenue Fund:

5.47% Certificate of Deposit, Dated August 7, 2007, Due 12 Months after Date	58,257
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Georgia Pacific Agreement Fund:

5.47% Certificate of Deposit, Dated August 16, 2007, Due 6 Months after Date	<u>175,000</u>
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330,121

**PROPRIETARY FUNDS:**

Waterworks and Sewer System Cushion Fund:

5.47% Certificate of Deposit, Dated April 17, 2007, Due 12 Months after Date	16,300
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Waterworks and Sewer System Contingent Fund:

5.47% Certificate of Deposit, Dated April 17, 2007, Due 12 Months after Date	4,891
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Waterworks and Sewer System Depreciation Fund:

5.47% Certificate of Deposit, Dated April 17, 2007, Due 12 Months after Date	<u>4,075</u>
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25,266

**TOTAL INVESTMENTS**

**\$ 355,387**

See Independent Auditor's Report.

**TOWN OF TAYLORSVILLE, MISSISSIPPI  
SCHEDULE OF SURETY BONDS FOR OFFICIALS  
SEPTEMBER 30, 2007**

**SCHEDULE 2**

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<u>NAME</u>	<u>POSITION</u>	<u>COMPANY</u>	<u>BOND</u>
Larry Kelly	Mayor	Western Surety Company	\$ 50,000
Ray Lancaster	Alderman	Western Surety Company	10,000
Arthur Shelby	Alderman	Western Surety Company	10,000
Larry Moffett	Alderman	Western Surety Company	10,000
Kenneth Robertson	Alderman	Western Surety Company	10,000
Janette Brewer	Alderwoman	Western Surety Company	10,000
Bobby Ainsworth	Police Chief	Western Surety Company	50,000
Edwina Sanders	Town Clerk	Western Surety Company	50,000
Michelle Sharpley	Deputy Clerk	Western Surety Company	10,000
Arthur Newman	Dispatcher/Clerk	Western Surety Company	10,000
Jane Craft	Dispatcher/Clerk	Western Surety Company	10,000

See Independent Auditor's Report.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE  
PRIMARY GOVERNMENT FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Mayor, Members  
Of the Board of Aldermen, and Town Clerk  
Taylorsville, Mississippi

I 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, as of and for the year ended September 30, 2007, and have issued my report thereon dated March 28, 2008. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

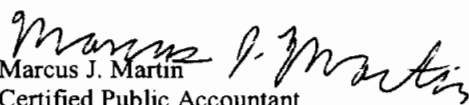
Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Town of Taylorsville, Mississippi's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amount that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

Compliance and Other Matters

As a part of obtaining reasonable assurance about whether the Town of Taylorsville, Mississippi's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, I noted certain immaterial instances of noncompliance which I have reported to the management of the Town of Taylorsville, Mississippi, in the Limited Internal Control and Compliance Review Management Report dated March 28, 2008, included within this document.

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 this specified party. However, this report is a matter of public record and its distribution is not limited.

  
Marcus J. Martin  
Certified Public Accountant  
March 28, 2008

**LIMITED INTERNAL CONTROL AND COMPLIANCE  
REVIEW MANAGEMENT REPORT**

Honorable Mayor, Members  
Of the Board of Aldermen, and Town Clerk  
Taylorsville, Mississippi

In planning and performing my audit of the financial statements of the Town of Taylorsville, Mississippi, for the year ended September 30, 2007, I considered the Town of Taylorsville, Mississippi's internal control to determine my auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

In addition, for audit areas not considered material to the Town of Taylorsville, Mississippi's financial reporting, I have performed some additional limited internal control and state legal compliance review procedures as identified in the state legal compliance audit program issued by the Office of the State Auditor. My 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, I do not express such an opinion. This report does not affect my report dated March 28, 2008, on the financial statements of the Town of Taylorsville, Mississippi.

These review procedures and compliance tests cannot and do not provide absolute assurance that all state legal requirements have been complied with. Also, my consideration of internal control would not necessarily disclose all matters within the internal control that might be weaknesses. In accordance with Section 7-7-211, Miss. Code Ann. (1972), the Office of the State Auditor, when deemed necessary, may conduct additional procedures and tests of transactions for this or other fiscal years to ensure compliance with legal requirements.

The results of my review procedures and compliance tests identified certain immaterial instances of noncompliance with state laws and regulations and other matters that are opportunities for strengthening internal controls and operating efficiency. My findings and recommendations and your responses are disclosed below:

**Finding**

During the current year, certain unexplained adjustments to utility customer accounts were noted. While the financial effect of these adjustments is considered immaterial, such adjustments do not appear to be properly monitored and the Town does not utilize pre-numbered or computerized receipts or provide other adequate documentation to ensure that all funds received from utility customers are properly posted to customer accounts and subsequently deposited into the Town's financial institution.

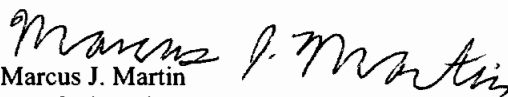
**Recommendation**

The Board of Aldermen should establish procedures to monitor any adjustments to utility customer accounts and ensure that receipts from customers are properly recorded and deposited. Recommended procedures include but are not limited to the use of pre-numbered or computerized receipts, Board of Aldermen approval for adjustments to customer accounts, and daily or more frequent bank deposits. Receipts issued, bank deposits and reports printed from the utility computer system should be compared for accuracy.

**Board of Aldermen's Response**

We will comply with these recommendations.

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 this party. However, this report is a matter of public record and its distribution is not limited.

  
Marcus J. Martin  
Certified Public Accountant  
March 28, 2008