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# City of Waynesboro

www.waynesboroms.com

714 Wayne St.

Waynesboro, Mississippi 39367

601-735-4874

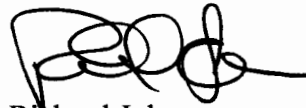
November 3, 2016

Office of the State Auditor  
P.O. Box 956  
Jackson, MS 39205

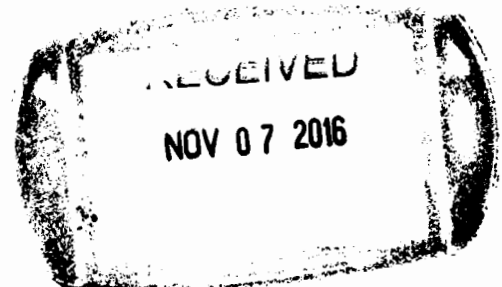
Re: Annual Municipal Audit

Accompanying this letter are (2) hard copies and (1) electronic copy of the annual audit of the City of Waynesboro, Mississippi, for the fiscal year ended September 30, 2015. A separate management letter was not written to the city in connection with this audit.

Sincerely,



Richard Johnson  
Mayor

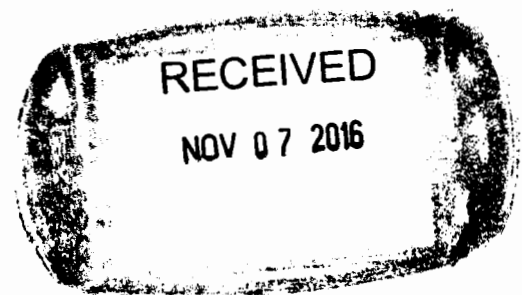




**CITY OF WAYNESBORO**  
**AUDITED FINANCIAL STATEMENTS**  
**AND**  
**SPECIAL REPORTS**

**For the Year Ended September 30, 2015**

**Britton and Company, PLLC**  
**Certified Public Accountants**  
**PO Box 917 / 1429 Mississippi Drive**  
**Waynesboro, MS 39367**  
**(601) 735-3505**





# CITY OF WAYNESBORO

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# **CITY OF WAYNESBORO**

## **FINANCIAL AUDIT REPORT**







## **Britton and Company, PLLC**

*Certified Public Accountants*

1429 Mississippi Drive • P.O. Box 917 • Waynesboro, MS 39367  
(601) 735-3505 • Fax: (601) 735-3587 • [www.brittoncpas.com](http://www.brittoncpas.com)

### **INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and Members of the Board of Aldermen  
City of Waynesboro, Mississippi

#### **Report of the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Waynesboro, Mississippi as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City'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 accounting principles generally accepted in the United States of America; this includes 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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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.

### Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
Business-Type Activities	Qualified
General Fund	Unmodified
Fire Protection Fund	Unmodified
Water & Sewer Fund	Qualified
Aggregate Other Governmental Funds	Unmodified

### Basis for Qualified Opinions on Business-Type Activities in the Government-Wide Financial Statements and Proprietary Funds Financial Statements

In accordance with *Government Auditing Standards*, we have also issued our report dated October 3, 2016, on our consideration of the City of Waynesboro, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters.

As discussed in the previously mentioned report, Finding 2015-1 should be an emphasized matter and given special attention. Accounting records in the Water and Sewer fund for the 2015 fiscal year are inadequate, inaccurate, and certain monies are unaccounted for in the accounting records of the Water & Sewer Fund. Therefore, we were unable to form an opinion regarding the assets, liabilities, revenues, expenses and cash basis net asset position, of the Business-Type Activities of the Government-Wide Financial Statements and the Proprietary Funds Financial Statements as of September 30, 2015.

### Qualified Opinions

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinions on Business-Type Activities in the Government-Wide Financial Statements and Proprietary Funds Financial Statements" paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the City of Waynesboro, Mississippi, as of September 30, 2015, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial positions of the governmental activities, each major fund and the aggregate remaining fund information of the City of Waynesboro, Mississippi as of September 30, 2015, and the respective changes in cash basis financial position, where applicable, thereof for the year then ended in conformity with the basis of accounting principles in Note 1.



## ***Other Matters***

### **Required Supplemental Information**

Accounting principles generally accepted in the United States of America require that the budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements. We do not express financial statements, and other knowledge we obtained during my audit of the basic financial statements, we do not express an opinion or provide any assurance on the information because the limited procedures so not provide us with sufficient evidence to express an opinion to provide any assurance.

### **Omission of Required Supplementary Information**

The City of Waynesboro 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 the financial reporting for placing the basic financial statements in appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

### **Supplemental Information**

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



### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 3, 2016, on our consideration of the City of Waynesboro, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Waynesboro, Mississippi's internal control over financial reporting and compliance.

### **Emphasis of Matter**

As discussed in Note 1, the City of Waynesboro, Mississippi prepares its financial statements on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.



Manager  
Michael E. Britton, CPA, CGMA  
Britton and Company, PLLC  
Waynesboro, Mississippi

October 3, 2016





# **CITY OF WAYNESBORO**

## **FINANCIAL STATEMENTS**



**CITY OF WAYNESBORO**  
**Statement of Net Assets – Cash Basis**  
**September 30, 2015**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	\$ 1,160,187	\$ 263,197	\$ 1,423,384
Total Current Assets	<u>1,160,187</u>	<u>263,197</u>	<u>1,423,384</u>
<b>Noncurrent Assets</b>			
Restricted Cash	54,889	170,658	225,546
Total Noncurrent Assets	<u>54,889</u>	<u>170,658</u>	<u>225,546</u>
Total Assets	<u>1,215,076</u>	<u>433,855</u>	<u>1,648,931</u>
<b>NET ASSETS - CASH BASIS</b>			
Nonspendable	23,093	170,658	193,751
Restricted for:			
Fire Protection	168,798	-	168,798
Public Safety	47,799	-	47,799
Outside Joint Venture Interests	11,950	-	11,950
Restitutions	4,590	-	4,590
Seized Funds	17,519	-	17,519
Parks & Recreation	5,329	-	5,329
Capital Projects	16,175	-	16,175
Public Works	-	263,197	263,197
Employment Security	9,687	-	9,687
Unrestricted	910,136	-	910,136
Total Net Assets	<u>\$ 1,215,076</u>	<u>\$ 433,855</u>	<u>\$ 1,648,931</u>

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



**CITY OF WAYNESBORO**  
**Statement of Activities – Cash Basis**  
**For the Year Ended September 30, 2015**

Function / Programs	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Assets		
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General Government	\$ 817,409	\$ 74,234	\$ 1,719	\$ 496,104	\$ (245,352)		\$ (245,352)
Public Safety	1,906,401	-	88,965	-	(1,817,436)		(1,817,436)
Public Works	924,358	-	-	-	(924,358)		(924,358)
Health and Sanitation	583,591	452,269	-	-	(131,322)		(131,322)
Culture and Recreation	536,102	524	-	-	(535,578)		(535,578)
Debt Service Principal	110,399	-	-	-	(110,399)		(110,399)
Interest on Long-Term Debt	1,375	-	-	-	(1,375)		(1,375)
Total Governmental Activities	4,879,635	527,027	90,684	496,104	(3,765,820)		(3,765,820)
Business-type Activities:							
Water & Sewer Fund	1,326,820	1,393,208	-	-	-	66,389	66,389
Debt Service Principal	40,789	-	-	-	-	(40,789)	(40,789)
Interest on Long-Term Debt	28,740	-	-	-	-	(28,740)	(28,740)
Total Business-type Activities	1,396,349	1,393,208	-	-	-	(3,140)	(3,140)
Total Primary Government	6,275,983	1,920,235	90,684	496,104	(3,765,820)	(3,140)	(3,768,959)
General Revenues:							
Taxes:							
Property Taxes, levied for general purposes					\$ 897,604	-	\$ 897,604
Property Taxes, levied for fire protection services					291,282	-	291,282
Sales Taxes					2,176,796	-	2,176,796
Road and Bridge Privilege Taxes					292,908	-	292,908
Franchise Taxes					308,306	-	308,306
Fines and Fees					246,406	-	246,406
Homestead Reimbursement from State of MS					57,138	-	57,138
Licenses and Permits					30,356	-	30,356
Miscellaneous Taxes					8,891	-	8,891
Proceeds Long Term Debt					-	-	-
Interest Earnings					5,975	2,080	8,055
Gain (Loss) on Sale of Capital Assets					-	-	-
Increase/decrease in Due From Other Funds					-	6,644	6,644
Increase/decrease in Due To Other Funds					6,645	-	6,645
Decrease in SMNTF Seized Funds Payable					(19,917)	-	(19,917)
Incr. (Decr.) in Meter Deposit Payable					-	3,708	3,708
Clearing Fund Decrease in Liab.					(2,402)	-	(2,402)
Miscellaneous					101,164	68,852	170,015
Transfers Out					(50,580)	-	(50,580)
Transfers In					3,428	47,152	50,580
Total General Receipts					4,353,999	128,436	4,482,435
Change in Net Assets					588,180	125,296	713,475
Net Assets - Beginning					626,896	308,559	935,455
Net Assets - Ending					\$ 1,215,076	\$ 433,855	\$ 1,648,930

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



# CITY OF WAYNESBORO

## Balance Sheet – Cash Basis Governmental Funds For the Year Ended September 30, 2015

ASSETS	General Fund	Fire Protection Fund	Other Governmental Funds	Total Governmental Funds
Cash and Cash Equivalents	\$ 910,136	\$ 168,798	\$ 81,254	\$ 1,160,187
Restricted Cash	-	-	54,889	54,889
Total Assets	<u>\$ 910,136</u>	<u>\$ 168,798</u>	<u>\$ 136,142</u>	<u>\$ 1,215,076</u>

### LIABILITIES AND FUND BALANCES

#### Fund Balances - Cash Basis

##### Nonspendable:

Perpetual Care	-	-	23,093	23,093
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##### Restricted:

Fire Protection	-	168,798	-	168,798
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Public Safety	-	-	47,799	47,799
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Outside Joint Venture Interests	-	-	11,950	11,950
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Restitutions	-	-	4,590	4,590
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Seized Funds	-	-	17,519	17,519
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Capital Projects	-	-	16,175	16,175
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Employment Security	-	-	9,687	9,687
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##### Committed:

Parks & Recreation	-	-	5,329	5,329
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##### Assigned:

Clearing Funds	-	-	-	-
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Unassigned	910,136	-	-	910,136
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Total Fund Balances - Cash Basis	<u>\$ 910,136</u>	<u>\$ 168,798</u>	<u>\$ 136,142</u>	<u>\$ 1,215,076</u>
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The notes to the financial statements are an integral part of this statement.





**CITY OF WAYNESBORO**  
**Statement of Cash Basis Fund Balances and Cash Receipts, Disbursements and Changes in**  
**Cash Basis Fund Balances - Governmental Funds**  
**For the Year Ended September 30, 2015**

	General Fund	Fire Protection Fund	Other Governmental Funds	Total Governmental Funds
<b>RECEIPTS</b>				
Property Taxes	\$ 897,604	\$ 291,282	\$ -	\$ 1,188,886
Sales Taxes	2,176,796	-	-	2,176,796
Road and Bridge Privilege Taxes	292,908	-	-	292,908
Franchise Taxes	308,306	-	-	308,306
Miscellaneous Taxes	8,891	-	-	8,891
Fines and Forfeitures	243,368	-	3,038	246,406
Licenses and Permits	30,356	-	-	30,356
Intergovernmental Receipts	499,877	27,440	59,472	586,788
Homestead Exemption Reimb. State of MS	57,138	-	-	57,138
Charges for Services	526,503	-	524	527,027
Investment Earnings	4,547	239	1,189	5,975
Miscellaneous Receipts	100,074	1,090	-	101,164
Total Receipts	<u>5,146,368</u>	<u>320,050</u>	<u>64,223</u>	<u>5,530,640</u>
<b>DISBURSEMENTS</b>				
Current				
General Government	816,730	-	679	817,409
Public Safety	1,537,720	301,987	66,694	1,906,401
Public Works	924,358	-	-	924,358
Health and Sanitation	583,591	-	-	583,591
Culture and Recreation	535,992	-	110	536,102
Debt Service				
Principal on Debt	89,629	20,770	-	110,399
Interest and Other Charges	716	659	-	1,375
Total Disbursements	<u>4,488,736</u>	<u>323,416</u>	<u>67,483</u>	<u>4,879,634</u>
Excess (deficiency) of Receipts Over Disbursements	<u>657,632</u>	<u>(3,366)</u>	<u>(3,260)</u>	<u>651,006</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Long-term Debt	-	-	-	-
Proceeds from Short-term Debt	-	-	-	-
Proceeds from Sales of Capital Assets	-	-	-	-
Transfers In	-	663	2,765	3,428
Transfers Out	(48,315)	-	(2,265)	(50,580)
Incr (Decr) in SMNTF Seized Funds Payable	-	-	(19,917)	(19,917)
Incr/Decr in Due From Other Funds	-	-	-	-
Incr/Decr in Due to Other Funds	6,645	-	-	6,645
Clearing Fund change in liabilities	-	-	(2,402)	(2,402)
Total Other Financing Sources and Uses	<u>(41,670)</u>	<u>663</u>	<u>(21,819)</u>	<u>(62,826)</u>
Net Change in Fund Balance	615,962	(2,703)	(25,079)	588,180
Fund Balances - Beginning	<u>294,175</u>	<u>171,500</u>	<u>161,221</u>	<u>626,896</u>
Fund Balances - Ending	<u>\$ 910,137</u>	<u>\$ 168,797</u>	<u>\$ 136,142</u>	<u>\$ 1,215,076</u>



# CITY OF WAYNESBORO

## Statement of Net Assets – Cash Basis Proprietary Funds For the Year Ended September 30, 2015

	Business-type Activities- Enterprise Funds	
	<u>Water &amp; Sewer Fund</u>	<u>Totals</u>
<b>ASSETS</b>		
Current Assets		
Cash and Cash Equivalents	\$ 263,197	\$ 263,197
Total Current Assets	<u>263,197</u>	<u>263,197</u>
Noncurrent Assets		
Restricted Cash	<u>170,658</u>	<u>170,658</u>
Total Assets	<u>433,855</u>	<u>433,855</u>
<b>NET ASSETS</b>		
Restricted for:		
Debt Service	170,658	170,658
Public Works	263,197	263,197
Total Net Assets	<u>\$ 433,855</u>	<u>\$ 433,855</u>

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



# CITY OF WAYNESBORO

## Statement of Cash Basis Fund Balances and Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances-Proprietary Funds For the Year Ended September 30, 2015

	Business-type Activities- Enterprise Funds	
	Water & Sewer Fund	Total
Operating Receipts		
Charges for Services	\$ 1,393,208	\$ 1,393,208
Other Operating Receipts	68,852	68,852
Total Operating Receipts	<u>1,462,060</u>	<u>1,462,060</u>
Operating Disbursements		
Personnel Services	548,556	548,556
Utilities	158,675	158,675
Repairs & Maintenance	294,987	294,987
Supplies	106,484	106,484
Other Expenses	218,117	218,117
Total Operating Expenses	<u>1,326,820</u>	<u>1,326,820</u>
Operating Income (Loss)	<u>135,240</u>	<u>135,240</u>
Non-Operating Receipts (Disbursements)		
Debt Service- Principal	(40,789)	(40,789)
Debt Service- Interest	(28,740)	(28,740)
Other Financing Sources - L/T Capital	-	-
Interest Earnings	2,080	2,080
Total Non-Operating Receipts (Disbursements)	<u>(67,449)</u>	<u>(67,449)</u>
Income (Loss) Before Contributions and Transfers	<u>67,791</u>	<u>67,791</u>
Capital Contributions	-	-
Incr. (Decr.) in Meter Payable	3,708	3,708
Change in Due from Other Funds	6,645	6,645
Transfers In	47,152	47,152
Transfers Out	<u>-</u>	<u>-</u>
Subtotal	57,505	57,505
Change in Net Assets	<u>125,296</u>	<u>125,296</u>
Net Assets - Beginning	<u>308,559</u>	<u>308,559</u>
Net Assets - Ending	<u>\$ 433,855</u>	<u>\$ 433,855</u>

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



**CITY OF WAYNESBORO**  
**Notes to the Financial Statements**  
**For the Year Ended September 30, 2015**

**Note 1 Summary of Significant Accounting Policies**

**A. Financial Reporting Entity**

The City of Waynesboro is a political subdivision of the State of Mississippi. The City operates under an Alderman-Mayor form of government and possesses all rights and privileges provided by statute for municipalities.

The financial statements of the City have been prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles general accepted in the United States of America.

**B. Government-wide Financial Statements:**

The government-wide financial statements (i.e., the Statement of Net Assets –cash basis) report information on all of the nonfiduciary activities of the primary government. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The city combines the Statement of Activities and Statement of Net Assets.

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

**Fund Financial Statements:**

Fund financial statements are provided for governmental and proprietary funds.. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds are aggregated and presented in a single column.





**CITY OF WAYNESBORO**  
**Notes to the Financial Statements**  
**For the Year Ended September 30, 2015**  
**(continued)**

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

The government-wide financial statements are reported using the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting other than accounting principles general accepted in the United States of America. Receipts are recorded when collected and disbursements are recorded when cash is spent.

Governmental fund financial statements are reported using the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recognized as soon as they are collected. Disbursements generally are recorded when the cash is spent.

Amounts reported as program receipts included (1) receipts from customers or applicants for goods, services or privileges provided, (2) operating grants and contributions and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts.

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

The City reports the following major governmental funds:

General Fund – This fund is used to account for all activities of the general government for which a separate fund has not been established.

Fire Protection Fund – Accounts for monies from specific revenue sources that are restricted for fire protection services.

The City reports the following major proprietary fund:

Water and Sewer Fund – Accounts for the City's activities of providing water and sewer services to its residents.

**D. Assets and Net Assets or Equity**

Cash and Investments



**CITY OF WAYNESBORO**  
**Notes to the Financial Statements**  
**For the Year Ended September 30, 2015**  
**(continued)**

The government's cash and cash equivalents are considered to be cash on hand or invested in certificates of deposits are reported at carrying amount (cost) which reasonably estimates fair market value. State law authorizes the city to invest in interest bearing time certificates of deposits with deposits with depositories and in obligations of the U.S. Treasury, State of Mississippi, or any county, municipality or school district of this state.

**Fund Equity**

*Nonspendable fund balance* includes amounts that cannot be spent. This includes amounts that are either not in spendable form (inventories, prepaid amounts, long-term portion of loans/notes receivable, or property held for resale unless the proceeds from the collection of those receivables or from the sale of those properties are restricted, committed or assigned) or amounts that are legally or contractually required to be maintained intact, such as a principal balance of a permanent fund.

*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.

*Committed fund balance* includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Aldermen, the city's highest level of decision-making authority. This formal action is an order of the Board of Aldermen as approved in the board minutes.

*Assigned fund balance* includes amounts that are constrained by the city'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).

*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.

**Net Position Flow Assumption:**

When an expense is incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) resources are available, it is the City's general



**CITY OF WAYNESBORO**  
**Notes to the Financial Statements**  
**For the Year Ended September 30, 2015**  
**(continued)**

policy to use restricted resources first. When expenses are incurred for purposes for which unrestricted (committed and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the City's general policy to spend committed resources first, followed by assigned amounts, and then unassigned amounts.

**Fund Balance Flow Assumption**

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) resources are available, it is the City's general policy to use restricted resources first. When expenditures are incurred for purposes for which unrestricted (committed, assigned and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the City's general policy to spend committed resources first, followed by assigned amounts, and then unassigned amounts.

**Note 2 Defined Benefit Pension Plan**

**Plan Description** – The City of Waynesboro, Mississippi, contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost sharing, multiple-employer, defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Benefit provisions are established by state law and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to Public Employees' Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling 1-800-444-PERS.

**Funding Policy** – PERS members are required to contribute 9.00% of their annual covered salary and the county is required to contribute at an actuarially determined rate. The current rate is 15.75% of annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The City's contributions (employer share only) to PERS for the years ending September 30, 2015, 2014, and 2013 were \$317,031, \$330,952, and \$362,655, respectively, equal to the required contributions for each year.

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



**CITY OF WAYNESBORO**  
**Notes to the Financial Statements**  
**For the Year Ended September 30, 2015**  
**(continued)**

**Note 3 Contingencies**

Federal Grants – The City 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 City.

Litigation – The City is party to legal proceedings, many of which occur in the normal course of governmental operations. It is not possible at the present time to estimate ultimate outcome or liability, if any, of the City with respect to the various proceedings. However, the City's legal counsel believes that ultimate liability resulting from these lawsuits will not have a material adverse effect on the financial condition of the City.

**Note 4 Deposits and Investments**

The carrying amount of the City's total deposits with financial institutions, including authorized petty cash on hand, at September 30, 2015, was \$1,648,931 and the bank balance was \$1,660,048. The collateral for public entities' deposits in financial institutions are 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 City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City does not have a formal policy for custodial credit risk. However, the Mississippi State Treasurer manages that risk on behalf of the City. 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 City. As of September 30, 2015, none of the City's bank balance of \$1,660,048 was exposed to custodial credit risk.

**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 City does not have a formal investment policy that would further limit its investment choices or one that addresses





**CITY OF WAYNESBORO**  
**Notes to the Financial Statements**  
**For the Year Ended September 30, 2015**  
**(continued)**

credit risk.

Concentration of Credit Risk – Disclosures 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 investments pools, and other pooled investments. As of September 30, 2015, the City had no investments other than Certificates of Deposits.

**Note 5 Interfund Transactions and Balances**

The following is a summary of interfund balances as of September 30, 2015:

Due From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Major Funds:		
No Due To / Due Froms at 9/30/2015		-
Total		\$ -

All interfund balances are expected to be repaid within one year from the date of the financial statements.

Transfers In/Out:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>	<u>Purpose/Explanation</u>
SMNTF	General Fund	\$ 500	Transfer of Police Petty Cash to Buy Money
Cleared Narcotics Fund	Police Seized Fund	1,692	Transfer to open new acct.
Cleared Narcotics Fund	Non-cleared Narcotics Fund	573	Transfer to cleared funds account
Water & Sewer Fund	General Fund	47,152	FEMA Reimbursement
Fire Protection Fund	General Fund	663	Hazard Mitigation
Total		\$ 50,580	

All interfund transfers were routine and consistent with the activities of the fund making the transfer.

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**CITY OF WAYNESBORO**  
**Notes to the Financial Statements**  
**For the Year Ended September 30, 2015**  
**(continued)**

**Note 6 Property Tax Revenues**

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 City. 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, levy 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.

**Note 7 Claims and Judgment**

**Risk Management**

The City 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 City carries commercial insurance for these risks. Settled claims resulting from these insured risks have not exceeded commercial insurance coverage in this fiscal year.

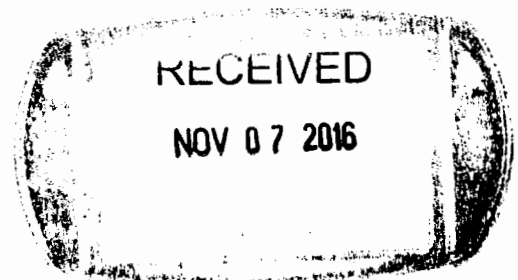
**Note 8 Subsequent Events**

Management of the City has evaluated events through October 3, 2016, the date the financial statements were available to be issued. It has been determined that there are no subsequent events warranting disclosure in the notes to these financial statements.



**CITY OF WAYNESBORO**

**REQUIRED SUPPLEMENTARY INFORMATION**





**CITY OF WAYNESBORO**  
**Budgetary Comparison Schedule – Budget and Actual**  
**– General Fund**  
**For the Year Ended September 30, 2015**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>RECEIPTS</b>				
Property taxes	\$ 868,000	868,000	897,604	29,604
Licenses and permits	27,800	29,800	30,356	556
Road & Bridge Privilege Taxes	-	265,000	292,908	27,908
State Shared revenues	2,148,000	2,194,000	2,176,796	(17,204)
Fines and forfeitures	235,000	235,000	243,368	8,368
Franchise Taxes		293,600	308,306	14,706
Charges for Services		500,000	526,503	26,503
Loan / Grant proceeds	231,767	480,000	557,015	77,015
Other sources	1,253,900	215,305	113,512	(101,793)
Total Receipts	<u>4,764,467</u>	<u>5,080,705</u>	<u>5,146,369</u>	<u>65,664</u>
<b>DISBURSEMENTS</b>				
General government	1,072,626	909,919	816,730	93,189
Public safety	1,924,398	1,991,176	1,553,955	437,221
Public works, Health & Sanitation	1,201,691	1,546,428	1,582,059	(35,631) *
Culture and recreation	565,752	570,433	535,992	34,441
Total Disbursements	<u>4,764,467</u>	<u>5,017,956</u>	<u>4,488,736</u>	<u>529,220</u>
Excess of Receipts over (under) Disbursements	<u>-</u>	<u>62,749</u>	<u>657,633</u>	<u>(594,884)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-term debt issued	-	-	-	-
Short-term debt issued	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Decrease in Due to Other Funds	-	-	6,645	6,645
Decrease in Other Assets	-	-	-	-
Transfers In	-	-	-	-
Transfers out	-	-	(48,315)	(48,315)
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>(41,670)</u>	<u>(41,670)</u>
Net Change in Fund Balance	-	62,749	615,963	
Fund Balances - Beginning	-	294,175	294,175	
Fund Balances - Ending	<u>\$ -</u>	<u>356,924</u>	<u>910,138</u>	

\* Public Works, Health & Sanitation includes \$74,110 of cash basis capital outlay.

Per MS Code Ann. (1972), Section 21-35-15, capital outlay expenditures may exceed budget limitations and estimates.

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





**CITY OF WAYNESBORO**  
**Budgetary Comparison Schedule – Budget and Actual**  
**– Fire Protection Fund**  
**For the Year Ended September 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budget Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>RECEIPTS</b>				
Property Taxes	\$ 283,000	283,000	291,282	8,282
State Shared Receipts	28,000	27,400	27,440	40
Interest/Other Sources	250	1,940	1,329	25,500
Total Receipts	<u>311,250</u>	<u>312,340</u>	<u>320,050</u>	<u>33,821</u>
<b>EXPENDITURES</b>				
Current:				
Personnel, Fixed Assets, and Other	<u>327,922</u>	<u>338,729</u>	<u>323,417</u>	<u>15,312</u>
Total Disbursements	<u>327,922</u>	<u>338,729</u>	<u>323,417</u>	<u>15,312</u>
Excess of Receipts over (under) Disbursements	<u>(16,672)</u>	<u>(26,389)</u>	<u>(3,367)</u>	
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	663	(663)
Transfers Out	-	-	-	-
Decrease in Due From General Fund	-	-	-	-
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>663</u>	<u>(663)</u>
Net Change in Cash Basis Fund Balance	(16,672)	(26,389)	(2,704)	
Cash Basis Fund Balances - Beginning	<u>17,000</u>	<u>171,400</u>	<u>171,500</u>	
Cash Basis Fund Balances - Ending \$	<u>328</u>	<u>145,011</u>	<u>168,797</u>	

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



**CITY OF WAYNESBORO**  
**Notes to the Required Supplementary Information**

**A. Budgetary Information**

Generally, in the month of July, prior to the ensuing fiscal year beginning each October 1 the Board of Aldermen of the City, using historical and anticipated fiscal data, prepares an original budget for each of the governmental funds for said fiscal year. The completed budget for the fiscal year includes for each fund every source of revenue, each general item of expenditure, and the unencumbered cash and investment balances. When during the fiscal year it appears to the board that budgetary estimates will not be met, it may make revisions to the budget.

The City'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.

**B. Basis of Presentation**

The Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis) presents the original and 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.

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

**C. Budget Reconciliation**

As discussed in Note 1, the financial statements are prepared on the basis of cash receipts and disbursements which is the same as the basis used for budget preparation.

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**CITY OF WAYNESBORO**

**SUPPLEMENTAL INFORMATION**



**CITY OF WAYNESBORO**  
**Schedule of Changes in Long-term Debt**  
**For the Year Ended September 30, 2015**

	<u>Balance Oct. 1, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Sept. 30, 2015</u>
Governmental Activities:				
Capital leases	\$ 113,951	-	110,399	\$ 3,552
Other loans	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total	\$ 113,951	-	110,399	\$ 3,552
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

	<u>Balance Oct. 1, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Sept. 30, 2015</u>
Business-type Activities:				
Capital leases	\$ 16,201	-	9,931	\$ 6,270
Revenue bonds	363,374	-	8,652	354,722
Other loans	540,555	-	22,206	518,349
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total	\$ 920,130	-	40,789	\$ 879,341
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>





**CITY OF WAYNESBORO**  
**Schedule of Investments – All Funds**  
**For the Year Ended September 30, 2015**

There were no investments as of September 30, 2015 other than funds in Certificates of Deposits.



**CITY OF WAYNESBORO**  
**Schedule of Capital Assets**  
**For the Year Ended September 30, 2015**

	<u>Balance</u> <u>Oct. 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers/</u> <u>Adjustments</u>	<u>Balance</u> <u>Sept. 30, 2015</u>
<b>Governmental activities:</b>					
<b><u>Capital Assets:</u></b>					
Land	\$ 224,332	-	-	-	224,332
Construction in progress	458,278	-	-	-	458,278
Infrastructure	5,032,306	-	-	-	5,032,306
Buildings	3,658,743	-	-	-	3,658,743
Improvements other than buildings	632,818	-	-	-	632,818
Mobile equipment	1,654,709	59,683	-	-	1,714,392
Furniture and equipment	270,740	43,659	-	-	314,399
Leased property under capital leases	1,361,898	-	-	-	1,361,898
<b>Total Governmental activities capital assets</b>	<u>\$ 13,293,824</u>	<u>103,342</u>	<u>-</u>	<u>-</u>	<u>\$ 13,397,166</u>
<b>Business-type activities:</b>					
<b><u>Capital Assets:</u></b>					
Land	\$ -	-	-	-	-
Construction in progress	-	-	-	-	-
Infrastructure	14,193,673	222,730	-	-	14,416,403
Buildings	1,398,914	-	-	-	1,398,914
Improvements other than buildings	4,900	-	-	-	4,900
Mobile equipment	298,318	-	-	-	298,318
Furniture and equipment	311,600	-	-	-	311,600
Leased property under capital leases	29,292	-	-	-	29,292
<b>Total Business-type activities capital assets</b>	<u>\$ 16,236,697</u>	<u>222,730</u>	<u>-</u>	<u>-</u>	<u>\$ 16,459,427</u>



**CITY OF WAYNESBORO**  
**Schedule of Surety Bonds for Municipal Officials and Employees**  
**For the Year Ended September 30, 2015**

<u>Name</u>	<u>Position</u>	<u>Company</u>	<u>Bond</u>
Richard Johnson	Mayor	Western Surety Co.	\$ 175,000
Richard Johnson	Mayor	Western Surety Co.	50,000
Teresa A. Seawright	City Clerk	Western Surety Co.	175,000
Teresa A. Seawright	City Clerk	Western Surety Co.	37,500
Alicia Stevison	Office Clerk	Western Surety Co.	12,500
Jan Bishop	Deputy Clerk	Western Surety Co.	12,500
Oscar J. Lewis, III	Police Chief	Western Surety Co.	37,500
Tiffany Milsap	Court Clerk	Western Surety Co.	12,500
Donna Rials	Purchasing Clerk	Western Surety Co.	12,500
Sherry Burke	Deputy Court Clerk	Western Surety Co.	12,500
Tory McGill	Deputy Court Clerk	Western Surety Co.	12,500
 The Water Dept. of Waynesboro	 2 Water Dept. Clerks	 RLI Surety	 12,500
 Various Police officers	 Police officers	 Western Surety Co.	 1,000 to 25,000
 Blanket Coverage anyone handling money	 Up to 18 employees	 Western Surety Co.	 12,500
 Board of Aldermen (individually)	 Aldermen	 Western Surety Co.	 40,000

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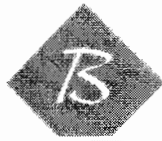


**CITY OF WAYNESBORO**

**SPECIAL REPORTS**



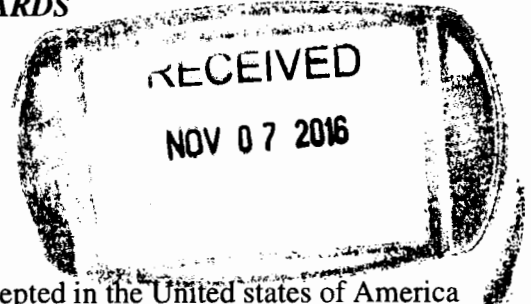




**Britton and Company, PLLC**  
*Certified Public Accountants*

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



Honorable Mayor and Members of the Board of Aldermen  
City of Waynesboro, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental and business-type activities of the City of Waynesboro, Mississippi, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City of Waynesboro, Mississippi's basic financial statements, and have issued our report thereon dated October 3, 2016.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Waynesboro, Mississippi's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Waynesboro, Mississippi's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Waynesboro, Mississippi's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did identify one deficiency in internal control, described in this report as Item 2015-1, which we consider to be a material weakness.



## Significant Deficiency – Material Weakness

### Finding 2015-1

Water and Sewer Department Cash collections, including garbage fee collections, deposited into their respective bank accounts should agree with the BBI Accounting System produced “Monthly Cash Receipts reports” and should also reconcile to the “Monthly Billings Register Reports”. These should be produced and printed and filed monthly. However, many months were not printed or available to review.

During test work, it has been determined Total Cash Receipts that should have been collected and deposited by the Water and Sewer Department during the period October 1, 2014 through September 30, 2015 totaled \$1,944,217.65. Actual cash receipts deposited to the respective bank accounts totaled \$1,868,391.89. This represents a deficiency of \$75,825.76 which is unaccounted for and unexplained.

### Recommendation

Since this same issue has been reported in the prior years and a current MS Office of the State Auditor Investigation is underway concerning these and similar issues, we recommend this finding be reported to the MS Office of the State Auditor Investigation Division.

From an internal control standpoint, we recommend that the “Monthly Cash Receipts reports” be reconciled and agreed with cash collections deposited into their respective bank accounts on a monthly basis. These procedures should be incorporated into the monthly close out procedures already in place. A copy of such reconciliation should be filed with the City Clerk and the Board of Aldermen as well.

### Response

The City of Waynesboro will comply with the recommendations.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Waynesboro, Mississippi’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Waynesboro, Mississippi's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Michael E. Britton". The signature is written in a cursive style with a large, stylized 'M' and 'B'.

Manager  
Michael E. Britton, CPA, CGMA  
Britton and Company, PLLC  
Waynesboro, Mississippi

October 3, 2016





**Britton and Company, PLLC**

*Certified Public Accountants*

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

Honorable Mayor and Members of the Board of Aldermen  
Waynesboro, 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 City of Waynesboro, Mississippi as of and for the year ended September 30, 2015 and have issued our report dated October 3, 2016. We have 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 our compliance tests and our audit of the financial statements of the governmental activities, the business-type activities, the major funds and the aggregate remaining fund information disclosed the following material instances of noncompliance with state laws and regulations:

Water and Sewer Department Cash collections, including garbage fee collections, deposited into their respective bank accounts should agree with the BBI Accounting System produced "Monthly Cash Receipts reports" and should also reconcile to the "Monthly Billings Register Reports". These should be produced and printed and filed monthly. However, many months were not printed or available to review.

During test work, it has been determined Total Cash Receipts that should have been collected and deposited by the Water and Sewer Department during the period October 1, 2014 through September 30, 2015 totaled \$1,944,217.65. Actual cash receipts deposited to the respective bank accounts totaled \$1,868,391.89. This represents a deficiency of \$75,825.76 which is unaccounted for and unexplained.



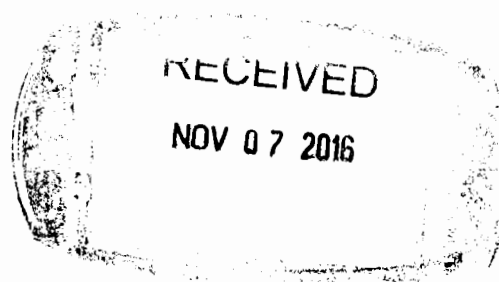


This report is intended for the information and use of the City's management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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October 3, 2016





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