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TOWN OF WOODVILLE, MISSISSIPPI

ANNUAL FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2015  
AND FOR THE YEAR THEN ENDED

WITH  
INDEPENDENT AUDITOR'S REPORT

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**SILAS SIMMONS** LLP

CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS



**TOWN OF WOODVILLE, MISSISSIPPI**  
**Annual Financial Statements**  
**As of and for the Year Ended September 30, 2015**

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**INDEPENDENT AUDITOR'S REPORT**



**SILAS SIMMONS** LLP

CERTIFIED PUBLIC ACCOUNTANTS and ADVISORS

209 N. Commerce Street  
P.O. Box 1027  
Natchez, Mississippi 39121-1027  
Telephone: 601.442.7411  
Fax: 601.442.8551

[www.silasimmons.com](http://www.silasimmons.com)

## INDEPENDENT AUDITOR'S REPORT

Mayor and Board of Aldermen  
Town of Woodville, Mississippi

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Woodville, Mississippi, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Woodville, Mississippi as of September 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.



### Emphasis of Matter

As described in Note 12 to the financial statements, the Clerk has adopted provisions of GASB Statement 68 *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*. Our opinion is not modified with respect to this matter.

### Other Matters

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8 and the budgetary comparison information, the schedule of the Town's proportionate share of the net pension liability, and the schedule of the Town's contributions on pages 37 through 40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Woodville, Mississippi's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and schedules described in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual major and nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic 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 May 6, 2016, on our consideration of the Town of Woodville, 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 Town of Woodville, Mississippi's internal control over financial reporting and compliance.



Natchez, Mississippi  
May 6, 2016

### **Required Supplementary Information (Part I)**

TOWN OF WOODVILLE, MISSISSIPPI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2015

The management of the Town of Woodville, Mississippi offers readers of the Town of Woodville, Mississippi's (Town) financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2015. This management's discussion and analysis (MD&A) is designed to provide an objective analysis of the Town's financial activities based on currently known facts, decisions, and conditions. It is intended to provide readers with a broad overview of Town finances. It is also intended to provide readers with an analysis of the Town's short-term and long-term activities based on information presented in the financial report and fiscal policies that have been adopted by the Town. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the Town's financial activity, identify changes in the Town's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

The Town presents its financial statements under the reporting model required by the Governmental Accounting Standards Board Statement No. 34 and the subsequent amendments issued with Governmental Accounting Standards Board Statement No. 63. We encourage readers to consider the information presented here in conjunction with additional information presented throughout this report.

#### Overview of the Financial Statements

This section is intended to serve as an introduction to the Town's financial statements. The Town's basic financial statements consist of the government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains supplementary information, and other information, which is in addition to the basic financial statements.

#### Government-Wide Financial Statements

Government-wide financial statements are designed by GASB Statement No. 34 and the subsequent amendments issued with GASB Statement No. 63 to provide the readers with a concise "entity-wide" statement of net position and statement of activities, which seek to give the user of the financial statements a broad overview of the Town's financial position and results of operations in a manner similar to private sector businesses.

The statement of net position presents information on all of the Town's assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. The difference between the two is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or weakening.

The statement of activities presents information which shows how the government's net position changed during this fiscal year. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes).

Each of these reports is broken down between governmental activities and business-type activities. Governmental activities normally are those activities that are supported by taxes, licenses, permits, fines, and intergovernmental revenues; for example, the police and fire departments. Business-type activities are functions that are intended to support their costs through charges for services or fees; such as the water, sewer, gas, and Management and Training Corporation (MTC) departments.

# TOWN OF WOODVILLE, MISSISSIPPI

## MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2015

### Government-Wide Financial Analysis

As noted earlier, net position may, over time, serve as a useful indicator of a government's financial position. At the close of the most recent fiscal year, the Town's assets exceeded its liabilities by \$2,720,323 (net position); this represents a decrease of \$34,690 from prior year and a prior period adjustment of (\$1,614,406). Of this total net position amount, a \$1,723,325 deficit is in unrestricted net position. The Town's net position is comprised of (\$482,301) from governmental activities and \$3,202,624 from business-type activities.

The following is a condensed statement of the Town of Woodville's net position as of September 30, 2015 and 2014:

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
<b>Assets</b>						
Current and other assets	\$ 253,392	\$ 205,781	\$ 535,880	\$ 520,201	\$ 789,272	\$ 725,982
Capital assets, net	2,067,908	2,118,363	3,862,142	3,856,647	5,930,050	5,975,010
Total assets	\$ 2,321,300	\$ 2,324,144	\$ 4,398,022	\$ 4,376,848	\$ 6,719,322	\$ 6,700,992
<b>Deferred Outflows of Resources</b>	\$ 198,873	\$ -	\$ -	\$ -	\$ 198,873	\$ -
<b>Liabilities</b>						
Other liabilities	\$ 258,746	\$ 303,111	\$ 264,595	\$ 266,039	\$ 523,341	\$ 569,150
Long-term liabilities	2,701,546	789,774	930,803	972,649	3,632,349	1,762,423
Total liabilities	\$ 2,960,292	\$ 1,092,885	\$ 1,195,398	\$ 1,238,688	\$ 4,155,690	\$ 2,331,573
<b>Deferred Inflows of Resources</b>	\$ 42,182	\$ -	\$ -	\$ -	\$ 42,182	\$ -
<b>Net Position</b>						
Net investment in capital assets	\$ 1,250,826	\$ 1,264,862	\$ 3,090,321	\$ 3,052,209	\$ 4,341,147	\$ 4,317,071
Restricted for:						
Capital projects	-	2	312	16,170	312	16,172
Debt service and other	-	-	102,189	97,667	102,189	97,667
Unrestricted	(1,733,127)	(33,605)	9,802	(27,886)	(1,723,325)	(61,491)
Total net position	\$ (482,301)	\$ 1,231,259	\$ 3,202,624	\$ 3,138,160	\$ 2,720,323	\$ 4,269,419

By far, the largest portion of the Town's net position (\$4,341,147 or 99%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, Town infrastructure, etc.) less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

The remaining balance is made up of a deficit in unrestricted net position of \$1,723,325 or 0%, and restricted net position of \$102,501 or 1%, which are restricted for debt service and construction projects.

The Town has total outstanding debt of \$1,922,084, which was used to finance some of the \$5,930,050 in capital assets. Total liabilities and deferred inflows of \$4,197,872 are equal to 154% of the total net position, primarily because of the GASB 68 implementation.

TOWN OF WOODVILLE, MISSISSIPPI

MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2015

Government-Wide Financial Analysis (continued)

The Town's governmental activities decreased net position by \$99,154. This decrease is mainly due to an increase of approximately \$190,000 due to increased benefit costs related to the implementation of GASB 68.

The following is a summary of the Town's statements of activities for the years ended September 30, 2015 and 2014:

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
<b>Revenues</b>						
Program revenues	\$ 146,099	\$ 155,733	\$ 1,618,978	\$ 1,519,629	\$ 1,765,077	\$ 1,675,362
General revenues and transfers	1,116,160	1,023,920	(255,207)	(231,519)	860,953	792,401
Total revenues and transfers	\$ 1,262,259	\$ 1,179,653	\$ 1,363,771	\$ 1,288,110	\$ 2,626,030	\$ 2,467,763
<b>Expenses</b>						
General government	\$ 197,734	\$ 161,273	\$ -	\$ -	\$ 197,734	\$ 161,273
Public safety	609,893	559,207	-	-	609,893	559,207
Streets	363,378	300,369	-	-	363,378	300,369
Sanitation	88,894	86,814	-	-	88,894	86,814
Cemetery	61,785	95,076	-	-	61,785	95,076
Combined utility	-	-	1,299,307	1,373,136	1,299,307	1,373,136
Interest on long-term debt	39,729	40,838	-	-	39,729	40,838
Total expenses	\$ 1,361,413	\$ 1,243,577	\$ 1,299,307	\$ 1,373,136	\$ 2,660,720	\$ 2,616,713
Increase (decrease) in net position	\$ (99,154)	\$ (63,924)	\$ 64,464	\$ (85,026)	\$ (34,690)	\$ (148,950)
Net position, beginning	\$ 1,231,259	\$ 1,295,183	\$ 3,138,160	\$ 3,223,186	\$ 4,369,419	\$ 4,518,369
Prior period adjustments	(1,614,406)	-	-	-	(1,614,406)	-
Net position, beginning - restated	\$ (383,147)	\$ 1,295,183	\$ 3,138,160	\$ 3,223,186	\$ 2,755,013	\$ 4,518,369
Net position, ending	\$ (482,301)	\$ 1,231,259	\$ 3,202,624	\$ 3,138,160	\$ 2,720,323	\$ 4,369,419
Governmental Activities						

The governmental activities of the Town include general government, public safety, streets, sanitation, cemetery, housing, and payment of interest on long-term debt. In that revenues normally associated with municipal operations, (e.g., sales tax, property tax, franchise fees, license fees, permits, fines, and operating grants) are insufficient for the funding of these activities, the Town relies on transfers of excess revenue from its enterprise fund to partially cover the cost of all governmental activities.

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TOWN OF WOODVILLE, MISSISSIPPI  
MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2015

Government-Wide Financial Analysis (continued)

Business-Type Activities

The business-type activities of the Town are those that charge a fee to customers for the services provided. The Town has one business-type activity, which is accounted for in the enterprise fund. The Town uses the enterprise fund to account for the revenues and expenses related to the provision of water, sewer, gas, and MTC services.

The following is a summary of the utility operating results of the business-type activities of the Town. Capital grants, general revenues, and transfers have not been included.

Operating Revenues					
	Water	Sewer	Gas	MTC	Total
Fiscal year ended September 30, 2014	\$ 441,075	\$ 254,165	\$ 716,333	\$ 108,056	\$ 1,519,629
Fiscal year ended September 30, 2015	439,218	260,049	647,975	125,336	1,472,578
Increase (decrease) from prior year	<u>\$ (1,857)</u>	<u>\$ 5,884</u>	<u>\$ (68,358)</u>	<u>\$ 17,280</u>	<u>\$ (47,051)</u>

Operating Expenses					
	Water	Sewer	Gas	MTC	Total
Fiscal year ended September 30, 2014	\$ 431,034	\$ 235,008	\$ 631,567	\$ 75,527	\$ 1,373,136
Fiscal year ended September 30, 2015	411,711	245,456	538,650	69,916	1,265,733
Increase (decrease) from prior year	<u>\$ (19,323)</u>	<u>\$ 10,448</u>	<u>\$ (92,917)</u>	<u>\$ (5,611)</u>	<u>\$ (107,403)</u>

Net Income (Loss) From Operations					
	Water	Sewer	Gas	MTC	Total
Fiscal year ended September 30, 2014	\$ 10,041	\$ 19,157	\$ 84,766	\$ 32,529	\$ 146,493
Fiscal year ended September 30, 2015	27,507	14,593	109,325	55,420	206,845
Increase (decrease) from prior year	<u>\$ 17,466</u>	<u>\$ (4,564)</u>	<u>\$ 24,559</u>	<u>\$ 22,891</u>	<u>\$ 60,352</u>

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**TOWN OF WOODVILLE, MISSISSIPPI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**SEPTEMBER 30, 2015**

**Fund Financial Statements - Governmental Funds**

The fund financial statements provide more detailed information about the Town's most significant funds - not the Town as a whole. Funds are accounting devices that the Town uses to keep track of specific sources of funding and spending for a particular purpose.

The Town currently maintains four individual governmental fund types. These fund types are the General Fund, Debt Service Fund, Capital Projects Fund, and Agency Fund. Information is presented separately in the Governmental Funds Balance Sheet (Statement C) and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances (Statement E) for the General Fund. The General Fund is considered to be a major fund.

The Town adopts an annual budget for the General Fund. A statement of revenues, expenditures, and changes in fund balance for the General Fund is presented in the Required Supplementary Information (Part II), which compares actual revenues and expenditures to the original budget and amended budget figures.

**Financial Analysis of the Town's Governmental Funds**

The Town of Woodville's governmental funds reported an ending fund balance of \$131,636, which is an increase of \$33,526. This increase was primarily due to an increase of approximately \$30,000 in intergovernmental revenues. \$101,983 of the fund balance was assigned. The remaining fund balance of \$29,653 was unassigned at September 30, 2015.

**Fund Financial Statements - Proprietary Funds**

The Town maintains one proprietary fund. Proprietary funds are used to report the same functions as business-type activities. The Town uses an enterprise fund (the first type of proprietary fund) to account for its combined water, sewer, gas, and MTC operations. This enterprise fund reports the same functions presented as business-type activities in the government-wide financial statements.

**Financial Analysis of the Town's Proprietary Fund**

The Town's Enterprise Fund shows an increase in fund balance of \$64,464. This is primarily due to an increase in capital grants, of approximately \$146,400, in comparison to prior year. All departments showed operating income for the year. All Departments showed increases in operating income over prior year or was relatively flat versus prior year except for the sewer department. The approximately \$15,000 decrease in sewer operating income was due to increases in personnel and maintenance costs. The unrestricted fund balance showed a balance of \$9,802 at September 30, 2015. \$102,501 was restricted for debt service and construction projects. The remaining amount represents the Town's investment in its utility systems and equipment.

In that financial statements of the Enterprise Fund are presented on the same basis of accounting as in both the government-wide financial statements and the individual fund statements, all comments and analysis made under business-type activities apply to this fund.

**Fund Financial Statements - General Fund Budgetary Highlights**

There were no major differences between the original budget and the final budget.

**TOWN OF WOODVILLE, MISSISSIPPI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2015**

**Fund Financial Statements - General Fund Budgetary Highlights (continued)**

Revenues were over budgeted amounts by \$152,067 or 17%. Actual expenditures showed a positive variance of \$131,004 or 10% against budgeted expenditure amounts. The final budget and the actual results show a positive variance of \$33,526.

**Government-Wide - Capital Asset and Debt Administration**

The total investment in net capital assets as of September 30, 2015, is \$5,930,050.

New major capital assets purchased, constructed or put in service in fiscal year 2015 are:

1. \$181,174 in water utility improvements were incurred during the year, of which \$30,546 relates to an outstanding project.
2. A \$26,513 police vehicle was purchased with short term financing from United Mississippi Bank.

**Current Financial Factors**

Revenues are expected to remain level while expenditures are expected to rise.

The Town expects to receive a USDA Rural Development loan, in the amount of \$1,500,000, to finance much needed water system improvements.

The ability of utility operations to continue to supplement the ever-increasing costs of general operations of the Town is doubtful.

**Requests for Information**

This financial report is designed to provide a general overview of the Town of Woodville's finances for all with an interest in the government's operations. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Cathy McCurley, Town Clerk, Post Office Box 605, Woodville, Mississippi 39669.



## **Basic Financial Statements**

## Government-Wide Financial Statements

## TOWN OF WOODVILLE, MISSISSIPPI

## STATEMENT OF NET POSITION

SEPTEMBER 30, 2015

	Governmental Activities	Business- Type Activities	Total
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 31,342	\$ 4,649	\$ 35,991
Receivables (net of allowances for uncollectibles)	83,150	375,407	458,557
Internal balances	36,917	(36,917)	-
Restricted assets	101,983	192,741	294,724
Capital assets (net)	2,067,908	3,862,142	5,930,050
Total assets	\$ 2,321,300	\$ 4,398,022	\$ 6,719,322
<b><u>DEFERRED OUTFLOWS OF RESOURCES-PENSIONS</u></b>			
	\$ 198,873	\$ -	\$ 198,873
<b><u>LIABILITIES</u></b>			
Accounts, salaries, and other payables	\$ 121,756	\$ 58,440	\$ 180,196
Payable from restricted assets	-	90,240	90,240
Bonds and notes payable, due within one year	78,706	41,846	120,552
Compensated absences	58,284	74,069	132,353
Bonds and notes payable	738,376	930,803	1,669,179
Net pension liability	1,963,170	-	1,963,170
Total liabilities	\$ 2,960,292	\$ 1,195,398	\$ 4,155,690
<b><u>DEFERRED INFLOWS OF RESOURCES - PENSIONS</u></b>			
	\$ 42,182	\$ -	\$ 42,182
<b><u>NET POSITION</u></b>			
Net investment in capital assets	\$ 1,250,826	\$ 3,090,321	\$ 4,341,147
Restricted for:			
Capital projects	\$ -	\$ 312	\$ 312
Debt service	-	102,189	102,189
Total restricted net position	\$ -	\$ 102,501	\$ 102,501
Unrestricted	\$ (1,733,127)	\$ 9,802	\$ (1,723,325)
Total net position	\$ (482,301)	\$ 3,202,624	\$ 2,720,323

See accompanying notes to the basic financial statements.

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Program Revenues			Net (Expenses)/ Revenues	Net (Expenses), Revenues, and Changes	
	Charges for Services	Operating Grants and Contri- butions	Capital Grants and Contri- butions		Govern- mental Activities	Business- Type Activities
Expenses						Total
<b>GOVERNMENTAL ACTIVITIES</b>						
General government	\$ 197,734	\$ 2,800	\$ -	\$ (194,934)	\$ (194,934)	\$ (194,934)
Public safety	609,893	26,869	-	(556,066)	(556,066)	(556,066)
Streets	363,378	-	26,958	(363,378)	(363,378)	(363,378)
Sanitation	88,894	89,472	-	578	578	578
Cemetery	61,785	-	-	(61,785)	(61,785)	(61,785)
Interest on long-term debt	39,729	-	-	(39,729)	(39,729)	(39,729)
Total governmental activities	\$ 1,361,413	\$ 119,141	\$ 26,958	\$ (1,215,314)	\$ (1,215,314)	\$ (1,215,314)
<b>BUSINESS-TYPE ACTIVITIES</b>						
Water	\$ 411,711	\$ 439,218	\$ -	\$ 173,907	\$ -	\$ 173,907
Sewer	245,456	260,049	-	14,593	-	14,593
Gas	538,650	647,975	-	109,325	-	109,325
MTC	69,916	125,336	-	55,420	-	55,420
Interest on long-term debt	33,574	-	-	(33,574)	-	(33,574)
Total business-type activities	\$ 1,299,307	\$ 1,472,578	\$ -	\$ 319,671	\$ 319,671	\$ 319,671
Total	\$ 2,660,720	\$ 1,591,719	\$ 173,358	\$ (895,643)	\$ (1,215,314)	\$ (895,643)
<b>General revenues:</b>						
Ad valorem and franchise taxes					\$ 285,984	\$ 285,984
Licenses and permits					2,464	2,464
Intergovernmental revenues					409,741	409,741
Investment earnings					261	226
Other general revenues					155,710	6,567
Transfers					262,000	(262,000)
Total general revenues and transfers					\$ 1,116,160	\$ (255,207)
Change in net position					\$ (99,154)	\$ 64,464
Net position - beginning					\$ 1,231,259	\$ 3,138,160
Prior period adjustment					(1,614,406)	-
Net position - beginning, as restated					\$ (383,147)	\$ 3,138,160
Net position - ending					\$ (482,301)	\$ 3,202,624
						\$ 2,720,323

See accompanying notes to the basic financial statements.

**Fund Financial Statements**

**RECEIVED**

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**Governmental Funds**

TOWN OF WOODVILLE, MISSISSIPPI

BALANCE SHEET  
GOVERNMENTAL FUNDS

SEPTEMBER 30, 2015

	Major Funds	Other Governmental Funds	Total Governmental Funds
	General Fund		
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 31,242	\$ 100	\$ 31,342
Receivables (net of allowances for uncollectibles)	83,150	-	83,150
Due from other funds	(27,548)	64,565	37,017
Restricted assets			
Other cash deposits	101,983	-	101,983
Total assets	<u>\$ 188,827</u>	<u>\$ 64,665</u>	<u>\$ 253,492</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>			
Liabilities:			
Accounts payable	\$ 30,261	\$ 64,565	\$ 94,826
Accrued liabilities	26,930	-	26,930
Due to other funds	-	100	100
Total liabilities	<u>\$ 57,191</u>	<u>\$ 64,665</u>	<u>\$ 121,856</u>
Fund balance:			
Assigned	\$ 101,983	\$ -	\$ 101,983
Unassigned	29,653	-	29,653
Total fund balance	<u>\$ 131,636</u>	<u>\$ -</u>	<u>\$ 131,636</u>
Total liabilities and fund balance	<u>\$ 188,827</u>	<u>\$ 64,665</u>	<u>\$ 253,492</u>

See accompanying notes to the basic financial statements.

## TOWN OF WOODVILLE, MISSISSIPPI

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION

SEPTEMBER 30, 2015

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

Total Fund Balances - Governmental Funds (Statement C)	\$	131,636
Net capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. The cost of the assets is \$2,902,704 and the accumulated depreciation is \$834,796.		2,067,908
Deferred outflows and inflows are not financial resources or currently payable.		
Deferred outflows		198,873
Deferred inflows		(42,182)
Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds. Long-term liabilities at year end consist of:		
Bonds payable		(587,700)
Notes payable		(229,382)
Compensated absences (sick pay and vacations)		(58,284)
Net pension liability		(1,963,170)
Net Position of Governmental Activities (Statement A)	\$	<u>(482,301)</u>

See accompanying notes to the basic financial statements.



TOWN OF WOODVILLE, MISSISSIPPI

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Major Funds		
	General Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Ad valorem and franchise taxes	\$ 285,984	\$ -	\$ 285,984
Licenses and permits	2,464	-	2,464
Intergovernmental revenues	436,699	-	436,699
Charges for services	89,472	-	89,472
Fines	26,869	-	26,869
Rental revenues	2,800	-	2,800
Interest	261	-	261
Note proceeds	27,308	-	27,308
Other revenues and grants	155,710	-	155,710
Total revenues	\$ 1,027,567	\$ -	\$ 1,027,567
<b>EXPENDITURES</b>			
General government	\$ 149,086	\$ -	\$ 149,086
Public safety	503,134	-	503,134
Streets	282,749	-	282,749
Sanitation	87,323	-	87,323
Cemetery	55,293	-	55,293
Debt service:			
Principal	75,000	63,727	138,727
Interest	961	38,768	39,729
Total expenditures	\$ 1,153,546	\$ 102,495	\$ 1,256,041
Revenues over (under) expenditures	\$ (125,979)	\$ (102,495)	\$ (228,474)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers - in	\$ 262,000	\$ 102,495	\$ 364,495
Transfers - out	(102,495)	-	(102,495)
Total other financing sources (uses)	\$ 159,505	\$ 102,495	\$ 262,000
Net change in fund balances	\$ 33,526	\$ -	\$ 33,526
Fund balances - beginning	98,110	-	98,110
Fund balances - ending	\$ 131,636	\$ -	\$ 131,636

See accompanying notes to the basic financial statements.

TOWN OF WOODVILLE, MISSISSIPPI

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, 2015

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

Net Change in Fund Balances, Total Governmental Funds, Statement E	\$	33,526
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.		(50,455)
In the statement of activities, certain operating expenses – compensated absences (sick pay and vacations) – are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation and sick leave earned exceeded the amounts used by:		(1,571)
Net pension expense is reported in governmental funds as expenditures as they are paid; however, in the statement of activities the net position expense is reported according to estimates required by GASB 68. This is the amount that the pension estimate exceeds the pension expenses paid in the current year		(192,073)
The issuance of long-term debt (notes payable and capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt.		111,419
Change in Net Position of Governmental Activities, Statement B	\$	(99,154)

See accompanying notes to the basic financial statements.

## Proprietary Funds

TOWN OF WOODVILLE, MISSISSIPPI

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS

SEPTEMBER 30, 2015

	Enterprise Fund
<b><u>ASSETS</u></b>	
Current assets	
Cash	\$ 4,649
Accounts receivable (net of allowance for doubtful accounts of \$109,041 and \$110,655 in 2015 and 2014, respectively )	375,407
Due from (to) other funds	(36,917)
Total current assets	\$ 343,139
Noncurrent assets	
Restricted assets	
Cash reserved for revenue bonds	\$ 90,240
Cash reserved for construction projects	312
Cash reserved for customer meter deposits	102,189
Total restricted assets	\$ 192,741
Fixed assets	
Distribution systems	\$ 6,743,772
Accumulated depreciation	(2,881,630)
Fixed assets (net of accumulated depreciation)	\$ 3,862,142
Total assets	\$ 4,398,022
<b><u>LIABILITIES</u></b>	
Current liabilities (payable from current assets)	
Accounts payable	\$ 43,554
Accrued liabilities	13,637
Accrued interest payable	1,249
Bonds payable	41,846
Total current liabilities (payable from current assets)	\$ 100,286
Current liabilities (payable from restricted assets)	
Customer deposits payable	\$ 90,240
Total current liabilities (payable from restricted assets)	\$ 90,240
Long-term liabilities	
Compensated absences	\$ 74,069
Bonds payable	930,803
Total long-term liabilities	\$ 1,004,872
Total liabilities	\$ 1,195,398
<b><u>NET POSITION</u></b>	
Net investment in capital assets	\$ 3,090,321
Restricted for:	
Debt service	102,189
Deposits related to construction projects	312
Unrestricted	9,802
Total net position	\$ 3,202,624
Total liabilities and net position	\$ 4,398,022

See accompanying notes to the basic financial statements.

TOWN OF WOODVILLE, MISSISSIPPI

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<u>Enterprise Fund</u>
<b>OPERATING REVENUES</b>	
Charges for services:	
Water sales	\$ 439,218
Sewer charges	260,049
Gas sales	647,975
MTC revenues	<u>125,336</u>
Total operating revenues	<u>\$ 1,472,578</u>
<b>OPERATING EXPENSES</b>	
Personal services	\$ 407,847
Purchase of utilities provided	234,424
Materials and supplies	164,503
Repairs and maintenance	25,756
Depreciation	175,679
Utilities and telephone	108,696
Insurance	17,064
Other operating expenses	<u>131,764</u>
Total operating expenses	<u>\$ 1,265,733</u>
Operating income	<u>\$ 206,845</u>
<b>Nonoperating Revenues (Expenses)</b>	
Interest earnings	\$ 226
Other revenue	6,567
Interest expense	<u>(33,574)</u>
Total nonoperating revenues (expenses)	<u>\$ (26,781)</u>
Income Before Contributions and Transfers	\$ 180,064
Capital grants and contributions	146,400
Transfers - out	<u>(262,000)</u>
Change in Net Position	\$ 64,464
Total net position - beginning	<u>3,138,160</u>
Total net position - ending	<u><u>\$ 3,202,624</u></u>

See accompanying notes to the basic financial statements.

## TOWN OF WOODVILLE, MISSISSIPPI

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

YEAR ENDED SEPTEMBER 30, 2015

	Enterprise Fund
<b><u>Cash Flows From Operating Activities</u></b>	
Cash received from customers	\$ 1,509,295
Cash payments to suppliers for goods and services	(687,287)
Cash payments to and on behalf of employees for services	(411,798)
Net cash provided by operating activities	<u>\$ 410,210</u>
<b><u>Cash Flows From Noncapital Financing Activities</u></b>	
Proceeds from other revenues	\$ 6,567
Operating transfers - out	(262,000)
Net cash used for noncapital financing activities	<u>\$ (255,433)</u>
<b><u>Cash Flows From Capital and Related Financing Activities</u></b>	
Proceeds from federal and state grants	\$ 146,400
Principal paid on bonds and notes	(42,505)
Interest paid on bonds	(33,574)
Construction of water and sewer system improvements	(181,174)
Net cash used for capital and related financing activities	<u>\$ (110,853)</u>
<b><u>Cash Flows from Investing Activities</u></b>	
Interest on temporary investments	\$ 226
Net cash provided by investing activities	<u>\$ 226</u>
Net increase in cash and cash equivalents	\$ 44,150
Cash and cash equivalents - beginning of year	<u>153,240</u>
Cash and cash equivalents - end of year	<u><u>\$ 197,390</u></u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>	
Operating income	<u>\$ 206,845</u>
<b>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities</b>	
Depreciation	\$ 175,679
Provision for bad debts	(1,614)
Change in assets and liabilities:	
(Increase)decrease in:	
Accounts receivable	30,085
Increase (decrease) in:	
Accounts payable	(1,882)
Accrued liabilities	(3,921)
Customer deposits	5,018
Total adjustments	<u>\$ 203,365</u>
Net cash provided by operating activities	<u><u>\$ 410,210</u></u>

See accompanying notes to the basic financial statements.

## **Notes to the Basic Financial Statements**

**TOWN OF WOODVILLE, MISSISSIPPI**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**INTRODUCTION**

The Town of Woodville, Mississippi was incorporated March 5, 1878. The Town operates under the Mayor/ Board of Aldermen form of government and provides the following services as authorized by its charter: public safety (police and fire); streets; sanitation; health and social services; culture and recreation; public improvements; planning and zoning; provision for water, sewer, and gas utilities services; and general services.

The accounting and reporting policies of the Town of Woodville, Mississippi conform to accounting principles generally accepted in the United States of America, as applicable to governments.

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the municipality is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the municipality may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt.

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

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. 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 the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to 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 revenues are reported instead 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 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.



**TOWN OF WOODVILLE, MISSISSIPPI**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

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 government 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 and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The municipality reports the following major governmental funds:

The General Fund is the municipality's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The municipality reports the following major proprietary fund:

The Enterprise Fund is used to account for the provision of water, sewer, and gas utilities as well as services to Management and Training Corporation. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing, and related debt service and billing and collection.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

**TOWN OF WOODVILLE, MISSISSIPPI**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal on-going operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

**C. Cash and Cash Equivalents**

The municipality's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments (certificates of deposit) with original maturities of six months or less from the date of acquisition. The Town deposits funds in financial institutions selected by the Board of Aldermen in accordance with state statutes.

There are various restrictions on these deposits imposed by statutes. These restrictions are summarized below:

All deposits with financial institutions insured by the Federal Deposit Insurance Corporation (FDIC), or any successors to such insurance corporations, must be collateralized in an amount equal to 105% of the uninsured amount. (See Note 3)

**D. Investments**

The Town is allowed by statute to invest excess funds in any bonds or other direct obligations of the United States of America or the State of Mississippi, or of any county or municipality of this state, when such county or municipal bonds have been properly approved; or interest bearing time certificates of deposit or interest bearing accounts with any financial institution approved for the deposit of state funds. The Town currently only invests excess funds in certificates of deposit.

**E. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (e.g., the current portion of interfund loans) or "advances to/from other funds" (e.g., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

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**TOWN OF WOODVILLE, MISSISSIPPI**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E. Receivables and Payables (continued)**

All trade and property tax receivables are shown net of an allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes and customer's utility receivables are recognized through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable.

Ad valorem taxes are not considered to be available resources of the fiscal year to which they apply and are, therefore, not accrued at the end of the fiscal year.

**F. Inventories**

For both governmental and proprietary funds, purchase of various operating supplies are regarded as expenditures or expenses at the time purchased, and inventories of such supplies (if any) are not recorded as assets at the close of the fiscal year. For the year ending September 30, 2015, these amounts were considered to be immaterial to the financial statements taken as a whole.

**G. Restricted Assets**

Restricted assets (internally and externally imposed) were applicable to the following at September 30, 2015:

	<u>General Fund</u>	<u>Utility Fund</u>	<u>Total</u>
Consumer deposits	\$ -	\$ 90,240	\$ 90,240
Deposits related to bonded debt	-	102,189	102,189
Fire rebate savings	962	-	962
Cemetery funds	63,831	-	63,831
Capital projects	-	312	312
Future Growth Fund	32,069	-	32,069
Sidewalk repair	5,121	-	5,121
Totals	<u>\$ 101,983</u>	<u>\$ 192,741</u>	<u>\$ 294,724</u>

**H. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The municipality maintains a threshold level of \$5,000 or more for capitalizing capital assets used in the governmental funds.

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.

Major outlays for capital assets and improvements are capitalized as construction in progress and are depreciated upon completion of the project. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. There was no capitalized interest cost during the current fiscal year.

TOWN OF WOODVILLE, MISSISSIPPI  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Capital Assets (continued)

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Governmental activities:	
Land improvements	20 years
Buildings	40 years
Vehicles	5 years
Machinery and equipment	3 - 10 years
Business-type activities/Enterprise fund:	
Buildings	40 years
Infrastructure	20 - 50 years
Machinery and equipment	3 - 10 years
Vehicles	5 years

I. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

Deferred outflows related to pensions	\$ 198,873
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In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Deferred inflows related to pensions	\$ 42,182
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See Note 12 for further details.

J. Compensated Absences

Vested or accumulated annual leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated annual leave that are not expected to be liquidated with expendable available financial resources are reported as a long-term debt. No expenditure is reported for these amounts. Vested or accumulated annual leave of the Enterprise Fund is recorded as an expense and liability of those funds as the benefits accrue to employees. In accordance with the provisions of GASB No. 16 (GASB Cod. Sec. C60), *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

TOWN OF WOODVILLE, MISSISSIPPI  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**K. Long-Term Obligations**

In the government-wide financial statements, and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**L. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees' Retirement System (PERS) and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, the benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**M. Equity Classification**

During the current fiscal year, the Town of Woodville, Mississippi implemented the provisions of Statement No. 63 of the Governmental Accounting Standards Board, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Statement No. 63 provides financial reporting guidance for deferred outflows and deferred inflows of resources as a consumption of net position applicable to a future reporting period and an acquisition of net position applicable to a future reporting period, respectively.

Furthermore, GASB No. 63 requires equity be classified as net position and displayed in three components: (1) net investment in capital assets - consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets, (2) restricted net position - consists of net position with constraints placed on the use either by (a) external groups such as creditors, grantors, contributions or laws or regulations of other governments, or (b) law through constitutional provisions or enabling legislation, and (3) unrestricted net position - all other net position that do not meet the definition of "restricted" or "net investment in capital assets."

The government-wide statement of net position reports \$102,501 of restricted net position, all of which is restricted by enabling legislation.

**TOWN OF WOODVILLE, MISSISSIPPI**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**M. Equity Classification (continued)**

**Fund financial statements -**

Beginning with fiscal year 2012, the Town implemented GASB Statement 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

The Board of Aldermen establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board of Aldermen through adoption or amendment of the budget as intended for specific purposes (such as the purchase of fixed assets, construction, debt service, or for other purposes).

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, and unassigned. Proprietary fund equity is classified the same as in the government-wide statements.

**N. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

**TOWN OF WOODVILLE, MISSISSIPPI**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

Budgets and Budgetary Accounting

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

1. Prior to September 1, the Town Clerk prepares a proposed operating budget and submits it to the Mayor and Board of Aldermen for the fiscal year commencing October 1.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at Town Hall to obtain taxpayer comments.
4. The budget, as submitted, is reviewed by the Mayor and the Board of Aldermen. Necessary revisions are made. The budget is approved prior to September 15.
5. Budgetary amendments involving the transfer of funds from one department, program, or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen. The budget is revised as necessary during the year.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for the General and Special Revenue Funds, if any, are adopted on a basis consistent with generally accepted accounting principles (GAAP).

**NOTE 3 - CASH AND CASH EQUIVALENTS**

At September 30, 2015, the municipality has cash and cash equivalents as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Unrestricted:		
Demand deposits	\$ 35,991	\$ 72,357
Totals - unrestricted accounts	<u>\$ 35,991</u>	<u>\$ 72,357</u>
Restricted:		
Demand deposits	\$ 228,760	\$ 228,384
Time deposit	65,964	65,964
Totals - restricted accounts	<u>\$ 294,724</u>	<u>\$ 294,348</u>
Totals - all accounts	<u>\$ 330,715</u>	<u>\$ 366,705</u>

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 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 a 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.

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**TOWN OF WOODVILLE, MISSISSIPPI**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**NOTE 4 - PROPERTY TAX**

Real and personal property taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied in September and payable on or before February 1. These taxes and public utilities tax are collected by the Town. Auto and mobile home property taxes are collected and remitted to the Town by the county tax collector. The millage rate for the Town for January through December 2015, was 35.00 mills, broken down as follows:

General Fund	35.00 mills
--------------	-------------

Restrictions associated with property tax levies are established by state law which provides that the tax levy for general purposes shall produce no more than 110% of the amount which resulted from those levies' assessments of the previous year.

The General Fund tax levy did not result in collections in excess of the 110% limit in the current year. Excess funds from the prior year were considered in establishing the millage for the current year.

**NOTE 5 - RECEIVABLES**

Receivables as of year end, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Enterprise</u>	<u>Total</u>
Receivables:			
Customer accounts	\$ 14,847	\$ 283,620	\$ 298,467
Due from other governments	55,413	-	55,413
Due from other agencies	19,816	200,828	220,644
Unbilled utilities	-	-	-
Gross receivables	\$ 90,076	\$ 484,448	\$ 574,524
Less allowance for uncollectibles	(6,926)	(109,041)	(115,967)
Net total receivables	<u>\$ 83,150</u>	<u>\$ 375,407</u>	<u>\$ 458,557</u>

Uncollectible amounts due for customers' utility receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the receivable.

**NOTE 6 - INTERFUND RECEIVABLES/PAYABLES**

The following is a summary of due from/to other funds:

	<u>Due From</u>	<u>Due To</u>
General fund	\$ -	\$ 27,548
Enterprise fund	4,851	41,768
Agency funds		
Payroll clearing	6,346	-
Credit card clearing		100
Accounts payable clearing	<u>58,219</u>	<u>-</u>
Total all funds	<u>\$ 69,416</u>	<u>\$ 69,416</u>



TOWN OF WOODVILLE, MISSISSIPPI  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015

**NOTE 7 - CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended September 30, 2015, is as follows:

	Beginning Balance 9/30/2014	Increases	Decreases	Ending Balance 9/30/2015
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 424,757	\$ -	\$ -	\$ 424,757
Total capital assets, not being depreciated	\$ 424,757	\$ -	\$ -	\$ 424,757
Capital assets being depreciated				
Buildings	\$ 1,209,447	\$ -	\$ -	\$ 1,209,447
Machinery and equipment	185,342	-	-	185,342
Vehicles	503,563	26,513	-	530,076
Other improvements	553,082	-	-	553,082
Total capital assets being depreciated	\$ 2,451,434	\$ 26,513	\$ -	\$ 2,477,947
Less accumulated depreciation for:				
Buildings	\$ (97,308)	\$ (10,504)	\$ -	\$ (107,812)
Machinery and equipment	(144,740)	(11,629)	-	(156,369)
Vehicles	(394,302)	(27,240)	-	(421,542)
Other improvements	(121,478)	(27,595)	-	(149,073)
Total accumulated depreciation	\$ (757,828)	\$ (76,968)	\$ -	\$ (834,796)
Total capital assets being depreciated, net	\$ 1,693,606	\$ (50,455)	\$ -	\$ 1,643,151
Governmental activities capital assets, net	\$ 2,118,363	\$ (50,455)	\$ -	\$ 2,067,908
Business-type activities:				
Capital assets, not being depreciated				
Construction in progress	\$ -	\$ 30,546	\$ -	\$ 30,546
Total capital assets, not being depreciated	\$ -	\$ 30,546	\$ -	\$ 30,546
Capital assets being depreciated				
Distribution systems	\$ 6,415,880	\$ 150,628	\$ -	\$ 6,566,508
Machinery, equipment, and vehicles	146,718	-	-	146,718
Total capital assets being depreciated	\$ 6,562,598	\$ 150,628	\$ -	\$ 6,713,226
Less accumulated depreciation for:				
Distribution systems	\$ (2,467,241)	\$ (168,470)	\$ -	\$ (2,635,711)
Machinery, equipment, and vehicles	(238,710)	(7,209)	-	(245,919)
Total accumulated depreciation	\$ (2,705,951)	\$ (175,679)	\$ -	\$ (2,881,630)
Total capital assets being depreciated, net	\$ 3,856,647	\$ (25,051)	\$ -	\$ 3,831,596
Business-type activities capital assets, net	\$ 3,856,647	\$ 5,495	\$ -	\$ 3,862,142

**TOWN OF WOODVILLE, MISSISSIPPI**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**NOTE 7 - CAPITAL ASSETS (continued)**

Depreciation expense of \$76,968 for the year ended September 30, 2015, was charged to the following governmental functions:

General government	\$ 4,012
Public safety	30,471
Streets	35,993
Cemetery	<u>6,492</u>
Total	<u>\$ 76,968</u>

**NOTE 8 - CONSTRUCTION COMMITMENTS**

The municipality has active construction projects as of September 30, 2015. At year end, the commitments with contractors are as follows:

Project	Spent To Date	Remaining Commitment
RUS loan-water system project	\$ 30,546	\$ 1,469,454

**NOTE 9 - INTERFUND TRANSFERS**

Interfund transfers during the year ended September 30, 2015, were as follows:

- \$262,000 was transferred from the enterprise fund to the general fund to cover expenses of general operations.
- \$102,495 was transferred from the general fund to the debt service fund to cover principal and interest payments due.

**NOTE 10 - ACCOUNTS, SALARIES, AND OTHER PAYABLES**

The payables of \$180,196 at September 30, 2015, are as follows:

	Governmental Activities	Business-Type Activities	Total
Accounts payable - trade	\$ 94,826	\$ 43,554	\$ 138,380
Accrued salaries, wages, and payroll taxes	26,930	13,637	40,567
Other accrued liabilities	<u>-</u>	<u>1,249</u>	<u>1,249</u>
Totals	<u>\$ 121,756</u>	<u>\$ 58,440</u>	<u>\$ 180,196</u>

TOWN OF WOODVILLE, MISSISSIPPI  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015

NOTE 11 - LONG-TERM DEBT

	<u>General Obligation</u>			<u>Enterprise Fund</u>	
	<u>Bonds Payable</u>	<u>Notes and Capital Leases Payable</u>	<u>Totals</u>	<u>Bonds and Notes Payable</u>	<u>Totals</u>
Balances, September 30, 2014	\$ 626,700	\$ 301,801	\$ 928,501	\$ 1,015,154	\$ 1,943,655
Additions	-	27,308	27,308	-	27,308
Reductions	<u>(39,000)</u>	<u>(99,727)</u>	<u>(138,727)</u>	<u>(42,505)</u>	<u>(181,232)</u>
Balances, September 30, 2015	\$ 587,700	\$ 229,382	\$ 817,082	\$ 972,649	\$ 1,789,731
Less: current portion	<u>(40,000)</u>	<u>(38,706)</u>	<u>(78,706)</u>	<u>(41,846)</u>	<u>(120,552)</u>
Long-term portion	<u>\$ 547,700</u>	<u>\$ 190,676</u>	<u>\$ 738,376</u>	<u>\$ 930,803</u>	<u>\$ 1,669,179</u>

Long-term debt as of September 30, 2015, is comprised of the following:

General Obligation

General obligation bonds payable to finance a portion of the new municipal building in the amount of \$460,500, dated February 6, 2008, payable in annual installments of principal and interest commencing on February 6, 2009, and maturing February 6, 2028, with an interest rate of 4.375%. \$ 342,700

General obligation note payable to Concordia Bank & Trust to finance a portion of the new municipal building in the amount of \$222,884, dated October 24, 2013, and payable in monthly installments of principal and interest in the amount of \$1,706.05, and maturing on October 24, 2018, with an interest rate of 4.6%. 202,074

Note payable to United Mississippi Bank to finance public safety vehicle costs, dated July 16, 2015, with an interest rate of 2.150% and maturing in January 15, 2016. 27,308

2010 General Obligation Street Bonds payable to finance street improvements in the amount of \$325,000, dated July 6, 2010, payable in annual installments of principal and interest commencing on August 1, 2011, and maturing August 1, 2025, with an interest rate of 5%. 245,000

Total general obligation \$ 817,082

TOWN OF WOODVILLE, MISSISSIPPI  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015

NOTE 11 - LONG-TERM DEBT (continued)

Enterprise Fund

Combined Water and Sewer Bond payable to finance the construction of water and sewer system improvements in the amount of \$626,000, dated November 14, 2001 with interest only on November 14, 2002 and November 14, 2003, and payable thereafter in annual installments of principal and interest in the amount of \$36,777, maturing on November 14, 2036, with an interest rate of 4.5%. \$ 501,494

Note payable to Mississippi Department of Environmental Quality to finance the construction and improvement of the MTC's wastewater system to comply with the enforceable requirements of the Clean Water Act, dated January 29, 2013, payable in monthly installments of \$1,124.68 with an interest rate of 1.75% and maturing December 2032. 200,828

Note payable to Mississippi Department of Environmental Quality to finance the construction and improvement of the Town's wastewater system to comply with the enforceable requirements of the Clean Water Act, dated May 2015, payable in monthly installments of \$1,061.81, with an interest rate of 1.75% and maturing March 2033. 191,952

Note payable to BancorpSouth Equipment Finance to finance the purchase of a Ford F350, dated May 9, 2012, payable in monthly installments of \$649.50 at an interest rate of 3.00% maturing in June 2016. 5,774

Combined Water & Sewer Bond payable to finance the construction of water and sewer system improvements in the amount of \$89,600, dated November 14, 2001, with interest only on November 14, 2002 and November 14, 2003, and payable thereafter in annual installments of principal and interest in the amount of \$5,264, maturing on November 14, 2036, with an interest rate of 4.5%. 72,601

Total enterprise fund \$ 972,649

Total \$ 1,789,731

Less: current portion (120,552)

Long-term portion \$ 1,669,179

**TOWN OF WOODVILLE, MISSISSIPPI**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**NOTE 11 - LONG-TERM DEBT (continued)**

The annual requirements to amortize all outstanding debt as of September 30, 2015, including interest payments are as follows:

Fiscal Year ending September 30,	General Obligation		Enterprise Fund		Totals
	Bonds, Notes Payable, and Leases		Bonds and Notes Payable		
	Principal	Interest	Principal	Interest	
2016	\$ 78,706	\$ 36,317	\$ 41,846	\$ 32,286	\$ 189,155
2017	52,734	33,907	37,178	31,109	154,928
2018	54,295	31,436	38,323	29,963	154,017
2019	209,047	22,142	39,512	28,774	299,475
2020	48,800	19,507	40,744	27,541	136,592
2021-2025	276,200	61,936	223,910	117,518	679,564
2026-2030	97,300	8,641	262,588	78,841	447,370
2031-2035	-	-	238,859	33,602	272,461
2036-2040	-	-	49,689	1,466	51,155
Totals	\$ 817,082	\$ 213,886	\$ 972,649	\$ 381,100	\$ 2,384,717

Retirement of general obligation debt is to be made by annual transfers of General Fund revenue in the amounts necessary to retire principal and interest currently due. There are a number of limitations and restrictions contained in the various bond indentures. The Town is in compliance with all significant limitations and restrictions. The following is a schedule of limitations of the indebtedness of the Town at September 30, 2015:

Assessed valuation for the fiscal year ended September 30, 2015	\$ 6,795,594
Percent limitation	15%
Authorized debt limit	\$ 1,019,339
Present debt service to 15% limitation	587,700
Margin for additional debt	<u>\$ 431,639</u>

The related capital costs incurred to date are properly included in the repair and maintenance accounts for MTC related projects and capital asset accounts for the Town's project when necessary in the fixed asset footnote above.

**NOTE 12 - DEFINED BENEFIT PENSION PLAN**

**Plan Description.** The Town of Woodville 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, Mississippi 39201-1005 or by calling (601) 359-3589 or 1-800-444-PERS.

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TOWN OF WOODVILLE, MISSISSIPPI  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

**NOTE 12 - DEFINED BENEFIT PENSION PLAN (continued)**

**Funding Policy.** PERS members are required to contribute 9% of their annual covered salary, and Town of Woodville is required to contribute at an actuarially determined rate. The employer contribution rate is 15.75% for the current fiscal year, for annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature.

**Benefits provided.** Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi, state universities, community and junior colleges, and teachers and employees of the public school districts. For those persons employed by political subdivisions and instrumentalities of the State of Mississippi, membership is contingent upon approval of the entity's participation in PERS by the PERS' Board of Trustees. If approved, membership for the entity's employees is a condition of employment, and eligibility is granted to those who qualify upon hiring. Participating members who are vested and retire at or after age 60 or those who retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.0 percent of their average compensation for each year of creditable service up to and including 30 years (25 years for those who became members of PERS before July 1, 2011), plus 2.5 percent for each additional year of creditable service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age that the member is below 65, whichever is less. Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. A Cost-of-Living Adjustment (COLA) payment is made to eligible retirees and beneficiaries. The COLA is equal to 3.0 percent of the annual retirement allowance for each full fiscal year of retirement up to the year in which the retired member reaches age 60 (55 for those who became members of PERS before July 1, 2011), with 3.0 percent compounded for each fiscal year thereafter. Plan provisions are established and may be amended only by the State of Mississippi Legislature.

**Contributions.** PERS members are required to contribute 9.00% of their annual covered salary, and the Town of Woodville is required to contribute at an actuarially determined rate. The employer's rate as of September 30, 2015, was 15.75% of annual covered payroll. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. The Town of Woodville's contributions to PERS for the years ending September 30, 2015, 2014, and 2013, were \$124,748, \$128,654, and \$115,093, respectively, equal to the required contributions for each year.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At September 30, 2015, the Town reported a liability of \$1,963,170 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. At June 30, 2015, the Town's proportion was 0.0127 percent.

TOWN OF WOODVILLE, MISSISSIPPI  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015

**NOTE 12 - DEFINED BENEFIT PENSION PLAN (continued)**

For the year ended June 30, 2015, the Town recognized pension expense of \$223,180. At September 30, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	\$ 33,544	\$ -
Net difference between projected and actual earnings on pension plan investments	-	42,182
Changes of assumptions	134,222	-
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	-	-
The Town's contributions subsequent to the measurement date	31,107	-
<b>Total</b>	<u>\$ 198,873</u>	<u>\$ 42,182</u>

\$31,107 reported as deferred outflows of resources related to pensions resulting from the Town's contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2016	\$	46,261
2017	\$	46,261
2018	\$	43,607
2019	\$	(10,546)
2020	\$	-
Thereafter	\$	-

*Actuarial assumptions.* The total pension liability in the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Salary increases	3.75 - 19.00%, including inflation
Investment rate of return	7.75%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2015 Healthy Annuitant Blue Collar Table Projected with Scale BB to 2016, set forward one year for males.

The actuarial assumptions used in the June 30, 2015, valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2014. The experience report is dated, May 4, 2015.

TOWN OF WOODVILLE, MISSISSIPPI  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015

NOTE 12 - DEFINED BENEFIT PENSION PLAN (continued)

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
U.S. Broad	34%	5.20%
International equity	19%	5.00%
Emerging markets equity	8%	5.45%
Fixed income	20%	0.25%
Real assets	10%	4.00%
Private equity	8%	6.15%
Cash	1%	(0.50)%
Total	<u>100%</u>	

*Discount rate.* The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Town's proportionate share of the net pension liability to changes in the discount rate.* The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
Town's proportionate share of the net pension liability	\$ 2,587,637	\$ 1,963,170	\$ 1,444,978

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.



**TOWN OF WOODVILLE, MISSISSIPPI**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**NOTE 13 - INTERGOVERNMENTAL REVENUES**

Intergovernmental revenues for the year ended September 30, 2015, consisted of the following:

	General Fund	Enterprise Fund	Totals
State			
Sales tax allocation	\$ 374,926	\$ -	\$ 374,926
Payment in lieu of taxes - nuclear plant	14,660	-	14,660
General municipal aid	547	-	547
Gasoline tax	3,357	-	3,357
Liquor privilege tax	1,800	-	1,800
Homestead exemption reimbursement	8,488	-	8,488
Fire protection allocation	5,963	-	5,963
Small municipalities & limited population grant	-	146,400	146,400
Federal			
JAG grants	26,958	-	26,958
Total intergovernmental revenues	<u>\$ 436,699</u>	<u>\$ 146,400</u>	<u>\$ 583,099</u>

**NOTE 14 - SEGMENT INFORMATION FOR ENTERPRISE FUND**

The Enterprise Fund operated by the Town provides water, sewer, and gas utility services. The following is a summary of disclosures required by the National Council on Governmental Accounting in Interpretation 2, Segment Information for Enterprise Funds:

	Water	Sewer	Gas	MTC	Total
Operating revenues	\$ 439,218	\$ 260,049	\$ 647,975	\$ 125,336	\$ 1,472,578
Operating expenses	(353,069)	(160,347)	(283,655)	(58,559)	(855,630)
Purchase of utilities	-	-	(234,424)	-	(234,424)
Depreciation	(58,642)	(85,109)	(20,571)	(11,357)	(175,679)
Operating income	<u>\$ 27,507</u>	<u>\$ 14,593</u>	<u>\$ 109,325</u>	<u>\$ 55,420</u>	\$ 206,845
Interest income					226
Other revenues					6,567
Interest expense					(33,574)
Capital grants					146,400
Operating transfers, net					<u>(262,000)</u>
Change in net position					<u>\$ 64,464</u>

**TOWN OF WOODVILLE, MISSISSIPPI**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**NOTE 15 - ACCUMULATED UNPAID ANNUAL LEAVE AND SICK PAY**

Employees of the Town earn annual and sick leave as designated in the personnel policies adopted by the Town. The Town is responsible for up to fifteen days of annual leave for each employee depending on years of continuous service. The Town is responsible for up to twelve days of sick leave per year for each employee depending on years of continuous service. There is no maximum on the accumulation of sick leave. All unused major medical leave shall be creditable service for the purpose of retirement. Upon termination of employment, each employee shall be paid for not more than 30 days of accumulated sick leave.

**NOTE 16 - RISK MANAGEMENT**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The Town carries commercial insurance for these risks. Settled claims resulting from these insured risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**NOTE 17 - PRIOR PERIOD ADJUSTMENTS**

A summary of net position adjustments related to GASB 68 and GASB 71 at September 30, 2015, is as follows:

(Governmental Activities)

	<u>As Previously Stated</u>	<u>As Restated</u>	<u>Effect of Correction</u>
Statement of Net Position			
Net pension liability	\$ -	\$ (1,828,984)	\$ (1,828,984)
Deferred outflows of resources	\$ -	\$ 214,578	\$ 214,578
Total net position	\$ 1,231,259	\$ (383,147)	\$ (1,614,406)

**NOTE 18 - CONTINGENT LIABILITIES**

General

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor, cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

Litigation Matters

As of September 30, 2015, there is pending litigation originating from certain employees regarding the past failure to withhold contributions to the PERS system over a certain number of years. Instead, these amounts were paid to the said employees. Total unsubstantiated and threatened litigation amounts to \$169,231 and the Town's actual risk exposure is unknown at this time.

## **Required Supplementary Information (Part II)**

**TOWN OF WOODVILLE, MISSISSIPPI**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Ad valorem and franchise taxes	\$ 276,000	\$ 276,000	\$ 285,984	\$ 9,984
Licenses and permits	2,500	2,500	2,464	(36)
Intergovernmental	346,600	346,600	436,699	90,099
Charges for services	100,000	100,000	89,472	(10,528)
Fines	70,000	70,000	26,869	(43,131)
Rental revenues	200	-	2,800	2,800
Interest	400	400	261	(139)
Note proceeds	-	-	27,308	27,308
Miscellaneous	80,000	80,000	155,710	75,710
<b>Total revenues</b>	<b>\$ 875,700</b>	<b>\$ 875,500</b>	<b>\$ 1,027,567</b>	<b>\$ 152,067</b>
<b>EXPENDITURES</b>				
General government	\$ 235,200	\$ 234,200	\$ 149,086	\$ 85,114
Public safety				
Police and court	502,600	502,600	487,331	15,269
Fire	21,550	21,550	15,803	5,747
Streets	358,000	358,000	282,749	75,251
Sanitation	90,000	90,000	87,323	2,677
Cemetery	78,200	78,200	55,293	22,907
Debt service				
Principal	-	-	75,000	(75,000)
Interest	-	-	961	(961)
<b>Total expenditures</b>	<b>\$ 1,285,550</b>	<b>\$ 1,284,550</b>	<b>\$ 1,153,546</b>	<b>\$ 131,004</b>
Revenues under expenditures	\$ (409,850)	\$ (409,050)	\$ (125,979)	\$ 283,071
Other financing sources (uses)				
Operating transfers - in	\$ 409,850	\$ 409,050	\$ 262,000	\$ (147,050)
Operating transfers - out	-	-	(102,495)	(102,495)
<b>Total other financing sources (uses)</b>	<b>\$ 409,850</b>	<b>\$ 409,050</b>	<b>\$ 159,505</b>	<b>\$ (249,545)</b>
Excess revenues and other sources under expenditures and other uses	\$ -	\$ -	\$ 33,526	\$ 33,526
Fund balance - beginning of year	98,110	98,110	98,110	-
Fund balance - end of year	<u>\$ 98,110</u>	<u>\$ 98,110</u>	<u>\$ 131,636</u>	<u>\$ 33,526</u>

See Independent Auditor's Report.

TOWN OF WOODVILLE, MISSISSIPPI  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED SEPTEMBER 30, 2015

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule

1. Basis of Presentation

The Budgetary Comparison Schedule presents the original legally adopted budget, the final legally adopted budget, the actual data on the GAAP basis, and variances between the final budget and the actual data.

2. Budget Amendments and Revisions

The budget is adopted by the Board of Aldermen. Amendments can be made on the approval of the Board of Aldermen. A budgetary comparison is presented for the General Fund consistent with accounting principles generally accepted in the United States of America.

See Independent Auditor's Report.

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**TOWN OF WOODVILLE, MISSISSIPPI**  
**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>2015</u>
<b>PERS:</b>	
<b>Last 10 Fiscal Years*</b>	
Town's proportion of the net pension liability (asset)	0.013%
Town's proportionate share of the net pension liability (asset)	\$ 1,963,170
Town's covered employee payroll	\$ 792,052
Town's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	248%
Plan fiduciary net position as a percentage of the total pension liability	62%

- \* The amounts presented for each fiscal year were determined as of the measurement date of 6/30 of the year prior to the fiscal year presented.

This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB 68 was implemented in FYE 6/30/15, and, until a full 10-year trend is compiled, the Town has only presented information for the years which information is available.

See Independent Auditor's Report.

**TOWN OF WOODVILLE, MISSISSIPPI**  
**SCHEDULE OF THE TOWN'S CONTRIBUTIONS**  
**YEAR ENDED SEPTEMBER 30, 2015**

	<u>2015</u>
<b>PERS:</b>	
<b>Last 10 Fiscal Years*</b>	
Contractually required contribution	\$ 124,748
Contributions in relation to the contractually required contribution	<u>(124,748)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Town's covered employee payroll	\$ 792,052
Contributions as a percentage of covered employee payroll	15.75%

See Independent Auditor's Report.

## Other Information



## TOWN OF WOODVILLE, MISSISSIPPI

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2015

	Fiduciary Funds			Total Nonmajor Governmental Funds
	Accounts Payable and Credit Card Clearing Fund	Payroll Clearing Fund	Total	
<b><u>ASSETS</u></b>				
Cash-credit card clearing	\$ 100	\$ -	\$ 100	\$ 100
Due from other funds	58,219	6,346	64,565	64,565
Total assets	\$ 58,319	\$ 6,346	\$ 64,665	\$ 64,665
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities:				
Accounts payable	\$ 58,219	\$ 6,346	\$ 64,565	\$ 64,565
Due to other funds	100	-	100	100
Total liabilities	\$ 58,319	\$ 6,346	\$ 64,665	\$ 64,665
Fund Balances:				
Total fund balances	\$ -	\$ -	\$ -	\$ -
Total liabilities and fund balances	\$ 58,319	\$ 6,346	\$ 64,665	\$ 64,665

See Independent Auditor's Report.

## TOWN OF WOODVILLE, MISSISSIPPI

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2015

	Debt Service Fund	Total Nonmajor Governmental Funds
Intergovernmental	\$ -	\$ -
Total revenues	\$ -	\$ -
Expenditures:		
Principal	\$ 63,727	\$ 63,727
Interest	38,768	38,768
Total expenditures	\$ 102,495	\$ 102,495
Revenues under expenditures	\$ (102,495)	\$ (102,495)
Other Financing Sources		
Operating transfers - in	\$ 102,495	\$ 102,495
Total other financing sources	\$ 102,495	\$ 102,495
Excess revenues and other sources over expenditures	\$ -	\$ -
Fund balance - beginning of year	-	-
Fund balance - end of year	\$ -	\$ -

See Independent Auditor's Report.

**COMPARATIVE/COMBINING FINANCIAL STATEMENTS AND SCHEDULES**

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## GENERAL FUND

The General Fund is used to account for resources traditionally associated with governments, which are not required to be accounted for in another fund.

## TOWN OF WOODVILLE, MISSISSIPPI

GENERAL FUND  
COMPARATIVE BALANCE SHEETS

SEPTEMBER 30, 2015 AND 2014

	2015	2014
<b>ASSETS</b>		
Cash	\$ 31,242	\$ 44,390
Accounts receivable (net of allowance for doubtful accounts of \$6,926 for 2015 and 2014)	7,921	8,424
Due from other governments	55,413	31,428
Due from other agencies	19,816	11,805
Due from (to) other funds	(27,548)	(18,932)
Restricted assets:		
Other cash deposits	101,983	77,074
<b>Total assets</b>	<b>\$ 188,827</b>	<b>\$ 154,189</b>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Accounts payable	\$ 30,261	\$ 25,785
Accrued liabilities	26,930	30,294
<b>Total liabilities</b>	<b>\$ 57,191</b>	<b>\$ 56,079</b>
<b>Fund Balance</b>		
Reserved for restricted or assigned assets	\$ 101,983	\$ 77,074
Unassigned	29,653	21,036
<b>Total fund balance</b>	<b>\$ 131,636</b>	<b>\$ 98,110</b>
<b>Total liabilities and fund balance</b>	<b>\$ 188,827</b>	<b>\$ 154,189</b>

See Independent Auditor's Report.

## TOWN OF WOODVILLE, MISSISSIPPI

GENERAL FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES

YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	2015	2014
<b>REVENUES</b>		
Ad valorem and franchise taxes	\$ 285,984	\$ 247,664
Licenses and permits	2,464	2,308
Intergovernmental	436,699	406,764
Charges for services	89,472	90,901
Fines	26,869	46,326
Rental revenues	2,800	4,000
Interest	261	174
Note proceeds	27,308	75,000
Other revenues	155,710	121,516
Total revenues	<u>\$ 1,027,567</u>	<u>\$ 994,653</u>
<b>EXPENDITURES</b>		
General government	\$ 149,086	\$ 157,261
Public safety		
Police and court	487,331	502,574
Fire	15,803	13,032
Public works		
Streets	282,749	288,575
Sanitation	87,323	86,814
Cemetery	55,293	57,147
Debt service		
Principal	75,000	-
Interest	961	-
Total expenditures	<u>\$ 1,153,546</u>	<u>\$ 1,105,403</u>
Revenues under expenditures	<u>\$ (125,979)</u>	<u>\$ (110,750)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Operating transfers - in	\$ 262,000	\$ 260,000
Operating transfers - out	(102,495)	(118,818)
Total other financing sources (uses)	<u>\$ 159,505</u>	<u>\$ 141,182</u>
Excess revenues and other sources over (under) expenditures and other uses	<u>\$ 33,526</u>	<u>\$ 30,432</u>
Fund balances - beginning of year	<u>98,110</u>	<u>67,678</u>
Fund balances - end of year	<u><u>\$ 131,636</u></u>	<u><u>\$ 98,110</u></u>

See Independent Auditor's Report.

**DEBT SERVICE FUND**

The Debt Service Fund is used to account for the accumulation of monies and payment of general long-term debt. Financing is to be provided by unrestricted General Fund revenues.

**TOWN OF WOODVILLE, MISSISSIPPI**  
**DEBT SERVICE FUND**  
**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**

**YEARS ENDED SEPTEMBER 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
Revenues	\$ -	\$ -
Total revenues	<u>\$ -</u>	<u>\$ -</u>
Expenditures		
Principal	\$ 63,727	\$ 77,980
Interest	<u>38,768</u>	<u>40,838</u>
Total expenditures	<u>\$ 102,495</u>	<u>\$ 118,818</u>
Revenues under expenditures	<u>\$ (102,495)</u>	<u>\$ (118,818)</u>
Other Financing Sources		
Operating transfers - in	<u>\$ 102,495</u>	<u>\$ 118,818</u>
Total other financing sources	<u>\$ 102,495</u>	<u>\$ 118,818</u>
Excess revenues and other sources over expenditures	\$ -	\$ -
Fund balance - beginning of year	<u>-</u>	<u>-</u>
Fund balance - end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See Independent Auditor's Report.



## ENTERPRISE FUND

The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the government's council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the government's council has decided that periodic determination of net income is appropriate for accountability purposes.

Enterprise Fund - This fund is used to account for the activities of the government's water, sewer, and gas distribution operations.

## TOWN OF WOODVILLE, MISSISSIPPI

ENTERPRISE FUND  
COMPARATIVE BALANCE SHEETS

SEPTEMBER 30, 2015 AND 2014

	2015	2014
<b>ASSETS</b>		
Current assets		
Cash	\$ 4,649	\$ -
Accounts receivable (net of allowance for doubtful accounts of \$109,041 and \$110,655 in 2015 and 2014, respectively)	375,407	399,621
Due from (to) other funds	(36,917)	(32,660)
Total current assets	<u>\$ 343,139</u>	<u>\$ 366,961</u>
Noncurrent assets		
Restricted assets		
Cash reserved for customer meter deposits	\$ 90,240	\$ 39,403
Cash reserved for construction projects	312	16,170
Cash reserved for bonded debts	102,189	97,667
Total restricted assets	<u>\$ 192,741</u>	<u>\$ 153,240</u>
Fixed assets		
Distribution systems	\$ 6,743,772	\$ 6,562,598
Accumulated depreciation	(2,881,630)	(2,705,951)
Fixed assets (net of accumulated debt)	<u>\$ 3,862,142</u>	<u>\$ 3,856,647</u>
Total assets	<u>\$ 4,398,022</u>	<u>\$ 4,376,848</u>
<b>LIABILITIES</b>		
Current liabilities (payable from current assets)		
Accounts payable	\$ 43,554	\$ 45,436
Accrued liabilities	13,637	16,649
Accrued interest payable	1,249	1,249
Bonds payable - current portion	41,846	42,505
Total current liabilities (payable from current assets)	<u>\$ 100,286</u>	<u>\$ 105,839</u>
Current liabilities (payable from restricted assets)		
Customer deposits payable	\$ 90,240	\$ 85,222
Total current liabilities (payable from restricted assets)	<u>\$ 90,240</u>	<u>\$ 85,222</u>
Long-term liabilities		
Compensated absences	\$ 74,069	\$ 74,978
Bonds payable - long-term portion	930,803	972,649
Total long-term liabilities	<u>\$ 1,004,872</u>	<u>\$ 1,047,627</u>
Total liabilities	<u>\$ 1,195,398</u>	<u>\$ 1,238,688</u>
<b>NET POSITION</b>		
Net investment in capital assets	\$ 3,090,321	\$ 3,052,209
Restricted for:		
Deposits related to bonded debt	102,189	97,667
Deposits related to construction projects	312	16,170
Unrestricted	9,802	(27,886)
Total net position	<u>\$ 3,202,624</u>	<u>\$ 3,138,160</u>
Total liabilities and net position	<u>\$ 4,398,022</u>	<u>\$ 4,376,848</u>

See Independent Auditor's Report.

## TOWN OF WOODVILLE, MISSISSIPPI

ENTERPRISE FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION

YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	2015	2014
<b><u>OPERATING REVENUES</u></b>		
Charges for services:		
Water sales	\$ 439,218	\$ 441,075
Sewer charges	260,049	254,165
Gas sales	647,975	716,333
MTC revenues	125,336	108,056
Total operating revenues	<u>\$ 1,472,578</u>	<u>\$ 1,519,629</u>
<b><u>OPERATING EXPENSES</u></b>		
Personal services	\$ 407,847	\$ 409,704
Purchase of utilities provided	234,424	323,764
Materials and supplies	164,503	178,263
Repairs and maintenance	25,756	23,008
Depreciation	175,679	162,909
Utilities and telephone	108,696	109,502
Insurance	17,064	20,204
Other operating expenses	131,764	110,958
Total operating expenses	<u>\$ 1,265,733</u>	<u>\$ 1,338,312</u>
Operating income	<u>\$ 206,845</u>	<u>\$ 181,317</u>
<b><u>NONOPERATING REVENUES (EXPENSES)</u></b>		
Interest earnings	\$ 226	\$ 164
Other revenue	6,567	28,317
Interest expense	(33,574)	(34,824)
Total nonoperating revenues (expenses)	<u>\$ (26,781)</u>	<u>\$ (6,343)</u>
<b>Income Before Contributions and Transfers</b>	<u>\$ 180,064</u>	<u>\$ 174,974</u>
Capital grants and contributions	146,400	-
Transfers - out	(262,000)	(260,000)
<b>Change in Net Position</b>	<u>\$ 64,464</u>	<u>\$ (85,026)</u>
Net position - beginning	<u>3,138,160</u>	<u>3,223,186</u>
Net position - ending	<u><u>\$ 3,202,624</u></u>	<u><u>\$ 3,138,160</u></u>

See Independent Auditor's Report.

**TOWN OF WOODVILLE, MISSISSIPPI**  
**ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS**

**YEARS ENDED SEPTEMBER 30, 2015 AND 2014**

	2015	2014
<b>Cash flows from operating activities</b>		
Cash received from customers	\$ 1,509,295	\$ 1,527,921
Cash payments to suppliers for goods and services	(687,287)	(758,088)
Cash payments to and on behalf of employees for services	(411,798)	(402,238)
Net cash provided by operating activities	<u>\$ 410,210</u>	<u>\$ 367,595</u>
<b>Cash flows from noncapital financing activities</b>		
Proceeds from other revenues	\$ 6,567	\$ 28,317
Operating transfers - out	(262,000)	(260,000)
Net cash used for noncapital financing activities	<u>\$ (255,433)</u>	<u>\$ (231,683)</u>
<b>Cash flows from capital and related financing activities</b>		
Proceeds from federal and state grants	\$ 146,400	\$ -
Principal paid on bonds and notes	(42,505)	(41,256)
Interest paid on bonds	(33,574)	(34,824)
Construction of water and sewer system improvements	(181,174)	(36,290)
Net cash used for capital and related financing activities	<u>\$ (110,853)</u>	<u>\$ (112,370)</u>
<b>Cash flows from investing activities</b>		
Interest on temporary investments	\$ 226	\$ 164
Net cash provided by investing activities	<u>\$ 226</u>	<u>\$ 164</u>
Net increase in cash and cash equivalents	\$ 44,150	\$ 23,706
Cash and cash equivalents - beginning of year	153,240	129,534
Cash and cash equivalents - end of year	<u>\$ 197,390</u>	<u>\$ 153,240</u>
<b>Reconciliation of operating income to net cash provided by operating activities</b>		
Operating income	<u>\$ 206,845</u>	<u>\$ 181,317</u>
<b>Adjustments to reconcile operating income to net cash provided by operating activities</b>		
Depreciation	\$ 175,679	\$ 162,909
Provision for bad debts	(1,614)	21,172
Change in assets and liabilities		
(Increase) decrease in:		
Accounts receivable	30,085	(13,528)
Increase (decrease) in:		
Accounts payable	(1,882)	7,611
Accrued liabilities	(3,921)	7,466
Customer deposits	5,018	648
Total adjustments	<u>\$ 203,365</u>	<u>\$ 186,278</u>
Net cash provided by operating activities	<u>\$ 410,210</u>	<u>\$ 367,595</u>

See Independent Auditor's Report.

## TOWN OF WOODVILLE, MISSISSIPPI

ENTERPRISE FUND  
COMPARATIVE STATEMENTS OF REVENUES AND EXPENSES  
WATER DEPARTMENT

YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Operating revenues		
Charges for services	\$ 439,218	\$ 441,075
Total operating revenues	<u>\$ 439,218</u>	<u>\$ 441,075</u>
Operating expenses		
Personal services	\$ 155,098	\$ 161,118
Materials and supplies	84,444	95,385
Depreciation	58,642	45,871
Utilities and telephone	55,099	51,653
Insurance	7,919	8,510
Other services and charges	<u>50,509</u>	<u>49,265</u>
Total operating expenses	<u>\$ 411,711</u>	<u>\$ 411,802</u>
Operating income	<u>\$ 27,507</u>	<u>\$ 29,273</u>

See Independent Auditor's Report.

## TOWN OF WOODVILLE, MISSISSIPPI

ENTERPRISE FUND  
COMPARATIVE STATEMENTS OF REVENUES AND EXPENSES  
SEWER DEPARTMENT

YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
<b>Operating Revenues</b>		
Charges for services	\$ 260,049	\$ 254,165
Total operating revenues	<u>\$ 260,049</u>	<u>\$ 254,165</u>
<b>Operating Expenses</b>		
Personal services	\$ 78,727	\$ 66,055
Materials and supplies	37,386	28,124
Depreciation	85,109	85,110
Utilities and telephone	19,384	19,504
Insurance	2,700	2,347
Other services and charges	22,150	22,573
Total operating expenses	<u>\$ 245,456</u>	<u>\$ 223,713</u>
Operating income	<u>\$ 14,593</u>	<u>\$ 30,452</u>

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TOWN OF WOODVILLE, MISSISSIPPI  
 ENTERPRISE FUND  
 COMPARATIVE STATEMENTS OF REVENUES AND EXPENSES  
 GAS DEPARTMENT

YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Operating revenues		
Charges for services	\$ 647,975	\$ 716,333
Total operating revenues	<u>\$ 647,975</u>	<u>\$ 716,333</u>
Operating expenses		
Personal services	\$ 166,360	\$ 174,854
Purchase of natural gas	234,424	323,764
Materials and supplies	42,673	54,754
Repairs and maintenance	1,099	928
Depreciation	20,571	20,571
Utilities and telephone	8,631	9,712
Insurance	6,445	7,347
Other services and charges	58,447	39,120
Total operating expenses	<u>\$ 538,650</u>	<u>\$ 631,050</u>
Operating income	<u>\$ 109,325</u>	<u>\$ 85,283</u>

See Independent Auditor's Report.

## TOWN OF WOODVILLE, MISSISSIPPI

ENTERPRISE FUND  
COMPARATIVE STATEMENTS OF REVENUES AND EXPENSES  
MANAGEMENT AND TRAINING CORPORATION (MTC) DEPARTMENT

YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	2015	2014
Operating revenues		
Charges for services	\$ 125,336	\$ 108,056
Total operating revenues	<u>\$ 125,336</u>	<u>\$ 108,056</u>
Operating expenses		
Personal services	\$ 7,662	\$ 7,677
Repairs and maintenance	24,657	22,080
Depreciation	11,357	11,357
Utilities and telephone	25,582	28,633
Insurance	-	2,000
Other services and charges	658	-
Total operating expenses	<u>\$ 69,916</u>	<u>\$ 71,747</u>
Operating income	<u>\$ 55,420</u>	<u>\$ 36,309</u>

See Independent Auditor's Report.



## AGENCY FUNDS

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments, and/or other funds.

### Agency Funds

Accounts Payable Clearing Fund - to account for the collection and payment of purchases from vendors and suppliers.

Payroll Clearing Fund - to account for the collection and payment of employee compensation and payroll deductions to the appropriate agencies.

Credit Card Clearing Fund - to account for the collection of utility or tax receipts from the Town's residents.

## TOWN OF WOODVILLE, MISSISSIPPI

FIDUCIARY FUNDS  
COMBINING BALANCE SHEETSSEPTEMBER 30, 2015  
(WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2014)

	Agency Funds		Totals	
	Accounts Payable and Credit Card Clearing Fund	Payroll Clearing Fund	2015	2014
<b>Assets</b>				
Cash - credit card clearing	\$ 100	\$ -	\$ 100	\$ -
Due from other funds	58,219	6,346	64,565	51,592
<b>Total assets</b>	<b>\$ 58,319</b>	<b>\$ 6,346</b>	<b>\$ 64,665</b>	<b>\$ 51,592</b>
<b>Liabilities</b>				
Accounts Payable	\$ 58,219	\$ 6,346	\$ 64,565	\$ 51,592
Due to other funds	100	-	100	-
<b>Total liabilities</b>	<b>\$ 58,319</b>	<b>\$ 6,346</b>	<b>\$ 64,665</b>	<b>\$ 51,592</b>
<b>Fund equity</b>				
<b>Total fund equity</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total liabilities and fund equity</b>	<b>\$ 58,319</b>	<b>\$ 6,346</b>	<b>\$ 64,665</b>	<b>\$ 51,592</b>

See Independent Auditor's Report.

## TOWN OF WOODVILLE, MISSISSIPPI

SCHEDULE RECONCILING ORIGINAL AD VALOREM TAX ROLLS TO  
FUND COLLECTIONS ON 2014 AD VALOREM TAXES

YEAR ENDED SEPTEMBER 30, 2015

	Assessed Value	Tax
Assessed valuation		
Real property	\$ 3,998,386	\$ 139,944
Personal property	1,173,457	41,071
Auto and mobile home	1,190,530	41,669
Public utilities	433,221	15,163
Total at 35.00 mills	\$ 6,795,594	\$ 237,847
Less: Homestead credit allowed		(14,475)
Abatements		(4,085)
Add: Prior year collections		525
Add: Additional forest distribution		29,348
Add: Additional road and bridges distribution		
Add: Actual homestead reimbursement		8,488
Total to be accounted for		\$ 257,648
	Taxes	Homestead Reimbursement
Credits		Totals
Collection allocated to:		
General Fund	\$ 240,311	\$ 8,488
		\$ 248,799
Balance represented by		
Unpaid real and personal		7,829
Unaccounted for		1,020
Total accounted for		\$ 257,648

Note: Ad valorem taxes on automobiles and mobile homes are collected and remitted by the Wilkinson County Tax Collector.

See Independent Auditor's Report.

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TOWN OF WOODVILLE, MISSISSIPPI  
SCHEDULE OF INVESTMENTS - ALL FUNDS

SEPTEMBER 30, 2015

	Rate	Principal Balance	Carrying Value	Fair Market Value
<b>General Fund</b>				
<u>Restricted Funds</u>				
United Mississippi Bank				
Savings and checking accounts				
Cemetery funds	0.15%	\$ 63,831	\$ 63,831	\$ 63,831
Fire rebate funds	0.15%	962	962	962
Sidewalk repair	0.15%	5,121	5,121	5,121
Future growth fund	0.15%	32,069	32,069	32,069
Total general fund restricted investments		\$ 101,983	\$ 101,983	\$ 101,983
<b>Enterprise Fund</b>				
<u>Restricted Funds</u>				
United Mississippi Bank				
Certificates of deposit and checking accounts:				
Water and sewer system	0.40%	\$ 33,895	\$ 33,895	\$ 33,895
Operating cash - reserved for deposits	0.15%	56,346	56,346	56,346
Water improvement and capital projects	0.15%	126	126	126
CCA reserve	0.15%	185	185	185
Bond cushion fund	0.00%	31,208	31,208	31,208
Contingent fund	0.00%	15,604	15,604	15,604
Depreciation fund	0.00%	15,604	15,604	15,604
Bond and interest sinking fund	0.00%	39,773	39,773	39,773
Total enterprise fund restricted investments		\$ 192,741	\$ 192,741	\$ 192,741
Total investments - all funds		\$ 294,724	\$ 294,724	\$ 294,724

See Independent Auditor's Report.

TOWN OF WOODVILLE, MISSISSIPPI  
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS  
SEPTEMBER 30, 2015

<u>Name</u>	<u>Position</u>	<u>Insurance Company</u>	<u>Amount</u>
Gary D'Aquila	Mayor	Travelers Casualty & Surety	\$ 50,000
Russell Fry	Alderman	Travelers Casualty & Surety	\$ 25,000
Earl-Dean Anthony	Alderman	Travelers Casualty & Surety	\$ 25,000
William Carter	Alderman	Travelers Casualty & Surety	\$ 25,000
Gene Lofton	Alderman	Travelers Casualty & Surety	\$ 25,000
Cathy McCurley	Town Clerk	Western Surety Company	\$ 50,000
Elnora Veals	Deputy Clerk	Old Republic Surety Company	\$ 50,000
Tarwonna Walker	Deputy Clerk	Old Republic Surety Company	\$ 50,000
Linda Billeaudeau	Deputy Clerk	Western Surety Company	\$ 50,000
Jessie Stewart	Chief of Police	Old Republic Surety Company	\$ 50,000

See Independent Auditor's Report.

## TOWN OF WOODVILLE, MISSISSIPPI

## SCHEDULE OF LONG-TERM DEBT

YEAR ENDED SEPTEMBER 30, 2015

Definition and Purpose	Balance Outstanding 10/1/2014	Transactions During Year		Balance Outstanding 9/30/2015
		Issued	Redeemed	
<b>General Obligation Bonds</b>				
2010 street bonds	\$ 265,000	\$ -	\$ 20,000	\$ 245,000
Municipal building	361,700	-	19,000	342,700
Total general obligation bonds	\$ 626,700	\$ -	\$ 39,000	\$ 587,700
<b>Revenue Bonds</b>				
Enterprise fund:				
Combined water and sewer bonds	\$ 589,920	-	\$ 15,825	\$ 574,095
<b>Notes Payable</b>				
Enterprise fund:				
MDEQ - MTC	\$ 210,716	\$ -	\$ 9,888	\$ 200,828
MDEQ - Town	\$ 201,246	\$ -	\$ 9,294	\$ 191,952
General fund:				
Promissory note	\$ 75,000	\$ -	\$ 75,000	\$ -
Promissory note - police car	\$ -	\$ 27,308	\$ -	\$ 27,308
Municipal multi-purpose building	\$ 212,961	\$ -	\$ 10,887	\$ 202,074
Total bond and notes payable	\$ 1,916,543	\$ 27,308	\$ 159,894	\$ 1,783,957
<b>Other Long-Term Debt</b>				
General fund				
Capital lease - tractor	\$ 12,916	\$ -	\$ 12,916	\$ -
Capital lease - backhoe	924	-	924	-
Compensated absences	56,713	1,571	-	58,284
Enterprise fund				
Capital lease	13,272	-	7,498	5,774
Compensated absences	74,978	-	909	74,069
Total other long-term debt	\$ 158,803	\$ 1,571	\$ 22,247	\$ 138,127
Totals	\$ 2,075,346	\$ 28,879	\$ 182,141	\$ 1,922,084

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**INTERNAL CONTROL AND COMPLIANCE REPORTS**

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209 N. Commerce Street  
 P.O. Box 1027  
 Natchez, Mississippi 39121-1027  
 Telephone: 601.442.7411  
 Fax: 601.442.8551

[www.silasimmons.com](http://www.silasimmons.com)

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

Mayor and Board of Aldermen  
 Town of Woodville, 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 *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Woodville, Mississippi, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise Town of Woodville, Mississippi's basic financial statements and have issued our report thereon dated May 6, 2016.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Town of Woodville, 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 Town of Woodville, Mississippi's internal control. Accordingly, we do not express an opinion on the effectiveness of Town of Woodville, Mississippi's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness: 2015-01.

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. No significant deficiencies were identified during our audit.



### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of Woodville, Mississippi's financial statements are free from 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*.

### Town of Woodville, Mississippi's Response to Findings

Town of Woodville, Mississippi's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Town of Woodville, Mississippi's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### 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 entity'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.



Natchez, Mississippi  
May 6, 2016

## **SCHEDULE OF FINDINGS**

TOWN OF WOODVILLE, MISSISSIPPI  
SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015

**SECTION 1: SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements:**

- |   |            |
|---|------------|
| 1. Type of auditor's report issued on the basic financial statements:                     | Unmodified |
| 2. Internal control over financial reporting:   |            |
| a. Material weakness(es) identified?  | Yes        |
| b. Significant deficiencies identified that are not considered to be material weaknesses? | No         |
| 3. Material noncompliance relating to the basic financial statements?                     | No         |

**Federal Awards:**

Not applicable

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TOWN OF WOODVILLE, MISSISSIPPI  
SCHEDULE OF CURRENT YEAR FINDINGS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015

SECTION 2: FINANCIAL STATEMENT FINDINGS

Deficiencies Considered to be Material Weaknesses or Material Noncompliance

2015-1 Segregation of Duties (Internal Control Finding)

Condition: During our audit, we noted the Town doesn't have an adequate number of personnel to properly segregate duties within the initiation, authorization, reconciliation and review functions.

Criteria: It is recommended that no one person should have access to two or more of the cycles above.

Cause of Condition: The Town doesn't have the financial resources to employ the number of individuals needed to properly segregate duties.

Effect of Condition: Material weakness in internal controls.

Recommendation: We do not believe that it would be cost effective for the Town to hire the additional staff required to resolve this problem. We recommend that management continue to implement alternate procedures to help alleviate this condition. Also, we believe that the Board should be diligent in approving transactions and reviewing monthly financial information.

Response: Management will continue to implement alternate control procedures whenever feasible.

SECTION 3: FEDERAL AWARDS, FINDINGS, AND QUESTIONED COSTS

Not applicable

TOWN OF WOODVILLE, MISSISSIPPI  
STATUS OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015

**SECTION 2: FINANCIAL STATEMENT FINDINGS**

**Deficiencies Considered to be Material Weaknesses**

**2014-01 Finding**

The Town's Utility Fund had insufficient funds to cover the customer deposits. The deposits were under-funded by \$46,120.

**Recommendation**

We recommend that the Town restore the restricted cash balance and monitor the balances to ensure customer deposits are fully funded.

**Corrective Action**

The Town's Management will closely monitor the funding coverage during fiscal year 2015 and determine if internal loans or transfers are required to ensure that the restricted cash balance exceeds the customer deposit obligation.

Finding corrected within the current year.

**2014-02 Finding**

From our understanding of the Town's internal control structure, we have determined that the small size of the Town and its limited number of personnel do not allow for the adequate segregation of duties among its employees. This is a continuing comment from prior years. In the past, we have recommended that the duties of the employees be segregated as much as possible under these limited conditions.

**Recommendation**

We do not believe that it would be cost effective for the Town to hire the additional staff required to resolve this problem. We recommend that management continue to implement alternate procedures to help alleviate this condition. Also, we believe that the Board should be diligent in approving transactions and reviewing monthly financial information.

**Corrective Action**

The Town will continue to implement alternate control procedures. See 2015-01 as it is a repeat finding.

**SECTION 3: FEDERAL AWARDS, FINDINGS, AND QUESTIONED COSTS**

Not applicable

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

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

Mayor and Board of Aldermen  
Town of Woodville, Mississippi

We have audited the basic financial statements of the Town of Woodville, Mississippi, as of and for the year ended September 30, 2015, and have issued our report thereon dated May 6, 2016. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

As required by the state legal compliance audit program prescribed by the Office of the State Auditor, we have also performed procedures to test compliance with certain state laws and regulations. However, providing an opinion on compliance with state laws and regulations was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the Town's management, the Office of the State Auditor, and 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. However, this report is a matter of public record and its distribution is not limited.

*Silas Simmons, LLP*

Natchez, Mississippi  
May 6, 2016

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