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TOWN OF WOODVILLE, MISSISSIPPI

Audited Financial Statements and Special Reports
For the Year Ended September 30, 2016

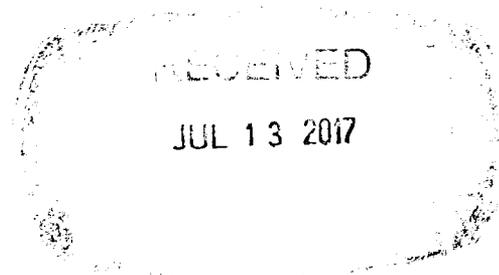
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TOWN OF WOODVILLE, MISSISSIPPI

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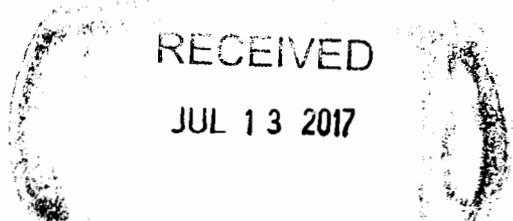
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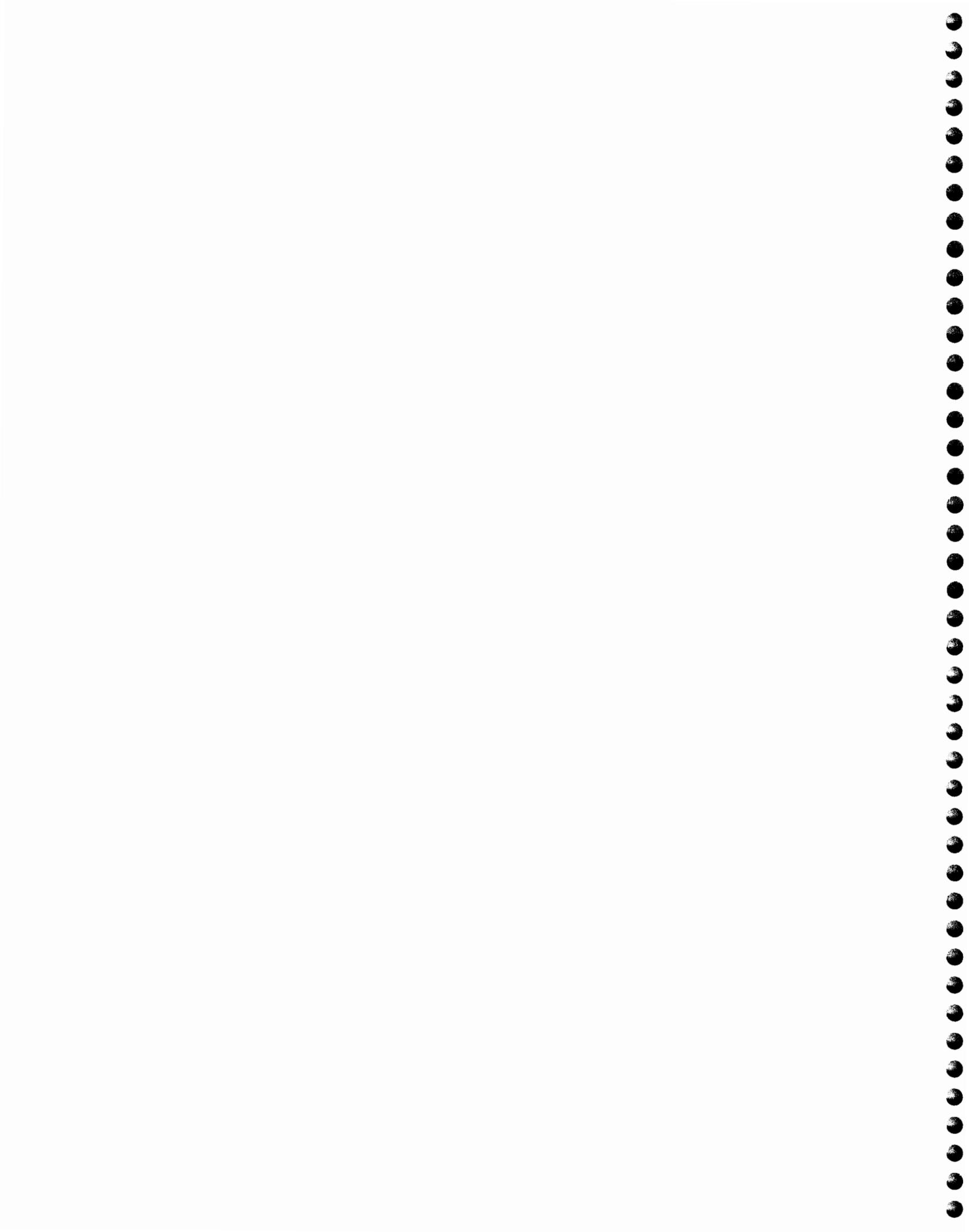


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FINANCIAL SECTION

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SHOEMAKER — & CO. —

CERTIFIED PUBLIC ACCOUNTANTS, PLLC

INDEPENDENT AUDITOR'S REPORT

Mayor and Board of Aldermen
Town of Woodville, Mississippi

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Town of Woodville, Mississippi, (the County) as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the basic financial statements of the County's primary government 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.

Unmodified Opinions

In our opinion, the financial statements referred to previously 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 Town of Woodville, Mississippi, as of September 30, 2016, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

POST OFFICE BOX 2201 CLINTON, MISSISSIPPI 39060

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules and corresponding notes, the schedule of the Town's proportionate share of the net pension liability, and the schedule of the Town's contributions 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 financials 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.

The Schedule of Surety Bonds for County Officials has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 24, 2017, on our consideration of 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 Town of Woodville, Mississippi's internal control over financial reporting and compliance.

Shoemaker and Company

SHOEMAKER & COMPANY, CPA PLLC
Clinton, Mississippi
May 24, 2017



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TOWN OF WOODVILLE, MISSISSIPPI

MANAGEMENT DISCUSSION AND ANALYSIS

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TOWN OF WOODVILLE, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

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 Town for the fiscal year ended September 30, 2016. The 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 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 the 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
FOR THE YEAR ENDED SEPTEMBER 30, 2016

Government-Wide Financial Analysis

As noted earlier, net position may, over time, serve as a useful indicator of a government's financial position. As the close of the most recent fiscal year, the Town's assets exceed its liabilities by \$2,702,352 (net position); this represents a decrease of \$125,615 and a prior period adjustment of \$(106,644). Of this total net position amount, a \$1,594,196 deficit is in unrestricted net position. The Town's net position is comprised of \$(560,668) from governmental activities and \$3,262,020 from business-type activities.

The following is a condensed statement of the Town of Woodville's net position as of September 30, 2016 and 2015:

	Governmental Activities		Business-type Activities		Totals	
	2016	2015	2016	2015	2016	2015
Assets						
Current and other assets	252,558	253,392	556,250	535,880	808,808	789,272
Capital assets, net	2,018,320	2,067,908	3,921,167	3,862,142	5,939,487	5,930,050
Total assets	2,270,878	2,321,300	4,477,417	4,398,022	6,748,295	6,719,322
Deferred Outflows of Resources	298,228	198,873			298,228	198,873
Liabilities						
Other liabilities	151,353	258,746	177,244	264,595	328,577	523,341
Long-term liabilities	2,933,574	2,701,546	1,038,173	930,803	3,971,747	3,632,349
Total Liabilities	3,084,927	2,960,292	1,215,397	1,195,398	4,300,324	4,155,690
Deferred Inflows of Resources	44,847	42,182			44,847	42,182
Net Position						
Net investment in capital assets	1,278,939	1,250,826	2,909,603	3,090,321	4,188,542	4,341,147
Restricted for:						
Capital projects			295	312	295	312
Debt service and other			106,711	102,189	106,711	102,189
Unrestricted	(1,839,607)	(1,733,127)	245,411	9,802	(1,594,196)	(1,723,325)
Total Net Position	(560,668)	(482,301)	3,262,020	3,202,624	2,701,352	2,720,323

By far the largest portion of the Town's net position \$(4,188,542) 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 \$1,594,196 or 0%, and restricted net position of \$106,639 or 1%, which are restricted for debt service and construction projects. The Town has total outstanding debt of \$1,871,536, which was used to finance some of the \$5,939,487 in capital assets. Total liabilities and deferred inflows of \$4,345,171 are equal to 161% of total net position primarily due to GASB 68 implementation beginning in fiscal year 2015.



TOWN OF WOODVILLE, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

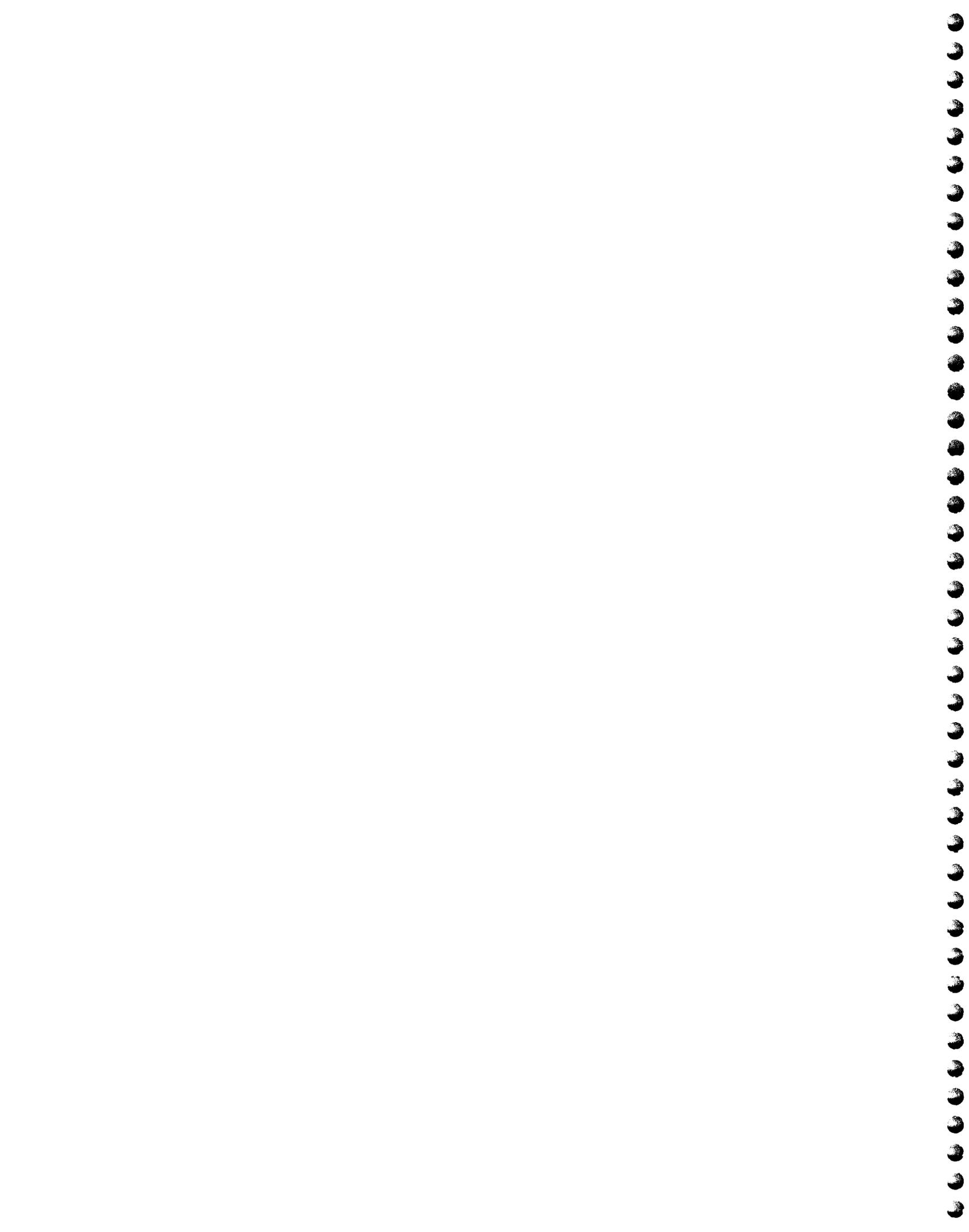
Government-Wide Financial Analysis (continued)

The Town's governmental activities decreased net position \$125,625. This decrease is mainly due to an increase in recognition of benefit costs related to GASB 68 implementation which was implemented in the prior year (fiscal year 2015).

The following is a condensed statement of the Town of Woodville's statements of activities for the years ended September 30, 2016 and 2015:

	Governmental Activities		Business-type Activities		Totals	
	2016	2015	2016	2015	2016	2015
Revenues						
Program revenues	136,572	146,099	1,297,803	1,618,978	1,434,375	1,765,077
General revenues and transfers	1,081,357	1,116,160	(298,112)	(255,207)	783,245	860,953
Total revenues and transfers	<u>1,217,929</u>	<u>1,262,259</u>	<u>999,691</u>	<u>1,363,771</u>	<u>2,217,620</u>	<u>2,626,030</u>
Expenses						
General government	76,483	197,273			76,486	197,273
Public safety	435,707	559,207			435,707	559,207
Streets	360,925	300,369			360,925	300,369
Sanitation	89,069	86,814			89,069	86,814
Cemetery	31,034	95,076			31,034	95,076
Combined utility			1,046,939	1,299,307	1,046,939	1,299,307
Interest on long-term debt	37,596	40,838			37,596	40,838
Pension expense	265,482				265,482	
Total expenses	<u>1,296,296</u>	<u>1,361,413</u>	<u>1,046,939</u>	<u>1,299,307</u>	<u>2,343,235</u>	<u>2,660,720</u>
Increase (decrease) in net position	<u>(78,367)</u>	<u>(99,154)</u>	<u>(47,248)</u>	<u>64,464</u>	<u>(125,615)</u>	<u>(34,690)</u>
Net position – beginning	(482,301)	1,231,259	3,202,624	3,138,160	2,720,323	4,369,419
Prior period adjustments		(1,614,406)	106,644		106,644	(1,614,406)
Net position – beginning, as restated	<u>(482,301)</u>	<u>(383,147)</u>	<u>3,309,268</u>	<u>3,138,160</u>	<u>2,826,967</u>	<u>2,755,013</u>
Net position – ending	<u>(560,668)</u>	<u>(482,301)</u>	<u>3,262,020</u>	<u>3,202,624</u>	<u>2,701,352</u>	<u>2,720,323</u>

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 costs of all governmental activities.



TOWN OF WOODVILLE, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

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, 2015	439,218	260,049	647,975	125,336	1,472,578
Fiscal year ended September 30, 2016	426,809	272,045	458,613	125,336	1,282,803
Increase (decrease) from prior year	(12,409)	11,996	(189,362)	-	(189,775)

	Operating Expenses				
	Water	Sewer	Gas	MTC	Total
Fiscal year ended September 30, 2015	411,711	245,456	538,650	69,916	1,265,733
Fiscal year ended September 30, 2016	399,155	218,994	336,605	58,494	1,013,248
Increase (decrease) from prior year	(12,556)	(26,462)	(202,045)	(11,422)	(252,485)

	Net Income (Loss) From Operation				
	Water	Sewer	Gas	MTC	Total
Fiscal year ended September 30, 2015	27,507	14,593	109,325	55,420	206,845
Fiscal year ended September 30, 2016	27,654	53,051	122,008	66,842	269,555
Increase (decrease) from prior year	147	38,458	12,683	11,422	62,710



TOWN OF WOODVILLE, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

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 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 (Exhibit 3) and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit 4) for the General Fund. The General Fund is also considered to be a major fund.

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

Financial Analysis of the Town's Governmental Funds

The Town of Woodville's governmental funds reported an ending fund balance of \$153,579, which is a decrease of \$21,943. \$112,799 of the fund balance was assigned. The remaining fund balance of \$40,800 was unassigned at September 30, 2016.

Fund Financial Statements – Proprietary Funds

The Town maintains one proprietary fund. Proprietary funds are used to report the same function 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 a decrease in net position of \$47,248 and a prior period adjustment of \$106,644. This was primarily due to a decrease in capital grants in comparison to the prior year. All departments showed operating income over prior year. The unrestricted fund balance showed a balance of \$245,411 at September 30, 2016. \$107,006 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 difference between the original budget and final budget.

Revenues were over budgeted by \$243,449 or 21%. Actual expenditures showed a positive variance of \$29,474 or 3%. The final budget and the actual results showed a positive variance of \$81,566.



TOWN OF WOODVILLE, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

Government-Wide – Capital Asset and Debt Administration

The total investment in net capital assets as of September 30, 2016 is \$5,939,487.

The new major capital assets purchased, constructed or put in service in fiscal year 2016 are:

1. \$26,935 in water utility improvements were incurred during the year, of which \$17,011 relates to an outstanding project.
2. \$82,394 backhoe was purchased with short-term financing from BancorpSouth.
3. \$12,065 for communications equipment in the water department.
4. \$19,483 for a vehicle in the water department.
5. \$27,308 for a vehicle for the police department.

Current Financial Factors

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

The Town expects to receive a USA 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.

Request of Information

The 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 operation. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the following:

Town of Woodville, Mississippi
Cathy McCurley, Town Clerk
Post Office Box 605
Woodville, Mississippi 39669



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TOWN OF WOODVILLE, MISSISSIPPI

FINANCIAL STATEMENTS



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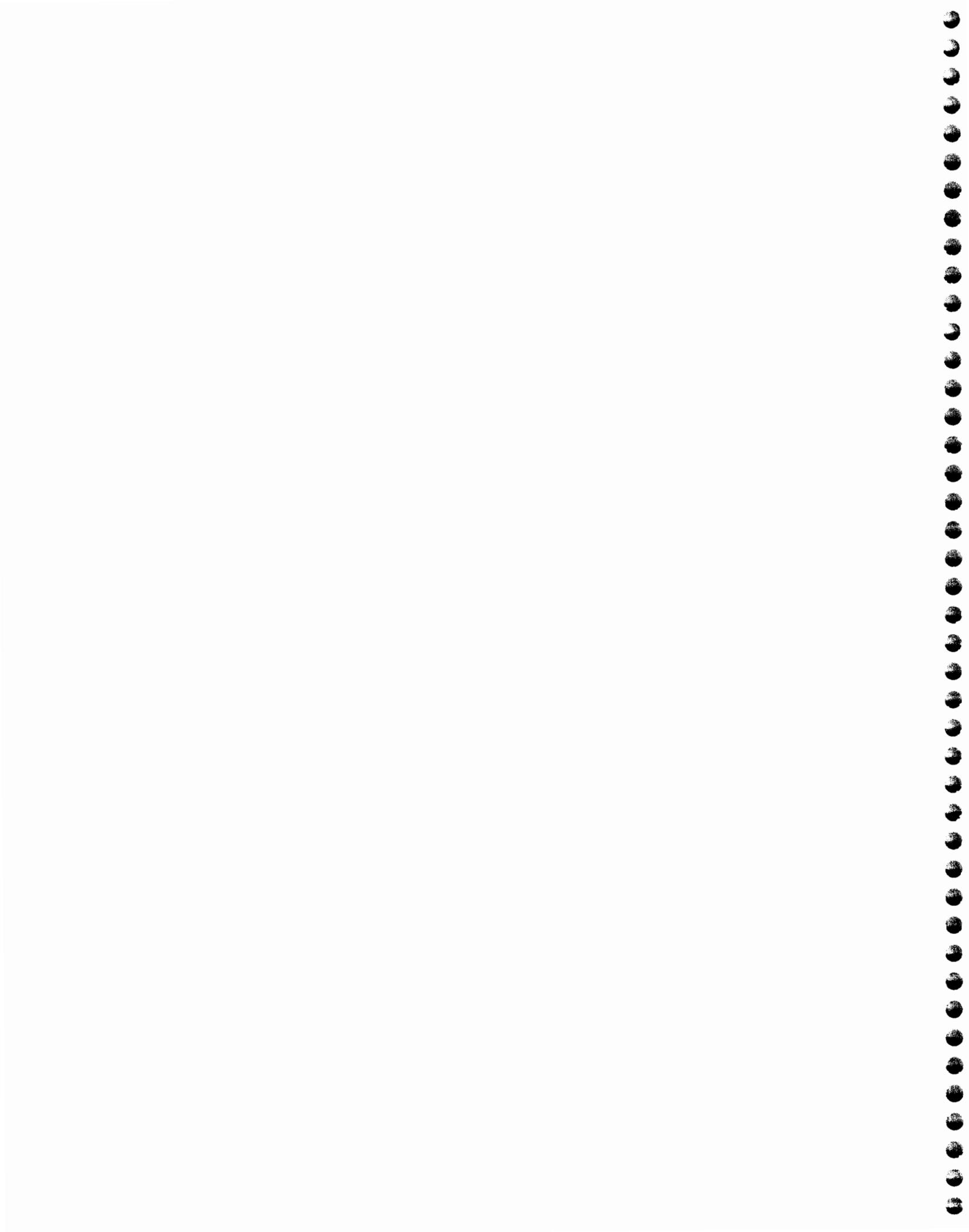


TOWN OF WOODVILLE, MISSISSIPPI
Statement of Net Position
Governmental Funds
For the Year Ended September 30, 2016

Exhibit 1

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 20,979	47,720	68,699
Receivables (net of allowance for uncollectibles)	77,199	352,932	430,131
Internal balances	41,601	(41,601)	-
Restricted assets	112,779	197,199	309,978
Capital assets, net	2,018,320	3,921,167	5,939,487
Total Assets	<u>\$ 2,270,878</u>	<u>4,477,417</u>	<u>6,748,295</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	\$ 298,228		298,228
Total Deferred Outflows of Resources	<u>\$ 298,228</u>	<u>-</u>	<u>298,228</u>
LIABILITIES			
Liabilities:			
Accounts payable, salaries and other payables	\$ 98,979	49,853	148,832
Payable from restricted assets		90,193	90,193
Bonds and notes payable, due within one year	52,374	63,900	116,274
Compensated absences	56,804	63,787	120,591
Bonds and notes payable, due in more than one year	687,007	947,664	1,634,671
Net pension liability	2,189,763		2,189,763
Total Liabilities	<u>\$ 3,084,927</u>	<u>1,215,397</u>	<u>4,300,324</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	\$ 44,847		44,847
Total Deferred Inflows of Resources	<u>\$ 44,847</u>	<u>-</u>	<u>44,847</u>
NET POSITION			
Net investment in capital assets	\$ 1,278,939	2,909,603	4,188,542
Restricted for:			
Capital projects	-	295	295
Debt service	-	106,711	106,711
Unrestricted	(1,839,607)	245,411	(1,594,196)
Total Net Position	<u>\$ (560,668)</u>	<u>3,262,020</u>	<u>2,701,352</u>

See the accompanying notes to the basic financial statements.



TOWN OF WOODVILLE
Statement of Activities
For the Year Ended September 30, 2016

Exhibit 2

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary government:							
Governmental activities:							
General government	\$ 76,483				(76,483)		(76,483)
Public safety	435,707	50,811			(384,896)		(384,896)
Streets	360,925				(360,925)		(360,925)
Sanitation	89,069	85,761			(3,308)		(3,308)
Cemetery	31,034				(31,034)		(31,034)
Interest on long-term debt	37,596				(37,596)		(37,596)
Pension expense	265,482				(265,482)		(265,482)
Total Governmental Activities	\$ 1,296,296	136,572	-	-	(1,159,724)	-	(1,159,724)
Business-type activities:							
Water	\$ 399,155	426,809		15,000		42,654	42,654
Sewer	218,994	272,045				53,051	53,051
Gas	336,605	458,613				122,008	122,008
MTC	58,494	125,336				66,842	66,842
Interest on long-term debt	33,691					(33,691)	(33,691)
Total Business-type Activities	1,046,939	1,282,803	-	15,000	-	250,864	250,864
Total Primary Government	\$ 2,343,235	1,419,375	-	15,000	(1,159,724)	250,864	(908,860)
General revenues:							
Ad valorem and franchise taxes					\$ 252,666		252,666
Licenses and permits					2,576		2,576
Intergovernmental revenues					442,134		442,134
Contributions to permanent funds							-
Investment earnings					291	300	591
Other general revenues					68,755	16,523	85,278
Transfers					314,935	(314,935)	-
Total General Revenues					\$ 1,081,357	(298,112)	783,245
Changes in Net Position					\$ (78,367)	(47,248)	(125,615)
Net Position - Beginning					\$ (482,301)	3,202,624	2,720,323
Prior period adjustments						106,644	106,644
Net Position - Beginning, as restated					\$ (482,301)	3,309,268	2,826,967
Net Position - Ending					\$ (560,668)	3,262,020	2,701,352

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



TOWN OF WOODVILLE, MISSISSIPPI
 Balance Sheet
 Governmental Funds
 For the Year Ended September 30, 2016

Exhibit 3

	<u>Major Funds</u>		
	<u>General Fund</u>	<u>Other Governmental Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash	\$ 20,879	100	20,979
Accounts receivable	77,199		77,199
Due to (from) other funds	(4,834)	46,535	41,701
Restricted cash	112,779		112,779
Total Assets	<u>\$ 206,023</u>	<u>46,635</u>	<u>252,658</u>
LIABILITIES			
Liabilities:			
Accounts payable	\$ 25,887	46,535	72,422
Accrued liabilities	26,557		26,557
Due to other funds		100	100
Total Liabilities	<u>\$ 52,444</u>	<u>46,635</u>	<u>99,079</u>
Fund balances:			
Assigned	112,779		112,779
Unassigned	40,800		40,800
Total Fund Balances	<u>\$ 153,579</u>	<u>-</u>	<u>153,579</u>
Total Liabilities and Fund Balances	<u>\$ 206,023</u>	<u>46,635</u>	<u>252,658</u>

See the accompanying notes to the basic financial statements.

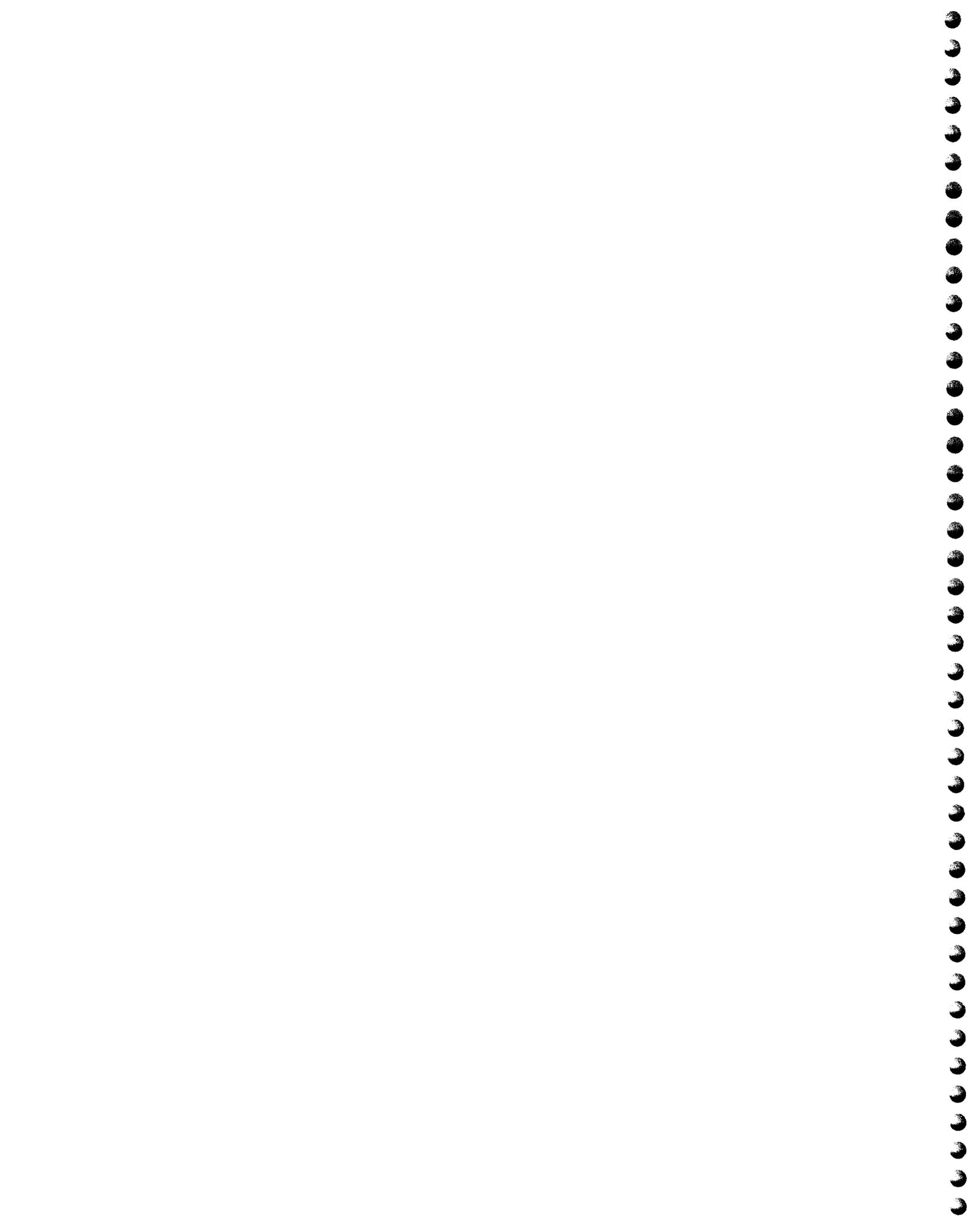


TOWN OF WOODVILLE, MISSISSIPPI
 Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
 For the Year Ended September 30, 2016

Exhibit 3-1

	<u>Amount</u>
Total Fund Balance - Governmental Funds	\$ 153,579
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets are used in governmental activities and are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$938,141.	2,018,320
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(796,185)
Net pension obligations are not due and payable in the current period, and, therefore are not reported in the funds.	(2,189,763)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds	
Deferred outflows of resources related to pensions	298,228
Deferred inflows of resources related to pensions	<u>(44,847)</u>
Total Net Position - Governmental Activities	\$ <u>(560,668)</u>

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

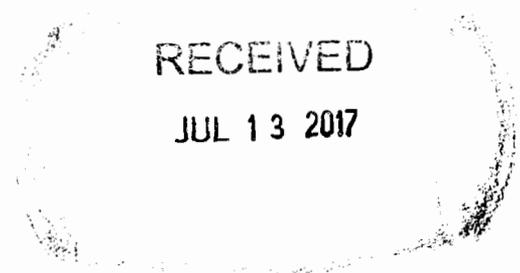


TOWN OF WOODVILLE, MISSISSIPPI
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended September 30, 2016

Exhibit 4

	Major Funds		Total Governmental Funds
	General Fund	Other Governmental Fund	
REVENUES			
Ad valorem and franchise taxes	\$ 252,666		252,666
Licenses and permits	2,576		2,576
Intergovernmental	442,134		442,134
Charges for services	85,761		85,761
Fines	50,811		50,811
Interest	291		291
Note proceeds	12,065		12,065
Miscellaneous	56,690		56,690
Total Revenues	\$ 902,994	-	902,994
EXPENDITURES			
General government	\$ 122,162		122,162
Public safety	483,161		483,161
Streets	356,925		356,925
Sanitation	87,413		87,413
Cemetery	31,028		31,028
Debt service:			
Principal		77,701	77,701
Interest		37,596	37,596
Total Expenditures	\$ 1,080,689	115,297	1,195,986
Excess of Revenues over (under) Expenditures	\$ (177,695)	(115,297)	(292,992)
OTHER FINANCING SOURCES (USES)			
Transfers in	327,000	115,297	442,297
Transfers out	(127,362)		(127,362)
Total Other Financing Sources and Uses	\$ 199,638	115,297	314,935
Net Change in Fund Balance	\$ 21,943	-	21,943
Fund Balances - Beginning	131,636	-	131,636
Fund Balances - Ending	\$ 153,579	-	153,579

See the 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, 2016

Exhibit 4-1

	<u>Amount</u>
Net Changes in Fund Balances - Governmental Funds	\$ 21,943
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Thus, the change in net position differs from the change in fund balances by the amount that depreciation of \$ 76,896 exceeded exceeded capital outlays of \$27,308 in the current period.	(49,588)
Debt proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Thus, the change in net position differs by the amount of the debt repayments of \$77,701 and debt issuance transferred to the enterprise fund.	89,766
Under the modified accrual basis of accounting used in the Governmental Funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However, in the Statement of Activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is recognized under the modified accrual basis of accounting when due, rather than as it accrues. Thus, the change in net position differs from the change in fund balances by a combination of the following items:	
Decrease in compensated absences	1,480
Some items reported in the Statement of Activities relating to the implementation of GASB 68 are not reported in the governmental funds. These activities include:	
Recording of pension expense for the current period	(265,482)
Recording of contributions made in the fiscal year prior to the measurement date	90,889
Recording of contributions made subsequent to the measurement date	32,625
	<hr/>
Change in Net Position of Governmental Activities	\$ <u>(78,367)</u>

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



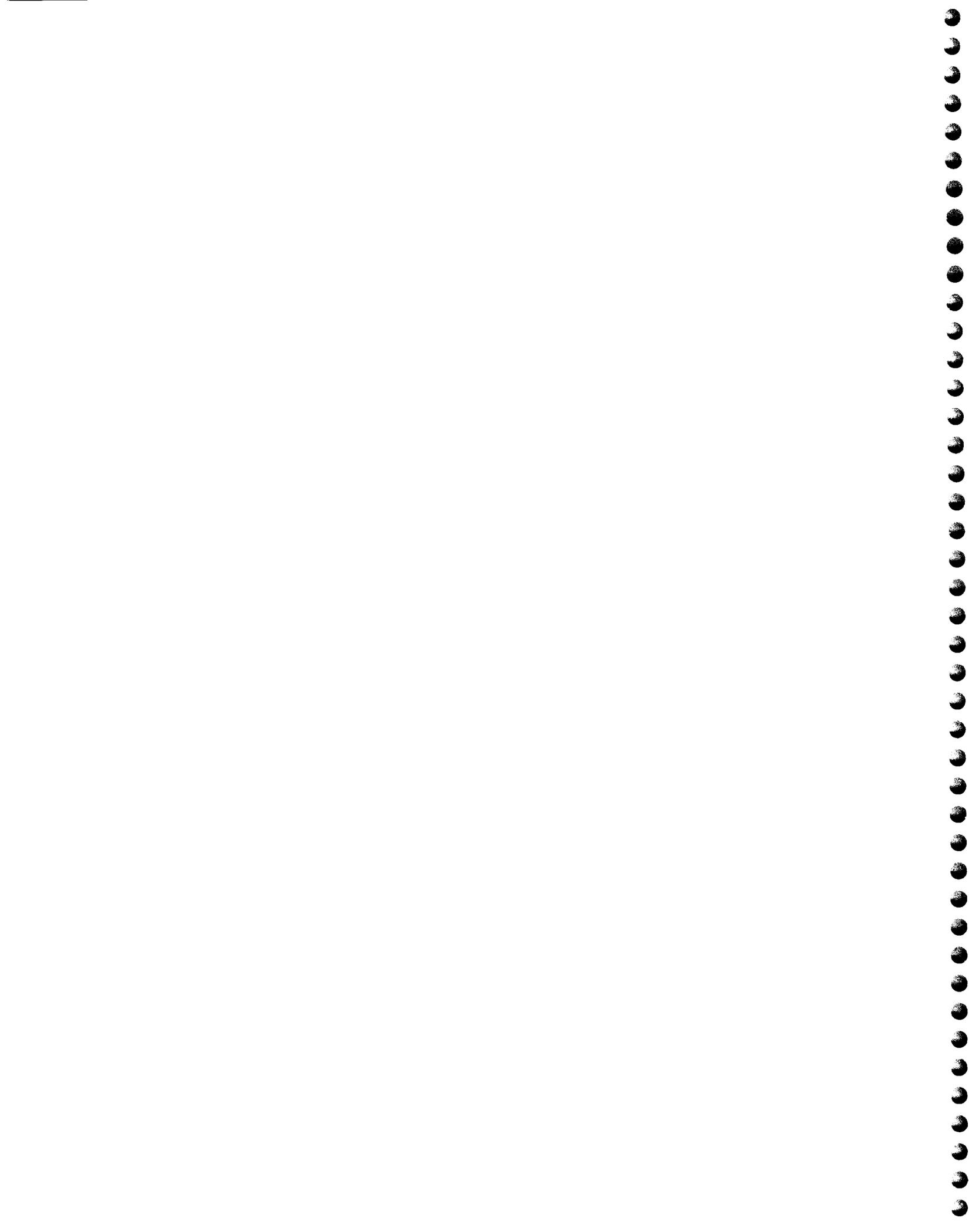
TOWN OF WOODVILLE, MISSISSIPPI
Statement of Net Position
Proprietary Funds
For the Year Ended September 30, 2016

Exhibit 5

Enterprise
Fund

ASSETS	
Current assets	
Cash	\$ 47,720
Accounts receivable	352,932
Due from (to) other funds	(41,601)
Total current assets	<u>\$ 359,051</u>
Noncurrent assets	
Restricted Assets	
Cash reserved for revenue bonds	\$ 106,711
Cash reserved for construction projects	295
Cash reserved for customer meter deposits	90,193
Total restricted assets	<u>\$ 197,199</u>
Fixed assets	
Distribution systems	\$ 6,884,649
Accumulated depreciation	(2,963,482)
Total fixed assets (net of accumulated depreciation)	<u>\$ 3,921,167</u>
Total assets	<u>\$ 4,477,417</u>
LIABILITIES	
Current liabilities (payable from current assets)	
Accounts payable	\$ 33,013
Accrued liabilities	15,591
Accrued interest payable	1,249
Bonds payable	63,900
Total current liabilities (payable from current assets)	<u>\$ 113,753</u>
Current liabilities (payable from restricted assets)	
Customer deposits payable	\$ 90,193
Total current liabilities (payable from restricted assets)	<u>\$ 90,193</u>
Long-term liabilities	
Compensated absences	\$ 63,787
Bonds payable	947,664
Total long-term liabilities	<u>\$ 1,011,451</u>
Total liabilities	<u>\$ 1,215,397</u>
NET POSITION	
Net investment in capital assets	\$ 2,909,603
Restricted for:	
Debt Service	106,711
Deposits related to construction projects	295
Unrestricted	245,411
Total net position	<u>\$ 3,262,020</u>
Total liabilities and net position	<u>\$ 4,477,417</u>

See the 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, 2016

Exhibit 6

	<u>Enterprise Fund</u>
OPERATING REVENUES	
Charges for services:	
Water sales	\$ 426,809
Sewer charges	272,045
Gas sales	458,613
MTC revenues	125,336
Total operating revenues	<u>\$ 1,282,803</u>
OPERATING EXPENSES	
Personal services	\$ 380,116
Purchase of utilities provided	115,673
Materials and supplies	122,590
Repairs and maintenance	22,902
Depreciation	188,496
Utilities and telephone	89,653
Insurance	16,504
Other operating expenses	77,314
Total operating expenses	<u>\$ 1,013,248</u>
Operating income	<u>\$ 269,555</u>
Nonoperating revenues (expenses)	
Interest earnings	\$ 300
Other revenue	16,523
Interest expense	(33,691)
Total nonoperating revenues (expenses)	<u>\$ (16,868)</u>
Income before contributions and transfers	\$ 252,687
Capital grants and contributions	\$ 15,000
Transfers in	12,065
Transfers out	(327,000)
Total income before contributions and transfers	<u>\$ (299,935)</u>
Change in net position	\$ (47,248)
Fund Balances - beginning	\$ 3,202,624
Prior period adjustment	106,644
Fund Balances - beginning, as restated	<u>\$ 3,309,268</u>
Fund Balances - ending	<u>\$ 3,262,020</u>

See the accompanying notes to the basic financial statements.

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TOWN OF WOODVILLE
Statement of Cash Flows
Proprietary Fund
For the Year Ended September 30, 2016

Exhibit 7

	<u>Enterprise Fund</u>
Cash Flows From Operating Activities	
Receipts from customers	\$ 1,305,278
Payments to suppliers	(460,771)
Payments to employees	(390,398)
Net Cash Provided (Used) by Operating Activities	<u>\$ 454,109</u>
Cash Flows From Noncapital Financing Activities	
Proceeds from other revenues	\$ 16,523
Operating transfers in	12,065
Operating transfers out	(327,000)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>\$ (298,412)</u>
Cash Flows From Capital and Related Financing Activities	
Acquisition and construction of capital assets	\$ (140,877)
Principal paid on long-term debt	(55,544)
Interest paid on debt	(33,691)
Proceeds from federal and state grants	\$ 15,000
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>\$ (215,112)</u>
Cash Flows From Investing Activities	
Interest on deposits	\$ 300
Net Cash Provided (Used) by Investing Activities	<u>\$ 300</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (59,115)
Cash and Cash Equivalents at Beginning of Year	197,390
Prior period adjustment	\$ 106,644
Cash and Cash Equivalents at Beginning of Year, as restated	304,034
Cash and Cash Equivalents at End of Year	<u>\$ 244,919</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	\$ 269,555
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	188,496
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	22,475
(Increase) decrease in customer deposits	793
Increase (decrease) in claims payable	(18,882)
Increase (decrease) in compensated absences liability	(10,282)
Increase (decrease) in accrued liabilities	1,954
Total Adjustments	<u>\$ 184,554</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 454,109</u>

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



TOWN OF WOODVILLE, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2016

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 charger:

- 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 utility services
- General services

(1) Summary of Significant Accounting Policies

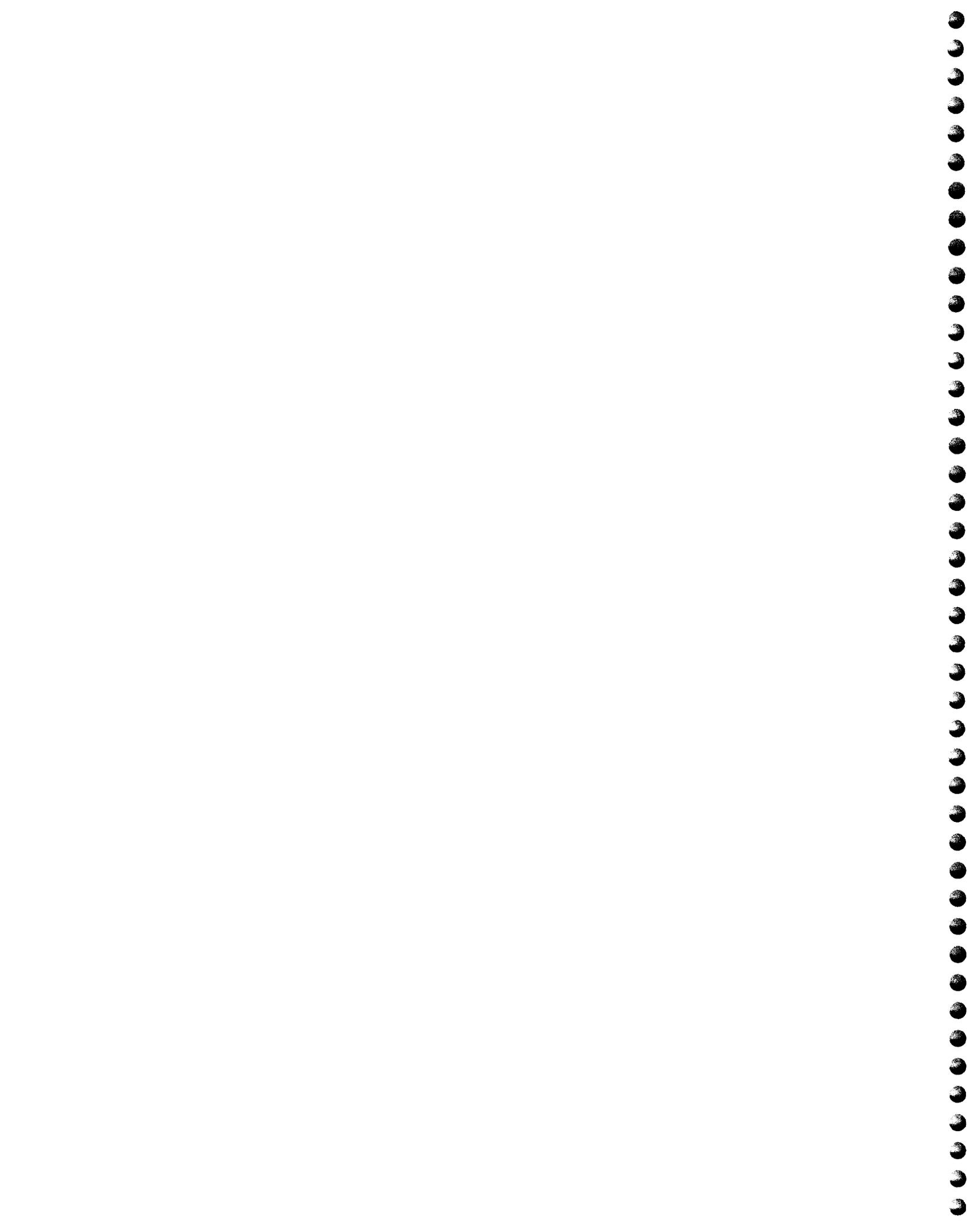
A. Financial Reporting Entity

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 charger:

- 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 utility services
- General services

The accounting and reporting policies of 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 or another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt.



TOWN OF WOODVILLE, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2016

B. Basis of Presentation.

The Town's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, fund financial statements and accompanying note disclosures which provide a detailed level of financial information.

Government-wide Financial Statements:

The Statement of Net Position and Statement of Activities display information concerning the Town as a whole. The statements include all nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements.

Governmental activities are generally financed through taxes, intergovernmental revenues and other nonexchange revenues. Governmental activities are generally financed through taxes, intergovernmental revenues and other nonexchange revenues and are reported separately from business-type activities. Business-type activities rely mainly on fees and charges for support. The Statement of Net Position presents the financial condition of the governmental activities and business-type activities of the Town at year-end. The Government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function or program of the Town's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a service, program or department and therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other revenues not classified as program revenues are presented as general revenues of the Town, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business type activity or governmental function is self-financing or draws from the general revenues of the Town.

Fund Financial Statements:

Fund financial statements of the Town are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues and expenditures/expenses. Funds are organized into governmental, proprietary and fiduciary. Major individual Governmental Funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

C. Measurement Focus and Basis of Accounting.

The Government-wide, Proprietary Funds and Fiduciary Funds (excluding agency funds) financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year for which they are levied. Shared revenues are recognized when the provider government recognizes the liability to the Town. Grants are recognized as revenues as soon as all eligibility requirements have been satisfied. Agency funds have no measurement focus, but use the accrual basis of accounting.

The revenues and expenses of Proprietary Funds are classified as operating or nonoperating. Operating revenues and expenses generally result from providing services in connection with a Proprietary Fund's primary operations. All other revenues and expenses are reported as



TOWN OF WOODVILLE, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2016

nonoperating.

Governmental financial statements are presented using a current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period when they are both measurable and available to finance operations during the year or to liquidate liabilities existing at the end of the year. Available means collected in the current period or within 60 days after year end to liquidate liabilities existing at the end of the year. Measurable means knowing or being able to reasonably estimate the amount. Expenditures are recognized in the accounting period when the related fund liabilities are incurred. Debt service expenditures and expenditures related to compensated absences and claims and judgments, are recognized only when payment is due. Property taxes, state appropriations and federal awards are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period.

The Town reports the following major Governmental Funds:

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

The Town reports the following major Proprietary Funds:

Enterprise Fund – This 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.

Additionally, the Town reports the following fund types:

GOVERNMENTAL FUND TYPES

Debt Service Funds – These funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

PROPRIETARY FUND TYPES

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

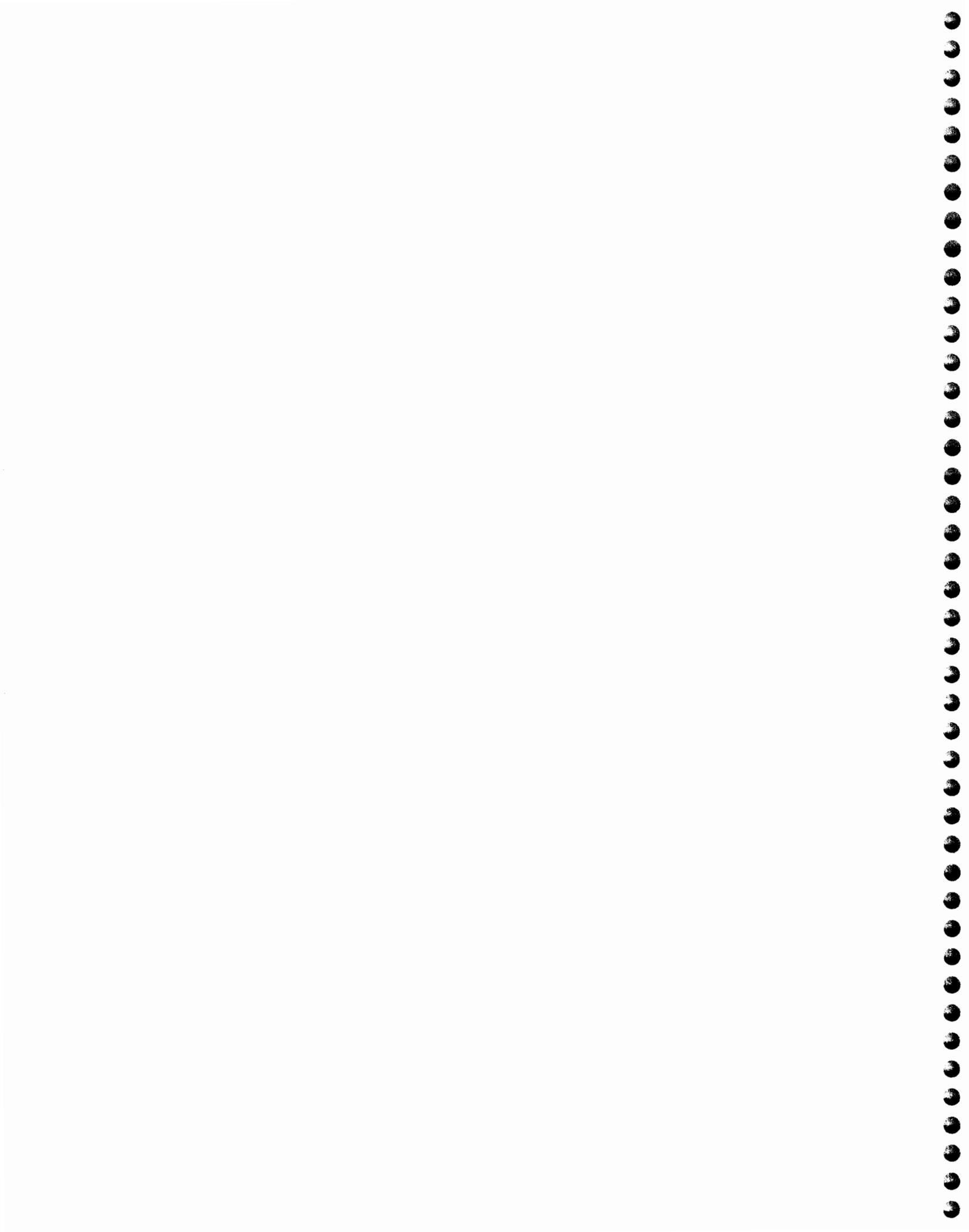
D. Account Classifications.

The account classifications used in the financial statements conform to the broad classifications recommended in *Governmental Accounting, Auditing and Financial Reporting* as issued in 2012 by the Government Finance Officers Association.

E. Deposits and Investments.

State law authorizes the Town to invest in interest bearing time certificates of deposit for periods of fourteen days to one year with depositories and in obligations of the U.S. Treasury, State of Mississippi, or any Town, municipality or school district of this state. Further, the Town may invest in certain repurchase agreements.

Cash includes cash on hand, demand deposits, all certificates of deposit and cash equivalents,



TOWN OF WOODVILLE, MISSISSIPPI

Notes to Financial Statements
For the Year Ended September 30, 2016

which are short-term highly liquid investments that are readily convertible to cash (generally three months or less). Investments in governmental securities are stated at fair value. The Town currently only invests excess fund in certificates of deposit.

F. Receivables.

Receivables are reported net of allowances for uncollectible accounts, where applicable.

G. Interfund Transactions and Balances.

Transactions between funds that are representative of short-term lending/borrowing arrangements and transactions that have not resulted in the actual transfer of cash at the end of the fiscal year are referred to as "due to/from other funds." Noncurrent portions of interfund receivables and payables are reported as "advances to/from other funds." Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance reserve account in applicable Governmental Funds to indicate that they are not available for appropriation and are not expendable available financial resources. However, this is not applicable to advances reported in other governmental funds, which are reported, by definition, as restricted, committed or assigned.

Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. Any outstanding balances between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

H. 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 fiscal year. For the year ending September 30, 2016, these amounts were considered to be immaterial to the financial statements taken as a whole.

I. Restricted Assets.

Restricted assets (internally and externally imposed) were applicable to the following at September 30, 2016:

	<u>General Fund</u>	<u>Utility Fund</u>	<u>Total</u>
Consumer Deposits	\$	\$ 90,193	\$ 90,193
Deposits related to bonded debt		106,711	106,711
Fire rebate savings	1,147		1,147
Cemetery funds	74,476		74,476
Capital projects		295	295
Future growth fund	32,117		32,117
Sidewalk repair	5,039		5,039
Total	\$ <u>112,779</u>	\$ <u>197,199</u>	\$ <u>309,978</u>

J. Capital Assets.

Capital acquisition and construction are reflected as expenditures in Governmental Fund statements and the related assets are reported as capital assets in the (applicable) governmental activities or business-type activities column in the government-wide financial statements. All purchased capital assets are stated at historical cost where records are available and at an estimated historical cost where no records exist. Capital assets include significant amounts of infrastructure



TOWN OF WOODVILLE, MISSISSIPPI

Notes to Financial Statements
For the Year Ended September 30, 2016

which have been valued at estimated historical cost. The estimated historical cost was based on replacement cost multiplied by the consumer price index implicit price deflator for the year of acquisition. The extent to which capital assets, other than infrastructure, costs have been estimated and the methods of estimation are not readily available. Donated capital assets are recorded at estimated fair market value at the time of donation. The costs of normal maintenance and repairs that do not add to the value of assets or materially extend their respective lives are not capitalized; however, improvements are capitalized. Interest expenditures are not capitalized on capital assets.

Capital assets acquired or constructed for Proprietary Fund operations are capitalized at cost in the respective funds in which they are utilized. No interest is capitalized on self-constructed assets because noncapitalization of interest does not have a material effect on the Town's financial statements. Donated capital assets are recorded at their fair value at the time of donation.

The Town maintains a threshold level of \$5,000 or more for capitalizing capital assets used in the governmental funds. Depreciation is calculated on the straight-line basis for all assets, except land. A full year's depreciation expense is taken for all purchases and sales of capital assets during the year. The following schedule details those thresholds and estimated useful lives:

<u>Description</u>	<u>Estimated Useful Life</u>
Governmental activities:	
Land	N/A
Land Improvements	20 years
Buildings	40 years
Vehicles	5 years
Machinery and equipment	3-10 years

<u>Description</u>	<u>Estimated Useful Life</u>
Business-type activities:	
Land	N/A
Buildings	40 years
Infrastructure	20-50 years
Vehicles	5 years
Machinery and equipment	3-10 years

K. 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 – This amount represents the Town's proportionate share of the deferred outflows of resources reported by the pension plan in which the Town participates. See note 15 for additional details.

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



TOWN OF WOODVILLE, MISSISSIPPI

Notes to Financial Statements
For the Year Ended September 30, 2016

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 – This amount represents the Town’s proportionate share of the deferred inflows of resources reported by the pension plan in which the Town participates. See note 15 for additional details.

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 of Mississippi (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, 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. Long-term Liabilities.

Long-term liabilities are the unmatured principal of bonds, loans, notes or other forms of noncurrent or long-term general obligation indebtedness. Long-term liabilities are not limited to liabilities from debt issuances, but may also include liabilities on lease-purchase agreements and other commitments.

In the government-wide financial statements and in the Proprietary Fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities, business-type activities or Proprietary Funds Statement of Net Position.

In the fund financial statements, Governmental Fund Types recognize bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

N. Equity Classifications.

Government-wide Financial Statements:

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

Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings attributable to the acquisition, construction or improvement of those assets.

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

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



TOWN OF WOODVILLE, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2016

Fund Financial Statements:

Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Government fund balance is classified as nonspendable, restricted, committed, assigned or unassigned. The following are descriptions of fund classifications used by the Town:

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

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

Assigned fund balance includes the amounts that are constrained by the Town's intent to be used for a specific purpose, but are neither restricted nor committed. For governmental funds, other than the General Fund, this is the residual amount within the fund that is not classified as non-spendable and is neither restricted nor committed. Assignments of fund balance are created by the Board of Supervisors pursuant to authorization established by a board order established in the minutes of the Board of Supervisors meetings.

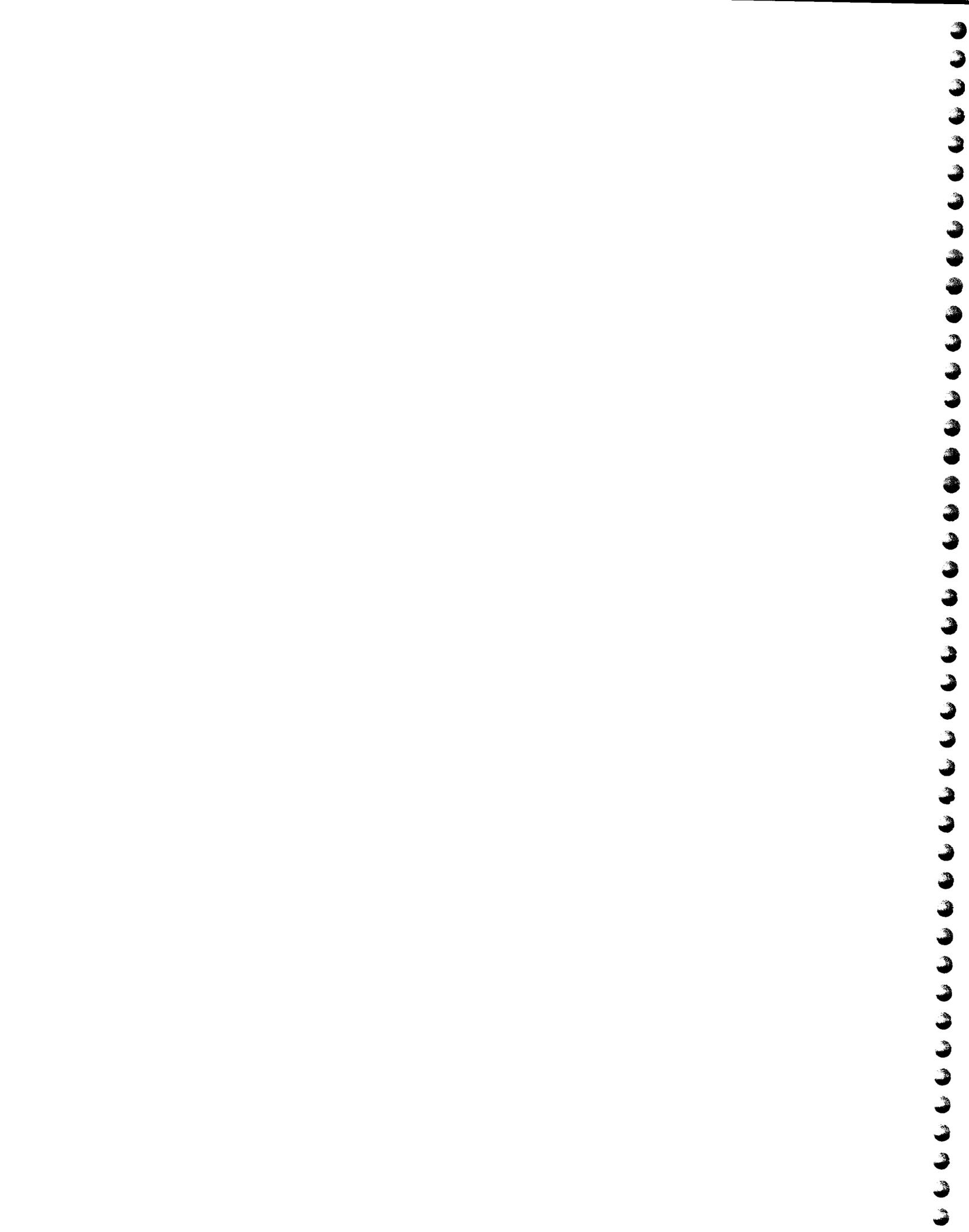
Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds if expenditures incurred for specific purposes exceeded the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

Net Position Flow Assumption:

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 special purposes (such as the purchase of fixed assets, construction, debt service and for other purposes). Proprietary fund equity is classified the same as in government-wide statements.

O. Property Tax Revenues.

Numerous statutes exist under which the Board of Supervisors may levy property taxes. The selection of authorities is made based on the objectives and responsibilities of the Town.



TOWN OF WOODVILLE, MISSISSIPPI

Notes to Financial Statements
For the Year Ended September 30, 2016

Restrictions associated with property tax levies vary with the statutory authority. The amount of increase in certain property taxes is limited by state law. Generally, this restriction provides that these tax levies shall produce no more than 110 percent of the amount which resulted from the assessments of the previous year.

The Board of Supervisors, each year at a meeting in September, levies property taxes for the ensuing fiscal year which begins on October 1. Real property taxes become a lien on January 1 of the current year, and personal property taxes become a lien on March 1 of the current year. Taxes on both real and personal property, however, are due on or before February 1 of the next succeeding year. Taxes on motor vehicles and mobile homes become a lien and are due in the month that coincides with the month of original purchase.

Accounting principles generally accepted in the United States of America require property taxes to be recognized at the levy date if measurable and available. All property taxes are recognized as revenue in the year for which they are levied. Motor vehicle and mobile home taxes do not meet the measurability and collectability criteria for property tax recognition because the lien and due date cannot be established until the date of original purchase occurs.

P. Intergovernmental Revenues in Governmental Funds.

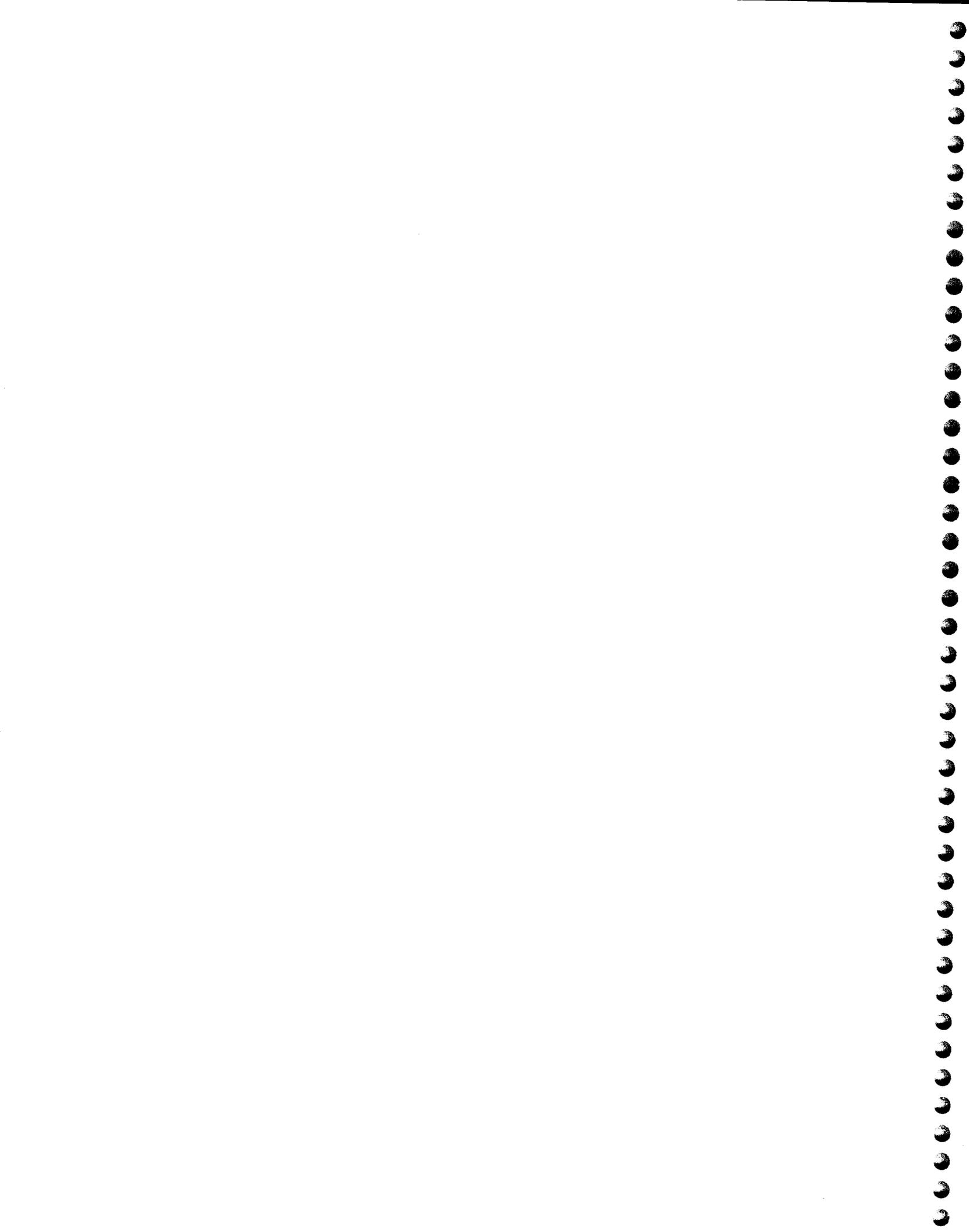
Intergovernmental revenues, consisting of grants, entitlements and shared revenues, are usually recorded in Governmental Funds when measurable and available. However, the "available" criterion applies for certain federal grants and shared revenues when the expenditure is made because expenditure is the prime factor for determining eligibility. Similarly, if cost sharing or matching requirements exist, revenue recognition depends on compliance with these requirements.

Q. Compensated Absences.

The Town has adopted a policy of compensation for accumulated unpaid employee personal leave. No payment is authorized for accrued major medical leave. Accounting principles generally accepted in the United States of America require accrual of accumulated unpaid employee benefits as long-term liabilities in the government-wide financial statements and Proprietary Funds financial statements. In fund financial statements, Governmental Funds report the compensated absence liability payable only if the payable has matured, for example an employee resigns or retires.

R. 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 Financial Statements
For the Year Ended September 30, 2016

(2) Prior Period Adjustments.

A summary of significant fund equity adjustments are as follows:

Exhibit 2 - Statement of Activities.

<u>Explanation</u>	<u>Amount</u>
Proprietary Activities:	
An adjustment to correct an error recording prior year depreciation.	\$ <u>106,644</u>
	\$ <u>106,644</u>

Exhibit 6 - Statement of Revenues, Expenses and Changes in Net Position

<u>Explanation</u>	<u>Amount</u>
Proprietary Activities:	
An adjustment to correct an error recording prior year depreciation.	\$ <u>106,644</u>
	\$ <u>106,644</u>

(3) Stewardship, Compliance and Accountability

Budgets and Budgetary Accounting:

The town follows those 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).



TOWN OF WOODVILLE, MISSISSIPPI

Notes to Financial Statements
For the Year Ended September 30, 2016

(4) Cash and Cash Equivalents.

At September 30, 2016, the Town as cash and cash equivalents as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Unrestricted:		
Demand deposits	\$ 68,699	\$ 137,460
Totals – unrestricted accounts	<u>68,699</u>	<u>137,460</u>
Restricted:		
Demand deposits	\$ 243,821	\$ 243,474
Time deposits	66,147	66,147
Totals – restricted accounts	<u>\$ 309,968</u>	<u>\$ 309,601</u>
Totals – all accounts	<u>\$ 378,667</u>	<u>\$ 447,061</u>

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

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of the failure of a financial institution, the Town will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Town does not have a formal policy for custodial credit risk. However, the Mississippi State Treasurer manages that risk on behalf of the Town. Deposits above FDIC coverage are collateralized by the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on behalf of the Town.

(5) 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. The Town collects real, personal property and public utilities tax. 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 2016 was 38.00 mills, broken down as follows:

General fund 38.00 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.

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TOWN OF WOODVILLE, MISSISSIPPI

Notes to Financial Statements
For the Year Ended September 30, 2016

(6) Receivables.

	General	Enterprise	Total
Receivables:			
Customer accounts	\$ 15,350	\$ 225,522	240,872
Due from other agencies	56,969	210,716	242,144
Unbilled utilities	11,806		11,806
Gross receivables	\$ 84,125	\$ 510,366	594,491
Less allowance for uncollectibles	(6,926)	(83,306)	(90,232)
Net total receivables	\$ 77,199	\$ 352,932	430,131

(7) Interfund Transactions and Balances.

The following is a summary of interfund balances at September 30, 2016:

A. Due From/to Other Funds:

	Due From	Due To
General Fund	\$ 28,642	\$ 33,476
Enterprise Funds	15,097	56,698
Agency Funds		
Payroll Clearing	5,282	
Credit Card Clearing		100
Accounts Payable Clearing	41,253	
Total	\$ 90,274	\$ 90,274

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

B. Transfers In/Out:

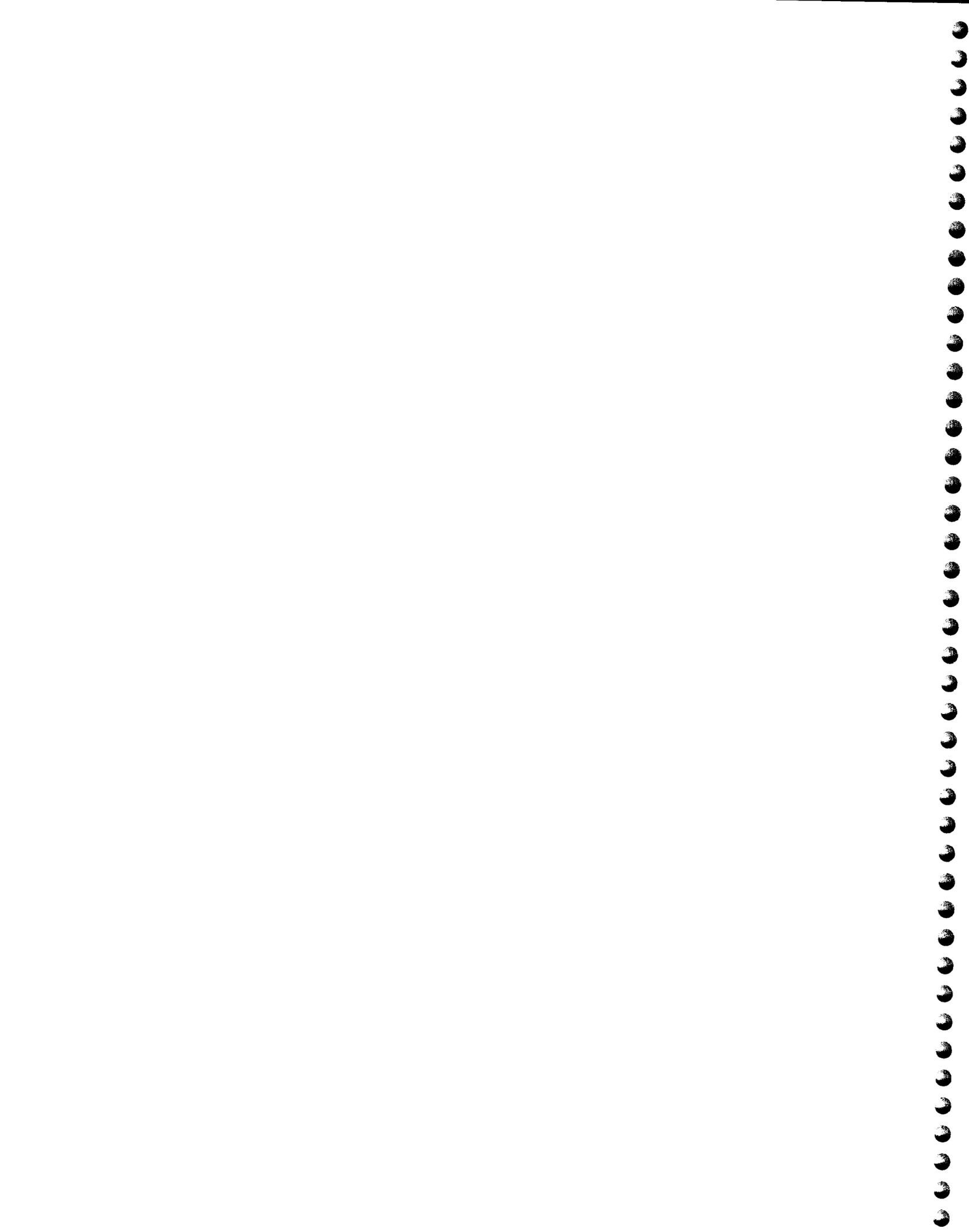
Transfers In	Transfers Out	Amount
Debt Service Fund	General Fund	\$ 115,297
General Fund	Enterprise Fund	327,000
Total		\$ 442,297

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

(8) Restricted Assets.

The balances of the restricted asset accounts in the Correctional Facility funds are as follows:

	General Fund	Utility Fund	Total
Consumer Deposits	\$	\$ 90,193	\$ 90,193
Deposits related to bonded debt		106,771	106,771
Fire rebate savings	1,147		1,147
Cemetery funds	74,476		74,476
Capital projects		295	295
Future growth fund	32,117		32,117
Sidewalk repair	5,039		5,037
Total	\$ 112,779	\$ 197,199	\$ 309,978



TOWN OF WOODVILLE, MISSISSIPPI

Notes to Financial Statements
For the Year Ended September 30, 2016

(9) Capital Assets.

The following is a summary of capital assets activity for the year ended September 30, 2016:

Governmental Activities:

	<u>Oct. 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments*</u>	<u>Sept. 30, 2016</u>
Non-depreciable capital assets:					
Land	424,757				424,757
Total non-depreciable capital assets	424,757				424,757
Depreciable capital assets					
Buildings	1,209,447				1,209,447
Machinery and equipment	185,342				185,342
Vehicles	530,076	27,308			557,384
Other improvements	553,082				553,082
Total depreciable capital assets	2,477,947	27,308			2,505,255
Less accumulated depreciation for:					
Buildings	107,812	10,504			118,316
Machinery and equipment	156,369	11,629			167,998
Vehicles	421,542	27,168			448,710
Other improvements	149,073	27,595			176,668
Total accumulated depreciation	834,796	76,896			911,692
Total depreciable capital assets, net	1,693,606	(49,588)			1,593,563
Governmental activities capital assets, net	<u>2,118,363</u>	<u>(49,588)</u>			<u>2,018,320</u>

Business-type Activities:

	<u>Oct. 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments*</u>	<u>Sept. 30, 2016</u>
Non-depreciable capital assets:					
Construction in progress	30,546	17,011			47,557
Total non-depreciable capital assets	30,546	17,011			47,557
Depreciable capital assets					
Distribution systems	6,566,508	9,924			6,576,432
Machinery, equipment and vehicles	146,718	113,942			260,660
Total depreciable capital assets	6,713,226	123,866			6,837,092
Less accumulated depreciation for:					
Distribution systems	2,635,711	160,552			2,796,263
Machinery, equipment and vehicles	245,919	27,944		(106,644)	167,219
Total accumulated depreciation	2,881,630	188,496		106,644	2,963,482
Total depreciable capital assets, net	3,831,593	(64,630)		106,644	3,873,607
Business-type activities capital assets, net	<u>3,862,142</u>	<u>(47,619)</u>		<u>106,644</u>	<u>3,921,167</u>

*Adjustment represents prior period adjustment for previously recorded depreciation expense.



TOWN OF WOODVILLE, MISSISSIPPI

Notes to Financial Statements
For the Year Ended September 30, 2016

Depreciation expense was charged to the following functions:

Governmental Activities:

General Government	4,008
Public safety	30,443
Streets	35,959
Cemetery	6,486
Total governmental activities depreciation expense	\$ <u>76,896</u>

Business-type Activities:

Enterprise Fund	188,496
Total business-type activities depreciation expense	\$ <u>188,496</u>

Commitments with respect to unfinished capital projects at September 30, 2016, consisted of the following:

Description of Commitment	Spent To Date	Remaining Financial Commitment
RUS loan – water system project	\$ 47,557	1,452,553

(10) Accounts, Salaries and Other Payables.

The payables of \$148,832 at September 30, 2016, are as follows:

	Governmental Activities	Business-type Activities	Total
Accounts payable – trade	\$ 72,422	\$ 33,013	\$ 105,435
Accrued salaries, wages and payroll taxes	26,557	15,591	42,148
Other accrued liabilities		1,249	1,249
Total	\$ <u>98,979</u>	\$ <u>49,853</u>	\$ <u>148,832</u>

(11) Claims and Judgments.

Risk Financing.

The Town finances its exposure to risk of loss related to workers' compensation for injuries to its employees through the Mississippi Public Entity Workers' Compensation Trust, a public entity risk pool. The Town pays premiums to the pool for its workers' compensation insurance coverage, and the participation agreement provides that the pool will be self-sustaining through member premiums. The retention for the pool is \$1,000,000 for each accident and completely covers statutory limits set by the Workers' Compensation Commission. Risk of loss is remote for claims exceeding the pool's retention liability. However, the pool also has catastrophic reinsurance coverage for statutory limits above the pool's retention, provided by Safety National Casualty Corporation, effective from January 1, 2015, to January 1,



TOWN OF WOODVILLE, MISSISSIPPI

Notes to Financial Statements
For the Year Ended September 30, 2016

2016. The pool may make an overall supplemental assessment or declare a refund depending on the loss experience of all the entities it insures.

(12) Long-term Debt.

Debt outstanding as of September 30, 2016 consisted of the following:

Description	Amount Outstanding	Interest Rate	Final Maturity
<u>Governmental Activities:</u>			
<u>A. General Obligation Bonds:</u>			
GO Bonds – Municipal Building	\$ 322,700	4.375%	February 2028
GO Bonds – Streets	225,000	5.00%	August 2025
Total General Obligation Bonds	<u>\$ 547,700</u>		
<u>B. Other Loans:</u>			
Note payable – Municipal building	\$ 191,681	4.60%	October 2018
Total Other Loans	<u>\$ 191,681</u>		
<u>Business-type Activities:</u>			
<u>A. General Obligation Bonds:</u>			
GO Bonds – Combined Water and Sewer	\$ 487,036	4.50%	November 2036
GO Bonds – Combined Water and Sewer	70,508	4.50%	November 2036
Total General Obligation Bonds	<u>\$ 557,544</u>		
<u>B. Other Loans:</u>			
Note payable – MTC wastewater system	\$ 190,766	1.75%	December 2032
Note payable – Town wastewater system	182,493	1.75%	March 2033
Total Other Loans	<u>\$ 373,259</u>		
<u>C. Capital Leases:</u>			
Note payable – Communication	10,095	3.40%	July 2017
Note payable – Backhoe	70,666	2.75%	December 2020
Total Capital Leases	<u>\$ 80,761</u>		

Annual debt service requirements to maturity for the following debt reported in the Statement of Net Position are as follows:

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TOWN OF WOODVILLE, MISSISSIPPI

Notes to Financial Statements
For the Year Ended September 30, 2016

Governmental Activities:

Year Ending September 30,	Governmental Activities		Business-type Activities	
	Bonds and Notes Payable		Bonds and Notes Payable	
	Principal	Interest	Principal	Interest
2017	\$ 52,374	33,907	\$ 63,900	33,909
2018	54,295	31,436	54,950	31,763
2019	209,047	22,142	56,139	30,574
2020	48,800	19,507	57,371	29,341
2021	55,240	12,387	45,812	26,940
2022-2026	287,192	91,627	224,756	115,078
2027-2031	32,433	2,880	265,088	59,991
2032-2036			243,548	29,418
Total	\$ 739,381	177,569	\$ 1,011,564	357,014

Legal Debt Margin - The amount of debt, excluding specific exempted debt that can be incurred by the Town is limited by state statute. Total outstanding debt during a year can be no greater than 15% of assessed value of the taxable property within the Town, according to the then last completed assessment for taxation. As of September 30, 2016, the amount of outstanding debt was equal to 8.25% of the latest property assessments.

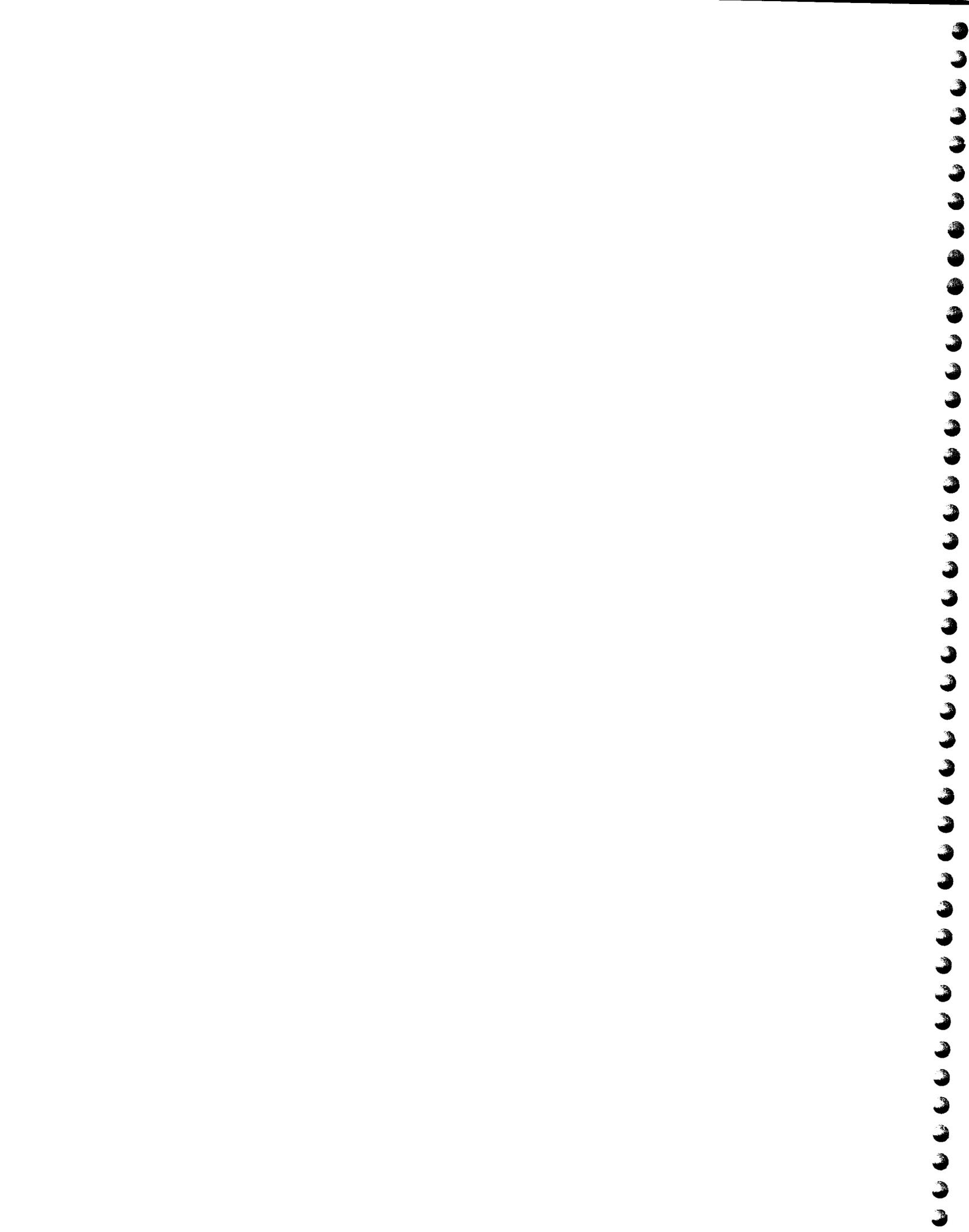
The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2016:

	Balance				Balance
<u>Governmental Activities:</u>	Oct. 1, 2015	Additions	Reductions	Adjustments	Sept. 30, 2016
Compensated absences	\$ 58,284			(1,480)	56,804
General Obligation Bonds	587,700		40,000		547,700
Notes Payable	229,382		37,701		191,681
Total	\$ 875,366		77,701	(1,480)	796,185

	Balance				Balance
<u>Business-type Activities:</u>	Oct. 1, 2015	Additions	Reductions	Adjustments	Sept. 30, 2016
Compensated absences	\$ 74,069			(10,282)	63,787
Revenue Bonds	574,095		16,551		557,544
Notes Payable	392,780		19,521		373,259
Capital Lease	5,774	94,459	19,472		80,761
Total	\$ 1,046,718	94,459	55,554	(10,282)	1,075,351

(13) Contingencies

General – Amounts received or receivable from grant agencies are subject to audit and adjustment from 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.



TOWN OF WOODVILLE, MISSISSIPPI

Notes to Financial Statements
For the Year Ended September 30, 2016

Litigation - The Town is party to legal proceedings, many of which occur in the normal course of governmental operations. It is not possible at the present time to estimate ultimate outcome or liability, if any, of the Town with respect to the various proceedings.

(14) Defined Benefit Pension Plan

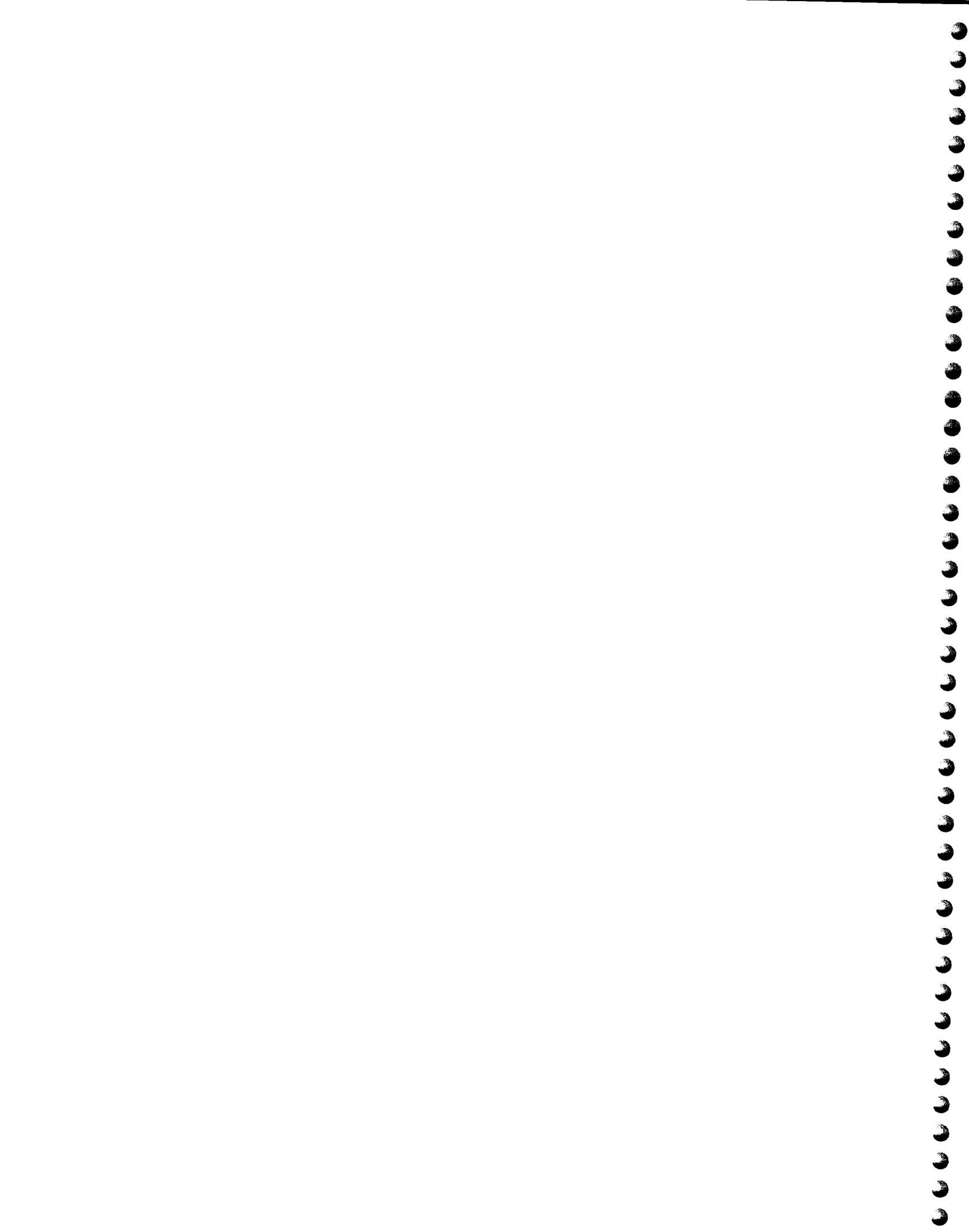
General Information about the Pension Plan

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

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. At September 30, 2016, PERS members were required to contribute 9% of their annual covered salary, and the Town is required to contribute at an actuarially determined rate. The employer's rate at September 30, 2016 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's contributions (employer share only) to PERS for the years ending September 30, 2016, 2015 and 2014 were \$123,514, \$4124,7480 and \$128,654, 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



TOWN OF WOODVILLE, MISSISSIPPI

Notes to Financial Statements
For the Year Ended September 30, 2016

At September 30, 2016, the Town reported a liability of \$2,189,763 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, 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, 2016, the Town's proportion was .0122590 percent, which was a decrease of .00048 percent from its proportion measured as of June 30, 2015.

For the year ended September 30, 2016, the Town recognized pension expense of \$265,482. At September 30, 2016, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 63,315	
Net difference between projected and actual earnings on pension plan investments	101,453	
Changes of assumptions	133,460	
Changes in the proportion and differences between the County's contributions and proportionate share of contributions		44,847
County contributions subsequent to the measurement date	<u>32,625</u>	
Total	<u>\$ 330,853</u>	<u>44,847</u>

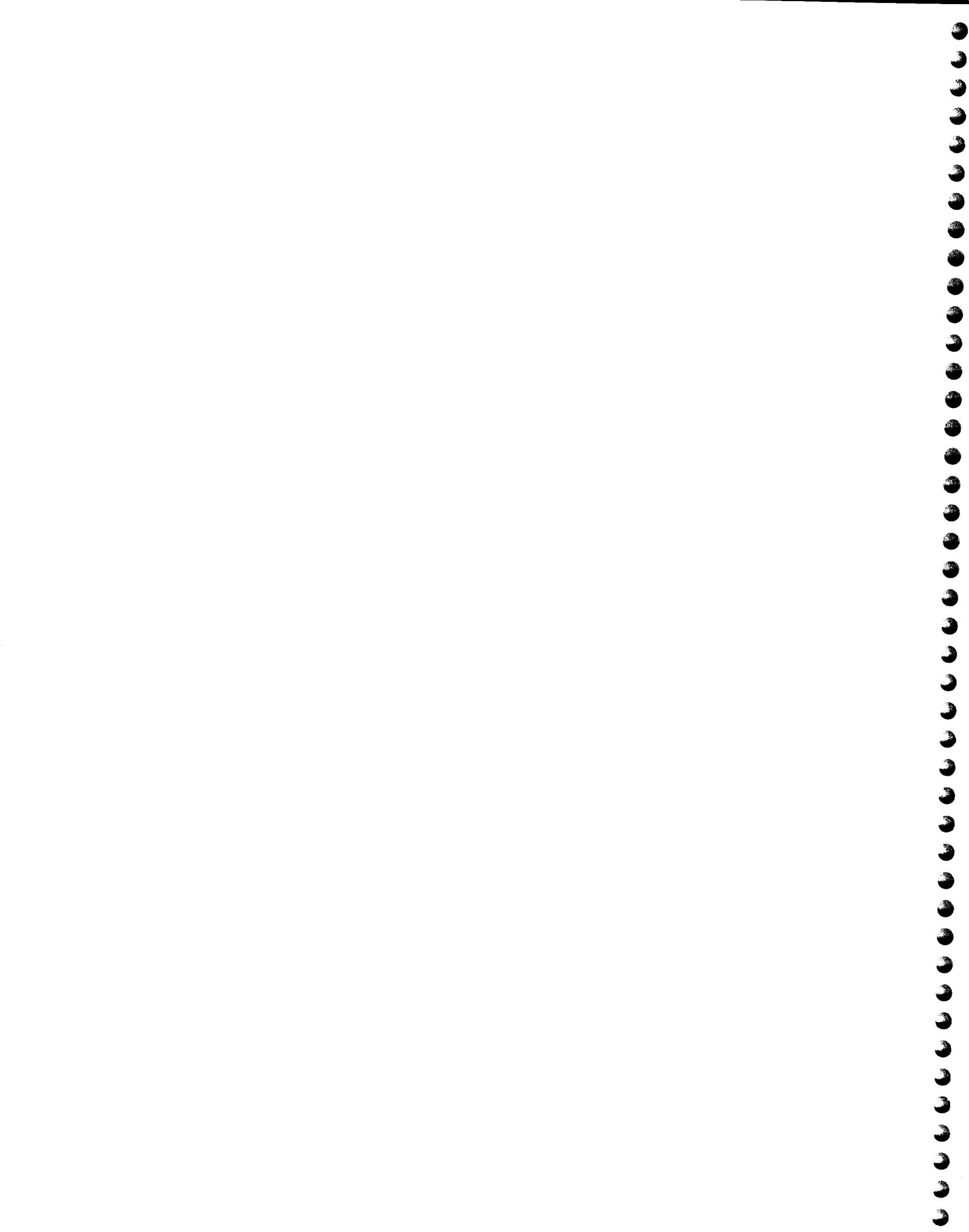
\$32,625 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending September 30:

2017	\$ 69,646
2018	69,646
2019	66,992
2020	15,013
2021	<u>32,684</u>
	\$ <u>253,981</u>

Actuarial Assumptions. The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods in the measurement:

Inflation	3.00 percent
Salary increases	3.75 – 19.00 percent, including inflation
Investment rate of return	7.75 percent, net of pension plan investment expense, including inflation



TOWN OF WOODVILLE, MISSISSIPPI

Notes to Financial Statements
For the Year Ended September 30, 2016

Mortality rates were based on the RP-2014 Healthy Annuitant Blue Collar Table Projected with Scale BB to 2016, with males rates set forward one year.

The actuarial assumptions used in the June 30, 2016 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.

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.

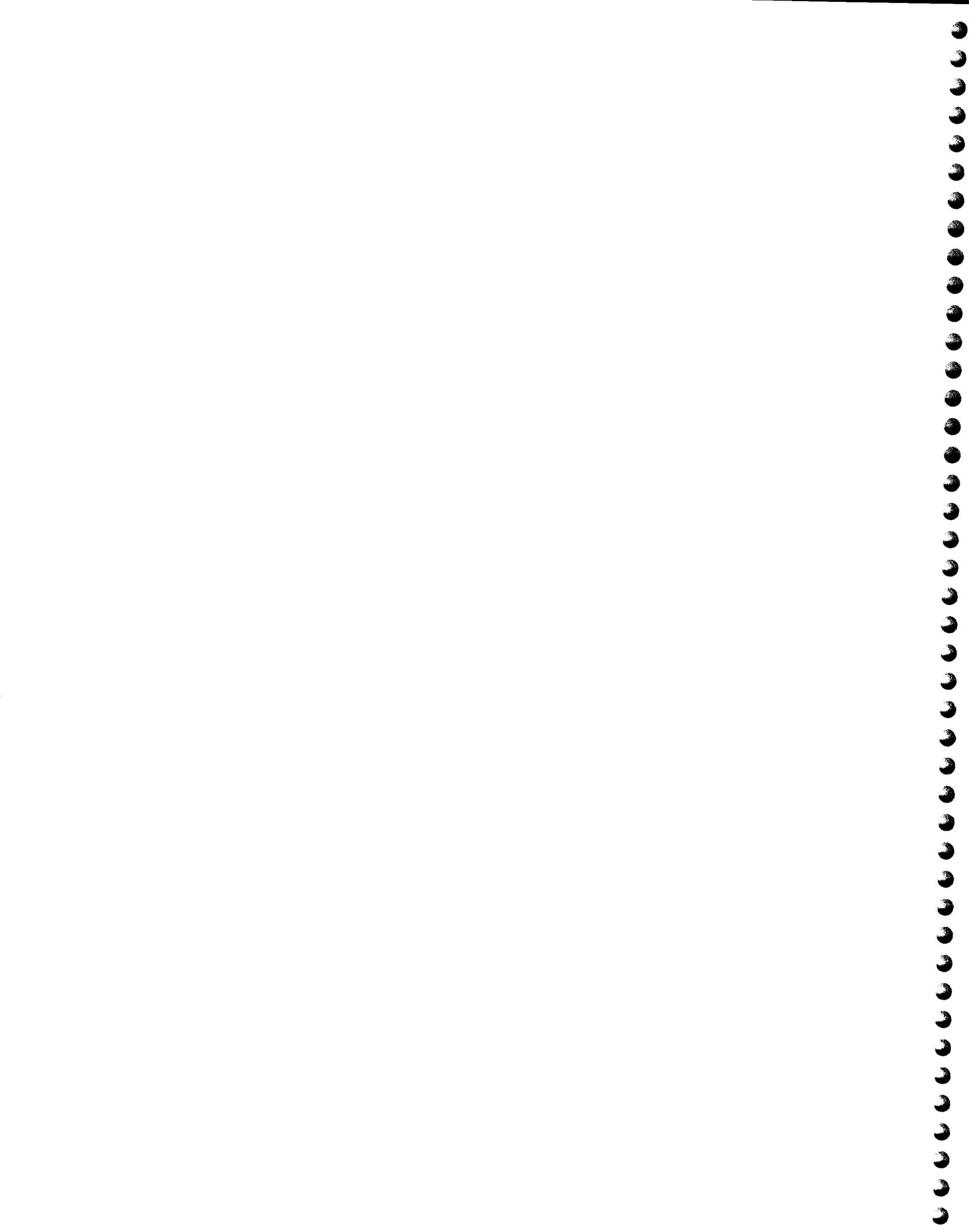
The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2016, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Broad	34.00 %	5.20 %
International Equity	19.00	5.00
Emerging Markets Equity	8.00	5.45
Fixed Income	20.00	0.25
Real Assets	10.00	4.00
Private Equity	8.00	6.15
Cash	1.00	(0.50)
 Total	 <u>100.00 %</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 (9.00%) and that employer contributions will be made at the current employer contribution rate (15.75%). 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 members. 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 to 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>Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
Town's proportionate share of \$ the net pension liability	2,886,308	2,189,763	1,611,761



TOWN OF WOODVILLE, MISSISSIPPI

Notes to Financial Statements
For the Year Ended September 30, 2016

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

(15) Intergovernmental Revenues.

Intergovernmental revenues for the year ended September 30, 2016, consisted of the following:

	General Fund	Enterprise Fund	Totals
State			
Sales tax allocation	\$ 374,964	\$	\$ 374,964
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	8,822		8,822
Fire protection allocation	7,029		7,029
Police grant	26,958		26,958
MEMA	3,997		3,997
Rural water grant		15,000	15,000
Total intergovernmental revenues	<u>\$ 442,134</u>	<u>\$ 15,000</u>	<u>\$ 457,134</u>

(16) 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 the disclosures required by the National Council on Governmental Accounting in Interpretation 2, Segment Information for Enterprise Funds.

	Water	Sewer	Gas	MTC	Total
Operating revenue	\$ 426,809	\$ 272,045	\$ 458,613	\$ 125,336	\$ 1,282,803
Operating expenses	(333,556)	(129,624)	(315,004)	(46,568)	(824,752)
Purchase of utilities					
Depreciation	<u>(65,599)</u>	<u>(89,370)</u>	<u>(21,601)</u>	<u>(11,926)</u>	<u>(188,496)</u>
Operating income	<u>\$ 27,654</u>	<u>\$ 53,051</u>	<u>\$ 122,008</u>	<u>\$ 66,842</u>	<u>\$ 269,555</u>
Interest income					300
Other revenues					55,399
Interest expense					(33,691)
Capital grants					15,000
Operating transfers, net					<u>(314,935)</u>
					<u>\$ (47,248)</u>

(17) 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



TOWN OF WOODVILLE, MISSISSIPPI

Notes to Financial Statements
For the Year Ended September 30, 2016

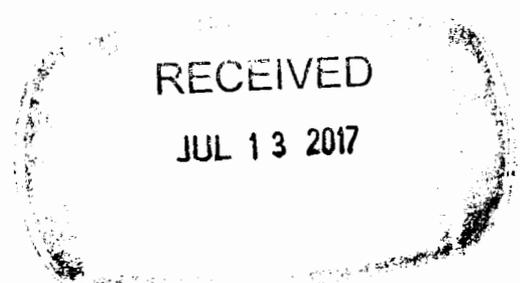
leave. All unused major medical leave shall be creditable service for the purpose of retirement. Upon termination of employment, each employee shall be paid for not more than 30 days of accumulated sick leave.

(18) Risk Management

The Town is exposed to various risks of loss related to torts; thefts 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.



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TOWN OF WOODVILLE, MISSISSIPPI

REQUIRED SUPPLEMENTARY INFORMATION



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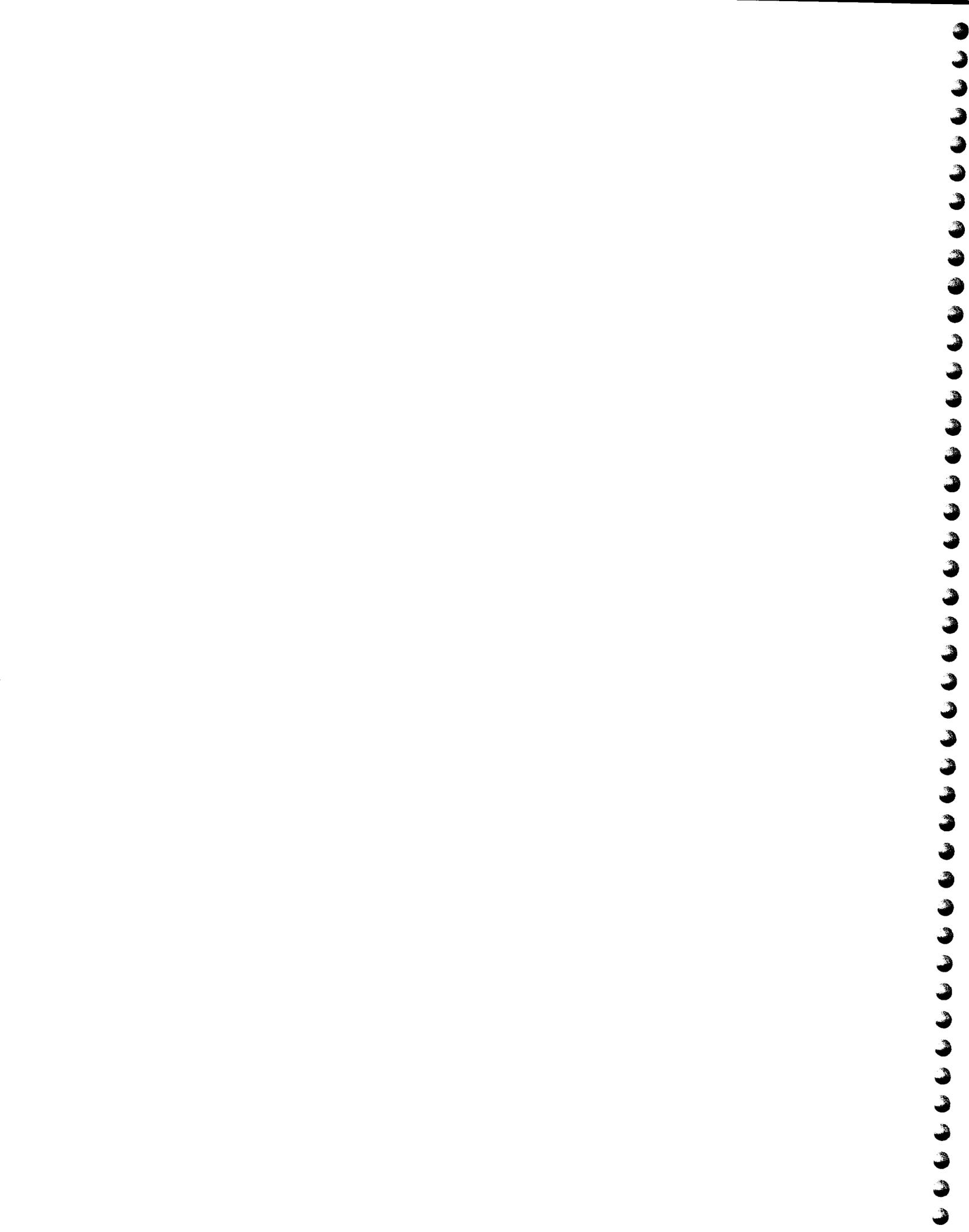
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TOWN OF WOODVILLE, MISSISSIPPI
 Budgetary Comparison Schedule -
 Budget and Actual (Non-GAAP Basis)
 General Fund
 For the Year Ended September 30, 2016

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Ad valorem and franchise taxes	\$ 244,000	244,000	252,960	8,960
Licenses and permits	57,500	57,500	60,021	2,521
Intergovernmental	347,000	347,000	419,577	72,577
Charges for services	100,000	100,000	97,473	(2,527)
Fines	40,000	40,000	54,037	14,037
Interest	400	400	291	(109)
Miscellaneous	373,550	373,550	34,642	(338,908)
Total Revenues	<u>\$ 1,162,450</u>	<u>1,162,450</u>	<u>919,001</u>	<u>(243,449)</u>
EXPENDITURES				
General government	\$ 192,900	211,300	132,670	78,630
Public safety				
Police and court	529,500	516,000	506,180	9,820
Fire	22,200	22,200	18,772	3,428
Streets	390,000	366,000	328,034	37,966
Sanitation	90,000	90,000	87,413	2,587
Cemetery	80,700	80,200	65,890	14,310
Debt service:				
Principal			79,671	(79,671)
Interest			37,596	(37,596)
Total Expenditures	<u>\$ 1,305,300</u>	<u>1,285,700</u>	<u>1,256,226</u>	<u>29,474</u>
Excess of Revenues over (under) Expenditures	<u>\$ (142,850)</u>	<u>(123,250)</u>	<u>(337,225)</u>	<u>(213,975)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	142,850	123,250	339,400	216,150
Transfers out			(117,267)	(117,267)
Total Other Financing Sources and Uses	<u>\$ 142,850</u>	<u>123,250</u>	<u>222,133</u>	<u>98,883</u>
Net Change in Fund Balance	\$ -	-	(115,092)	(115,092)
Fund Balances - Beginning	<u>98,110</u>	<u>98,110</u>	<u>131,636</u>	<u>33,526</u>
Fund Balances - Ending	<u>\$ 98,110</u>	<u>98,110</u>	<u>16,544</u>	<u>(81,566)</u>

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



TOWN OF WOODVILLE, MISSISSIPPI
 Schedule of the County's Proportionate Share of the Net Pension Liability
 Last 10 Fiscal Years*
 For the Year Ended September 30, 2016

	<u>2016</u>	<u>2015</u>
County's proportion of the net pension liability (asset)	0.0123%	0.0127%
County's proportionate share of the net pension liability (asset)	\$ 2,189,763	1,969,198
County's covered-employee payroll	\$ 786,762	792,052
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	278.33%	248.62%
Plan fiduciary net position as a percentage of the total pension liability	61.70%	67.21%

* The amounts presented for each fiscal year were determined as of the measurement date of June 30 prior to the fiscal year presented. This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement No. 68 was implemented for the fiscal year ended September 30, 2015, and, until a full 10 year trend is compiled, the County has only presented information for the years in which information is available.

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



TOWN OF WOODVILLE, MISSISSIPPI
 Schedule of County Contributions
 Last 10 Fiscal Years*
 For the Year Ended September 30, 2016

	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 123,514	124,748
Contributions in relation to the contractually required contribution	<u>123,514</u>	<u>124,748</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>
County's covered-employee payroll	\$ 784,216	792,052
Contributions as a percentage of covered-employee payroll	15.75%	15.75%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement No. 68 was implemented for the fiscal year ended September 30, 2015, and, until, a full 10 year trend is compiled, the County has only presented information for the years in which information is available.

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



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TOWN OF WOODVILLE, MISSISSIPPI

Notes to the Required Supplementary Information
For the Year Ended September 30, 2016

Budgetary Comparison Schedule

A. Basis of Presentation.

The Budgetary Comparison Schedule - Budget and Actual (Non-GAAP Basis) presents the original legally adopted budget, the final legally adopted budget, actual amounts on a budgetary (Non-GAAP Basis) and variances between the final budget and the actual amounts. The schedule is presented for the General Fund and each major Special Revenue Fund. The Budgetary Comparison Schedule - Budget and Actual (Non- GAAP Basis) is a part of required supplementary information.

B. Budget Amendments and Revisions.

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

Pension Schedules

A. Changes in Benefit Terms.

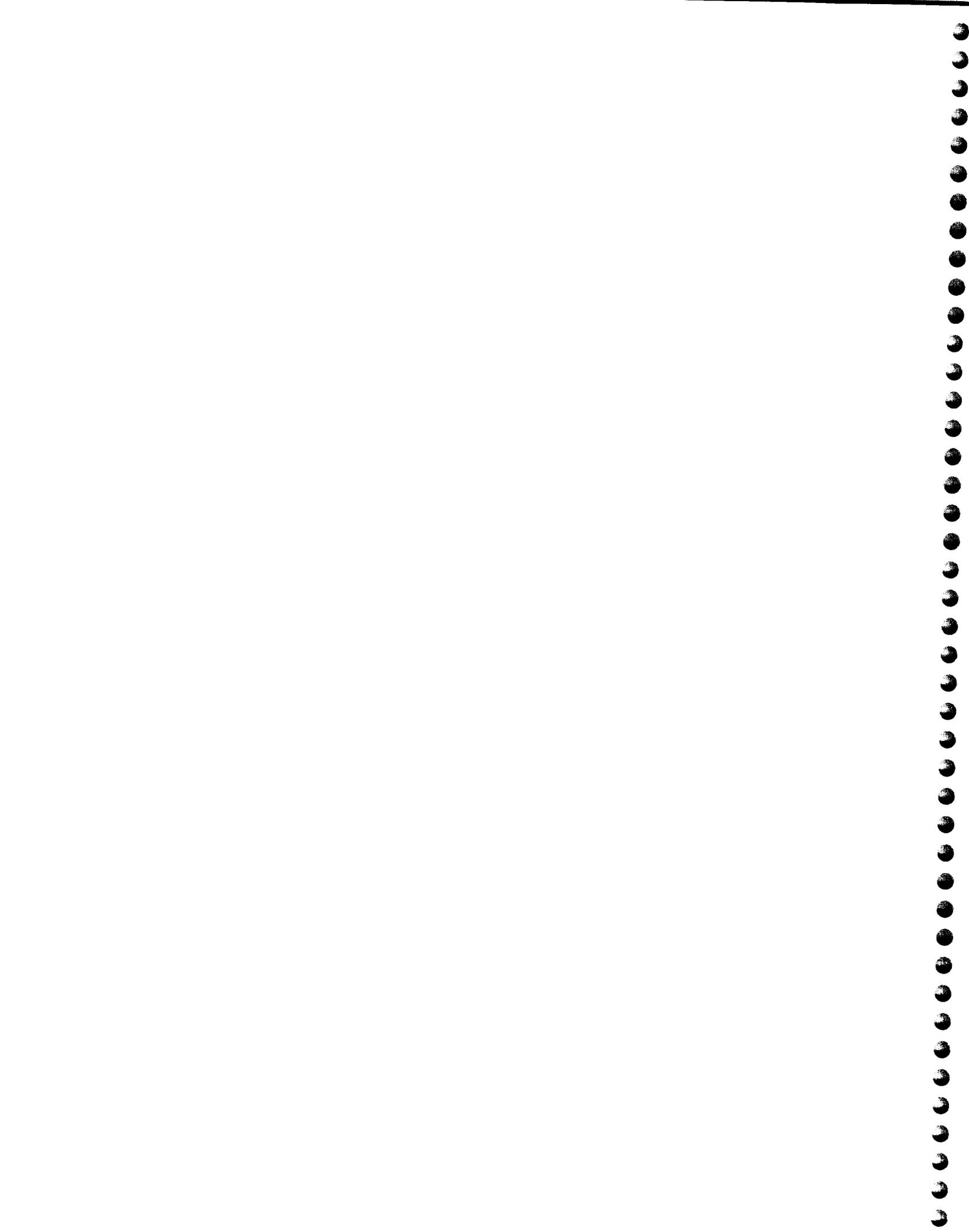
None

B. Changes in Assumptions.

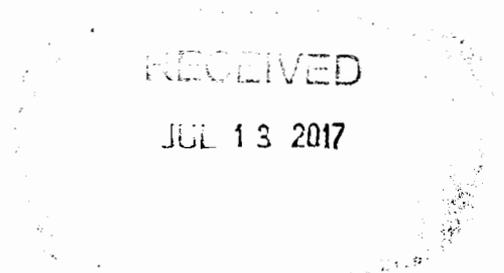
In 2015 and later, the expectations of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Table projected to 2016 using Scale BB rather than the RP-2000 Mortality Table, which was used prior to 2015. In 2015, the expectation of disabled was changed to the RP-2014 Disabled Retiree Table, rather than the RP-2000 Disabled Mortality Table, which was used prior to 2015. Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience. In 2015, assumed rates of salary increase were adjusted to more closely reflect actual experience. Finally, the price inflation and investment rate of return assumptions were changed from 3.50% to 3.00% and 8.00% to 7.75% respectively.



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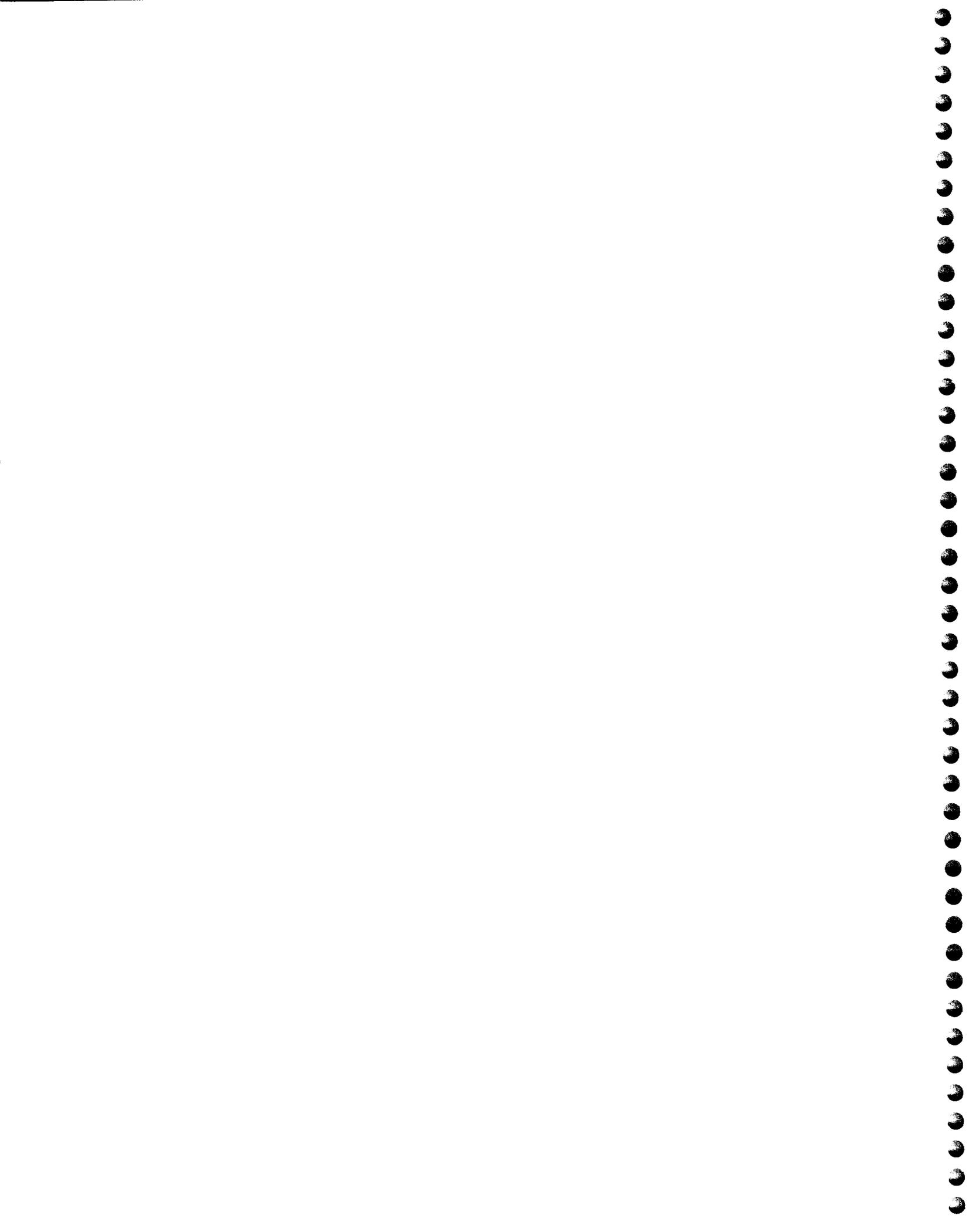


OTHER INFORMATION





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TOWN OF WOODVILLE, MISSISSIPPI
 Combining Balance Sheet
 Nonmajor Governmental Funds
 September 30, 2016

	Accounts Payable and Credit Card Clearing Fund	Payroll Clearing Fund	Total	Total Nonmajor Governmental Funds
ASSETS				
Cash - credit card clearing	\$ 100		100	100
Due from other funds	41,253	5,282	46,535	46,535
Total Assets	<u>\$ 41,353</u>	<u>5,282</u>	<u>46,635</u>	<u>46,635</u>
LIABILITIES				
Liabilities:				
Accounts payable	\$ 41,253	5,282	46,535	46,535
Due to other funds	100		100	100
Total Liabilities	<u>\$ 41,353</u>	<u>5,282</u>	<u>46,635</u>	<u>46,635</u>
Fund balances:				
Total Fund Balances	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 41,353</u>	<u>5,282</u>	<u>46,635</u>	<u>46,635</u>

See Independent Auditor's Report.



TOWN OF WOODVILLE, MISSISSIPPI
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 September 30, 2016

	Debt Service Fund	Total Nonmajor Governmental Funds
Revenues		
Total revenues	\$ -	\$ -
Expenditures		
Principal	\$ 77,701	77,701
Interest	37,596	37,596
Total operating expenses	\$ 115,297	115,297
Revenues under expenditures	\$ (115,297)	(115,297)
Other Financing Sources		
Operating transfer in	\$ 115,297	115,297
Total other financing sources	\$ 115,297	115,297
Excess revenues and other sources over expenditures	-	-
Fund balance - beginning of the year	\$ -	-
Fund balance - end of the year	\$ -	-
See Independent Auditor's Report.		



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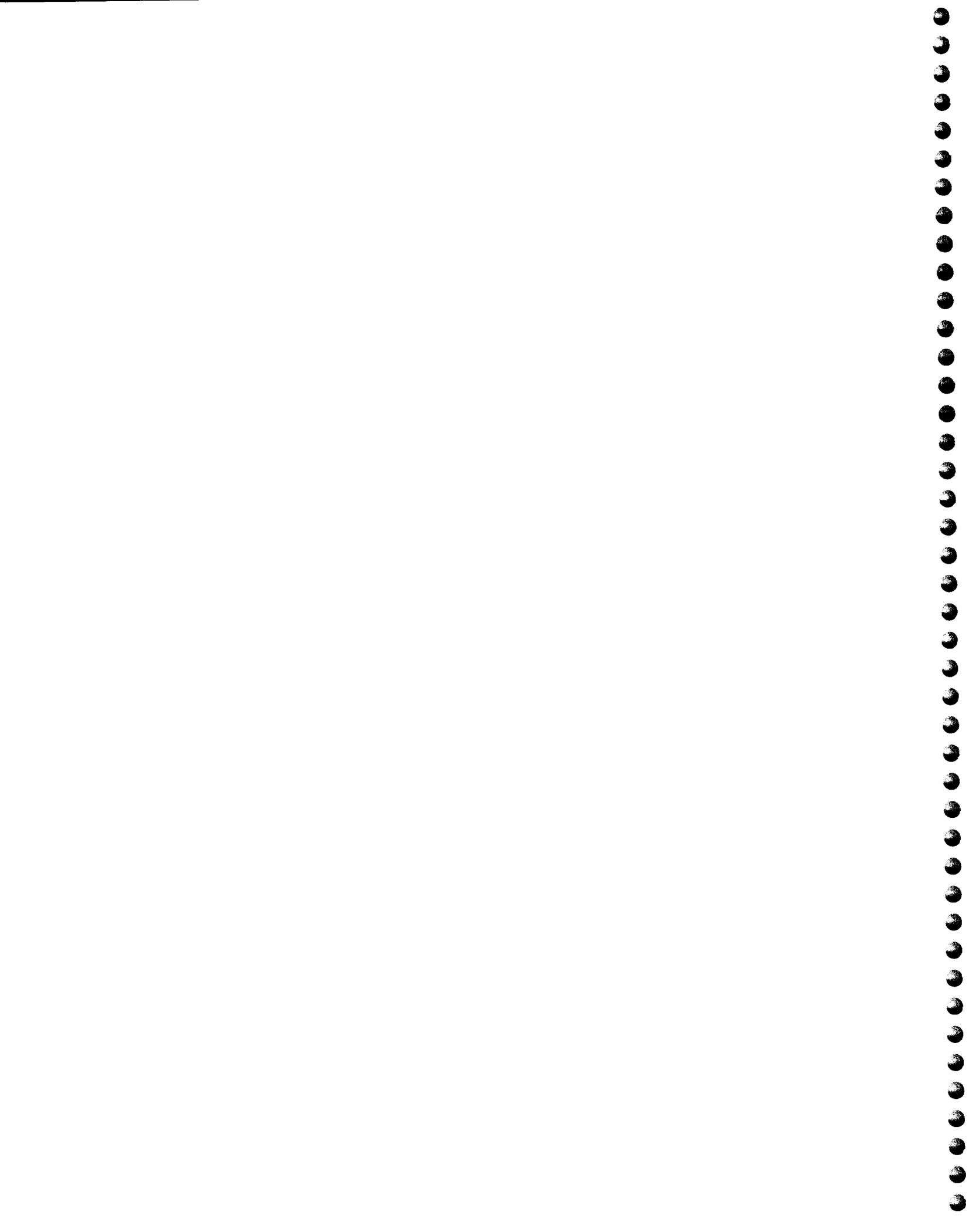


TOWN OF WOODVILLE, MISSISSIPPI

COMPARATIVE/COMBINING FINANCIAL STATEMENTS AND SCHEDULES



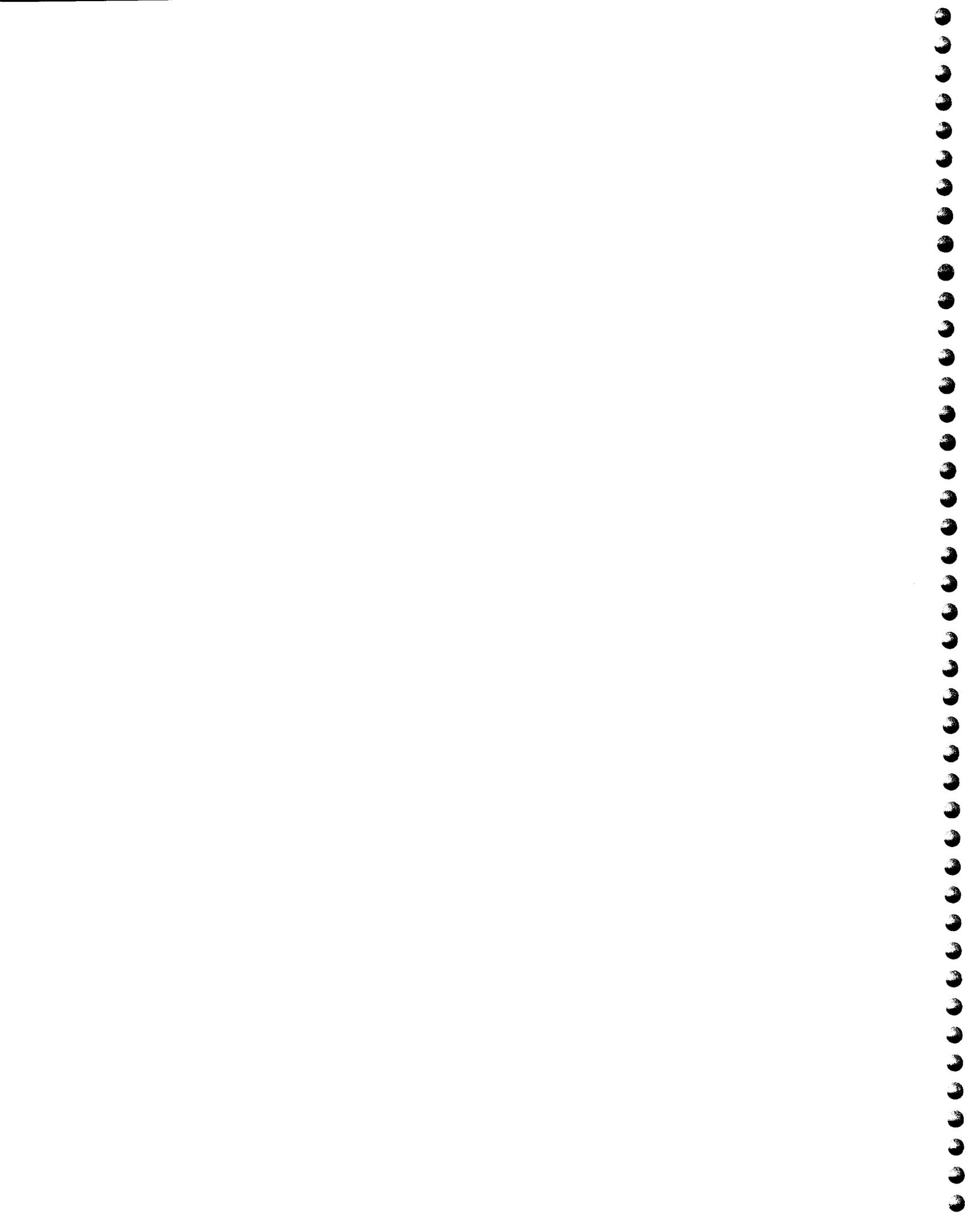
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TOWN OF WOODVILLE, MISSISSIPPI

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 Sheet
 For the Years Ended September 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash	\$ 20,879	\$ 31,242
Accounts receivable (net of allowance for doubtful accounts of \$6,926 for 2016 and 2015)	8,424	7,921
Due from other governments	56,969	55,413
Due from other agencies	11,806	19,816
Due from other funds	28,642	(27,548)
Restricted assets	112,779	101,983
Total Assets	\$ <u>239,499</u>	\$ <u>188,827</u>
LIABILITIES		
Liabilities:		
Accounts payable	\$ 25,887	\$ 30,261
Accrued liabilities	26,557	26,930
Due to other funds	33,476	
Total Liabilities	\$ <u>85,920</u>	\$ <u>57,191</u>
FUND BALANCE		
Reserved for restricted or assigned assets	112,779	101,983
Unassigned	40,800	29,653
Total Fund Balances	\$ <u>153,579</u>	\$ <u>131,636</u>
Total Liabilities and Fund Balances	\$ <u>239,499</u>	\$ <u>188,827</u>

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TOWN OF WOODVILLE, MISSISSIPPI

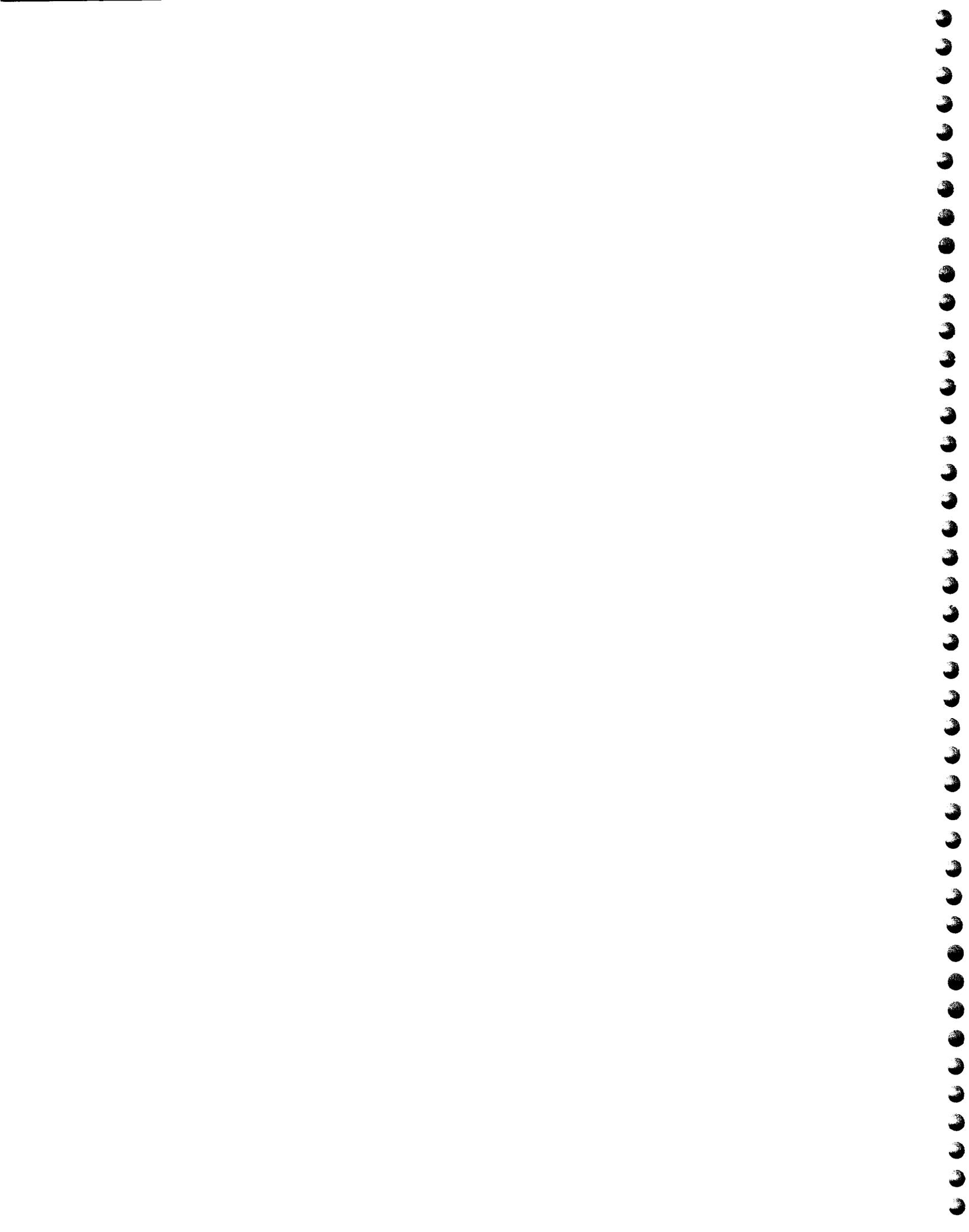
General Fund

Comparative Statement of Revenues, Expenditures and Changes in Fund Balance

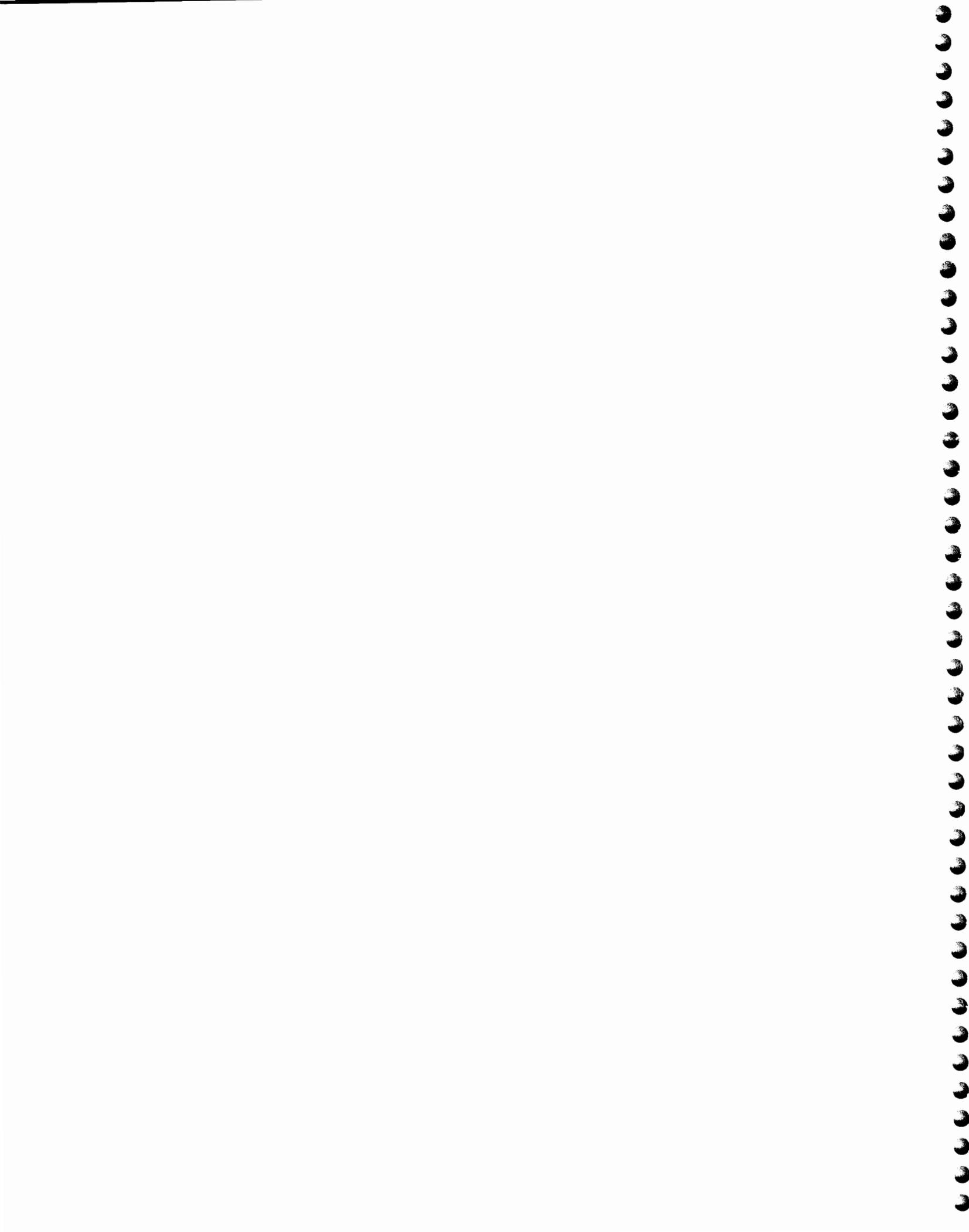
For the Years Ended September 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
REVENUES		
Ad valorem and franchise taxes	\$ 252,666	\$ 285,984
Licenses and permits	2,576	2,464
Intergovernmental	442,134	436,699
Charges for services	85,761	89,472
Fines	50,811	26,869
Rental revenues		2,800
Interest	291	261
Note proceeds	12,065	27,308
Miscellaneous	56,690	155,710
Total Revenues	<u>\$ 902,994</u>	<u>\$ 1,027,567</u>
EXPENDITURES		
General government	\$ 122,162	\$ 149,086
Public safety	483,161	503,134
Streets	268,147	282,749
Sanitation	176,191	87,323
Cemetery	31,028	55,293
Debt service:		
Principal		138,727
Interest		39,729
Total Expenditures	<u>\$ 1,080,689</u>	<u>\$ 1,256,041</u>
Excess of Revenues over (under) Expenditures	<u>\$ (177,695)</u>	<u>\$ (228,474)</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	\$ 327,000	\$ 364,495
Transfers out	<u>(127,362)</u>	<u>(102,495)</u>
Total Other Financing Sources and Uses	<u>\$ 199,638</u>	<u>\$ 262,000</u>
Net Change in Fund Balance	\$ 21,943	\$ 33,526
Fund Balances - Beginning	<u>\$ 131,636</u>	<u>\$ 131,636</u>
Fund Balances - Ending	<u><u>\$ 153,579</u></u>	<u><u>\$ 165,162</u></u>

See Independent Auditor's Report.



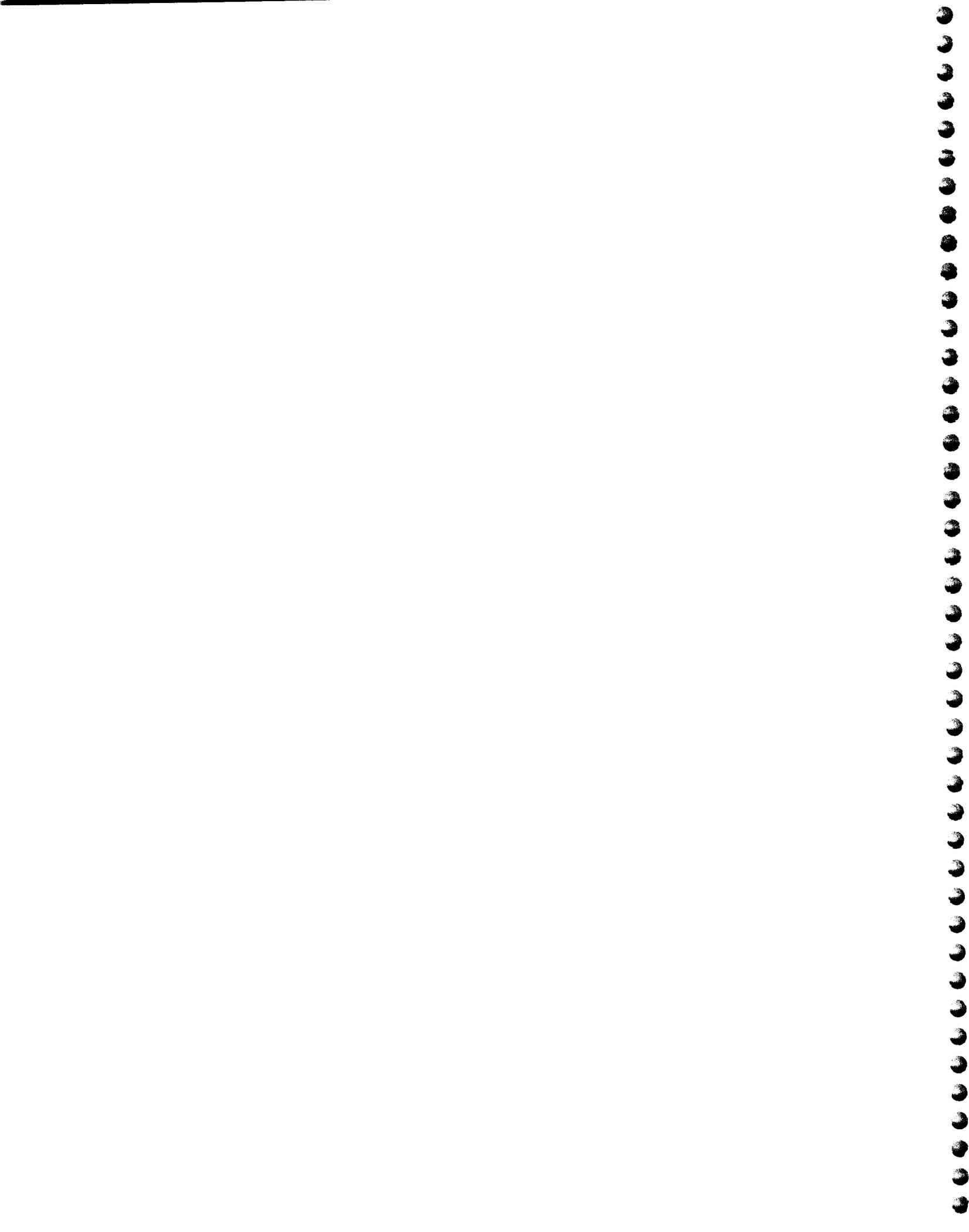
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TOWN OF WOODVILLE, MISSISSIPPI

DEBT SERVICE FUND

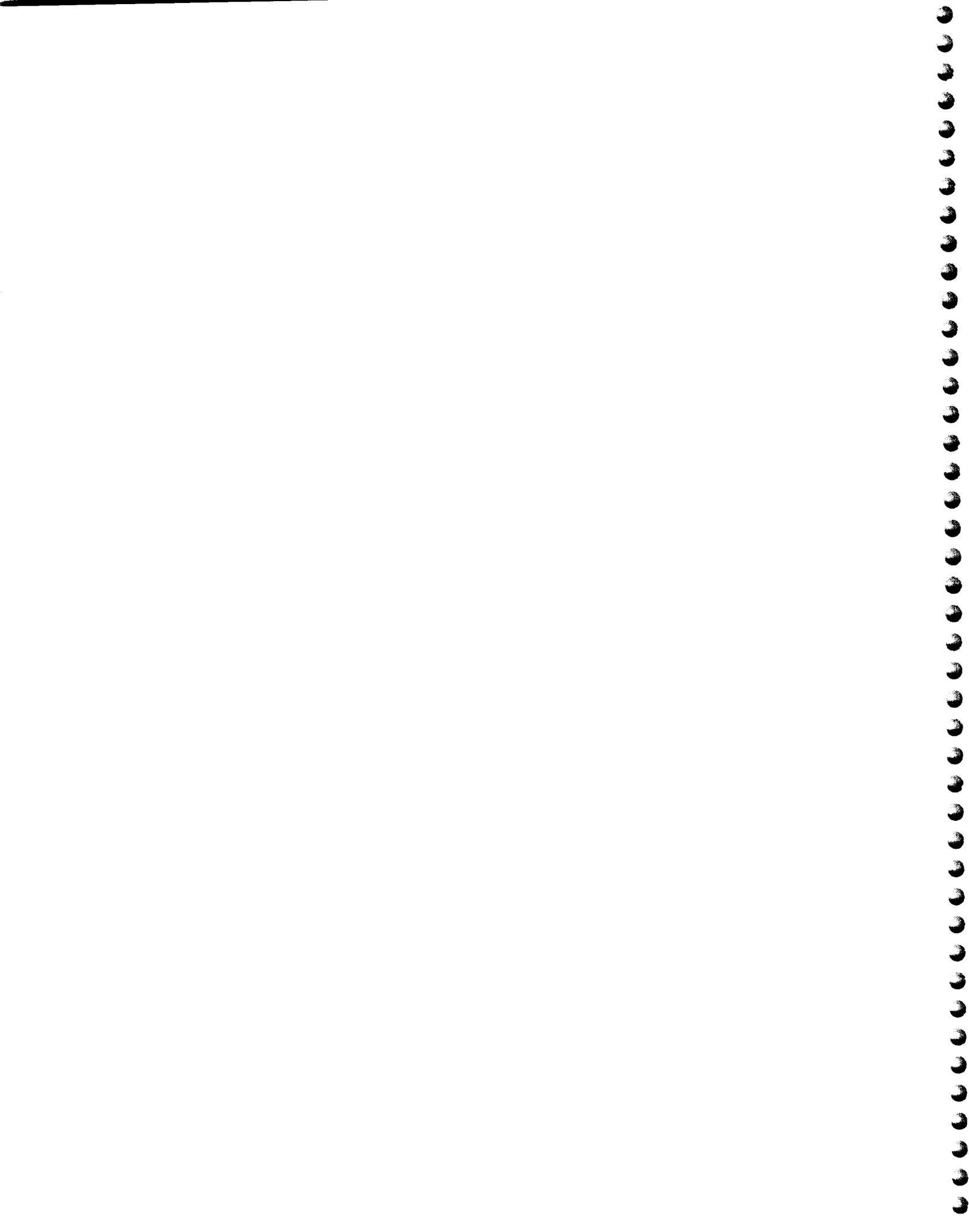
The Debt Service Fund is used to account for the accumulation of monies and payment of general long-term debt. Financing is to be provided by unrestricted General Fund revenues.



TOWN OF WOODVILLE, MISSISSIPPI
 Debt Service Fund
 Comparative Statements of Revenues, Expenditures and Changes in Fund Balance
 For the Years Ended September 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Revenues		
	\$	
Total revenues	<u>\$ -</u>	<u>\$ -</u>
Expenditures		
Principal	\$ 77,701	63,727
Interest	37,596	38,768
Total operating expenses	<u>\$ 115,297</u>	<u>102,495</u>
Revenues under expenditures	<u>\$ (115,297)</u>	<u>(102,495)</u>
Other Financing Sources		
Operating transfer in	\$ 115,297	102,495
Total other financing sources	<u>\$ 115,297</u>	<u>102,495</u>
Excess revenues and other sources over expenditures	-	-
Fund balance - beginning of the year	\$ -	-
Fund balance - end of the year	<u>\$ -</u>	<u>-</u>

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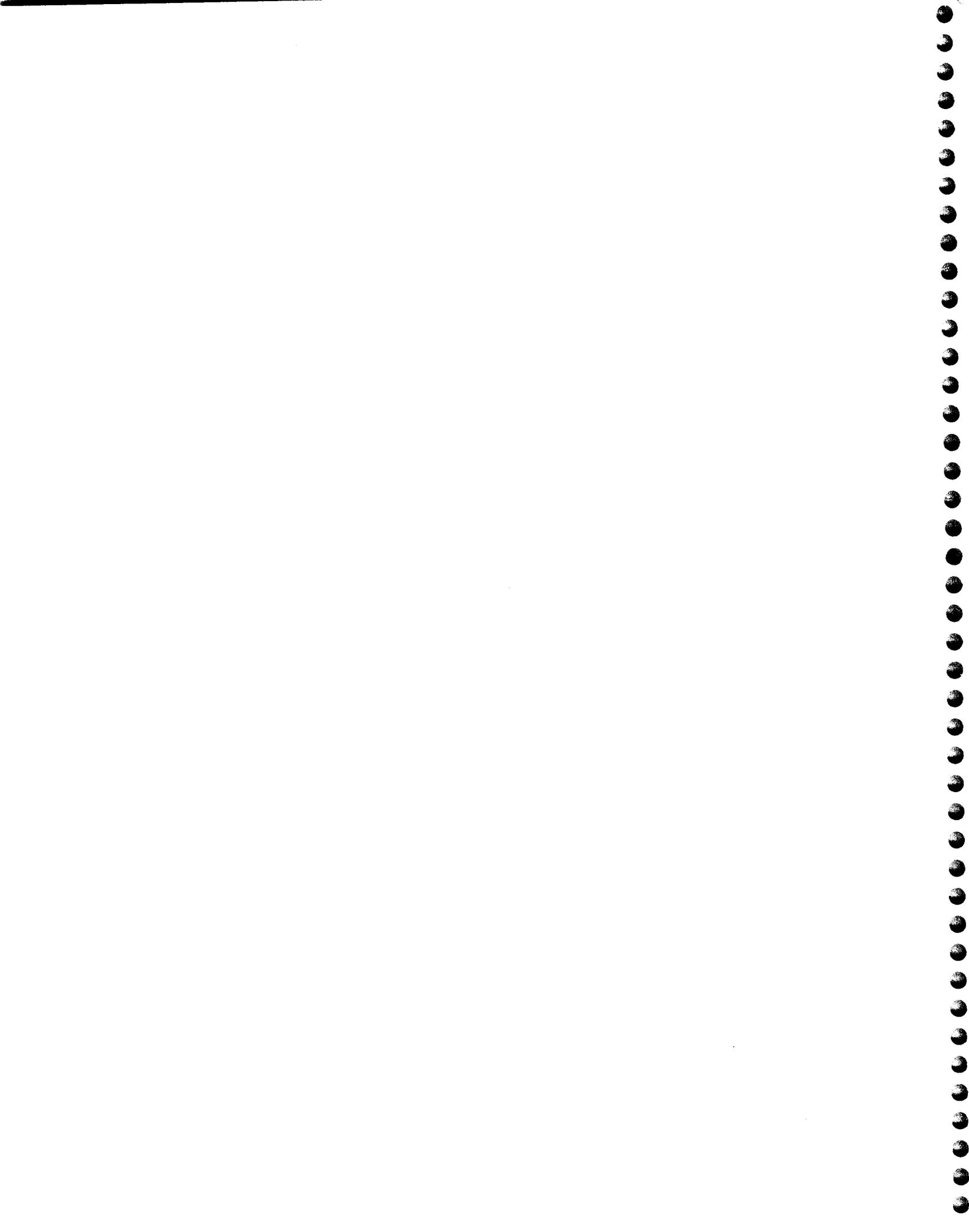
TOWN OF WOODVILLE, MISSISSIPPI

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 and 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

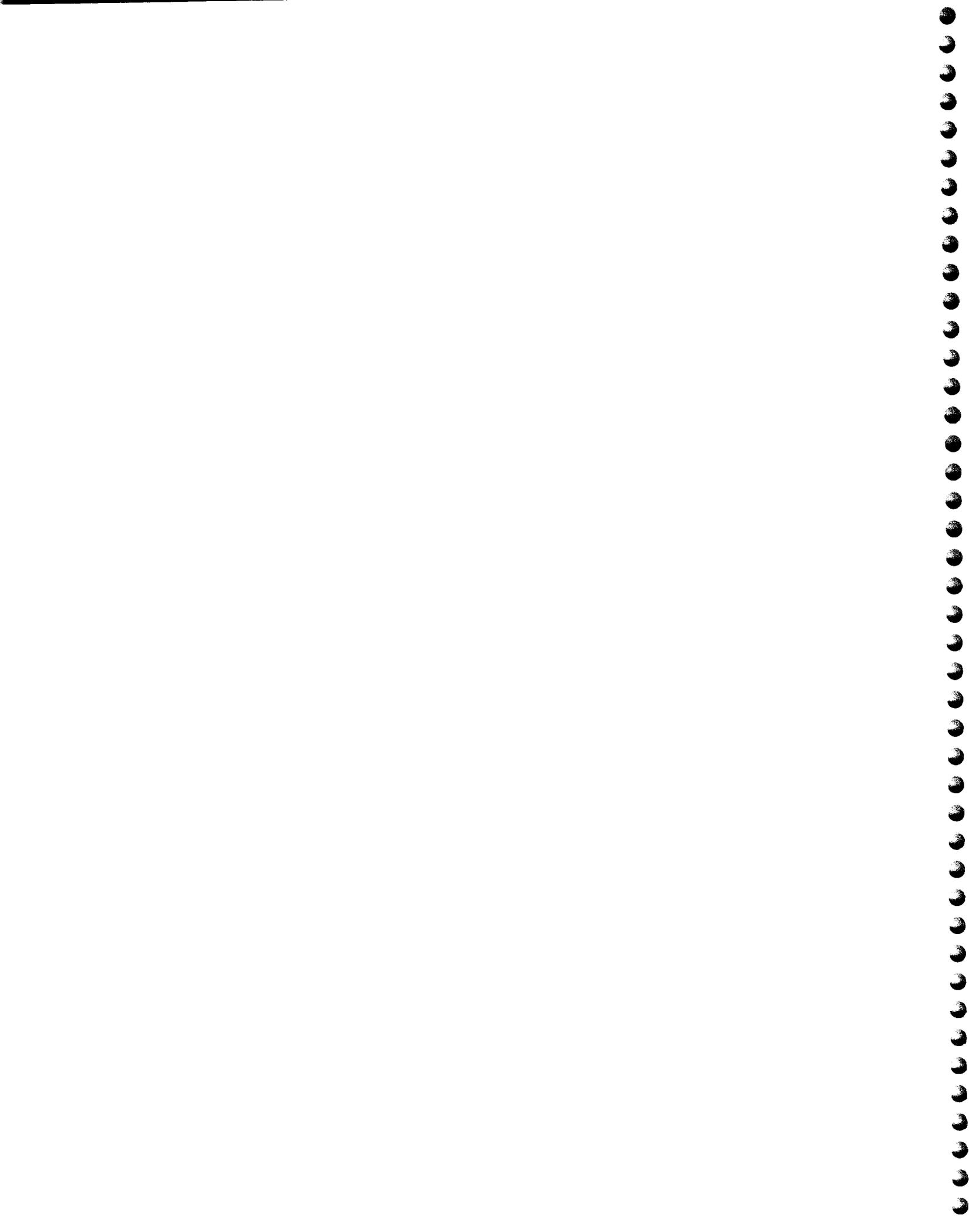
- This fund is used to account for the activities of the government’s water, sewer and gas distribution operations.



TOWN OF WOODVILLE, MISSISSIPPI
 Enterprise Fund
 Comparative Statement of Net Position
 For the Years Ended September 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Current assets		
Cash	\$ 47,720	\$ 4,649
Accounts receivable	352,932	375,407
Due from (to) other funds	<u>(41,601)</u>	<u>(36,917)</u>
Total current assets	\$ <u>359,051</u>	\$ <u>343,139</u>
Noncurrent assets		
Restricted Assets		
Cash reserved for revenue bonds	\$ 106,711	\$ 90,240
Cash reserved for construction projects	295	312
Cash reserved for customer meter deposits	<u>90,193</u>	<u>102,189</u>
Total restricted assets	\$ <u>197,199</u>	\$ <u>192,741</u>
Fixed assets		
Distribution systems	\$ 6,884,649	\$ 6,743,772
Accumulated depreciation	<u>(2,963,482)</u>	<u>(2,881,630)</u>
Total fixed assets (net of accumulated depreciation)	\$ <u>3,921,167</u>	\$ <u>3,862,142</u>
Total assets	\$ <u><u>4,477,417</u></u>	\$ <u><u>4,398,022</u></u>
LIABILITIES		
Current liabilities (payable from current assets)		
Accounts payable	\$ 33,013	\$ 43,554
Accrued liabilities	15,591	13,637
Accrued interest payable	1,249	1,249
Bonds payable	<u>63,900</u>	<u>41,846</u>
Total current liabilities (payable from current assets)	\$ <u>113,753</u>	\$ <u>100,286</u>
Current liabilities (payable from restricted assets)		
Customer deposits payable	\$ <u>90,193</u>	\$ <u>90,240</u>
Total current liabilities (payable from restricted assets)	\$ <u>90,193</u>	\$ <u>90,240</u>
Long-term liabilities		
Compensated absences	\$ 63,787	\$ 74,069
Bonds payable	<u>947,664</u>	<u>930,803</u>
Total long-term liabilities	\$ <u>1,011,451</u>	\$ <u>1,004,872</u>
Total liabilities	\$ <u>1,215,397</u>	\$ <u>1,195,398</u>
NET POSITION		
Net investment in capital assets	\$ 2,909,603	\$ 3,090,321
Restricted for:		
Debt Service	106,711	102,189
Deposits related to construction projects	295	312
Unrestricted	<u>245,411</u>	<u>9,802</u>
Total net position	\$ <u>3,262,020</u>	\$ <u>3,202,624</u>
Total liabilities and net position	\$ <u><u>4,477,417</u></u>	\$ <u><u>4,398,022</u></u>

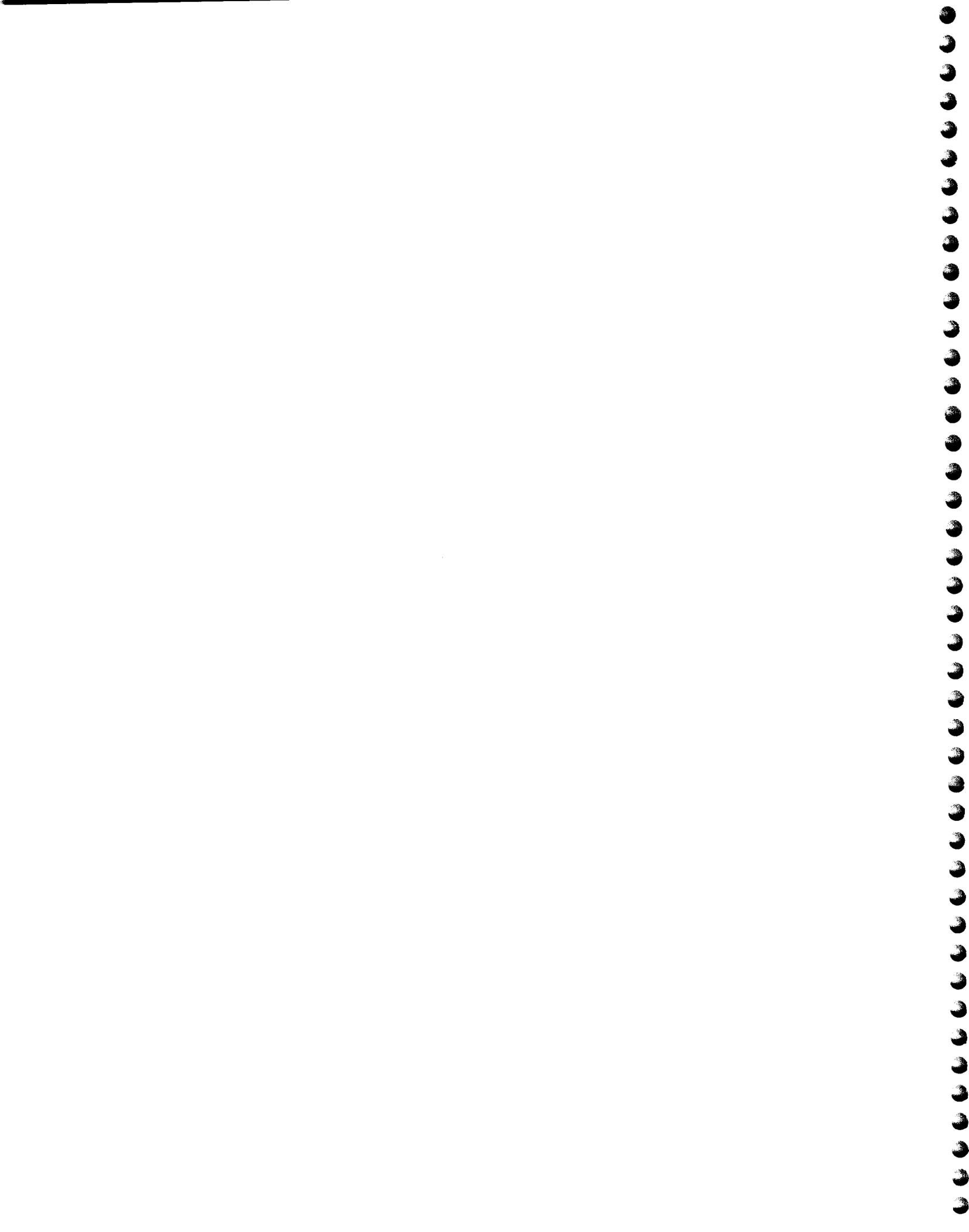
See Independent Auditor's Report.



TOWN OF WOODVILLE, MISSISSIPPI
 Enterprise Fund
 Comparative Statement of Revenues, Expenses and Changes in Net Position
 For the Years Ended September 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
OPERATING REVENUES		
Charges for services:		
Water sales	\$ 426,809	439,218
Sewer charges	272,045	260,049
Gas sales	458,613	647,975
MTC revenues	125,336	125,336
Total operating revenues	<u>\$ 1,282,803</u>	<u>1,472,578</u>
OPERATING EXPENSES		
Personal services	\$ 380,116	407,847
Purchase of utilities provided	115,673	234,424
Materials and supplies	122,590	164,503
Repairs and maintenance	22,902	25,756
Depreciation	188,496	175,679
Utilities and telephone	89,653	108,696
Insurance	16,504	17,064
Other operating expenses	77,314	131,764
Total operating expenses	<u>\$ 1,013,248</u>	<u>1,265,733</u>
Operating income	<u>\$ 269,555</u>	<u>206,845</u>
Nonoperating revenues (expenses)		
Interest earnings	\$ 300	226
Other revenue	16,523	6,567
Interest expense	(33,691)	(33,574)
Total nonoperating revenues (expenses)	<u>\$ (16,868)</u>	<u>(26,781)</u>
Income before contributions and transfers	\$ 252,687	180,064
Capital grants and contributions	\$ 15,000	146,400
Transfers in	12,065	
Transfers out	(327,000)	(262,000)
Total income before contributions and transfers	<u>\$ (299,935)</u>	<u>(115,600)</u>
Change in net position	\$ (47,248)	64,464
Fund Balances - beginning	\$ 3,202,624	3,138,160
Prior period adjustment	106,644	
Fund Balances - beginning, as restated	<u>\$ 3,309,268</u>	<u>3,138,160</u>
Fund Balances - ending	<u><u>\$ 3,262,020</u></u>	<u><u>3,202,624</u></u>

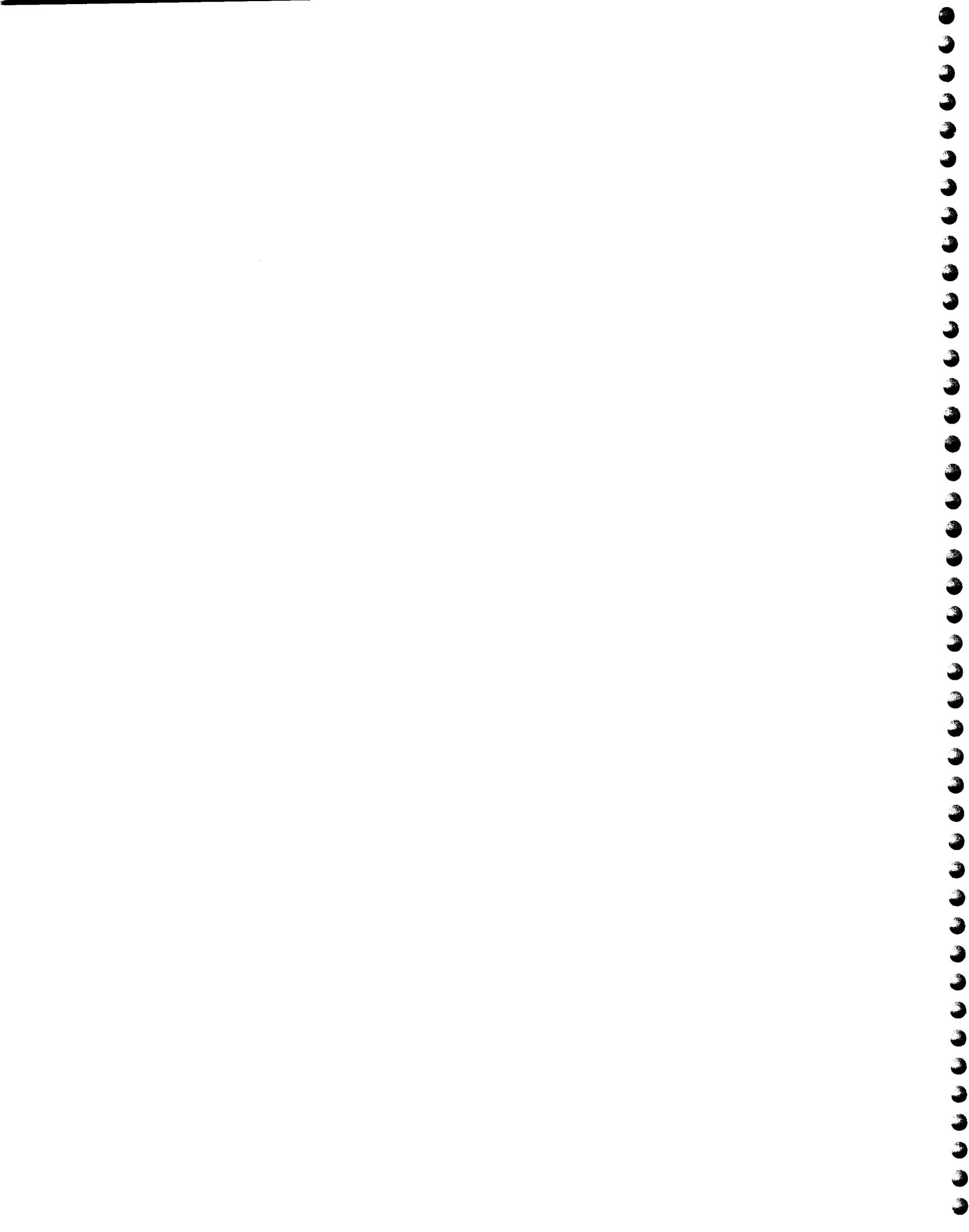
See Independent Auditor's Report.



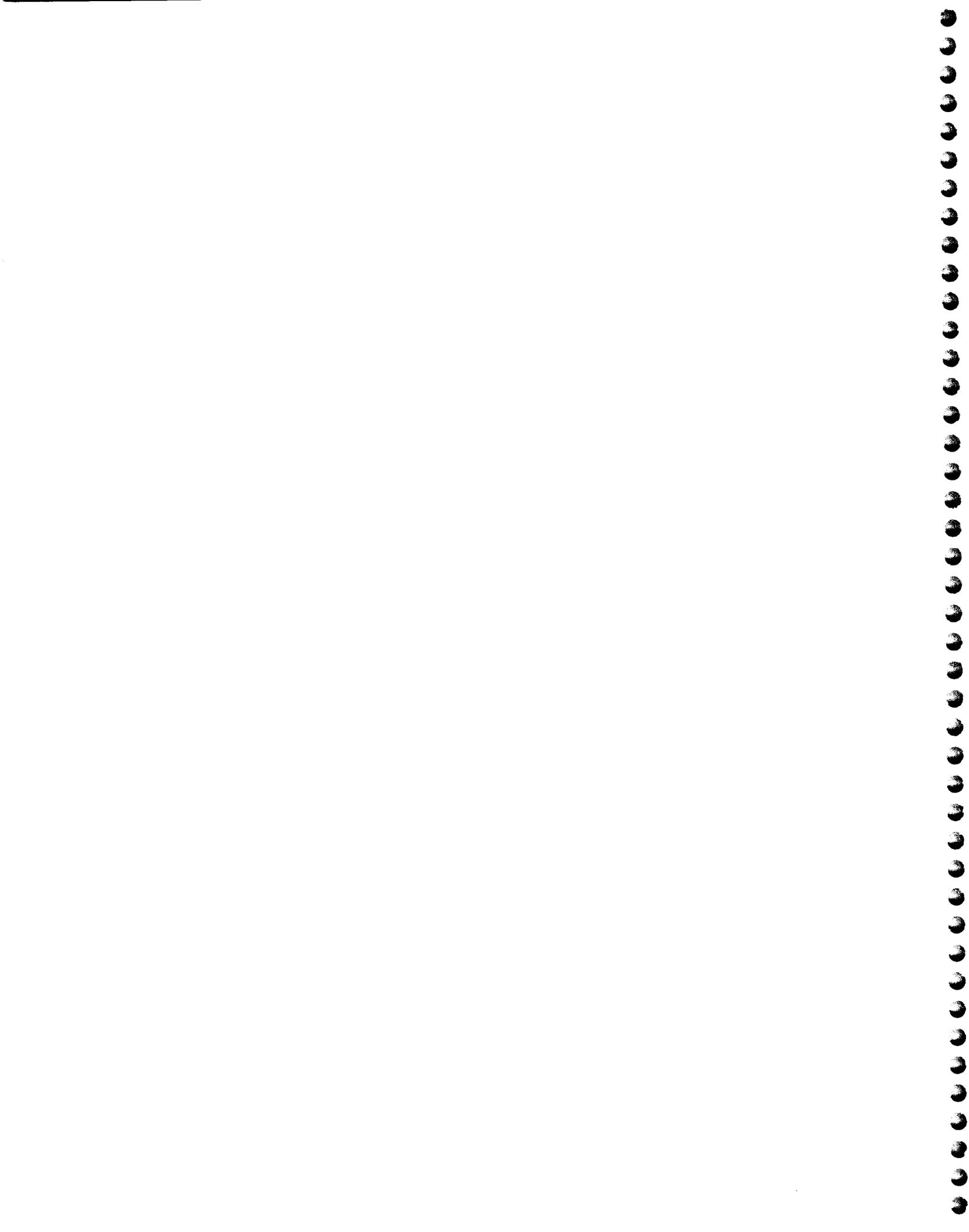
TOWN OF WOODVILLE
 Enterprise Fund
 Comparative Statement of Cash Flows
 For the Years Ended September 30, 2016 and 2015

	Enterprise Fund	Enterprise Fund
Cash Flows From Operating Activities		
Receipts from customers	\$ 1,305,278	\$ 1,509,295
Payments to suppliers	(460,771)	(687,287)
Payments to employees	(390,398)	(411,798)
Net Cash Provided (Used) by Operating Activities	<u>454,109</u>	<u>410,210</u>
Cash Flows From Noncapital Financing Activities		
Proceeds from other revenues	16,523	6,567
Operating transfers in	12,065	
Operating transfers out	(327,000)	(262,000)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(298,412)</u>	<u>(255,433)</u>
Cash Flows From Capital and Related Financing Activities		
Acquisition and construction of capital assets	(140,877)	(181,174)
Principal paid on long-term debt	(55,544)	(42,505)
Interest paid on debt	(33,691)	(33,574)
Proceeds from federal and state grants	15,000	146,400
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(215,112)</u>	<u>(110,853)</u>
Cash Flows From Investing Activities		
Interest on deposits	300	226
Net Cash Provided (Used) by Investing Activities	<u>300</u>	<u>226</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(59,115)	44,150
Cash and Cash Equivalents at Beginning of Year	197,390	153,240
Prior period adjustment	106,644	
Cash and Cash Equivalents at Beginning of Year, as restated	<u>304,034</u>	<u>153,240</u>
Cash and Cash Equivalents at End of Year	<u>\$ 244,919</u>	<u>\$ 197,390</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$ 269,555	\$ 206,845
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense	188,496	175,679
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	22,475	28,471
Increase (decrease) in customer deposits	793	5,018
Increase (decrease) in claims payable	(18,882)	(1,882)
Increase (decrease) in compensated absences liability	(10,282)	
Increase (decrease) in accrued liabilities	1,954	(3,921)
Total Adjustments	<u>184,554</u>	<u>203,365</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 454,109</u>	<u>\$ 410,210</u>

See Independent Auditor's Report.



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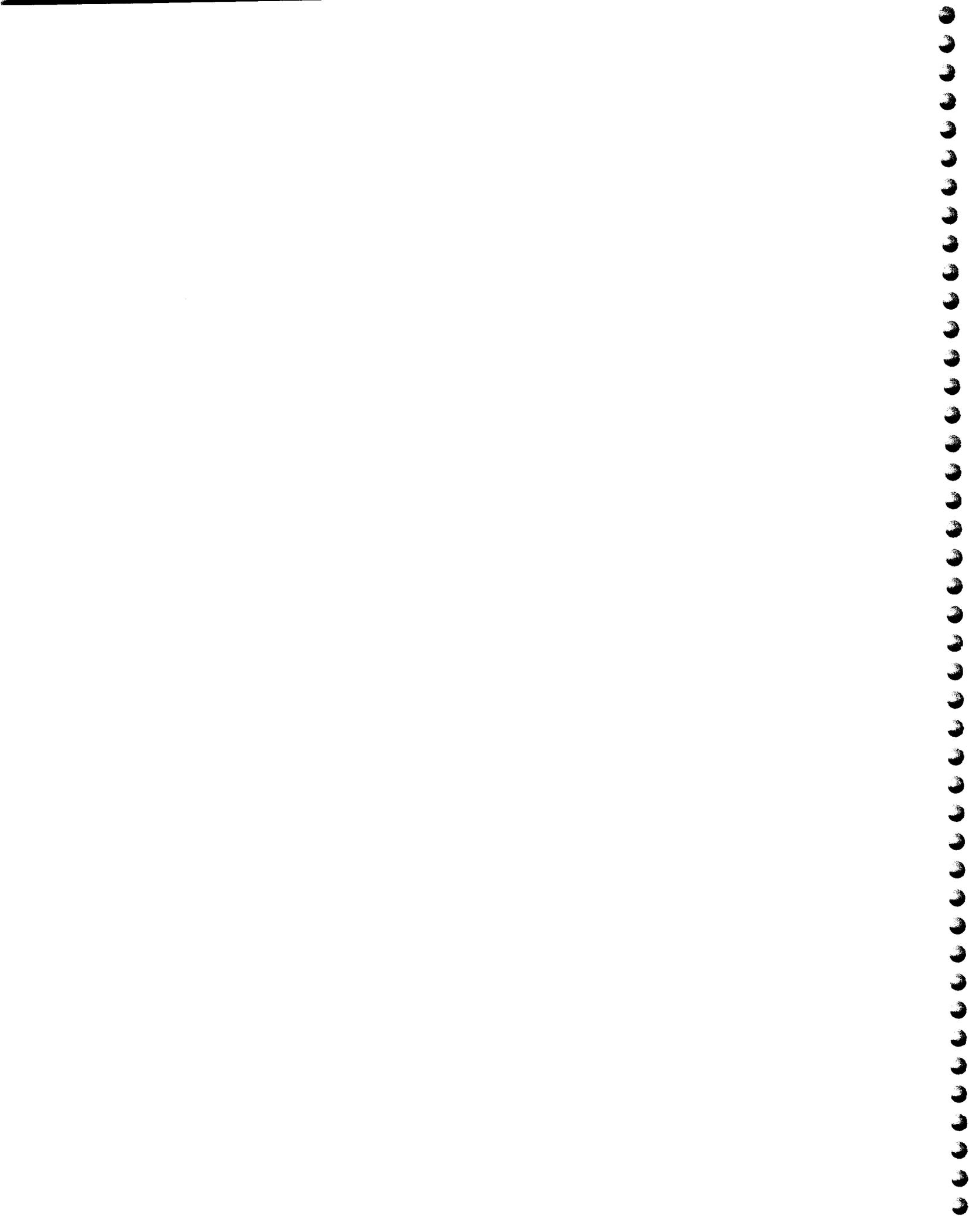


TOWN OF WOODVILLE, MISSISSIPPI
 Enterprise Fund
 Comparative Statements of Revenues and Expenses
 Water Department
 For the Years Ended September 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Operating revenues		
Charges for services	\$ 426,809	439,218
Total operating revenues	\$ <u>426,809</u>	<u>439,218</u>
Operating expenses		
Personal services	\$ 159,938	155,098
Materials and supplies	68,364	84,444
Depreciation	65,599	58,642
Utilities and telephone	42,221	55,099
Insurance	8,000	7,919
Other services and charges	55,033	50,509
Total operating expenses	\$ <u>399,155</u>	<u>411,711</u>
Operating income (loss)	\$ <u>27,654</u>	<u>27,507</u>

See Independent Auditor's Report.

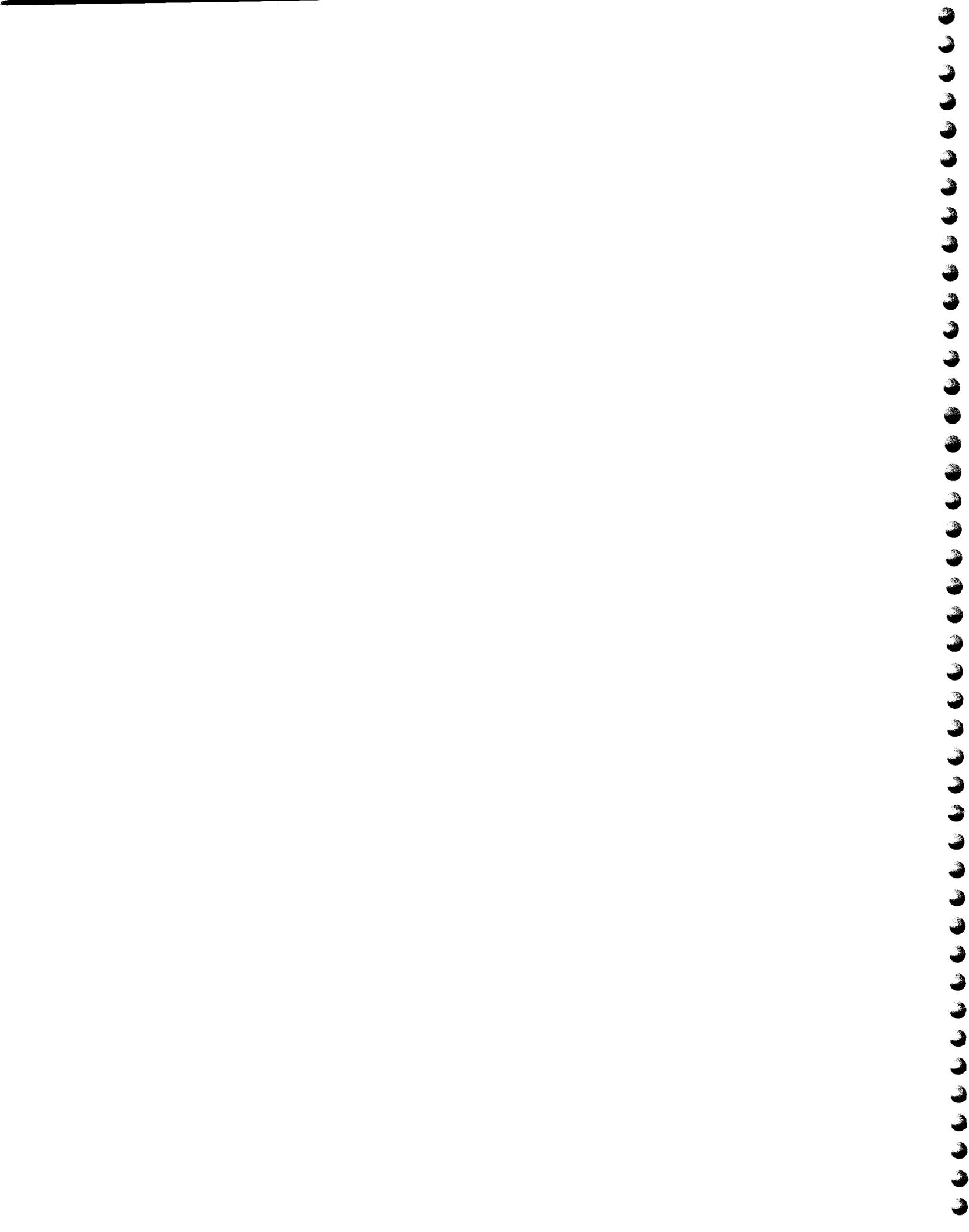
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TOWN OF WOODVILLE, MISSISSIPPI
 Enterprise Fund
 Comparative Statements of Revenues and Expenses
 Sewer Department
 For the Years Ended September 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Operating revenues		
Charges for services	\$ 272,045	260,049
Total operating revenues	\$ <u>272,045</u>	<u>260,049</u>
Operating expenses		
Personal services	\$ 64,021	78,727
Materials and supplies	35,567	37,386
Depreciation	89,370	85,109
Utilities and telephone	20,485	19,384
Insurance	2,513	2,700
Other services and charges	7,038	22,150
Total operating expenses	\$ <u>218,994</u>	<u>245,456</u>
Operating income (loss)	\$ <u>53,051</u>	<u>14,593</u>

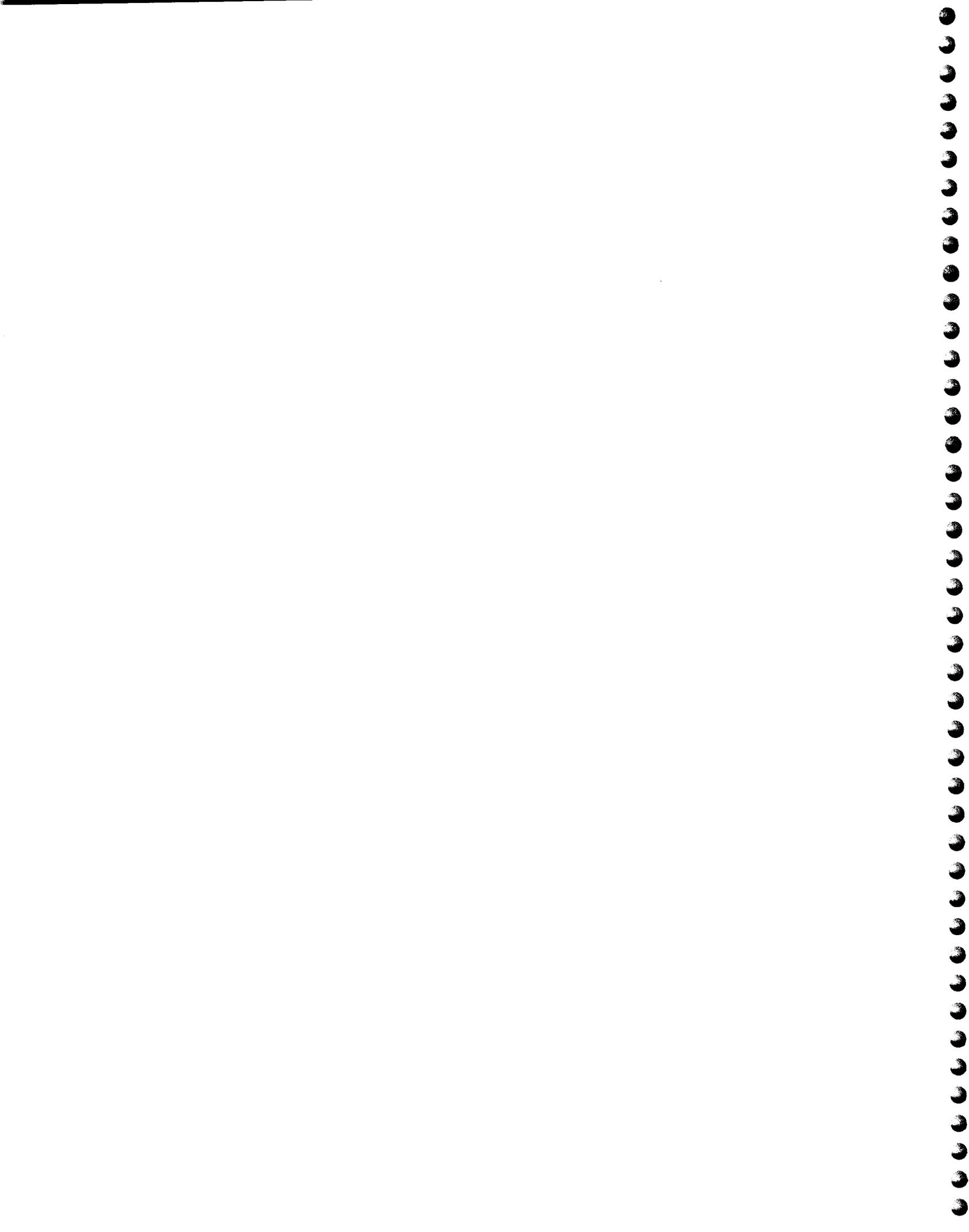
See Independent Auditor's Report.



TOWN OF WOODVILLE, MISSISSIPPI
 Enterprise Fund
 Comparative Statements of Revenues and Expenses
 Gas Department
 For the Years Ended September 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Operating revenues		
Charges for services	\$ 458,613	647,975
Total operating revenues	<u>\$ 458,613</u>	<u>647,975</u>
Operating expenses		
Personal services	\$ 148,439	166,360
Purchase of natural gas	115,673	234,424
Materials and supplies	18,659	42,673
Repairs and maintenance	1,443	1,099
Depreciation	21,601	20,571
Utilities and telephone	9,722	8,631
Insurance	5,991	6,445
Other services and charges	15,077	58,447
Total operating expenses	<u>\$ 336,605</u>	<u>538,650</u>
Operating income (loss)	<u>\$ 122,008</u>	<u>109,325</u>

See Independent Auditor's Report.



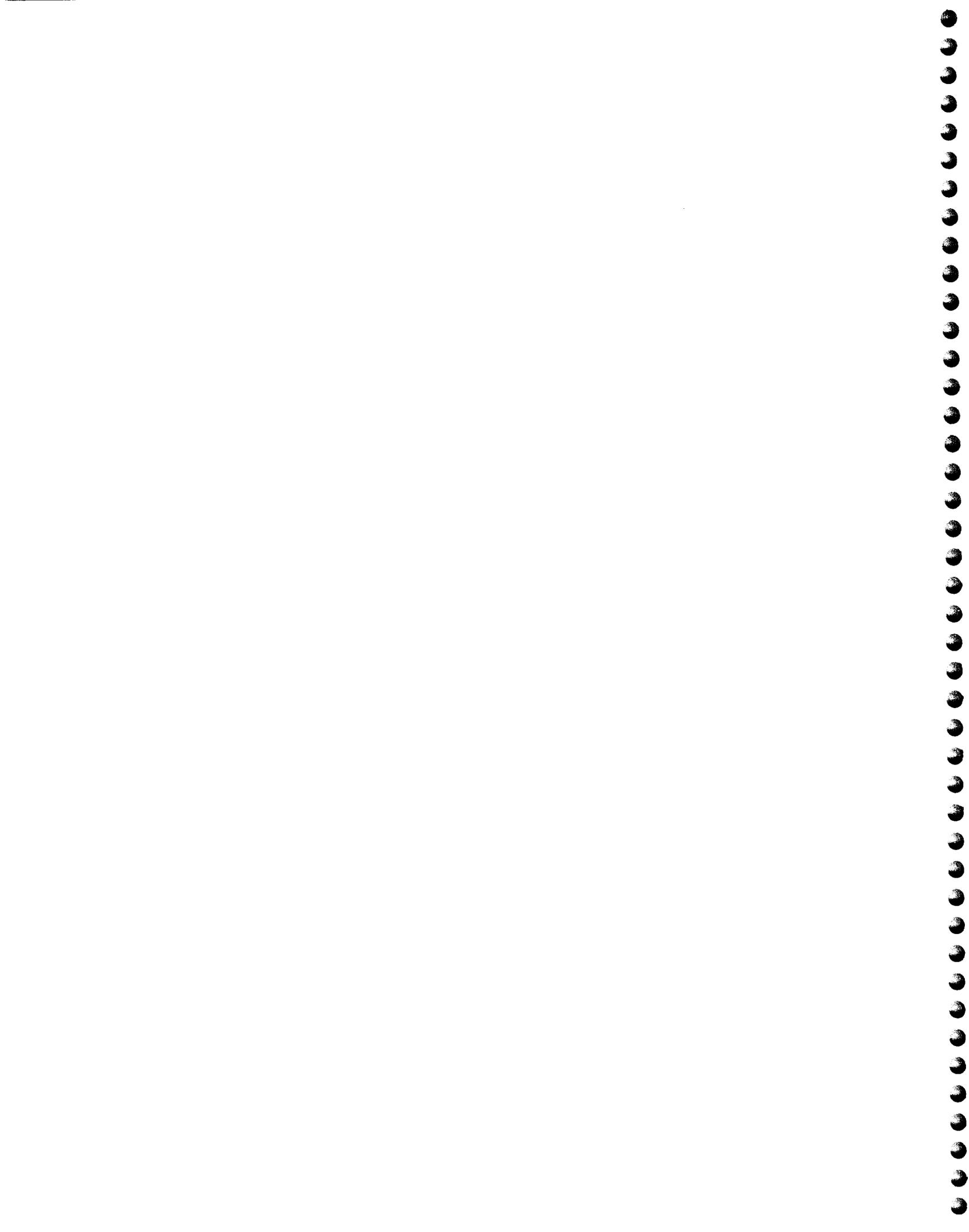
TOWN OF WOODVILLE, MISSISSIPPI
 Enterprise Fund
 Comparative Statements of Revenues and Expenses
 Management and Training Corporation (MTC) Department
 For the Years Ended September 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Operating revenues		
Charges for services	\$ 125,336	125,336
Total operating revenues	\$ <u>125,336</u>	<u>125,336</u>
Operating expenses		
Personal services	\$ 7,718	7,662
Repairs and maintenance	21,459	24,657
Depreciation	11,926	11,357
Utilities and telephone	17,225	25,582
Other services and charges	166	658
Total operating expenses	\$ <u>58,494</u>	<u>69,916</u>
Operating income (loss)	\$ <u>66,842</u>	<u>55,420</u>

See Independent Auditor's Report.



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TOWN OF WOODVILLE, MISSISSIPPI

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

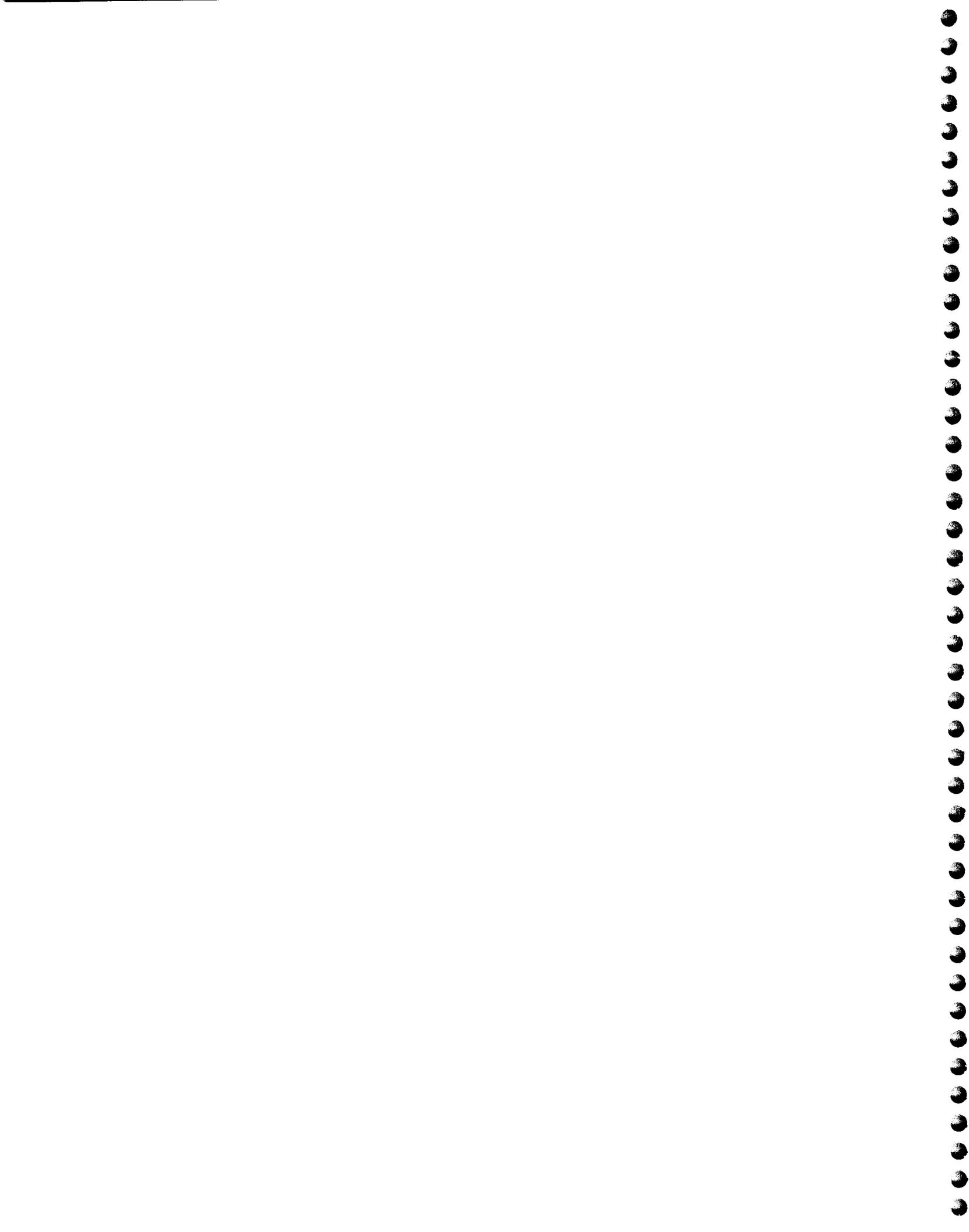
- This fund used to account for the collection and payment of purchases from vendors and suppliers.

Payroll Clearing Fund

- This fund is used to account for the collection and payment of employee compensation and payroll deductions to the appropriate agencies.

Credit Card Clearing Fund

- This fund is used to account for the collection of utility or tax receipts from the Town's residents.



TOWN OF WOODVILLE, MISSISSIPPI
 Fiduciary Funds
 Combining Balance Sheets
 September 30, 2016
 (with comparative totals for September 30, 2015)

	Fiduciary Funds		Totals	
	Accounts Payable and Credit Card Clearing Fund	Payroll Clearing Fund	2016	2015
ASSETS				
Cash - credit card clearing	\$ 100		100	100
Due from other funds	41,253	5,282	46,535	64,565
Total Assets	\$ 41,353	5,282	46,635	64,665
LIABILITIES				
Liabilities:				
Accounts payable	\$ 41,253	5,282	46,535	64,565
Due to other funds	100		100	100
Total Liabilities	\$ 41,353	5,282	46,635	64,665
Fund balances:				
Total Fund Balances	\$ -	-	-	-
Total Liabilities and Fund Balances	\$ 41,353	5,282	46,635	64,665

See Independent Auditor's Report.



TOWN OF WOODVILLE, MISSISSIPPI

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TOWN OF WOODVILLE, MISSISSIPPI
 Schedule Reconciling Original Ad Valorem Tax Rolls to Fund Collections on 2015 Advalorem Taxes
 For the year ended September 30, 2016

	<u>Assessed Value</u>	<u>Tax</u>
Assessed Valuation		
Real property	\$ 3,970,671.00	\$ 150,885
Personal property	1,099,253.00	41,772
Auto and mobile home	1,268,350.00	48,197
Public utilities	<u>301,030.00</u>	<u>11,439</u>
	\$ <u>6,639,304.00</u>	\$ 252,294
Less:		
Homestead credit allowed		\$ (23,604)
Add:		
Prior year collections		1,601
Additional forest distribution		29,391
Actual homestead reimbursement		<u>8,822</u>
Total to be accounted for		\$ <u><u>268,504</u></u>

	<u>Taxes</u>	<u>Homestead Reimbursement</u>	<u>Totals</u>
Credits			
Collection allocated to :			
General Fund	\$ 251,875	\$ 8,822	\$ 260,697
Balance represented by			
Unpaid real and personal			6,617
Unaccounted for			<u>1,190</u>
Total accounted for			\$ <u><u>268,504</u></u>

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



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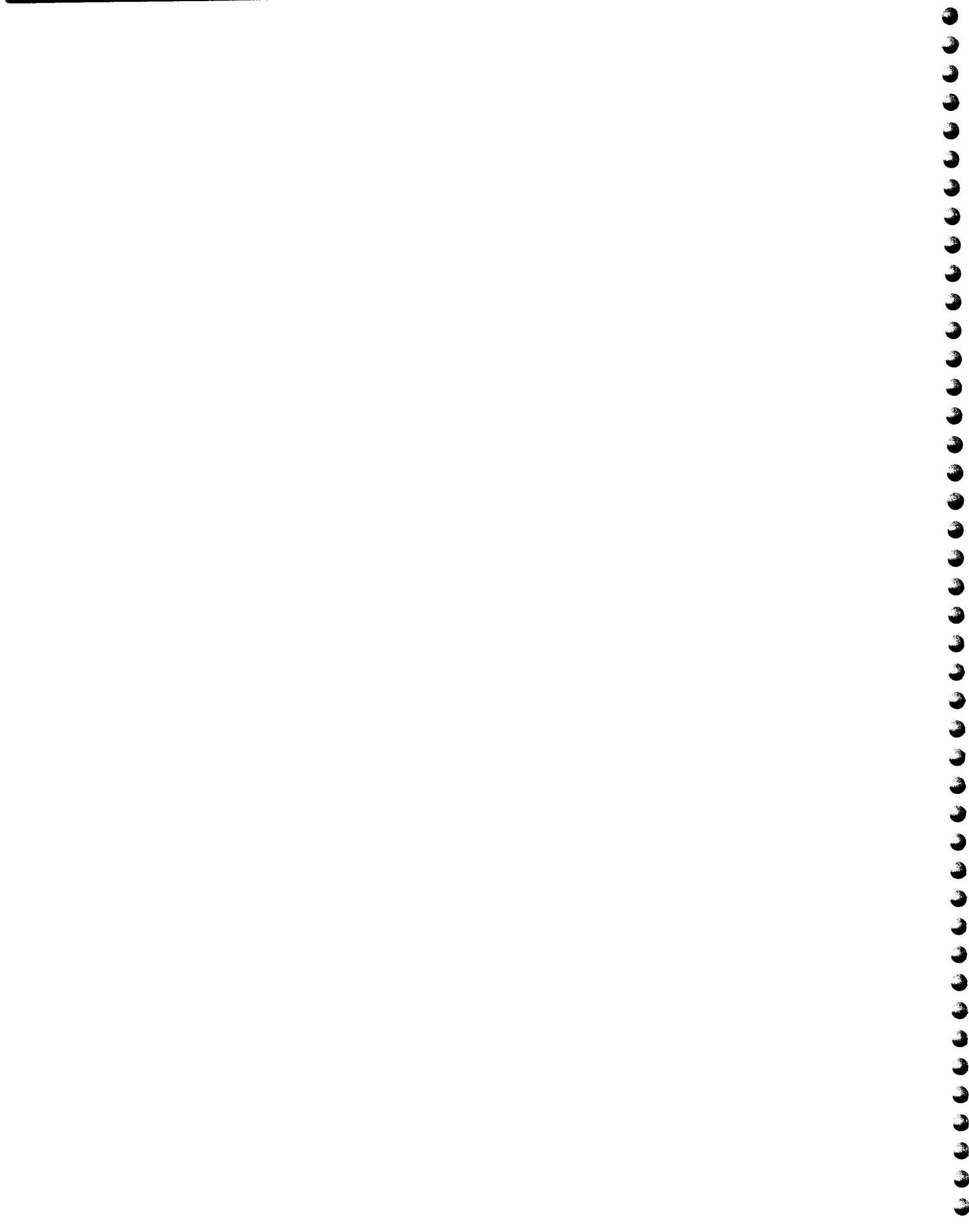


TOWN OF WOODVILLE, MISSISSIPPI
 Schedule of Investments - All Funds
 September 30, 2016

	Rate	Principal Balance	Carrying Value	Fair Market Value
GENERAL FUND				
Restricted Funds				
United Mississippi Bank				
Certificate of deposit and checking accounts:				
Cemetery Funds	0.15%	\$ 74,476	74,476	74,476
Fire rebate funds	0.15%	1,147	1,147	1,147
Sidewalk repair	0.15%	5,039	5,039	5,039
Future growth fund	0.25%	32,117	32,117	32,117
Total general fund restricted investments		<u>\$ 112,779</u>	<u>112,779</u>	<u>112,779</u>
ENTERPRISE FUND				
Restricted Fund				
United Mississippi Bank				
Certificate of deposit and checking accounts:				
Operating cash - reserved for deposits	0.15%	90,193	90,193	90,193
Water improvement and capital projects	0.15%	10	10	10
CCA reserve	0.15%	285	285	285
Bond cushion fund	0.00%	33,464	33,464	33,464
Contingent fund	0.00%	16,732	16,732	16,732
Depreciation fund	0.00%	16,732	16,732	16,732
Bond and interest sinking fund	0.00%	39,783	39,783	39,783
Total enterprise fund restricted investments	0.00%	<u>\$ 197,199</u>	<u>197,199</u>	<u>197,199</u>
Total investments - all funds		<u>\$ 309,978</u>	<u>309,978</u>	<u>309,978</u>



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TOWN OF WOODVILLE, MISSISSIPPI
 Schedule of Surety Bonds for Municipal Officials
 September 30, 2016

<u>Name</u>	<u>Position</u>	<u>Insurance Company</u>	<u>Amount</u>
Gary D'Aquilla	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	Wester 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



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TOWN OF WOODVILLE, MISSISSIPPI
 Schedule of Long-Term Debt
 September 30, 2016

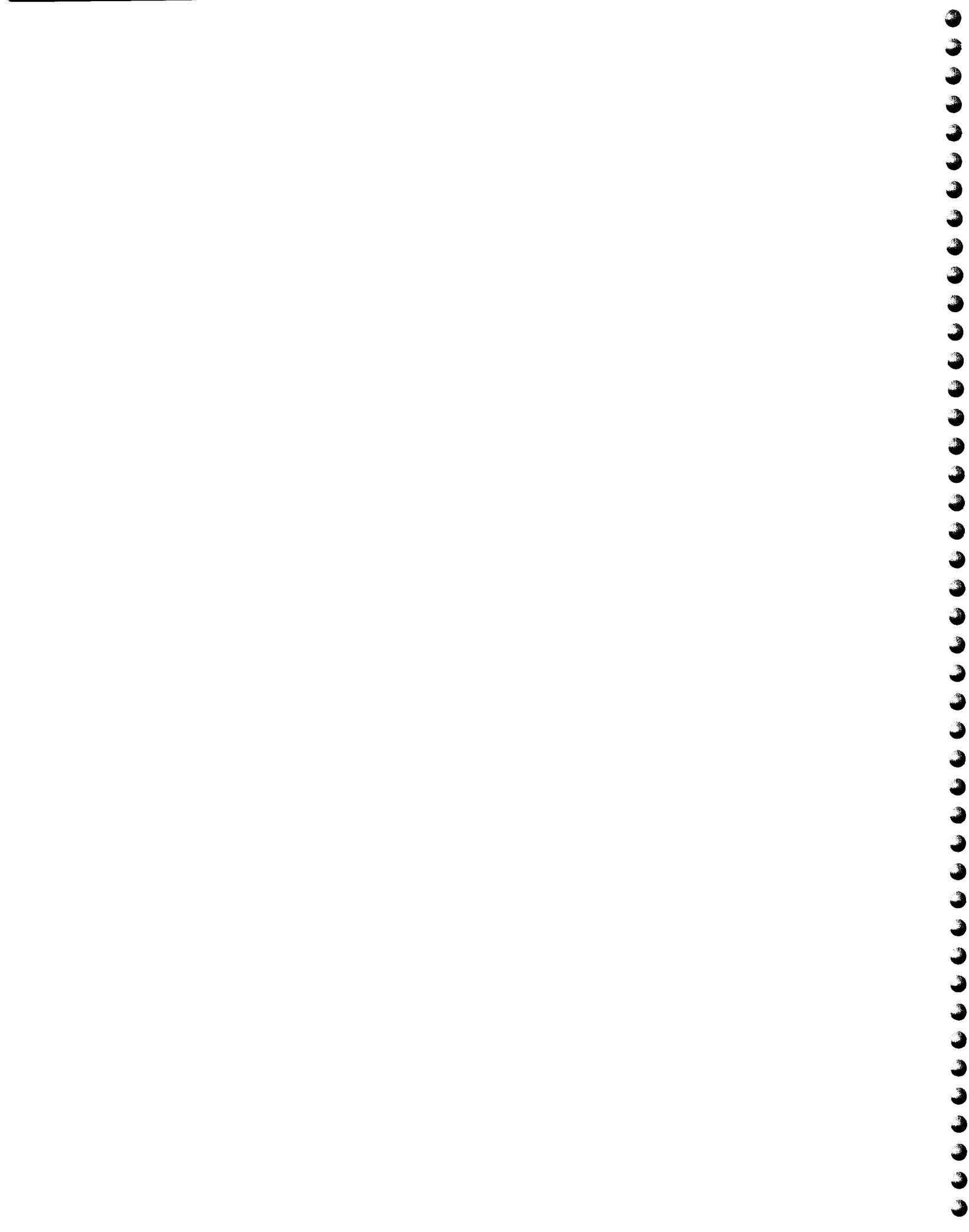
	Balance	Transactions During the Year		Balance
	Outstanding 10/1/2015	Issued	Redeemed	Outstanding 10/1/2016
GENERAL OBLIGATION BONDS				
<u>Governmental Funds:</u>				
2010 Street Bonds	245,000.00		20,000.00	225,000.00
Municipal building	342,700.00		20,000.00	322,700.00
Total General Obligation Bonds	587,700.00	-	40,000.00	547,700.00
REVENUE BONDS				
<u>Enterprise Fund:</u>				
Combined water and sewer bonds	574,095.00		16,551.00	557,544.00
Total Revenue Bonds	574,095.00	-	16,551.00	557,544.00
NOTES PAYABLE				
<u>Governmental Funds:</u>				
Police car	27,308.00		27,308.00	-
Municipal multipurpose building	202,074.00		10,393.00	191,681.00
Total Notes Payable - Governmental Funds	229,382.00	-	37,701.00	191,681.00
<u>Enterprise Funds</u>				
MDEQ-MTC	200,828.00		10,062.00	190,766.00
MDEQ-Town	191,952.00		9,459.00	182,493.00
Total Notes Payable - Enterprise Funds	392,780.00	-	19,521.00	373,259.00
CAPITAL LEASES				
<u>Enterprise Funds</u>				
Capital lease - F-350	5,774.00		5,774.00	-
Water communications system	-	12,065.00	1,970.00	10,095.00
Capital lease - backhoe	-	82,394.00	11,728.00	70,666.00
	5,774.00	94,459.00	19,472.00	80,761.00
OTHER LONG-TERM DEBT				
<u>Governmental Funds:</u>				
Compensated absences	58,284.00		1,480.00	56,804.00
	58,284.00	-	1,480.00	56,804.00
<u>Enterprise Funds:</u>				
Compensated absences	74,069.00		10,282.00	63,787.00
	74,069.00	-	10,282.00	63,787.00
	1,922,084.00	94,459.00	145,007.00	1,871,536.00



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SPECIAL REPORTS



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SHOEMAKER & CO.

CERTIFIED PUBLIC ACCOUNTANTS, PLLC

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 the 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, 2016, which collectively comprise the county's basic financial statements and have issued our report thereon dated May 24, 2017. 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.

Internal Control Over Financial Reporting

Management of the county is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Town of Woodville, Mississippi's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Woodville, Mississippi's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Woodville, Mississippi's internal control over financial reporting.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. We consider the deficiency described in the accompanying schedule of findings and questioned costs as 2016-1 to be a material weakness.

Compliance and Other Matters

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

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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 responses. 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

Compliance and Other Matters

This report is intended solely for the information and use of management, the Board of Aldermen, others within the entity, 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.

Shoemaker and Company

SHOEMAKER & COMPANY, CPA PLLC
Clinton, Mississippi
May 24, 2017



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SHOEMAKER
— & CO. —

CERTIFIED PUBLIC ACCOUNTANTS, PLLC

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, 2016, and have issued our report thereon dated May 24, 2017. 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.

Shoemaker and Company

SHOEMAKER & COMPANY, CPA PLLC
Clinton, Mississippi
May 24, 2017



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TOWN OF WOODVILLE, MISSISSIPPI

SCHEDULE OF FINDINGS AND RESPONSES



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TOWN OF WOODVILLE, MISSISSIPPI

Schedule of Findings and Responses
For the Year Ended September 30, 2016

Section 1: Summary of Auditor's Results

Financial Statements:

1. Type of auditor's report issued on the financial statements

Governmental Activities	Unmodified
General Fund	Unmodified
Business-type Activities	Unmodified
Aggregate remaining fund information	Unmodified

2. Internal control over financial reporting:

a. Material weaknesses identified?	Yes
b. Significant deficiencies identified that are not considered to be material weaknesses?	None Reported

3. Noncompliance material to the financial statements noted? No

Federal Awards:

Not applicable.



TOWN OF WOODVILLE, MISSISSIPPI

Schedule of Current Year Findings and Responses
For the Year Ended September 30, 2016

Section 2: Financial Statement Findings

Material Weakness

2016-1 Controls surrounding accounting duties should be strengthened.

Segregation of duties is normally a part of the control activities implemented by entity to mitigate risks. In general, one individual should not control two or more phases of a transaction or operation. In addition, the following primary duties should be segregated:

- Authorization or approval
- Custody of assets
- Recording of transactions
- Reconciliations

As in prior year audit reports, it was noted that the Town does not have adequate staff to properly segregate duties. This causes a weakness in internal controls that could allow for misstatements in the financial information of the entity that are undetected by management.

Recommendation

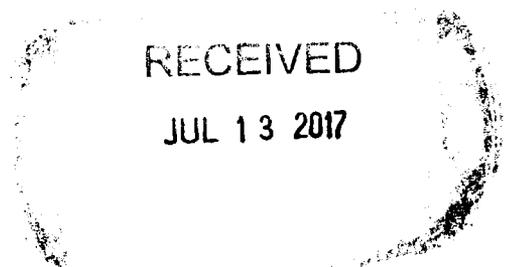
In instances when proper segregation of duties cannot be achieved (e.g., number of personnel, specialized knowledge, etc.) then that decision should be documented by the entity and compensating controls designed and implemented by management to mitigate the documented risks involved.

Town of Woodville, Mississippi's Response

Management will continue to implement alternative control procedures whenever feasible.

Section 3: Federal Award Findings and Questioned Costs:

Not applicable





TOWN OF WOODVILLE, MISSISSIPPI

Status of Prior Year Audit Findings and Responses
For the Year Ended September 30, 2016

Section 2: Financial Statement Findings

Material Weakness

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 alternative procedures to help alleviate this condition. Also, we believe that the Board should be diligent in approving transaction and reviewing monthly financial information.

Response:

Management will continue to implement alternative control procedures whenever feasible. This is a repeat finding (see 2016-01).

Section 3: Federal Awards, Findings and Questioned Costs

Not applicable.

