

## OFFICE OF THE STATE AUDITOR REPORT NOTE:

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

As a result, the following document was not prepared by the Office of the State Auditor. Instead, it was prepared by a private CPA firm and submitted to the Office of the State Auditor. The document was placed on this web page as it was submitted and no review of the report was performed by the Office of the State Auditor prior to finalization of the report. The Office of the State Auditor assumes no responsibility for its content or for any errors located in the document. Any questions of accuracy or authenticity concerning this document should be submitted to the CPA firm that prepared the document. The name and address of the CPA firm appears in the document.

**TOWN OF WOODVILLE, MISSISSIPPI**

**ANNUAL FINANCIAL STATEMENTS**

**AS OF SEPTEMBER 30, 2022  
AND FOR THE YEAR THEN ENDED**

**WITH  
INDEPENDENT AUDITOR'S REPORT**



**SILAS SIMMONS** LLP

CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS



**TOWN OF WOODVILLE, MISSISSIPPI**

Annual Financial Statements  
As of and for the Year Ended September 30, 2022

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**TOWN OF WOODVILLE, MISSISSIPPI**

**Annual Financial Statements  
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## **INDEPENDENT AUDITOR'S REPORT**

## **INDEPENDENT AUDITOR'S REPORT**

Mayor and Board of Aldermen  
Town of Woodville, Mississippi  
Woodville, Mississippi

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Woodville, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Town of Woodville's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Woodville, as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Woodville, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Woodville's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town of Woodville's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Woodville's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.



### Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Woodville's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance, thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

A handwritten signature in cursive script that reads "Silas Simmons, LLP".

Natchez, Mississippi

May 15, 2023

**REQUIRED SUPPLEMENTARY INFORMATION (PART I)**

**TOWN OF WOODVILLE, MISSISSIPPI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2022**

The management of Town of Woodville, Mississippi (the Town) offers readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2022. This Management's Discussion and Analysis 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 the Town's finances. It is also intended to provide readers with an analysis of the Town's short-term and long-term activities based on information presented in the financial report and fiscal policies that have been adopted by the Town. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the Town's financial activity, identify changes in the Town's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

The Town presents its financial statements under the reporting model required by the Governmental Accounting Standards Board (GASB) Statement 34 and the subsequent amendments issued with GASB Statement 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 34 and the subsequent amendments issued with GASB Statement 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 condition of the Town is improving or weakening.

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

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

TOWN OF WOODVILLE, MISSISSIPPI  
MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2022

**Government-Wide Financial Analysis**

As noted earlier, net position may, over time, serve as a useful indicator of a government's financial condition. At the close of the most recent fiscal year, the Town's assets exceeded its liabilities by \$4,087,664 (net position); this represents an increase of \$254,982 from the prior year. Of this total net position amount, a \$1,333,770 deficit is in unrestricted net position. The Town's net position is comprised of \$52,254 from governmental activities and \$4,035,410 from business-type activities.

The following is a condensed statement of the Town of Woodville's net position as of September 30, 2022 and 2021:

	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
<b>Assets</b>						
Current and other assets	\$ 500,445	\$ 380,401	\$ 1,115,090	\$ 1,266,702	\$ 1,615,535	\$ 1,647,103
Capital assets, net	1,931,787	1,840,007	5,208,954	5,317,289	7,140,741	7,157,296
Total assets	<u>\$ 2,432,232</u>	<u>\$ 2,220,408</u>	<u>\$ 6,324,044</u>	<u>\$ 6,583,991</u>	<u>\$ 8,756,276</u>	<u>\$ 8,804,399</u>
Deferred Outflows of Resources	\$ 201,400	\$ 148,872	\$ -	\$ -	\$ 201,400	\$ 148,872
<b>Liabilities</b>						
Other liabilities	\$ 157,534	\$ 229,062	\$ 309,467	\$ 368,848	\$ 467,001	\$ 597,910
Long-term liabilities	2,423,844	2,064,215	1,979,167	2,056,072	4,403,011	4,120,287
Total liabilities	<u>\$ 2,581,378</u>	<u>\$ 2,293,277</u>	<u>\$ 2,288,634</u>	<u>\$ 2,424,920</u>	<u>\$ 4,870,012</u>	<u>\$ 4,718,197</u>
Deferred Inflows of Resources	\$ -	\$ 402,392	\$ -	\$ -	\$ -	\$ 402,392
<b>Net Position</b>						
Net investment in capital assets	\$ 1,539,586	\$ 1,381,880	\$ 3,152,882	\$ 3,186,397	\$ 4,692,468	\$ 4,568,277
Restricted for:						
Capital projects	-	-	473,567	503,080	473,567	503,080
Debt service and other	-	-	255,399	445,620	255,399	445,620
Unrestricted	(1,487,332)	(1,708,269)	153,562	23,974	(1,333,770)	(1,684,295)
Total net position	<u>\$ 52,254</u>	<u>\$ (326,389)</u>	<u>\$ 4,035,410</u>	<u>\$ 4,159,071</u>	<u>\$ 4,087,664</u>	<u>\$ 3,832,682</u>

By far, the largest portion of the Town's net position (\$4,692,468 or 115%) 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 \$1,333,770, and restricted net position of \$728,966, which are restricted for debt service and construction projects.

The Town has total outstanding debt of \$2,490,572, which was used to finance some of the \$7,140,741 in capital assets. Total liabilities and deferred inflows of \$4,870,012 are equal to 119% of the total net position, primarily because of the GASB Statement 68 implementation.

TOWN OF WOODVILLE, MISSISSIPPI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2022

**Government-Wide Financial Analysis (continued)**

The Town's governmental activities increased net position by \$378,643. This increase is mainly due to an decrease in expenditures to the general fund.

The following is a summary of the Town's statements of activities for the years ended September 30, 2022 and 2021:

	Governmental Activities		Business-Type Activities		Totals	
	2022	2021	2022	2021	2022	2021
<b>Revenues</b>						
Program revenues	\$ 216,535	\$ 153,587	\$ 1,354,231	\$ 1,437,621	\$ 1,570,766	\$ 1,591,208
General revenues and transfers	1,228,602	1,326,335	7,019	(105,174)	1,235,621	1,221,161
Total revenues and transfers	<u>\$ 1,445,137</u>	<u>\$ 1,479,922</u>	<u>\$ 1,361,250</u>	<u>\$ 1,332,447</u>	<u>\$ 2,806,387</u>	<u>\$ 2,812,369</u>
<b>Expenses</b>						
General government	\$ 165,890	\$ 118,177	\$ -	\$ -	\$ 165,890	\$ 118,177
Public safety	482,903	379,423	-	-	482,903	379,423
Streets	169,843	232,927	-	-	169,843	232,927
Sanitation	121,153	124,017	-	-	121,153	124,017
Cemetery	105,818	41,634	-	-	105,818	41,634
Combined utility	-	-	1,484,911	1,184,730	1,484,911	1,184,730
Interest on long-term debt	20,887	24,096	-	-	20,887	24,096
Total expenses	<u>\$ 1,066,494</u>	<u>\$ 920,274</u>	<u>\$ 1,484,911</u>	<u>\$ 1,184,730</u>	<u>\$ 2,551,405</u>	<u>\$ 2,105,004</u>
Increase (decrease) in net position	\$ 378,643	\$ 559,648	\$ (123,661)	\$ 147,717	\$ 254,982	\$ 707,365
Net position, beginning	<u>\$ (326,389)</u>	<u>\$ (886,037)</u>	<u>\$ 4,159,071</u>	<u>\$ 4,011,354</u>	<u>\$ 3,832,682</u>	<u>\$ 3,125,317</u>
Net position, ending	<u><u>\$ 52,254</u></u>	<u><u>\$ (326,389)</u></u>	<u><u>\$ 4,035,410</u></u>	<u><u>\$ 4,159,071</u></u>	<u><u>\$ 4,087,664</u></u>	<u><u>\$ 3,832,682</u></u>

*Governmental Activities*

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

TOWN OF WOODVILLE, MISSISSIPPI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2022

**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, 2021	\$ -	\$ -	\$ 487,908	\$ 246,515	\$ 734,423
Fiscal year ended September 30, 2022	432,690	235,505	491,366	113,738	1,273,299
Increase (decrease) from prior year	<u>\$ 432,690</u>	<u>\$ 235,505</u>	<u>\$ 3,458</u>	<u>\$ (132,777)</u>	<u>\$ 538,876</u>
Operating Expenses					
	Water	Sewer	Gas	MTC	Total
Fiscal year ended September 30, 2021	\$ 303,891	\$ 235,756	\$ 524,429	\$ 67,156	\$ 1,131,232
Fiscal year ended September 30, 2022	422,260	294,472	623,096	93,247	1,433,075
Increase (decrease) from prior year	<u>\$ 118,369</u>	<u>\$ 58,716</u>	<u>\$ 98,667</u>	<u>\$ 26,091</u>	<u>\$ 301,843</u>
Net Income (Loss) From Operations					
	Water	Sewer	Gas	MTC	Total
Fiscal year ended September 30, 2021	\$ 184,017	\$ 10,759	\$ 32,250	\$ 72,642	\$ 299,668
Fiscal year ended September 30, 2022	10,430	(58,967)	(131,730)	20,491	(159,776)
Increase (decrease) from prior year	<u>\$ (173,587)</u>	<u>\$ (69,726)</u>	<u>\$ (163,980)</u>	<u>\$ (52,151)</u>	<u>\$ (459,444)</u>

**TOWN OF WOODVILLE, MISSISSIPPI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2022**

**Fund Financial Statements – Governmental Funds**

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

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

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

*Financial Analysis of Town of Woodville, Mississippi's Governmental Funds*

The Town's governmental funds reported an ending fund balance of \$429,172, which is an increase of \$188,620. This increase was primarily due to grant received in the current year. \$413,183 of the fund balance was assigned. The remaining fund surplus of \$15,989 was unassigned at September 30, 2022.

**Fund Financial Statements – Proprietary Funds**

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

*Financial Analysis of Town of Woodville, Mississippi's Proprietary Fund*

The Town's Enterprise Fund shows a decrease in net position of \$123,661, which represents less than 2.97% decrease from fiscal year 2021. This is primarily due to a substantial amount of spending of grants received in the prior year. The sewer, prison, water, and gas departments showed a loss in the current year. The unrestricted fund balance showed a balance of \$153,562 at September 30, 2022. \$728,966 was restricted for debt service and construction projects. The remaining amount represents the Town's investment in its utility systems and equipment.

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

**Fund Financial Statements – General Fund Budgetary Highlights**

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

**TOWN OF WOODVILLE, MISSISSIPPI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2022**

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

Revenues were sufficiently budgeted by \$322,521 or 24%. Actual expenditures showed a positive variance of \$107,949 or 9% against budgeted expenditure amounts. The final budget and the actual results show a negative variance of \$77,355.

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

The total investment in net capital assets as of September 30, 2022, is \$165,015.

New major capital assets purchased, constructed, or put in service in fiscal year 2022 are:

1. \$108,854, improvements to Town Hall.
2. \$37,331, various police equipment.
3. \$15,900, improvements to Streets.
4. \$2,930, firefighter equipment.

*Current Financial Factors*

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

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

*Requests for Information*

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



## **BASIC FINANCIAL STATEMENTS**

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

TOWN OF WOODVILLE, MISSISSIPPI

STATEMENT OF NET POSITION

SEPTEMBER 30, 2022

	Governmental Activities	Business- Type Activities	Total
<b><u>ASSETS</u></b>			
Cash and cash equivalents - unrestricted	\$ 29,038	\$ 73,259	\$ 102,297
Receivables, net of allowances for uncollectibles	48,729	312,865	361,594
Internal balances, net	9,495	-	9,495
Cash and cash equivalents - restricted	413,183	728,966	1,142,149
Capital assets, net	1,931,787	5,208,954	7,140,741
Total assets	\$ 2,432,232	\$ 6,324,044	\$ 8,756,276
<b><u>DEFERRED OUTFLOWS OF RESOURCES - PENSIONS</u></b>	\$ 201,400	\$ -	\$ 201,400
<b><u>LIABILITIES</u></b>			
Accounts, salaries, and other payables	\$ 71,273	\$ 79,093	\$ 150,366
Payable from restricted assets	-	120,048	120,048
Bonds and notes payable, due within one year	67,888	76,905	144,793
Compensated absences	18,373	23,926	42,299
Internal balances, net	-	9,495	9,495
Bonds and notes payable	324,313	1,979,167	2,303,480
Net pension liability	2,099,531	-	2,099,531
Total liabilities	\$ 2,581,378	\$ 2,288,634	\$ 4,870,012
<b><u>DEFERRED INFLOWS OF RESOURCES - PENSIONS</u></b>	\$ -	\$ -	\$ -
<b><u>NET POSITION</u></b>			
Net investment in capital assets	\$ 1,539,586	\$ 3,152,882	\$ 4,692,468
Restricted for:			
Capital projects	\$ -	\$ 473,567	\$ 473,567
Debt service	-	135,351	135,351
Operations and maintainance	-	120,048	120,048
Total restricted net position	\$ -	\$ 728,966	\$ 728,966
Unrestricted	\$ (1,487,332)	\$ 153,562	\$ (1,333,770)
Total net position	\$ 52,254	\$ 4,035,410	\$ 4,087,664

See accompanying notes to the basic financial statements.

## TOWN OF WOODVILLE, MISSISSIPPI

## STATEMENT B

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Expenses	Program Revenues			Net (Expenses)/ Revenues	Net (Expenses), Revenues, and Changes		Total
		Charges for Services	Operating Grants and Contri- butions	Capital Grants and Contri- butions		Govern- mental Activities	Business- Type Activities	
<b><u>GOVERNMENTAL ACTIVITIES</u></b>								
General government	\$ 165,890	\$ -	\$ -	\$ -	\$ (165,890)	\$ (165,890)	\$ -	\$ (165,890)
Public safety	482,903	81,762	-	-	(401,141)	(401,141)	-	(401,141)
Streets	169,843	-	-	-	(169,843)	(169,843)	-	(169,843)
Sanitation	121,153	134,773	-	-	13,620	13,620	-	13,620
Cemetery	105,818	-	-	-	(105,818)	(105,818)	-	(105,818)
Interest on long-term debt	20,887	-	-	-	(20,887)	(20,887)	-	(20,887)
Total governmental activities	\$ 1,066,494	\$ 216,535	\$ -	\$ -	\$ (849,959)	\$ (849,959)	\$ -	\$ (849,959)
<b><u>BUSINESS-TYPE ACTIVITIES</u></b>								
Water	\$ 422,260	\$ 432,690	\$ -	\$ -	\$ 10,430	\$ -	\$ 10,430	\$ 10,430
Sewer	294,472	235,505	-	80,932	21,965	-	21,965	21,965
Gas	623,096	491,366	-	-	(131,730)	-	(131,730)	(131,730)
MTC	93,247	113,738	-	-	20,491	-	20,491	20,491
Interest on long-term debt	51,836	-	-	-	(51,836)	-	(51,836)	(51,836)
Total business-type activities	\$ 1,484,911	\$ 1,273,299	\$ -	\$ 80,932	\$ (130,680)	\$ -	\$ (130,680)	\$ (130,680)
Total	\$ 2,551,405	\$ 1,489,834	\$ -	\$ 80,932	\$ (980,639)	\$ (849,959)	\$ (130,680)	\$ (980,639)
General revenues:								
Ad valorem and franchise taxes						\$ 339,866	\$ -	\$ 339,866
Licenses and permits						5,715	-	5,715
Intergovernmental revenues						569,298	-	569,298
Investment earnings						890	937	1,827
Other general revenues						214,757	104,158	318,915
Transfers						98,076	(98,076)	-
Total general revenues and transfers						\$ 1,228,602	\$ 7,019	\$ 1,235,621
Change in net position						\$ 378,643	\$ (123,661)	\$ 254,982
Net position - beginning						(326,389)	4,159,071	3,832,682
Net position - ending						\$ 52,254	\$ 4,035,410	\$ 4,087,664

See accompanying notes to the basic financial statements.

## FUND FINANCIAL STATEMENTS

**GOVERNMENTAL FUNDS**

## TOWN OF WOODVILLE, MISSISSIPPI

BALANCE SHEET  
GOVERNMENTAL FUNDS

SEPTEMBER 30, 2022

	Major Funds		Other	Total
	General	ARPA	Governmental	Governmental
	Fund	Fund	Funds	Funds
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 29,038	\$ -	\$ -	\$ 29,038
Receivables (net of allowances for uncollectibles)	48,729	-	-	48,729
Due from other funds	14,681	-	5,058	19,739
Restricted assets				
Other cash deposits	113,598	226,362	73,223	413,183
Total assets	<u>\$ 206,046</u>	<u>\$ 226,362</u>	<u>\$ 78,281</u>	<u>\$ 510,689</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>				
Liabilities:				
Accounts payable	\$ 48,498	\$ -	\$ -	\$ 48,498
Accrued liabilities	22,775	-	-	22,775
Due to other funds	-	-	10,244	10,244
Total liabilities	<u>\$ 71,273</u>	<u>\$ -</u>	<u>\$ 10,244</u>	<u>\$ 81,517</u>
Fund balance:				
Assigned	\$ 113,598	\$ 226,362	\$ 73,223	\$ 413,183
Unassigned	21,175	-	(5,186)	15,989
Total fund balance	<u>\$ 134,773</u>	<u>\$ 226,362</u>	<u>\$ 68,037</u>	<u>\$ 429,172</u>
Total liabilities and fund balance	<u>\$ 206,046</u>	<u>\$ 226,362</u>	<u>\$ 78,281</u>	<u>\$ 510,689</u>

See accompanying notes to the basic financial statements.

TOWN OF WOODVILLE, MISSISSIPPI

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

SEPTEMBER 30, 2022

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

Total Fund Balances – Governmental Funds (Statement C)	\$	429,172
Net capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. The cost of the assets is \$3,212,903, and the accumulated depreciation is \$1,281,116.		1,931,787
Deferred outflows and inflows are not financial resources or currently payable.		
Deferred outflows		201,400
Deferred inflows		-
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds. Long-term liabilities at year-end consist of:		
Bonds payable		(277,600)
Notes payable		(114,601)
Compensated absences (sick pay and vacations)		(18,373)
Net pension liability		(2,099,531)
Net Position of Governmental Activities (Statement A)	\$	<u>52,254</u>

See accompanying notes to the basic financial statements.



## TOWN OF WOODVILLE, MISSISSIPPI

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

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Major Funds		Other	Total
	General	ARPA	Governmental	Governmental
	Fund	Fund	Funds	Funds
<b><u>REVENUES</u></b>				
Ad valorem and franchise taxes	\$ 339,866	\$ -	\$ -	\$ 339,866
Licenses and permits	5,715	-	-	5,715
Intergovernmental revenues	569,298	-	-	569,298
Charges for services	134,773	-	-	134,773
Fines	81,762	-	-	81,762
Interest	227	430	233	890
Other revenues and grants	214,755	225,932	60,501	501,188
Total revenues	\$ 1,346,396	\$ 226,362	\$ 60,734	\$ 1,633,492
<b><u>EXPENDITURES</u></b>				
General government	\$ 285,743	\$ -	\$ 57	\$ 285,800
Public safety	494,969	-	-	494,969
Streets	141,518	-	21,064	162,582
Sanitation	121,153	-	-	121,153
Cemetery	105,200	-	-	105,200
Debt service:				
Principal	-	-	65,926	65,926
Interest	-	-	20,887	20,887
Total expenditures	\$ 1,148,583	\$ -	\$ 107,934	\$ 1,256,517
Revenues under expenditures	\$ 197,813	\$ 226,362	\$ (47,200)	\$ 376,975
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers - in	\$ 98,076	\$ -	86,813	\$ 184,889
Transfers - out	(373,244)	-	-	(373,244)
Total other financing sources (uses)	\$ (275,168)	\$ -	\$ 86,813	\$ (188,355)
Net change in fund balances	\$ (77,355)	\$ 226,362	\$ 39,613	\$ 188,620
Fund balances - beginning	212,128	-	28,424	240,552
Fund balances - ending	\$ 134,773	\$ 226,362	\$ 68,037	\$ 429,172

See accompanying notes to the basic financial statements.

TOWN OF WOODVILLE, MISSISSIPPI

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2022

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

Net Change in Fund Balances, Total Governmental Funds, Statement E	\$ 188,620
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	91,737
--	--------

In the statement of activities, certain operating expenses - compensated absences (sick pay and vacations) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation and sick leave was adjusted to actual liability by:	6,739
--	-------

Net pension expense is reported in governmental funds as expenditures as they are paid; however, in the statement of activities, the net position expense is reported according to estimates required by GASB Statement 68. This is the amount that the pension estimate exceeds the pension expenses paid in the current year.	25,578
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The issuance of long-term debt (notes payable and capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt.	65,969
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Change in Net Position of Governmental Activities, Statement B	\$ 378,643
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## **PROPRIETARY FUNDS**

## TOWN OF WOODVILLE, MISSISSIPPI

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS

SEPTEMBER 30, 2022

<u>ASSETS</u>	<u>Enterprise Fund</u>
Current assets	
Cash	\$ 73,259
Accounts receivable, net of allowance for doubtful accounts of \$118,449	312,865
Total current assets	<u>\$ 386,124</u>
Noncurrent assets	
Restricted assets	
Cash reserved for revenue bonds	\$ 135,351
Cash reserved for construction projects	473,567
Cash reserved for customer meter deposits	120,048
Total restricted assets	<u>\$ 728,966</u>
Fixed assets	
Distribution systems	\$ 9,301,104
Accumulated depreciation	(4,092,150)
Fixed assets (net of accumulated depreciation)	<u>\$ 5,208,954</u>
Total assets	<u><u>\$ 6,324,044</u></u>
<u>LIABILITIES</u>	
Current liabilities (payable from current assets)	
Accounts payable	\$ 59,966
Accrued liabilities	17,336
Accrued interest payable	1,791
Due to other funds	9,495
Bonds and notes payable, due within one year	76,905
Total current liabilities (payable from current assets)	<u>\$ 165,493</u>
Current liabilities (payable from restricted assets)	
Customer deposits payable	\$ 120,048
Total current liabilities (payable from restricted assets)	<u>\$ 120,048</u>
Long-term liabilities	
Compensated absences	\$ 23,926
Bonds and notes payable	1,979,167
Total long-term liabilities	<u>\$ 2,003,093</u>
Total liabilities	<u>\$ 2,288,634</u>
<u>NET POSITION</u>	
Net investment in capital assets	\$ 3,152,882
Restricted for:	
Debt service	135,351
Deposits related to construction projects	473,567
Deposits for operations and maintenance	120,048
Unrestricted	153,562
Total net position	<u>\$ 4,035,410</u>
Total liabilities and net position	<u><u>\$ 6,324,044</u></u>

See accompanying notes to the basic financial statements.

TOWN OF WOODVILLE, MISSISSIPPI

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

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Enterprise Fund</u>
<b><u>OPERATING REVENUES</u></b>	
Charges for services:	
Water sales	\$ 432,690
Sewer charges	235,505
Gas sales	491,366
MTC revenues	113,738
	<hr/>
Total operating revenues	\$ 1,273,299
	<hr/>
<b><u>OPERATING EXPENSES</u></b>	
Personel services	\$ 399,540
Purchase of utilities provided	338,730
Materials and supplies	165,800
Repairs and maintenance	5,155
Depreciation	160,453
Utilities and telephone	140,418
Insurance	13,668
Other operating expenses	209,133
	<hr/>
Total operating expenses	\$ 1,432,897
	<hr/>
Operating income, net	\$ (159,598)
	<hr/>
<b><u>NONOPERATING REVENUES (EXPENSES)</u></b>	
Interest earnings	\$ 937
Other income	103,980
Interest expense	(51,836)
	<hr/>
Total nonoperating revenues (expenses)	\$ 53,081
	<hr/>
Net income before contributions and transfers	\$ (106,517)
	<hr/>
Capital grants and contributions	80,932
Transfers out	(98,076)
	<hr/>
Change in net position	\$ (123,661)
	<hr/>
Total net position - beginning	\$ 4,159,071
	<hr/>
Total net position - ending	\$ 4,035,410
	<hr/>

See accompanying notes to the basic financial statements.

TOWN OF WOODVILLE, MISSISSIPPI

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Enterprise Fund</u>
<b><u>Cash Flows From Operating Activities</u></b>	
Cash received from customers	\$ 1,275,217
Cash payments to suppliers for goods and services	(939,666)
Cash payments to and on behalf of employees for services	(391,025)
Net cash provided by operating activities	<u>\$ (55,474)</u>
<b><u>Cash Flows From Noncapital Financing Activities</u></b>	
Uses by other expenses	\$ 103,860
Operating transfers - out	(98,076)
Net cash used for noncapital financing activities	<u>\$ 5,784</u>
<b><u>Cash Flows From Capital and Related Financing Activities</u></b>	
Capital grants and contributions	\$ 80,932
Principal paid on bonds and notes	(74,820)
Interest paid on bonds	(51,836)
Construction of water and sewer system improvements	(51,998)
Net cash used for capital and related financing activities	<u>\$ (97,722)</u>
<b><u>Cash Flows From Investing Activities</u></b>	
Interest on temporary investments	\$ 937
Net cash provided by investing activities	<u>\$ 937</u>
Net increase in cash and cash equivalents	\$ (146,475)
Cash and cash equivalents - beginning of year	<u>948,700</u>
Cash and cash equivalents - end of year	<u><u>\$ 802,225</u></u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>	
Operating income	<u>\$ (159,598)</u>
<b>Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities</b>	
Depreciation	\$ 160,453
Provision for bad debts	6,848
Change in assets and liabilities:	
(Increase) decrease in:	
Accounts receivable	(1,711)
Increase (decrease) in:	
Accounts payable	(66,762)
Accrued liabilities	1,667
Customer deposits	3,629
Total adjustments	<u>\$ 104,124</u>
Net cash provided by operating activities	<u><u>\$ (55,474)</u></u>

See accompanying notes to the basic financial statements.

## **NOTES TO THE BASIC FINANCIAL STATEMENTS**

**TOWN OF WOODVILLE, MISSISSIPPI**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**INTRODUCTION**

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

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

The Governmental Accounting Standards Board (GASB) Statement 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 14, fiscally independent means that the municipality may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt.

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

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

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

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

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



TOWN OF WOODVILLE, MISSISSIPPI  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

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

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

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

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

The municipality reports the following major governmental funds:

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

The municipality reports the following major proprietary fund:

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

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

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

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

**TOWN OF WOODVILLE, MISSISSIPPI**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

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

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

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

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

**C. Cash and Cash Equivalents**

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

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

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

**D. Investments**

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

**E. Receivables and Payables**

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

**TOWN OF WOODVILLE, MISSISSIPPI**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

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

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

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

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

**F. Inventories**

For both governmental and proprietary funds, purchase of various operating supplies are regarded as expenditures or expenses at the time purchased, and inventories of such supplies (if any) are not recorded as assets at the close of the fiscal year. For the year ending September 30, 2022, these amounts were considered to be immaterial to the financial statements taken as a whole.

**G. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost, or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The municipality maintains a threshold level of \$1,000 or more for capitalizing capital assets used in the governmental funds.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

**TOWN OF WOODVILLE, MISSISSIPPI**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

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

**G. Capital Assets (continued)**

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

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

**H. 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	\$ <u>201,400</u>
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In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Deferred inflows related to pensions	\$ <u>                    </u> -
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See Note 12 for further details.

**I. Compensated Absences**

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

**TOWN OF WOODVILLE, MISSISSIPPI**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

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

**J. Long-Term Obligations**

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

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

**K. Pensions**

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

**L. Equity Classification**

During the current fiscal year, Town of Woodville, Mississippi implemented the provisions of GASB Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB Statement 63 provides financial reporting guidance for deferred outflows and deferred inflows of resources as a consumption of net position applicable to a future reporting period and an acquisition of net position applicable to a future reporting period, respectively.

Furthermore, GASB Statement 63 requires equity to be classified as net position and displayed in three components: (1) net investment in capital assets—consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets; (2) restricted net position—consists of net position with constraints placed on the use either by (a) external groups such as creditors, grantors, contributions, or laws or regulations of other governments, or (b) law through constitutional provisions or enabling legislation; and (3) unrestricted net position—all other net position that do not meet the definition of "restricted" or "net investment in capital assets."

The government-wide statement of net position reports \$1,333,770 of restricted net position, all of which is restricted by enabling legislation.

**TOWN OF WOODVILLE, MISSISSIPPI**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

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

**L. Equity Classification (continued)**

**Fund financial statements:**

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

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

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

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

**M. Estimates**

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

**TOWN OF WOODVILLE, MISSISSIPPI**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

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

Budgets and Budgetary Accounting

Town of Woodville, Mississippi follows these procedures establishing budgetary data reflected in the financial statements:

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

**NOTE 3 - PROPERTY TAX**

Real and personal property taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied in September and payable on or before February 1. These taxes and public utilities tax are collected by Town of Woodville, Mississippi. Auto and mobile home property taxes are collected and remitted to Town of Woodville, Mississippi by the county tax collector. The millage rate for Town of Woodville, Mississippi for January through December 2022, was 55.62 mills, broken down as follows:

General Fund	55.62 mills
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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.

**TOWN OF WOODVILLE, MISSISSIPPI**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**NOTE 3 - PROPERTY TAX (continued)**

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

**NOTE 4 - RECEIVABLES**

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

	<u>General</u>	<u>Enterprise</u>	<u>Total</u>
Receivables:			
Customer accounts	\$ 22,155	\$ 304,761	\$ 326,916
Due from other governments	20,969	126,553	147,522
Due from other agencies	<u>15,424</u>	<u>-</u>	<u>15,424</u>
Gross receivables	\$ 58,548	\$ 431,314	\$ 489,862
Less allowance for uncollectibles	<u>(9,819)</u>	<u>(118,449)</u>	<u>(128,268)</u>
Net total receivables	<u>\$ 48,729</u>	<u>\$ 312,865</u>	<u>\$ 361,594</u>

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

**NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES**

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

	<u>Due From</u>	<u>Due To</u>
General fund	\$ 14,681	\$ -
Enterprise fund	-	9,945
Special revenue fund:		
Agency funds:		
Payroll clearing	-	8,937
Accounts payable clearing	5,508	-
Credit card clearing	<u>-</u>	<u>1,307</u>
Total all funds	<u>\$ 20,189</u>	<u>\$ 20,189</u>



**TOWN OF WOODVILLE, MISSISSIPPI**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**NOTE 6 – CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended September 30, 2022, is as follows:

	Beginning Balance 9/30/2021	Increases	Decreases	Ending Balance 9/30/2022
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 424,757	\$ -	\$ -	\$ 424,757
Total capital assets, not being depreciated	\$ 424,757	\$ -	\$ -	\$ 424,757
Capital assets being depreciated				
Buildings	\$ 1,209,447	\$ -	\$ -	\$ 1,209,447
Machinery and equipment	242,315	13,064	-	255,379
Vehicles	570,298	27,197	-	597,495
Other improvements	601,071	124,754	-	725,825
Total capital assets being depreciated	\$ 2,623,131	\$ 165,015	\$ -	\$ 2,788,146
Less accumulated depreciation for:				
Buildings	\$ (239,080)	\$ (24,064)	\$ -	\$ (263,144)
Machinery and equipment	(204,246)	(10,831)	-	(215,077)
Vehicles	(447,455)	(5,102)	-	(452,557)
Other improvements	(317,100)	(33,238)	-	(350,338)
Total accumulated depreciation	\$ (1,207,881)	\$ (73,235)	\$ -	\$ (1,281,116)
Total capital assets being depreciated, net	\$ 1,415,250	\$ 91,780	\$ -	\$ 1,507,030
Governmental activities capital assets, net	\$ 1,840,007	\$ 91,780	\$ -	\$ 1,931,787
Business-type activities:				
Capital assets, not being depreciated				
Construction in progress	\$ 2,242,774	\$ 51,998	\$ -	\$ 2,294,772
Total capital assets, not being depreciated	\$ 2,242,774	\$ 51,998	\$ -	\$ 2,294,772
Capital assets being depreciated				
Distribution systems	\$ 6,745,672	\$ -	\$ -	\$ 6,745,672
Machinery, equipment, and vehicles	260,660	-	-	260,660
Total capital assets being depreciated	\$ 7,006,332	\$ -	\$ -	\$ 7,006,332
Less accumulated depreciation for:				
Distribution systems	\$ (3,681,116)	\$ (144,056)	\$ -	\$ (3,825,172)
Machinery, equipment, and vehicles	(250,701)	(16,277)	-	(266,978)
Total accumulated depreciation	\$ (3,931,817)	\$ (160,333)	\$ -	\$ (4,092,150)
Total capital assets being depreciated, net	\$ 3,074,515	\$ (160,333)	\$ -	\$ 2,914,182
Business-type activities capital assets, net	\$ 5,317,289	\$ (108,335)	\$ -	\$ 5,208,954

**TOWN OF WOODVILLE, MISSISSIPPI**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**NOTE 6 - CAPITAL ASSETS (continued)**

Depreciation expense for the year ended September 30, 2022, was charged to the following governmental functions:

General government	\$ 6,057
Public safety	33,978
Streets	31,767
Cemetery	<u>1,433</u>
Total	<u>\$ 73,235</u>

**NOTE 7 - CONSTRUCTION COMMITMENTS**

The municipality has active construction projects as of September 30, 2022. At year end, the commitments with contractors are as follows:

<u>Project</u>	<u>Spent To Date</u>	<u>Remaining Commitment</u>
RUS loan - water system project	\$ 2,294,772	\$ -

**NOTE 8 - INTERFUND TRANSFERS**

Interfund transfers during the year ended September 30, 2022, were as follows:

- \$98,076 was transferred from the enterprise fund to the general fund to cover expenses of operations.
- \$86,813 was transferred from the general fund to the debt service fund to cover principal and interest payments due.
- \$225,931 was transferred from the general fund to the ARPA grant fund to cover future spending by the fund.
- \$60,500 was transferred from the general fund to the modernization use fund to cover future spending by the fund.

**NOTE 9 - ACCOUNTS, SALARIES, AND OTHER PAYABLES**

The payables at September 30, 2022, are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Accounts payable - trade	\$ 48,498	\$ 59,966	\$ 108,464
Accrued salaries, wages, and payroll taxes	22,775	17,336	40,111
Other accrued liabilities	<u>-</u>	<u>1,791</u>	<u>1,791</u>
Totals	<u>\$ 71,273</u>	<u>\$ 79,093</u>	<u>\$ 150,366</u>

TOWN OF WOODVILLE, MISSISSIPPI  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

NOTE 10 – LONG-TERM DEBT

	General Obligation			Enterprise Fund	
	Bonds Payable	Notes Payable	Totals	Bond, Notes, Capital Leases Payable	Totals
Balances, September 30, 2021	\$ 328,600	\$ 129,527	\$ 458,127	\$ 2,130,892	\$ 2,589,019
Reduction	(51,000)	(14,926)	(65,926)	(74,820)	(140,746)
Addition	\$ 277,600	\$ 114,601	\$ 392,201	\$ 2,056,072	\$ 2,448,273
Balances, September 30, 2022	\$ 277,600	\$ 114,601	\$ 392,201	\$ 2,056,072	\$ 2,448,273
Less: current portion	(52,200)	(15,688)	(67,888)	(76,905)	(144,793)
Long-term portion	<u>\$ 225,400</u>	<u>\$ 98,913</u>	<u>\$ 324,313</u>	<u>\$ 1,979,167</u>	<u>\$ 2,303,480</u>

Long-term debt as of September 30, 2022, is comprised of the following:

General Obligation

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

\$ 182,600

General obligation note payable to Concordia Bank & Trust to finance a portion of the new municipal building in the amount of \$222,884, dated October 24, 2013, payable in monthly installments of principal and interest in the amount of \$1,706.05 and maturing on December 24, 2023, with an interest rate of 4.99%.

114,601

2010 General Obligation Street Bonds payable to finance street improvements in the amount of \$325,000, dated July 6, 2010, payable in annual installments of principal and interest commencing on August 1, 2011, and maturing August 1, 2005, with an interest rate of 5%.

95,000

Total general obligation

\$ 392,201

Less: current portion

(67,888)

Long-term portion

\$ 324,313

**TOWN OF WOODVILLE, MISSISSIPPI**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 20, 2022**

**NOTE 10 - LONG-TERM DEBT (continued)**

**Enterprise Fund**

USDA to finance the construction of water system improvements in the amount of \$1,451,341, dated December 11, 2019, and payable thereafter in installments of principal and interest in the amount of \$62,920, maturing on December 11, 2053. \$ 1,387,365

Combined Water and Sewer Bond payable to finance the construction of water and sewer system improvements in the amount of \$715,600, dated November 14, 2001, with interest only on November 14, 2002, and November 14, 2003, and payable thereafter in annual installments of principal and interest in the amount of \$42,041, maturing on November 14, 2036, with an interest rate of 4.5%. 440,981

Note payable to Mississippi Department of Environmental Quality to finance the construction and improvement of the MTC's wastewater system to comply with the enforceable requirements of the Clean Water Act, dated January 29, 2013, payable in monthly installments of \$1,124.68, with an interest rate of 1.75% and maturing December 2032. 106,261

Note payable to Mississippi Department of Environmental Quality to finance the construction and improvement of Town of Woodville, Mississippi's wastewater system to comply with the enforceable requirements of the Clean Water Act, dated May 2015, payable in monthly installments of \$1,061.81, with an interest rate of 1.75% and maturing March 2033. 121,465

Total enterprise fund \$ 2,056,072

Less: current portion (76,905)

Long-term portion \$ 1,979,167

The annual requirements amortize all outstanding debt as of September 30, 2022, including interest payments are as follows:

Fiscal Year Ending September 30	General Obligation		Enterprise Fund		Totals
	Bonds, Notes Payable, and Leases		Bonds and Notes Payable		
	Principal	Interest	Principal	Interest	
2023	\$ 67,888	\$ 17,737	\$ 76,905	\$ 54,301	\$ 216,831
2024	154,700	11,237	79,060	52,145	297,142
2025	64,700	7,306	81,285	49,920	203,211
2026	31,000	4,257	83,585	47,621	166,463
2027	32,400	2,901	85,960	45,245	166,506
2028-2032	41,513	1,483	468,324	187,706	699,026
2033-2037	-	-	381,145	120,499	501,644
2038-2042	-	-	234,960	79,640	314,600
2043-2047	-	-	262,609	51,991	314,600
2048-2052	-	-	293,513	21,087	314,600
2053	-	-	8,726	196	8,922
Totals	\$ 392,201	\$ 44,921	\$ 2,056,072	\$ 710,351	\$ 3,203,545

**TOWN OF WOODVILLE, MISSISSIPPI**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**NOTE 10 – LONG-TERM DEBT (continued)**

Retirement of general obligation debt is to be made by annual transfers of General Fund revenue in the amounts necessary to retire principal and interest currently due. There are a number of limitations and restrictions contained in the various bond indentures. Town of Woodville, Mississippi is in compliance with all significant limitations and restrictions. The following is a schedule of limitations of the indebtedness of Town of Woodville, Mississippi at September 30, 2022:

Assessed valuation for the fiscal year ended September 30, 2022	\$ 7,140,741
Percent limitation	<u>15%</u>
Authorized debt limit	\$ 1,071,111
Present debt service to 15% limitation	<u>392,201</u>
Margin for additional debt	<u>\$ 678,910</u>

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

**NOTE 11 – DEFINED BENEFIT PENSION PLAN**

*Plan Description.* Town of Woodville, Mississippi contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing, multiple-employer defined, benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state law and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to Public Employees' Retirement System, PERS Building, 429 Mississippi Street, Jackson, Mississippi 39201-1005 or by calling (601) 359-3589 or 1-800-444-PERS.

*Funding Policy.* PERS members are required to contribute 9% of their annual covered salary, and Town of Woodville, Mississippi is required to contribute at an actuarially determined rate. The employer contribution rate is 17.40% for the current fiscal year for annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature.

*Benefits provided.* Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi, state universities, community and junior colleges, and teachers and employees of the public school districts. For those persons employed by political subdivisions and instrumentalities of the State of Mississippi, membership is contingent upon approval of the entity's participation in PERS by the PERS Board of Trustees. If approved, membership for the entity's employees is a condition of employment, and eligibility is granted to those who qualify upon hiring. Participating members who are vested and retire at or after age 60 or those who retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2% 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% 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% 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% compounded for each fiscal year thereafter. Plan provisions are established and may be amended only by the State of Mississippi Legislature.

**TOWN OF WOODVILLE, MISSISSIPPI**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**NOTE 11 - DEFINED BENEFIT PENSION PLAN (continued)**

*Contributions.* PERS members are required to contribute 9% of their annual covered salary, and Town of Woodville, Mississippi is required to contribute at an actuarially determined rate. The employer's rate as of September 30, 2022, was 17.40% 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. Town of Woodville, Mississippi's contributions to PERS for the years ending September 30, 2022, 2021, and 2020, were \$129,766, \$130,606, and \$132,899, respectively, equal to the required contributions for each year.

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

At September 30, 2022, Town of Woodville, Mississippi reported a liability of \$2,099,531 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Town of Woodville, Mississippi's proportion of the net pension liability was based on a projection of Town of Woodville, Mississippi's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. At June 30, 2022, Town of Woodville, Mississippi's proportion was .0102%.

For the year ended June 30, 2022, Town of Woodville, Mississippi recognized pension expense of \$237,659. At September 30, 2022, Town of Woodville, Mississippi reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 21,758	\$ -
Net difference between projected and actual earnings on pension plan investments	88,222	-
Changes of assumptions	53,900	-
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	-	-
Town of Woodville, Mississippi's contributions subsequent to the measurement date	<u>37,520</u>	<u>-</u>
Total	<u>\$ 201,400</u>	<u>\$ -</u>

\$37,520 reported as deferred outflows of resources related to pensions resulting from Town of Woodville, Mississippi's contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**TOWN OF WOODVILLE, MISSISSIPPI**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**NOTE 11 - DEFINED BENEFIT PENSION PLAN (continued)**

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

Year ended June 30:		
2023	\$	48,741
2024		48,741
2025		44,343
2026		22,056
2027		-
Thereafter		-

*Actuarial assumptions.* The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.00 – 18.25%, including inflation
Investment rate of return	7.75%, net of pension plan investment expense, including inflation

Mortality rates were based on the Pub S.H-2010(B) Retiree Table with the following adjustments:

For males, 95% of male rates up to age 60, 110% for ages 61 to 75 and 101% for ages above 77. For females, 84% of female rates up to age 72 and 100% for ages above 76. Mortality rates for disability retirees were based on the PubG.H-2010 Disabled Table adjusted 134% for males and 121% for females. Mortality rates for Contingent Annuitants were based on the PubS.H-2010(B) Contingent Annuitant Table, adjusted 97% for males and 110% for females. Mortality rates will be projected generationally using the MP-2020 projection scale to account for future improvements in life expectancy. The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2016 to June 30, 2020. The experience report is dated April 20, 2021.

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

**TOWN OF WOODVILLE, MISSISSIPPI**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**NOTE 11 - DEFINED BENEFIT PENSION PLAN (continued)**

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	25%	4.60%
International equity	20%	4.50%
Global equity	12%	4.85%
Fixed income	18%	1.40%
Real estate	10%	3.65%
Private equity	10%	6.00%
Private Infrastructure	2%	4.00%
Private Credit	2%	4.00%
Cash equivalents	1%	(0.10)%
 Total	 <u>100%</u>	

*Discount rate.* The discount rate used to measure the total pension liability was 7.55%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of Town of Woodville, Mississippi's proportionate share of the net pension liability to changes in the discount rate.* The following presents Town of Woodville, Mississippi's proportionate share of the net pension liability calculated using the discount rate of 7.55%, as well as what Town of Woodville, Mississippi's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.55%) or 1-percentage-point higher (8.55%) than the current rate:

	<u>1% Decrease (6.55%)</u>	<u>Current Discount Rate (7.55%)</u>	<u>1% Increase (8.55%)</u>
Town's proportionate share of the net pension liability	\$ 2,740,103	\$ 2,099,531	\$ 1,571,413

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



**TOWN OF WOODVILLE, MISSISSIPPI**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**NOTE 12 - INTERGOVERNMENTAL REVENUES**

Intergovernmental revenues for the year ended September 30, 2022, consisted of the following:

	General Fund	Enterprise Fund	Totals
State			
Sales tax allocation	\$ 318,756	\$ -	\$ 318,756
Payment in lieu of taxes	13,796	-	13,796
General municipal aid	16,977	-	16,977
Gasoline tax	2,894	-	2,894
Liquor privilege tax	900	-	900
Homestead exemption reimbursement	11,450	-	11,450
Other aid and grants	<u>204,525</u>	<u>-</u>	<u>204,525</u>
Total intergovernmental revenues	<u>\$ 569,298</u>	<u>\$ -</u>	<u>\$ 569,298</u>

**NOTE 13 - SEGMENT INFORMATION FOR ENTERPRISE FUND**

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

	Water	Sewer	Gas	MTC	Total
Operating revenues	\$ 432,690	\$ 235,505	\$ 491,366	\$ 113,738	\$ 1,273,299
Operating expenses	(362,676)	(209,419)	(272,111)	(89,510)	(933,716)
Purchase of utilities	-	-	(338,730)	-	(338,730)
Capital grants	5,401	75,531	-	-	80,932
Depreciation	<u>(59,403)</u>	<u>(85,052)</u>	<u>(12,253)</u>	<u>(3,743)</u>	<u>(160,451)</u>
Operating income	<u>\$ 16,012</u>	<u>\$ 16,565</u>	<u>\$ (131,728)</u>	<u>\$ 20,485</u>	<u>\$ (78,666)</u>
Interest income					\$ 937
Other revenues					103,980
Interest expense					(51,836)
Operating transfers, net					<u>(98,076)</u>
Change in net position					<u>\$ (123,661)</u>

**TOWN OF WOODVILLE, MISSISSIPPI**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**NOTE 14 - ACCUMULATED UNPAID ANNUAL LEAVE AND SICK PAY**

Employees of Town of Woodville, Mississippi earn annual and sick leave as designated in the personnel policies adopted by Town of Woodville, Mississippi. Town of Woodville, Mississippi is responsible for up to 15 days of annual leave for each employee depending on years of continuous service. Town of Woodville, Mississippi is responsible for up to 12 days of sick leave per year for each employee depending on years of continuous service. There is no maximum on the accumulation of sick leave. All unused major medical leave shall be creditable service for the purpose of retirement. Upon termination of employment, each employee shall be paid for not more than 30 days of accumulated sick leave.

**NOTE 15 - RISK MANAGEMENT**

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

**NOTE 16 - CONTINGENT LIABILITIES**

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

**REQUIRED SUPPLEMENTARY INFORMATION (PART II)**

**TOWN OF WOODVILLE, MISSISSIPPI**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b><u>REVENUES</u></b>				
Ad valorem and franchise taxes	\$ 339,300	\$ 339,300	\$ 339,866	\$ 566
Licenses and permits	2,400	2,400	5,715	3,315
Intergovernmental	474,000	474,000	569,298	95,298
Charges for services	131,925	131,925	134,773	2,848
Fines	67,000	67,000	81,762	14,762
Interest	250	250	227	(23)
Miscellaneous	9,000	9,000	214,755	205,755
Total revenues	<u>\$ 1,023,875</u>	<u>\$ 1,023,875</u>	<u>\$ 1,346,396</u>	<u>\$ 322,521</u>
<b><u>EXPENDITURES</u></b>				
General government	\$ 274,600	\$ 274,600	\$ 285,743	\$ (11,143)
Public safety:				
Police and court	539,936	539,936	475,561	64,375
Fire	28,154	28,154	19,408	8,746
Streets	236,339	236,339	141,518	94,821
Sanitation	111,425	111,425	121,153	(9,728)
Cemetery	66,078	66,078	105,200	(39,122)
Total expenditures	<u>\$ 1,256,532</u>	<u>\$ 1,256,532</u>	<u>\$ 1,148,583</u>	<u>\$ 107,949</u>
Revenues over (under) expenditures	<u>\$ (232,657)</u>	<u>\$ (232,657)</u>	<u>\$ 197,813</u>	<u>\$ 430,470</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Operating transfers - in	\$ 279,657	\$ 279,657	\$ 98,076	\$ (181,581)
Operating transfers - out	-	-	(373,244)	(373,244)
Total other financing sources (uses)	<u>\$ 279,657</u>	<u>\$ 279,657</u>	<u>\$ (275,168)</u>	<u>\$ (554,825)</u>
Excess revenues and other sources under expenditures and other uses	<u>\$ 47,000</u>	<u>\$ 47,000</u>	<u>\$ (77,355)</u>	<u>\$ (124,355)</u>
Fund balance - beginning of year	<u>\$ 212,128</u>	<u>\$ 212,128</u>	<u>\$ 212,128</u>	<u>\$ -</u>
Fund balance - end of year	<u>\$ 259,128</u>	<u>\$ 259,128</u>	<u>\$ 134,773</u>	<u>\$ (124,355)</u>

See Independent Auditor's Report.

**TOWN OF WOODVILLE, MISSISSIPPI**

**SCHEDULE OF TOWN OF WOODVILLE, MISSISSIPPI'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY**

**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

<b>PERS: Last 10 Fiscal Years*</b>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Town of Woodville, Mississippi's proportion of the net pension liability (asset)	0.010%	0.011%	0.012%	0.012%	0.013%	0.012%	0.012%
Town of Woodville, Mississippi's proportionate share of the net pension liability (asset)	\$ 2,099,531	\$ 1,679,189	\$ 2,264,984	\$ 2,198,997	\$ 21,095,754	\$ 2,061,301	\$ 2,189,763
Town of Woodville, Mississippi's covered-employee payroll	\$ 725,273	\$ 756,467	\$ 763,787	\$ 822,505	\$ 799,990	\$ 787,529	\$ 784,216
Town of Woodville, Mississippi's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	289%	221%	297%	267%	262%	262%	279%
Plan fiduciary net position as a percentage of the total pension liability	60%	70%	59%	62%	63%	61%	62%

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

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB 68 was implemented in FYE June 30, 2015, and, until a full 10-year trend is compiled, Town of Woodville, Mississippi has only presented information for the years which information is available.

TOWN OF WOODVILLE, MISSISSIPPI

SCHEDULE OF TOWN OF WOODVILLE, MISSISSIPPI'S COONTRIBUTIONS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

PERS: Last 10 Fiscal Years*	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 126,197	\$ 130,606	\$ 132,899	\$ 132,946	\$ 125,998	\$ 124,036	\$ 123,514
Contribution in relation to the contractually required contribution	<u>(129,766)</u>	<u>(130,606)</u>	<u>(132,899)</u>	<u>(132,946)</u>	<u>(125,998)</u>	<u>(124,036)</u>	<u>(123,514)</u>
Contribution deficiency (excess)	<u>\$ (3,569)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town of Woodville, Mississippi's covered-employee payroll	\$ 725,273	\$ 756,467	\$ 763,787	\$ 822,505	\$ 799,990	\$ 787,529	\$ 784,216
Contributions as a percentage of covered-employee payroll	17.89%	17.27%	17.40%	16.16%	15.75%	15.75%	15.75%

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

\* This schedule is presented to illustrate the requirement to show information for 10 years However, GASB 68 was implemented in FYE June 30, 2015, and, until a full 10-year trend is compiled, Town of Woodville, Mississippi has only presenteD information for the years which information is available.

## OTHER SUPPLEMENTARTY INFORMATION

**COMBINING SCHEDULE OF NONMAJOR GOVERNMENTAL FUNDS**



**SEPTEMBER 30, 2022**

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See Independent Auditor's Report.

## TOWN OF WOODVILLE, MISSISSIPPI

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

SEPTEMBER 30, 2022

	Debt Service Fund	Total Nonmajor Governmental Funds
<b><u>REVENUES</u></b>		
Intergovernmental	\$ -	\$ -
Total revenues	\$ -	\$ -
<b><u>EXPENDITURES</u></b>		
Principal	\$ 65,926	\$ 65,926
Interest	20,887	20,887
Total expenditures	\$ 86,813	\$ 86,813
Revenues under expenditures	\$ (86,813)	\$ (86,813)
<b><u>OTHER FINANCING SOURCES</u></b>		
Operating transfers - in	\$ 86,813	\$ 86,813
Total other financing sources	\$ 86,813	\$ 86,813
Excess revenues and other sources over expenditures	\$ -	\$ -
Fund balance - beginning of year	-	-
Fund balance - end of year	\$ -	\$ -

See Independent Auditor's Report.

## TOWN OF WOODVILLE, MISSISSIPPI

SCHEDULE RECONCILING ORIGINAL AD VALOREM TAX ROLLS TO  
FUND COLLECTIONS ON 2021 AD VALOREM TAXES

FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Assessed Value	Tax
Assessed valuation		
Real property	\$ 4,102,706	\$ 228,193
Personal property	553,610	30,792
Auto and mobile home	910,202	50,626
Public utilities	393,710	21,898
Total at 55.62 mills	<u>\$ 5,960,228</u>	<u>\$ 331,509</u>
Less: Homestead credit allowed		(29,484)
Add: Prior-year collections		-
Add: Additional forest distribution		-
Add: Actual homestead reimbursement		<u>11,797</u>
Total to be accounted for		<u><u>\$ 313,822</u></u>

	Taxes	Homestead Reimbursement	Totals
Credits			
Collection allocated to:			
General Fund	\$ 300,182	\$ 11,450	\$ 311,632
Balance represented by			
Unpaid real and personal			2,190
Unaccounted for			<u>-</u>
Total accounted for			<u><u>\$ 313,822</u></u>

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

**TOWN OF WOODVILLE, MISSISSIPPI**  
**SCHEDULE OF INVESTMENTS - ALL FUNDS**

**SEPTEMBER 30, 2022**

	<u>Rate</u>	<u>Principal Balance</u>	<u>Carrying Value</u>	<u>Fair Market Value</u>
<b>General Fund</b>				
<u>Restricted Funds</u>				
Concordia Bank & Trust				
Savings and checking accounts				
Cemetery funds	0.25%	\$ 59,984	\$ 59,984	\$ 59,984
Fire rebate funds	0.25%	21,328	21,328	21,328
Sidewalk repair	0.25%	72	72	72
Future growth fund	0.25%	32,214	32,214	32,214
ARPA fund	0.25%	226,362	226,362	226,362
Tax Modernization funds	0.25%	67,977	67,977	67,977
Accounts payable fund	0.25%	(4,987)	(4,987)	(4,987)
Payroll fund	0.25%	8,924	8,924	8,924
Credit card clearing fund	0.25%	1,309	1,309	1,309
Total general fund restricted investments		<u>\$ 413,183</u>	<u>\$ 413,183</u>	<u>\$ 413,183</u>
<b>Enterprise Fund</b>				
<u>Restricted Funds</u>				
Concordia Bank & Trust				
Certificates of deposit and checking accounts:				
Water and sewer system	0.25%	\$ 34,235	\$ 34,235	\$ 34,235
Operating cash - reserved for deposits	0.25%	553,184	553,184	553,184
Water improvement and capital projects	0.25%	124	124	124
CCA reserve	0.25%	5,971	5,971	5,971
CDBG fund	0.25%	100	100	100
Bond cushion fund	0.25%	47,487	47,487	47,487
Contingent fund	0.25%	23,694	23,694	23,694
Depreciation fund	0.25%	23,744	23,744	23,744
Bond and interest-sinking fund	0.25%	40,427	40,427	40,427
Total enterprise fund restricted investments		<u>\$ 728,966</u>	<u>\$ 728,966</u>	<u>\$ 728,966</u>
Total investments - all funds		<u><u>\$ 1,142,149</u></u>	<u><u>\$ 1,142,149</u></u>	<u><u>\$ 1,142,149</u></u>

See Independent Auditor's Report.

TOWN OF WOODVILLE, MISSISSIPPI  
 SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS  
 SEPTEMBER 30, 2022

<u>Name</u>	<u>Position</u>	<u>Insurance Company</u>	<u>Amount</u>
Andrew Pierson	Mayor	Travelers Casualty & Surety	\$ 50,000
Frances Bailey	Alderman	Travelers Casualty & Surety	\$ 25,000
Louis D'Aquila	Alderman	Travelers Casualty & Surety	\$ 25,000
William Carter	Alderman	Travelers Casualty & Surety	\$ 25,000
Homer Lofton	Alderman	Western Surety Company	\$ 50,000
Pawlawski D. Adams	Town Clerk	Western Surety Company	\$ 50,000
Kimberly Veals	Deputy Clerk	Western Surety Company	\$ 50,000
Tarwonna Walker	Deputy Clerk	Western Surety Company	\$ 50,000
Lemuel Rutledge	Chief of Police	Western Surety Company	\$ 50,000

See Independent Auditor's Report.

**TOWN OF WOODVILLE, MISSISSIPPI**  
**SCHEDULE OF LONG-TERM DEBT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Balance Outstanding 10/1/2021	Transactions During Year		Balance Outstanding 9/30/2022
		Issued	Redeemed	
<b>General Obligation Bonds</b>				
<u>Governmental Funds:</u>				
2010 street bonds	\$ 120,000	\$ -	\$ 25,000	\$ 95,000
Municipal building	208,600	-	26,000	182,600
Total general obligation bonds	<u>\$ 328,600</u>	<u>\$ -</u>	<u>\$ 51,000</u>	<u>\$ 277,600</u>
<b>Revenue Bonds</b>				
<u>Enterprise Fund:</u>				
Combined water and sewer bonds	<u>\$ 462,653</u>	<u>\$ -</u>	<u>\$ 21,672</u>	<u>\$ 440,981</u>
<b>Notes Payable</b>				
<u>Governmental Funds:</u>				
Municipal multi-purpose building	<u>\$ 129,527</u>	<u>\$ -</u>	<u>\$ 14,926</u>	<u>\$ 114,601</u>
Total governmental funds notes payable	<u>\$ 129,527</u>	<u>\$ -</u>	<u>\$ 14,926</u>	<u>\$ 114,601</u>
<u>Enterprise Fund:</u>				
MDEQ - MTC	\$ 137,729	\$ -	\$ 31,468	\$ 106,261
MDEQ - Town	132,640	-	11,175	121,465
USDA - water system improvement	<u>1,397,870</u>	<u>-</u>	<u>10,505</u>	<u>1,387,365</u>
Total enterprise fund notes payable	<u>\$ 1,668,239</u>	<u>\$ -</u>	<u>\$ 53,148</u>	<u>\$ 1,615,091</u>
Total bond and notes payable	<u>\$ 2,589,019</u>	<u>\$ -</u>	<u>\$ 140,746</u>	<u>\$ 2,448,273</u>
<b>Other Long-Term Debt</b>				
<u>Governmental Funds:</u>				
Compensated absences	\$ 25,112	\$ -	\$ 6,739	\$ 18,373
<u>Enterprise Fund:</u>				
Compensated absences	<u>26,313</u>	<u>-</u>	<u>2,387</u>	<u>23,926</u>
Total other long-term debt	<u>\$ 51,425</u>	<u>\$ -</u>	<u>\$ 9,126</u>	<u>\$ 42,299</u>
Total long-term debt	<u><u>\$ 2,640,444</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 149,872</u></u>	<u><u>\$ 2,490,572</u></u>

See Independent Auditor's Report.

**TOWN OF WOODVILLE, MISSISSIPPI**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

**Budgetary Comparison Schedule**

**1. Basis of Presentation**

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

**2. Budget Amendments and Revisions**

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

## **INTERNAL CONTROL AND COMPLIANCE REPORTS**





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**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  
Woodville, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Woodville, Mississippi as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise Town of Woodville, Mississippi's basic financial statements, and have issued our report thereon dated May 16, 2023.

**Internal Control Over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings to be a material weakness: 2022-01.

*A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. No significant deficiencies were identified during our audit.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of Woodville, Mississippi's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

## 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. Town of Woodville, Mississippi's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## Purpose of this Report

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

A handwritten signature in black ink that reads "Silas Simmons, CPA". The signature is written in a cursive, flowing style.

Natchez, Mississippi  
May 16, 2023

## **SCHEDULE OF FINDINGS**

**TOWN OF WOODVILLE, MISSISSIPPI**  
**SCHEDULE OF FINDINGS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements:**

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

**TOWN OF WOODVILLE, MISSISSIPPI**  
**SCHEDULE OF CURRENT YEAR AUDIT FINDINGS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**CURRENT YEAR FINDINGS**

**Deficiencies Considered to be Material Weaknesses or Material Noncompliance**

2022-1	<u>Segregation of Duties (Internal Control Finding)</u>
Condition:	During our audit, we noted Town of Woodville, Mississippi does not 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:	Town of Woodville, Mississippi does not 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 Town of Woodville, Mississippi to hire the additional staff required to resolve this problem. We recommend that management continue to implement alternate procedures to help alleviate this condition. Also, we believe that the Board should be diligent in approving transactions and reviewing monthly financial information.
Response:	Management will continue to implement alternate control procedures whenever feasible.

**TOWN OF WOODVILLE, MISSISSIPPI**  
**STATUS OF PRIOR AUDIT FINDINGS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

**PRIOR YEAR FINDINGS**

**Deficiencies Considered to be Material Weaknesses or Material Noncompliance**

2021-1	<u>Segregation of Duties (Internal Control Finding)</u>
Condition:	During our audit, we noted Town of Woodville, Mississippi does not 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:	Town of Woodville, Mississippi does not 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 Town of Woodville, Mississippi to hire the additional staff required to resolve this problem. We recommend that management continue to implement alternate procedures to help alleviate this condition. Also, we believe that the Board should be diligent in approving transactions and reviewing monthly financial information.
Response:	Management will continue to implement alternate control procedures whenever feasible.
2021-2	<u>Financial Statement Submission to State Auditor</u>
Condition:	The Town's audited financial statements were not completed and submitted to the Mississippi State Auditor's office by the statutory date of September 30, 2022.
Criteria:	To be considered in good standing with the Mississippi State Auditor, the audited financial statements should be completed and submitted to their office by the end of the next fiscal year.
Cause of Condition:	Due to employee turnover, the Town's management found it difficult to prepare the books in time for the external auditors.
Effect of Condition:	Material noncompliance relating to the financial statements.
Recommendation:	We recommend that management is diligent in performing monthly and year-end close responsibilities and getting the books to the external auditors earlier in the next year.
Response:	Management is aware of this and is working on getting the books to the auditors earlier in the future.

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



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

Mayor and Board of Aldermen  
Town of Woodville, Mississippi  
Woodville, Mississippi

We have audited the basic financial statements of Town of Woodville, Mississippi as of and for the year ended September 30, 2022, and have issued our report thereon dated May 16, 2023. 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.

This report is intended for the information of Town of Woodville, Mississippi's management, the Office of the State Auditor, and federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*Silas Simmons, LLP*

Natchez, Mississippi  
May 16, 2023