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SILAS SIMMONS LLP

CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS

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

www.silassimmons.com

June 8, 2011

Charles W. Caldwell, Jr., CPA/PFS
Bennett M. Jeansonne, CPA/ABV, CVA
William Wes Gore, CPA
Sim McRae Mosby, CPA/PFS

State of Mississippi
Office of the State Auditor
Division of Technical Assistance
Post Office Box 956
Jackson, MS 39205

Timothy J. Byrd, CPA
Anka N. Cannon, CPA
Patricia G. Davis, CPA
Spencer L. Holder, CPA
H. Myles Hopkins, CPA
Nancy M. Kennedy, CPA
Virginia C. MacLaughlin, CPA.CITP, CISA
Susan L. Mange, CPA
Denise H. Seale, CPA
Dennis R. Switzer, CPA

Re: Annual Municipal Audit
Town of Woodville, Mississippi

Department of Technical Assistance:

Please find attached a copy of the audit of the basic financial statements of the Town of Woodville, Mississippi for the fiscal year ended September 30, 2010. A separate management letter was not issued in connection with this audit.

Sincerely,

SILAS SIMMONS, LLP

William Wes Gore, CPA

WWG/ddc

Enclosures

cc: Sharon D. Robinson, Mayor

TOWN OF WOODVILLE, MISSISSIPPI

ANNUAL FINANCIAL STATEMENTS

**AS OF SEPTEMBER 30, 2010
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, 2010

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TOWN OF WOODVILLE, MISSISSIPPI

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As of and for the Year Ended September 30, 2010

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TOWN OF WOODVILLE, MISSISSIPPI

Annual Financial Statements
As of and for the Year Ended September 30, 2010

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INDEPENDENT AUDITOR'S REPORT



SILAS SIMMONS LLP

CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS

209 N. Commerce Street
P.O. Box 1027
Natchez, Mississippi 39121-1027
Telephone: 601.442.7411
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INDEPENDENT AUDITOR'S REPORT

Mayor and Board of Aldermen
Town of Woodville, Mississippi

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Woodville, Mississippi, as of and for the year ended September 30, 2010, which collectively comprise the Town's basic financial statements, as listed in the Table of Contents. These financial statements are the responsibility of the Town of Woodville, Mississippi's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Woodville, Mississippi as of September 30, 2010, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 16, 2011, on our consideration of the Town of Woodville, Mississippi's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 8 and 33 through 34 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Woodville, Mississippi's financial statements as a whole. The combining and individual fund statements and the other supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements and other supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Silas Simmons, LLP

Natchez, Mississippi
March 16, 2011

Required Supplementary Information (Part I)

TOWN OF WOODVILLE, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2010

The management of the Town of Woodville, Mississippi offers readers of the Town of Woodville, Mississippi's (Town) financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2010. This management discussion and analysis (MD&A) is designed to provide an objective analysis of the Town's financial activities based on currently known facts, decisions, and conditions. It is intended to provide readers with a broad overview of Town finances. It is also intended to provide readers with an analysis of the Town's short-term and long-term activities based on information presented in the financial report and fiscal policies that have been adopted by the Town. Specifically, this section is designed to assist the reader in focusing on significant financial issues, provide an overview of the Town's financial activity, identify changes in the Town's financial position (its ability to address the next and subsequent year challenges), identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

The Town presents its financial statements under the reporting model required by the Governmental Accounting Standards Board Statement No. 34. This reporting model changes the presentation of financial data, and also the manner in which the information is recorded. 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 other supplementary information, which is in addition to the basic financial statements.

Government-Wide Financial Statements

Government-wide financial statements are designed by GASB Statement No. 34 to change the way in which governmental financial statements are presented. It now provides readers with a concise "entity-wide" Statement of Net Assets 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 assets 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 assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town is improving or weakening.

The statement of activities presents information which shows how the government's net assets changed during this fiscal year. All changes in net assets 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 Corrections Corporation of America (CCA) Departments.

TOWN OF WOODVILLE, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2010

Government-Wide Financial Analysis

As noted earlier, net assets may, over time, serve as a useful indicator of a government's financial position. At the close of the most recent fiscal year, the Town's assets exceeded its liabilities by \$3,924,196 (net assets); this represents an increase of \$287,167 from last fiscal year. Of this total net asset amount, \$261,788 is unrestricted net assets. The Town's net assets are comprised of \$1,290,410 from governmental activities and \$2,633,786 from business-type activities.

The following is a condensed statement of the Town of Woodville's net assets as of September 30, 2010 and 2009:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Assets						
Current and other assets	\$ 499,726	\$ 162,438	\$ 528,786	\$ 506,630	\$ 1,028,512	\$ 669,068
Capital assets, net	<u>1,883,491</u>	<u>1,897,259</u>	<u>2,915,358</u>	<u>2,813,896</u>	<u>4,798,849</u>	<u>4,711,155</u>
Total assets	<u>\$ 2,383,217</u>	<u>\$ 2,059,697</u>	<u>\$ 3,444,144</u>	<u>\$ 3,320,526</u>	<u>\$ 5,827,361</u>	<u>\$ 5,380,223</u>
Liabilities						
Other liabilities	\$ 100,410	\$ 91,659	\$ 149,418	\$ 284,963	\$ 249,828	\$ 376,622
Long-term liabilities	<u>992,397</u>	<u>700,223</u>	<u>660,940</u>	<u>666,349</u>	<u>1,653,337</u>	<u>1,366,572</u>
Total liabilities	<u>\$ 1,092,807</u>	<u>\$ 791,882</u>	<u>\$ 810,358</u>	<u>\$ 951,312</u>	<u>\$ 1,903,165</u>	<u>\$ 1,743,194</u>
Net assets						
Invested in capital assets, net	\$ 879,896	\$ 1,195,769	\$ 2,268,789	\$ 2,154,685	\$ 3,148,685	\$ 3,350,454
Restricted	434,134	-	79,589	75,067	513,723	75,067
Unrestricted	<u>(23,620)</u>	<u>72,046</u>	<u>285,408</u>	<u>139,462</u>	<u>261,788</u>	<u>211,508</u>
Total net assets	<u>\$ 1,290,410</u>	<u>\$ 1,267,815</u>	<u>\$ 2,633,786</u>	<u>\$ 2,369,214</u>	<u>\$ 3,924,196</u>	<u>\$ 3,637,029</u>

By far the largest portion of the Town's net assets (\$3,148,685 or 80%) 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 is 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 unrestricted net assets (\$261,788 or 7%), which may be used to meet the government's on-going obligations to citizens and creditors and restricted net assets (\$513,723 or 13%), which are restricted for debt service and customer meter deposits.

The Town has total outstanding debt of \$1,700,604, which was used to finance some of the \$4,798,849 in capital assets. Total liabilities of \$1,903,165 are equal to 48% of the total net assets.

TOWN OF WOODVILLE, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2010

Government-Wide Financial Analysis (continued)

The Town's governmental activities increased net assets by \$22,595. This increase is mainly due to transfers from the business-type activities in the amount of \$220,000 and a bond issue for street overlay in the amount of \$325,000.

The following is a summary of the Town's statements of activities for the years ended September 30, 2010 and 2009:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Revenues						
Program revenues	\$ 222,265	\$ 598,544	\$ 1,599,424	\$ 1,599,301	\$ 1,821,689	\$ 2,197,845
General revenues and transfers	<u>867,029</u>	<u>960,422</u>	<u>(179,435)</u>	<u>(207,775)</u>	<u>687,594</u>	<u>752,647</u>
Total revenues and transfers	<u>\$ 1,089,294</u>	<u>\$ 1,558,966</u>	<u>\$ 1,419,989</u>	<u>\$ 1,391,526</u>	<u>\$ 2,509,283</u>	<u>\$ 2,950,492</u>
Expenses						
General government	\$ 130,775	\$ 211,752	\$ -	\$ -	\$ 130,775	\$ 211,752
Public safety	516,829	463,159	-	-	516,829	463,159
Streets	270,477	292,588	-	-	270,477	292,588
Sanitation	74,870	79,117	-	-	74,870	79,117
Cemetery	39,642	42,828	-	-	39,642	42,828
Housing	-	336,485	-	-	-	336,485
Combined utility	-	-	1,155,417	1,092,958	1,155,417	1,092,958
Interest on long-term debt	<u>34,106</u>	<u>40,740</u>	<u>-</u>	<u>-</u>	<u>34,106</u>	<u>40,740</u>
Total expenses	<u>\$ 1,066,699</u>	<u>\$ 1,466,669</u>	<u>\$ 1,155,417</u>	<u>\$ 1,092,958</u>	<u>\$ 2,222,116</u>	<u>\$ 2,559,627</u>
Increase in net assets	\$ 22,595	\$ 92,297	\$ 264,572	\$ 298,568	\$ 287,167	\$ 390,865
Net assets, beginning	<u>1,267,815</u>	<u>1,175,518</u>	<u>2,369,214</u>	<u>2,070,646</u>	<u>3,637,029</u>	<u>3,246,164</u>
Net assets, ending	<u>\$ 1,290,410</u>	<u>\$ 1,267,815</u>	<u>\$ 2,633,786</u>	<u>\$ 2,369,214</u>	<u>\$ 3,924,196</u>	<u>\$ 3,637,029</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, 2010

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 CCA 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	CCA	Total
Fiscal year ended September 30, 2009	\$ 425,871	\$ 249,035	\$ 529,724	\$ 97,020	\$ 1,301,650
Fiscal year ended September 30, 2010	<u>424,074</u>	<u>249,282</u>	<u>653,652</u>	<u>165,550</u>	<u>1,492,558</u>
Increase (decrease) from prior year	<u>\$ (1,797)</u>	<u>\$ 247</u>	<u>\$ 123,928</u>	<u>\$ 68,530</u>	<u>\$ 190,908</u>

	Operating Expenses				
	Water	Sewer	Gas	CCA	Total
Fiscal year ended September 30, 2009	\$ 274,693	\$ 229,078	\$ 522,101	\$ 67,086	\$ 1,092,958
Fiscal year ended September 30, 2010	<u>282,746</u>	<u>213,124</u>	<u>563,571</u>	<u>95,976</u>	<u>1,155,417</u>
Increase (decrease) from prior year	<u>\$ 8,053</u>	<u>\$ (15,954)</u>	<u>\$ 41,470</u>	<u>\$ 28,890</u>	<u>\$ 62,459</u>

	Net Income (Loss) From Operations				
	Water	Sewer	Gas	CCA	Total
Fiscal year ended September 30, 2009	\$ 151,178	\$ 19,957	\$ 7,623	\$ 29,934	\$ 208,692
Fiscal year ended September 30, 2010	<u>141,328</u>	<u>36,158</u>	<u>90,081</u>	<u>69,574</u>	<u>337,141</u>
Increase (decrease) from prior year	<u>\$ (9,850)</u>	<u>\$ 16,201</u>	<u>\$ 82,458</u>	<u>\$ 39,640</u>	<u>\$ 128,449</u>

The reasons for major fluctuations noted above are as follows:

Most departments showed an increase in revenues during the year. Total increase in revenues was \$190,908 due to increased customer usage. Operating expense; however, also increased during the year by \$62,459 or 5.7%.

TOWN OF WOODVILLE, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2010

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 Funds. 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 and Capital Projects Fund are considered to be major funds.

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

Financial Analysis of the Town's Governmental Funds

The Town of Woodville's governmental funds reported an ending fund balance of \$433,360, which is an increase of \$339,687. This increase was due to bond proceeds for a street project and transfers from the Enterprise Fund. \$434,134 of the fund balance was restricted. The remaining fund deficit of \$774 was unrestricted at September 30, 2010.

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 CCA operations. This enterprise fund reports the same functions presented as business-type activities in the government-wide financial statements.

Financial Analysis of the Town's Proprietary Fund

The Town's Enterprise Fund shows an increase in fund balance of \$264,572. This is primarily due to an increase in operating income of \$127,302 and capital grants in the amount of \$106,866 received during the year. All departments showed operating income for the year. The Sewer, Gas, and CCA Departments' operating incomes increased over the prior year. The Water Department operating income decreased by \$1,797. The primary reason for the increases were due to increased gas utility sales and CCA revenues. The Town's effective management of operational costs resulted in operating expenses increasing by \$63,606, or 6%, while operating revenues increased by \$190,908 or, 15%, during the year. \$285,408 of the fund balance was unrestricted at September 30, 2010. \$79,589 was restricted for debt service and customer meter deposits. 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.

TOWN OF WOODVILLE, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2010

Fund Financial Statements - General Fund Budgetary Highlights

There were differences between the original budget and the final budget of the General Fund due to budget amendments during the year.

Revenues were short of budgeted amounts by \$164,223 or 16%. Miscellaneous revenues were lower than anticipated for the fiscal year. Actual expenditures exceeded budgeted expenditure amounts by \$186,836 or 16%. The final budget and the actual results show a positive variance of \$22,613. The variance was the result of expenses being lower than expected.

Government-Wide - Capital Asset and Debt Administration

The total investment in net capital assets as of September 30, 2010, is \$4,798,849.

New major capital assets purchased or constructed in fiscal 2010 are:

1. Hospitality Station Utility Relocation project funded by MS Dept. of Transportation - \$142,950.
2. Pee Wee Lift Station Rehabilitation project funded by a federal grant - \$86,787.

Current Financial Factors

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

The Town received \$325,000 from the proceeds of a bond issue to be used for street improvements during upcoming fiscal year. The bonds will be paid annually beginning August 1, 2011, with interest paid semi-annually over 15 years.

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

Requests for Information

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

Basic Financial Statements

Government-Wide Financial Statements

TOWN OF WOODVILLE, MISSISSIPPI

STATEMENT OF NET ASSETS

SEPTEMBER 30, 2010

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 20,630	\$ 203,453	\$ 224,083
Receivables (net of allowances for uncollectibles)	46,968	169,877	216,845
Internal balances	(2,006)	2,006	-
Restricted assets	434,134	153,450	587,584
Capital assets (net)	<u>1,883,491</u>	<u>2,915,358</u>	<u>4,798,849</u>
Total assets	<u>\$ 2,383,217</u>	<u>\$ 3,444,144</u>	<u>\$ 5,827,361</u>
<u>LIABILITIES</u>			
Accounts, salaries, and other payables	\$ 66,366	\$ 62,334	\$ 128,700
Payable from restricted assets	-	73,861	73,861
Bonds and notes payable, due within one year	34,044	13,223	47,267
Compensated absences	22,846	27,594	50,440
Bonds and notes payable	<u>969,551</u>	<u>633,346</u>	<u>1,602,897</u>
Total liabilities	<u>\$ 1,092,807</u>	<u>\$ 810,358</u>	<u>\$ 1,903,165</u>
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	\$ 879,896	\$ 2,268,789	\$ 3,148,685
Restricted for:			
General government purposes	10,946	-	10,946
Capital projects	315,836	-	315,836
Debt service	107,352	79,589	186,941
Unrestricted	<u>(23,620)</u>	<u>285,408</u>	<u>261,788</u>
Total net assets	<u>\$ 1,290,410</u>	<u>\$ 2,633,786</u>	<u>\$ 3,924,196</u>

See accompanying notes to the basic financial statements.

TOWN OF WOODVILLE, MISSISSIPPI
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED SEPTEMBER 30, 2010

	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	
GOVERNMENTAL ACTIVITIES								
General government	\$ 130,775	\$ 6,930	\$ -	\$ -	\$ (123,845)	\$ (123,845)	\$ -	\$ (123,845)
Public safety	516,829	98,571	3,000	5,109	(410,149)	(410,149)	-	(410,149)
Streets	270,477	-	10,703	-	(259,774)	(259,774)	-	(259,774)
Sanitation	74,870	88,937	-	-	14,067	14,067	-	14,067
Cemetery	39,642	9,015	-	-	(30,627)	(30,627)	-	(30,627)
Interest on long-term debt	34,106	-	-	-	(34,106)	(34,106)	-	(34,106)
Total governmental activities	\$ 1,066,699	\$ 203,453	\$ 13,703	\$ 5,109	\$ (844,434)	\$ (844,434)	\$ -	\$ (844,434)
BUSINESS-TYPE ACTIVITIES								
Water	\$ 282,746	\$ 424,074	\$ -	\$ 20,079	\$ 161,407	\$ -	\$ 161,407	\$ 161,407
Sewer	213,124	249,282	-	86,787	122,945	-	122,945	122,945
Gas	563,571	653,652	-	-	90,081	-	90,081	90,081
CCA	95,976	165,550	-	-	69,574	-	69,574	69,574
Total business-type activities	\$ 1,155,417	\$ 1,492,558	\$ -	\$ 106,866	\$ 444,007	\$ -	\$ 444,007	\$ 444,007
Total	\$ 2,222,116	\$ 1,696,011	\$ 13,703	\$ 111,975	\$ (400,427)	\$ (844,434)	\$ 444,007	\$ (400,427)
General revenues:								
Ad valorem and franchise taxes						\$ 172,019	\$ -	\$ 172,019
Licenses and permits						2,523	-	2,523
Intergovernmental revenues						357,153	-	357,153
Investment earnings						1,359	1,250	2,609
Other general revenues						113,975	39,315	153,290
Transfers						220,000	(220,000)	-
Total general revenues and transfers						\$ 867,029	\$ (179,435)	\$ 687,594
Change in net assets						\$ 22,595	\$ 264,572	\$ 287,167
Net assets - beginning						1,267,815	2,369,214	3,637,029
Net assets - ending						\$ 1,290,410	\$ 2,633,786	\$ 3,924,196

See accompanying notes to the basic financial statements.

Fund Financial Statements

Governmental Funds

TOWN OF WOODVILLE, MISSISSIPPI

BALANCE SHEET
GOVERNMENTAL FUNDS

SEPTEMBER 30, 2010

	Major Funds			
	General Fund	2010 G.O. Bond Street Overlay Fund	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash and cash equivalents	\$ 11,187	\$ -	\$ 9,443	\$ 20,630
Receivables (net of allowances for uncollectibles)	46,968	-	-	46,968
Due from other funds	7,437	-	-	7,437
Restricted assets				
Other cash deposits	118,298	315,836	-	434,134
Total assets	\$ 183,890	\$ 315,836	\$ 9,443	\$ 509,169
 <u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Accounts payable	\$ 37,508	\$ -	\$ -	\$ 37,508
Accrued liabilities	28,858	-	-	28,858
Due to other funds	-	-	9,443	9,443
Total liabilities	\$ 66,366	\$ -	\$ 9,443	\$ 75,809
Fund balance:				
Reserved for:				
Debt service	\$ 118,298	\$ -	\$ -	\$ 118,298
Capital project	-	315,836	-	315,836
Unreserved, undesignated	(774)	-	-	(774)
Total fund balance	\$ 117,524	\$ 315,836	\$ -	\$ 433,360
Total liabilities and fund balance	\$ 183,890	\$ 315,836	\$ 9,443	\$ 509,169

See accompanying notes to the basic financial statements.

TOWN OF WOODVILLE, MISSISSIPPI

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

SEPTEMBER 30, 2010

Total Fund Balances – Governmental Funds (Statement C)	\$ 433,360
Net capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. The cost of the assets is \$2,317,809 and the accumulated depreciation is \$434,318.	1,883,491
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	(755,500)
Notes payable	(248,095)
Compensated absences (sick pay and vacations)	<u>(22,846)</u>
Net Assets of Governmental Activities (Statement A)	<u>\$ 1,290,410</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, 2010

	Major Funds			Total Governmental Funds
	General Fund	2010 G.O. Bond Street Overlay Fund	Other Governmental Funds	
REVENUES				
Ad valorem and franchise taxes	\$ 172,019	\$ -	\$ -	\$ 172,019
Licenses and permits	2,523	-	-	2,523
Intergovernmental revenues	375,965	-	-	375,965
Charges for services	88,937	-	-	88,937
Fines	98,571	-	-	98,571
Rental revenues	6,930	-	-	6,930
Interest	1,341	18	-	1,359
Bond and note proceeds	-	325,000	-	325,000
Other revenues and grants	122,991	-	-	122,991
Total revenues	\$ 869,277	\$ 325,018	\$ -	\$ 1,194,295
EXPENDITURES				
General government	\$ 132,305	\$ -	\$ -	\$ 132,305
Public safety	487,618	-	-	487,618
Streets	266,940	-	-	266,940
Sanitation	81,222	-	-	81,222
Cemetery	40,329	-	-	40,329
Capital outlays	-	9,193	-	9,193
Debt service:				
Principal	-	-	22,895	22,895
Interest	-	-	34,106	34,106
Total expenditures	\$ 1,008,414	\$ 9,193	\$ 57,001	\$ 1,074,608
Revenues over (under) expenditures	\$ (139,137)	\$ 315,825	\$ (57,001)	\$ 119,687
OTHER FINANCING SOURCES (USES)				
Transfers - in	\$ 220,000	\$ 11	\$ 57,001	\$ 277,012
Transfers - out	(57,012)	-	-	(57,012)
Total other financing sources (uses)	\$ 162,988	\$ 11	\$ 57,001	\$ 220,000
Net change in fund balances	\$ 23,851	\$ 315,836	\$ -	\$ 339,687
Fund balances - beginning	93,673	-	-	93,673
Fund balances - ending	\$ 117,524	\$ 315,836	\$ -	\$ 433,360

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, 2010

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

Net Change in Fund Balances, Total Governmental Funds, Statement E	\$ 339,687
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 capital outlays exceeded depreciation in the current period.	(11,838)
Gains and losses on the sale or disposal of assets are not reported in the governmental funds, but are reported in the Statement of Activities, Net of Proceeds.	(1,930)
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 used exceeded the amounts earned by:	(1,219)
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.	<u>(302,105)</u>
Change in Net Assets of Governmental Activities, Statement B	<u>\$ 22,595</u>

See accompanying notes to the basic financial statements.

Proprietary Funds

TOWN OF WOODVILLE, MISSISSIPPI

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS

SEPTEMBER 30, 2010

	<u>Enterprise Fund</u>
<u>ASSETS</u>	
Current assets	
Cash	\$ 203,453
Accounts receivable (net of allowance for doubtful accounts of \$83,574)	169,877
Due from other funds	<u>2,006</u>
Total current assets	<u>\$ 375,336</u>
Noncurrent assets	
Restricted assets	
Cash reserved for revenue bonds	\$ 79,589
Cash reserved for customer meter deposits	<u>73,861</u>
Total restricted assets	<u>\$ 153,450</u>
Fixed assets	
Distribution systems	\$ 5,047,421
Accumulated depreciation	(2,160,519)
Construction in progress	<u>28,456</u>
Fixed assets (net of accumulated depreciation)	<u>\$ 2,915,358</u>
Total assets	<u>\$ 3,444,144</u>
<u>LIABILITIES</u>	
Current liabilities (payable from current assets)	
Accounts payable	\$ 48,656
Accrued liabilities	13,119
Accrued interest payable	559
Bonds payable	<u>13,223</u>
Total current liabilities (payable from current assets)	<u>\$ 75,557</u>
Current liabilities (payable from restricted assets)	
Customer deposits payable	<u>\$ 73,861</u>
Total current liabilities (payable from restricted assets)	<u>\$ 73,861</u>
Long-term liabilities	
Compensated absences	\$ 27,594
Bonds payable	<u>633,346</u>
Total long-term liabilities	<u>\$ 660,940</u>
Total liabilities	<u>\$ 810,358</u>
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	\$ 2,268,789
Restricted for:	
Debt service	79,589
Unrestricted	<u>285,408</u>
Total net assets	<u>\$ 2,633,786</u>
Total liabilities and net assets	<u>\$ 3,444,144</u>

See accompanying notes to the basic financial statements.

TOWN OF WOODVILLE, MISSISSIPPI

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

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Enterprise Fund</u>
<u>OPERATING REVENUES</u>	
Charges for services:	
Water sales	\$ 424,074
Sewer charges	249,282
Gas sales	653,652
CCA revenues	<u>165,550</u>
Total operating revenues	\$ <u>1,492,558</u>
<u>OPERATING EXPENSES</u>	
Personal services	\$ 309,551
Purchase of utilities provided	327,982
Materials and supplies	174,929
Repairs and maintenance	1,206
Depreciation	105,203
Utilities and telephone	82,256
Insurance	12,592
Other operating expenses	<u>112,884</u>
Total operating expenses	\$ <u>1,126,603</u>
Operating income	\$ <u>365,955</u>
Nonoperating Revenues (Expenses)	
Interest earnings	\$ 1,250
Other revenue	39,315
Interest expense	<u>(28,814)</u>
Total nonoperating revenues (expenses)	\$ <u>11,751</u>
Income Before Contributions and Transfers	\$ 377,706
Capital contributions from grants	106,866
Transfers - out	<u>(220,000)</u>
Change in Net Assets	\$ 264,572
Total net assets - beginning	<u>2,369,214</u>
Total net assets - ending	<u><u>\$ 2,633,786</u></u>

See accompanying notes to the basic financial statements.

**TOWN OF WOODVILLE, MISSISSIPPI
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2010**

	<u>Enterprise Fund</u>
<u>Cash Flows From Operating Activities</u>	
Cash received from customers	\$ 1,572,893
Cash payments to suppliers for goods and services	(824,750)
Cash payments to and on behalf of employees for services	<u>(303,046)</u>
Net cash provided by operating activities	<u>\$ 445,097</u>
<u>Cash Flows From Noncapital Financing Activities</u>	
Proceeds from other revenues	\$ 39,315
Operating transfers - out	<u>(216,056)</u>
Net cash used for noncapital financing activities	<u>\$ (176,741)</u>
<u>Cash Flows From Capital and Related Financing Activities</u>	
Proceeds from federal and state grants	\$ 106,866
Principal paid on bonds	(12,642)
Interest paid on bonds	(28,824)
Construction of water and sewer system improvements	<u>(206,665)</u>
Net cash used for capital and related financing activities	<u>\$ (141,265)</u>
<u>Cash Flows from Investing Activities</u>	
Interest on temporary investments	\$ 1,250
Net cash provided by investing activities	<u>\$ 1,250</u>
Net increase in cash and cash equivalents	\$ 128,341
Cash and cash equivalents - beginning of year	<u>228,562</u>
Cash and cash equivalents - end of year	<u>\$ 356,903</u>
<u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</u>	
Operating income	<u>\$ 365,955</u>
<u>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities</u>	
Depreciation	\$ 105,203
Provision for bad debts	8,275
Change in assets and liabilities	
Increase in:	
Accounts receivable	93,966
Increase (decrease) in:	
Accounts payable	(121,177)
Accrued liabilities	6,506
Customer deposits	<u>(13,631)</u>
Total adjustments	<u>\$ 79,142</u>
Net cash provided by operating activities	<u>\$ 445,097</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, 2010

INTRODUCTION

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Date of Management's Review

Management has evaluated subsequent events through March 16, 2011, the date on which the financial statements were available to be issued.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the 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.

C. 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, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. 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 2010 G.O. Bond Street Overlay Fund is used to account for the financing and construction of street overlays.

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 Corrections Corporation of America. 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, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. 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.

D. Cash and Cash Equivalents

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

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

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

E. Investments

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

F. 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, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Receivables and Payables (continued)

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

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

G. 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, 2010, these amounts were considered to be immaterial to the financial statements taken as a whole.

H. Restricted Assets

Restricted assets were applicable to the following at September 30, 2010:

	Capital			Total
	General Fund	Project Fund	Utility Fund	
Consumer deposits	\$ -	\$ -	\$ 73,861	\$ 73,861
Deposits related to bonded debt	-	-	79,589	79,589
Fire rebate savings	208	-	-	208
Cemetery funds	38,912	-	-	38,912
Signs fund	2,768	-	-	2,768
Future Growth Funds	65,464	-	-	65,464
Municipal building	10,946	-	-	10,946
2010 Street Bond fund	-	315,836	-	315,836
Totals	<u>\$ 118,298</u>	<u>\$ 315,836</u>	<u>\$ 153,450</u>	<u>\$ 587,584</u>

I. Capital Assets

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

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

TOWN OF WOODVILLE, MISSISSIPPI
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Capital Assets (continued)

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.

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

J. Compensated Absences

Vested or accumulated annual leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated annual leave that are not expected to be liquidated with expendable available financial resources are reported as a long-term debt. No expenditure is reported for these amounts. Vested or accumulated annual leave of the Enterprise Fund is recorded as an expense and liability of those funds as the benefits accrue to employees. In accordance with the provisions of Statement of Financial Standards No. 43, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

K. Long-Term Obligations

In the government-wide financial statements, and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. 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.

TOWN OF WOODVILLE, MISSISSIPPI
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

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.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

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

TOWN OF WOODVILLE, MISSISSIPPI
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

NOTE 3 - CASH AND CASH EQUIVALENTS

At September 30, 2010, the municipality has cash and cash equivalents as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Unrestricted:		
Demand Deposits	\$ 224,083	\$ 276,626
Totals - unrestricted accounts	<u>\$ 224,083</u>	<u>\$ 276,626</u>
Restricted:		
Demand Deposits	\$ 460,252	\$ 469,446
Time deposit	127,332	127,331
Totals - restricted accounts	<u>\$ 587,584</u>	<u>\$ 596,777</u>
Totals - all accounts	<u>\$ 811,667</u>	<u>\$ 873,403</u>

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

NOTE 4 - PROPERTY TAX

Real and personal property taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied in September and payable on or before February 1. These taxes and public utilities tax are collected by the Town. Auto and mobile home property taxes are collected and remitted to the Town by the county tax collector. The millage rate for the Town for January through December 2009, was 26.34 mills, broken down as follows:

General Fund	26.34 mills
--------------	-------------

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

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

TOWN OF WOODVILLE, MISSISSIPPI
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

NOTE 5 - RECEIVABLES

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

	<u>General</u>	<u>Enterprise</u>	<u>Total</u>
Receivables:			
Customer accounts	\$ 13,117	\$ 193,916	\$ 207,033
Due from other governments	26,855	-	26,855
Due from other agencies	13,672	-	13,672
Unbilled utilities	-	59,535	59,535
Gross receivables	<u>\$ 53,644</u>	<u>\$ 253,451</u>	<u>\$ 307,095</u>
Less allowance for uncollectibles	(6,676)	(83,574)	(90,250)
Net total receivables	<u>\$ 46,968</u>	<u>\$ 169,877</u>	<u>\$ 216,845</u>

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

NOTE 6 - INTERFUND RECEIVABLES/PAYABLES

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

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 7,437	\$ -
Enterprise Fund	2,006	-
Agency Funds		
Payroll Clearing	-	4,617
Accounts Payable Clearing	-	4,826
Total all funds	<u>\$ 9,443</u>	<u>\$ 9,443</u>

NOTE 7 - CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended September 30, 2010, is as follows:

	<u>Beginning Balance 10/1/2009</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance 9/30/2010</u>
<u>Governmental activities:</u>				
Capital assets, not being depreciated				
Land	\$ 424,757	\$ -	\$ -	\$ 424,757
Construction in progress	-	9,193	-	9,193
Total capital assets, not being depreciated	<u>\$ 424,757</u>	<u>\$ 9,193</u>	<u>\$ -</u>	<u>\$ 433,950</u>

TOWN OF WOODVILLE, MISSISSIPPI
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

NOTE 7 - CAPITAL ASSETS (continued)

	Beginning Balance 10/1/2009	Increases	Decreases	Ending Balance 9/30/2010
Capital assets being depreciated				
Buildings	\$ 1,168,147	\$ -	\$ -	\$ 1,168,147
Machinery and equipment	127,632	18,474	-	146,106
Vehicles	368,912	8,999	(19,303)	358,608
Other improvements	210,998	-	-	210,998
Total capital assets being depreciated	<u>\$ 1,875,689</u>	<u>\$ 27,473</u>	<u>\$ (19,303)</u>	<u>\$ 1,883,859</u>
Less accumulated depreciation for:				
Buildings	\$ (46,958)	\$ (9,663)	\$ -	\$ (56,621)
Machinery and equipment	(74,538)	(13,145)	-	(87,683)
Vehicles	(263,648)	(16,491)	17,373	(262,766)
Other improvements	(18,043)	(9,205)	-	(27,248)
Total accumulated depreciation	<u>\$ (403,187)</u>	<u>\$ (48,504)</u>	<u>\$ 17,373</u>	<u>\$ (434,318)</u>
Total capital assets being depreciated, net	<u>\$ 1,472,502</u>	<u>\$ (21,031)</u>	<u>\$ (1,930)</u>	<u>\$ 1,449,541</u>
Governmental activities capital assets, net	<u>\$ 1,897,259</u>	<u>\$ (11,838)</u>	<u>\$ (1,930)</u>	<u>\$ 1,883,491</u>
Business-type activities:				
Capital assets, not being depreciated				
Construction in progress	\$ 109,951	\$ 28,456	\$ (109,951)	\$ 28,456
Total capital assets, not being depreciated	<u>\$ 109,951</u>	<u>\$ 28,456</u>	<u>\$ (109,951)</u>	<u>\$ 28,456</u>
Capital assets being depreciated				
Distribution systems	\$ 4,665,140	\$ 288,160	\$ -	\$ 4,953,300
Machinery, equipment, and vehicles	94,121	-	-	94,121
Total capital assets being depreciated	<u>\$ 4,759,261</u>	<u>\$ 288,160</u>	<u>\$ -</u>	<u>\$ 5,047,421</u>
Less accumulated depreciation for:				
Distribution systems	\$ (1,990,849)	\$ (95,756)	\$ -	\$ (2,086,605)
Machinery, equipment, and vehicles	(64,467)	(9,447)	-	(73,914)
Total accumulated depreciation	<u>\$ (2,055,316)</u>	<u>\$ (105,203)</u>	<u>\$ -</u>	<u>\$ (2,160,519)</u>
Total capital assets being depreciated, net	<u>\$ 2,703,945</u>	<u>\$ 182,957</u>	<u>\$ -</u>	<u>\$ 2,886,902</u>
Business-type activities capital assets, net	<u>\$ 2,813,896</u>	<u>\$ 211,413</u>	<u>\$ (109,951)</u>	<u>\$ 2,915,358</u>

TOWN OF WOODVILLE, MISSISSIPPI
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

NOTE 7 - CAPITAL ASSETS (continued)

Depreciation expense of \$48,504 for the year ended September 30, 2010, was charged to the following governmental functions:

General government	\$ 4,338
Public safety	29,493
Streets	13,285
Cemetery	<u>1,388</u>
Total	<u>\$ 48,504</u>

NOTE 8 - CONSTRUCTION COMMITMENTS

The municipality has active construction projects as of September 30, 2010. At year end, the commitments with contractors are as follows:

Project	Spent to Date	Remaining Commitment
2010 Street Overlay Project	\$ <u>9,193</u>	\$ <u>315,807</u>
Total		\$ <u>325,000</u>

NOTE 9 - INTERFUND TRANSFERS

Interfund transfers during the year ended September 30, 2010, were as follows:

- \$220,000 was transferred from the Enterprise Fund to the General Fund to cover expenses of general operations.
- \$57,001 was transferred from the General Fund to the Debt Service Fund to cover principal and interest payments due.
- \$11 was transferred from the General Fund to the Capital Projects Fund to hold open a checking account for the 2010 G.O. Bond Street Overlay Fund bond proceeds and expenditures.

NOTE 10 - ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$128,700 at September 30, 2010, are as follows:

	Governmental Activities	Business-Type Activities	Total
Accounts payable - trade	\$ 37,508	\$ 48,656	\$ 86,164
Accrued salaries, wages, and payroll taxes	28,858	13,120	41,978
Other accrued liabilities	<u>-</u>	<u>558</u>	<u>558</u>
Totals	<u>\$ 66,366</u>	<u>\$ 62,334</u>	<u>\$ 128,700</u>

TOWN OF WOODVILLE, MISSISSIPPI
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

NOTE 11 - LONG-TERM DEBT

	General Obligation			Enterprise Fund	Totals
	Bonds Payable	Notes Payable	Totals	Bonds Payable	
Balances, September 30, 2009	\$ 445,800	\$ 255,690	\$ 701,490	\$ 659,211	\$ 1,360,701
Additions	325,000	-	325,000	-	325,000
Reductions	(15,300)	(7,595)	(22,895)	(12,642)	(35,537)
Balances, September 30, 2010	\$ 755,500	\$ 248,095	\$ 1,003,595	\$ 646,569	\$ 1,650,164
Less: Current portion	(26,000)	(8,044)	(34,044)	(13,223)	(47,267)
Long-term portion	<u>\$ 729,500</u>	<u>\$ 240,051</u>	<u>\$ 969,551</u>	<u>\$ 633,346</u>	<u>\$ 1,602,897</u>

Long-term debt as of September 30, 2010, is comprised of the following:

General Obligation

General obligation bonds payable to finance a portion of the new municipal building in the amount of \$460,500 dated 2/6/08, payable in annual installments of principal and interest commencing on 2/6/09, and maturing 2/6/28, with an interest rate of 4.375%. \$ 430,500

General obligation note payable to Concordia Bank & Trust to finance a portion of the new municipal building in the amount of \$262,280 dated 10/28/08, and payable in monthly installments of principal and interest in the amount of \$1,841.61, and maturing on 10/28/13, with an interest rate of 5.75%. 248,095

2010 General Obligation Street Bonds payable to finance street improvements in the amount of \$325,000 dated 7/6/10, payable in annual installments of principal and interest commencing on 8/2/11, and maturing 2/1/25, with an interest rate of 5%. 325,000

Total General Obligation \$ 1,003,595

Enterprise Fund

Combined Water & Sewer Bond payable to finance the construction of water and sewer system improvements in the amount of \$626,000, dated 11/14/01 with interest only on 11/14/02 and 11/14/03, and payable thereafter in annual installments of principal and interest in the amount of \$36,777, maturing on 11/14/36, with an interest rate of 4.5%. \$ 564,803

TOWN OF WOODVILLE, MISSISSIPPI
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

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

Combined Water & Sewer Bond payable to finance the construction of water and sewer system improvements in the amount of \$89,600, dated 11/14/01, with interest only on 11/14/02 and 11/14/03, and payable thereafter in annual installments of principal and interest in the amount of \$5,264, maturing on 11/14/36, with an interest rate of 4.5%.	<u>\$ 81,766</u>
Total Enterprise Fund	<u>\$ 646,569</u>
Total	\$ 1,650,164
Less: current portion	<u>(47,267)</u>
Long-term portion	<u>\$ 1,602,897</u>

The annual requirements to amortize all outstanding debt as of September 30, 2010, including interest payments are as follows:

Fiscal Year ending September 30,	General Obligation		Enterprise Fund		Totals
	Bonds and Notes Payable		Bonds Payable		
	Principal	Interest	Principal	Interest	
2011	\$ 34,044	\$ 32,890	\$ 13,223	\$ 28,825	\$ 108,982
2012	40,319	31,715	13,830	28,218	114,082
2013	41,521	30,477	14,466	27,582	114,046
2014	261,011	17,700	15,130	26,918	320,759
2015	39,000	15,824	15,825	26,223	96,872
2016-2020	214,200	65,831	90,723	119,517	490,271
2021-2025	276,200	39,686	113,566	96,674	526,126
2026-2030	97,300	8,641	142,161	68,079	316,181
2031-2035	-	-	177,956	32,284	210,240
2036-2037	-	-	49,689	1,466	51,155
Totals	<u>\$ 1,003,595</u>	<u>\$ 242,764</u>	<u>\$ 646,569</u>	<u>\$ 455,786</u>	<u>\$ 2,348,714</u>

Retirement of general obligation debt is to be made by annual transfers of General Fund revenue in the amounts necessary to retire principal and interest currently due. There are a number of limitations and restrictions contained in the various bond indentures. The Town is in compliance with all significant limitations and restrictions. The following is a schedule of limitations of the indebtedness of the Town at September 30, 2010:

Assessed valuation for the fiscal year ended September 30, 2010	\$ 5,768,668
Percent limitation	<u>15%</u>
Authorized debt limit	\$ 865,300
Present debt service to 15% limitation	<u>755,500</u>
Margin for additional debt	<u>\$ 109,800</u>

TOWN OF WOODVILLE, MISSISSIPPI
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

NOTE 12 - DEFINED BENEFIT PENSION PLAN

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

Funding Policy. PERS members are required to contribute 9% as of July 1, 2010, (an increase of 1.75%) of their annual covered salary, and Town of Woodville is required to contribute at an actuarially determined rate. The employer contribution rate remained at 12.00% 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. The Town of Woodville's contributions to PERS for the years ending September 30, 2010, 2009, and 2008, were \$79,940, \$84,074, and \$75,645, respectively, equal to the required contributions for each year.

NOTE 13 - INTERGOVERNMENTAL REVENUES

Intergovernmental revenues for the year ended September 30, 2010, consisted of the following:

	General Fund	Enterprise Fund	Totals
State			
Sales tax allocation	\$ 324,406	\$ -	\$ 324,406
Payment in lieu of taxes - nuclear plant	14,688	-	14,688
General municipal aid	618	-	618
Gasoline tax	3,352	-	3,352
Liquor privilege tax	1,800	-	1,800
Fire protection allocation	6,492	-	6,492
Homestead exemption reimbursement	5,797	-	5,797
Public safety reimbursement	3,000	-	3,000
MDOT utility relocation	-	20,079	20,079
Federal			
Emergency Management grant	10,703	-	10,703
Edward Byrne Memorial JAG	5,109	-	5,109
2008 CDBG States Program grant	-	86,787	86,787
	<u> </u>	<u> </u>	<u> </u>
Total intergovernmental revenues	<u>\$ 375,965</u>	<u>\$ 106,866</u>	<u>\$ 482,831</u>

TOWN OF WOODVILLE, MISSISSIPPI
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

NOTE 14 - SEGMENT INFORMATION FOR ENTERPRISE FUND

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

	<u>Water</u>	<u>Sewer</u>	<u>Gas</u>	<u>CCA</u>	<u>Total</u>
Operating revenues	\$ 424,074	\$ 249,282	\$ 653,652	\$ 165,550	\$ 1,492,558
Operating expenses	(235,548)	(139,010)	(228,620)	(90,239)	(693,417)
Purchase of utilities	-	-	(327,982)	-	(327,982)
Depreciation	<u>(29,047)</u>	<u>(63,451)</u>	<u>(6,969)</u>	<u>(5,737)</u>	<u>(105,204)</u>
Operating income	<u>\$ 159,479</u>	<u>\$ 46,821</u>	<u>\$ 90,081</u>	<u>\$ 69,574</u>	\$ 365,955
Capital contributions from grants					106,866
Interest income					1,250
Other revenues					39,315
Interest expense					(28,814)
Operating transfers, net					<u>(220,000)</u>
Net income					<u>\$ 264,572</u>

NOTE 15 - ACCUMULATED UNPAID ANNUAL LEAVE AND SICK PAY

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

NOTE 16 - RISK MANAGEMENT

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

TOWN OF WOODVILLE, MISSISSIPPI
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

NOTE 17 - 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 the Town 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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Ad valorem and franchise taxes	\$ 177,000	\$ 177,000	\$ 172,019	\$ (4,981)
Licenses and permits	2,500	2,500	2,523	23
Intergovernmental	337,000	337,000	375,965	38,965
Charges for services	95,000	95,000	88,937	(6,063)
Fines	75,000	75,000	98,571	23,571
Rental revenues	13,000	13,000	6,930	(6,070)
Interest	4,000	4,000	1,341	(2,659)
Miscellaneous	330,000	330,000	122,991	(207,009)
Total revenues	<u>\$ 1,033,500</u>	<u>\$ 1,033,500</u>	<u>\$ 869,277</u>	<u>\$ (164,223)</u>
EXPENDITURES				
General government	\$ 194,900	\$ 194,900	\$ 132,305	\$ 62,595
Public safety				
Police and court	496,000	497,850	472,650	25,200
Fire	29,500	29,500	14,968	14,532
Streets	333,000	333,000	266,940	66,060
Sanitation	83,000	83,000	81,222	1,778
Cemetery	57,000	57,000	40,329	16,671
Total expenditures	<u>\$ 1,193,400</u>	<u>\$ 1,195,250</u>	<u>\$ 1,008,414</u>	<u>\$ 186,836</u>
Revenues under expenditures	<u>\$ (159,900)</u>	<u>\$ (161,750)</u>	<u>\$ (139,137)</u>	<u>\$ 22,613</u>
OTHER FINANCING				
SOURCES (USES)				
Operating transfers - in	\$ 159,900	\$ 161,750	\$ 220,000	\$ 58,250
Operating transfers - out	-	-	(57,012)	(57,012)
Total other financing sources (uses)	<u>\$ 159,900</u>	<u>\$ 161,750</u>	<u>\$ 162,988</u>	<u>\$ 1,238</u>
Excess revenues and other sources under expenditures and other uses	\$ -	\$ -	\$ 23,851	\$ 23,851
Fund balance - beginning of year	<u>93,673</u>	<u>93,673</u>	<u>93,673</u>	<u>-</u>
Fund balance - end of year	<u>\$ 93,673</u>	<u>\$ 93,673</u>	<u>\$ 117,524</u>	<u>\$ 23,851</u>

See Independent Auditor's Report.

TOWN OF WOODVILLE, MISSISSIPPI
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2010

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.

Supplementary Information

TOWN OF WOODVILLE, MISSISSIPPI
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2010

	Agency Funds			Total	Total Nonmajor Governmental Funds
	Debt Service Fund	Accounts Payable Clearing Fund	Payroll Clearing Fund		
ASSETS					
Cash and cash equivalents	\$ -	\$ 4,826	\$ 4,617	\$ 9,443	\$ 9,443
Total assets	<u>\$ -</u>	<u>\$ 4,826</u>	<u>\$ 4,617</u>	<u>\$ 9,443</u>	<u>\$ 9,443</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Due to other funds	\$ -	\$ 4,826	\$ 4,617	\$ 9,443	\$ 9,443
Total liabilities	<u>\$ -</u>	<u>\$ 4,826</u>	<u>\$ 4,617</u>	<u>\$ 9,443</u>	<u>\$ 9,443</u>
Fund Balances:					
Unreserved, undesignated	\$ -	\$ -	\$ -	\$ -	\$ -
Total fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 4,826</u>	<u>\$ 4,617</u>	<u>\$ 9,443</u>	<u>\$ 9,443</u>

See Independent Auditor's Report.

COMPARATIVE/COMBINING FINANCIAL STATEMENTS AND SCHEDULES

GENERAL FUND

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

TOWN OF WOODVILLE, MISSISSIPPI
GENERAL FUND
COMPARATIVE BALANCE SHEETS
SEPTEMBER 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Cash	\$ 11,187	\$ 379
Accounts receivable (net of allowance for doubtful accounts of \$6,675 and \$6,082, respectively)	6,442	6,502
Due from other governments	26,855	30,213
Due from other agencies	13,671	13,283
Due from other funds	7,437	12,343
Restricted assets		
Other cash deposits	<u>118,298</u>	<u>99,717</u>
Total assets	<u>\$ 183,890</u>	<u>\$ 162,437</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>Liabilities</u>		
Accounts payable	\$ 37,508	\$ 40,310
Accrued liabilities	<u>28,858</u>	<u>28,454</u>
Total liabilities	<u>\$ 66,366</u>	<u>\$ 68,764</u>
<u>Fund Balance</u>		
Reserved for restricted assets	\$ 118,298	\$ 99,717
Unreserved, undesignated	<u>(774)</u>	<u>(6,044)</u>
Total fund balance	<u>\$ 117,524</u>	<u>\$ 93,673</u>
Total liabilities and fund balance	<u>\$ 183,890</u>	<u>\$ 162,437</u>

See Independent Auditor's Report.

TOWN OF WOODVILLE, MISSISSIPPI

GENERAL FUND

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

YEARS ENDED SEPTEMBER 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
REVENUES		
Ad valorem and franchise taxes	\$ 172,019	\$ 167,355
Licenses and permits	2,523	1,825
Intergovernmental	375,965	411,148
Charges for services	88,937	85,887
Fines	98,571	74,337
Rental revenues	6,930	13,320
Interest	1,341	2,380
Other revenues	<u>122,991</u>	<u>164,654</u>
Total revenues	\$ <u>869,277</u>	\$ <u>920,906</u>
EXPENDITURES		
General government	\$ 132,305	\$ 207,828
Public safety		
Police and court	472,650	457,410
Fire	14,968	9,583
Streets	266,940	287,166
Sanitation	81,222	78,365
Cemetery	<u>40,329</u>	<u>49,288</u>
Total expenditures	\$ <u>1,008,414</u>	\$ <u>1,089,640</u>
Revenues under expenditures	\$ <u>(139,137)</u>	\$ <u>(168,734)</u>
OTHER FINANCING SOURCES (USES)		
Operating transfers - in	\$ 220,000	\$ 242,000
Operating transfers - out	<u>(57,012)</u>	<u>(86,524)</u>
Total other financing sources (uses)	\$ <u>162,988</u>	\$ <u>155,476</u>
Excess revenues and other sources over (under) expenditures and other uses	\$ 23,851	\$ (13,258)
Fund balances - beginning of year	<u>93,673</u>	<u>106,931</u>
Fund balances - end of year	<u>\$ 117,524</u>	<u>\$ 93,673</u>

See Independent Auditor's Report.

DEBT SERVICE FUND

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

TOWN OF WOODVILLE, MISSISSIPPI

DEBT SERVICE FUND

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

YEARS ENDED SEPTEMBER 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Revenues	\$ -	\$ -
Total revenues	\$ -	\$ -
Expenditures		
Principal	\$ 22,895	\$ 21,290
Interest	<u>34,106</u>	<u>40,272</u>
Total expenditures	\$ <u>57,001</u>	\$ <u>61,562</u>
Revenues under expenditures	\$ <u>(57,001)</u>	\$ <u>(61,562)</u>
Other Financing Sources		
Operating transfers - in	\$ <u>57,001</u>	\$ <u>61,562</u>
Total other financing sources	\$ <u>57,001</u>	\$ <u>61,562</u>
Excess revenues and other sources over expenditures	\$ -	\$ -
Fund balance - beginning of year	-	-
Fund balance - end of year	<u>-</u>	<u>-</u>

See Independent Auditor's Report.

CAPITAL PROJECTS FUNDS

2010 G.O. Bond Street Overlay Fund - to account for the revenues and expenditures related to street improvements. Funding is provided for by the proceeds of general obligation bonds in the amount of \$325,000 to be repaid in annual installments over the next fifteen years.

Municipal Building Construction Fund - to account for the revenues and expenditures related to the construction of the new municipal building. Funding was provided by federal grants, bond proceeds from USDA Rural Development, and note proceeds from Concordia Bank & Trust. The project was completed in fiscal year 2009.

Home Investment Partnership Fund - to account for the revenues and expenditures related to the Housing Rehabilitation Project. Funds were provided by a federal grant through the Mississippi Development Authority in fiscal year 2009.

TOWN OF WOODVILLE, MISSISSIPPI

CAPITAL PROJECTS FUND
2010 G.O. BOND STREET OVERLAY FUNDCOMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES

YEARS ENDED SEPTEMBER 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Revenues		
Bond proceeds	\$ 325,000	\$ -
Interest revenue	<u>18</u>	<u>-</u>
Total revenues	<u>\$ 325,018</u>	<u>\$ -</u>
Expenditures		
Capital outlay		
Attorney fees	<u>\$ 9,193</u>	<u>\$ -</u>
Total expenditures	<u>\$ 9,193</u>	<u>\$ -</u>
Revenues over (under) expenditures	<u>\$ 315,825</u>	<u>\$ -</u>
Other Financing Sources (Uses)		
Operating transfers - in	<u>\$ 11</u>	<u>\$ -</u>
Total other financing sources (uses)	<u>\$ 11</u>	<u>\$ -</u>
Excess revenues and other sources over (under) Expenditures and other uses	<u>\$ 315,836</u>	<u>\$ -</u>
Fund balances - beginning of year	<u>-</u>	<u>-</u>
Fund balances - end of year	<u>\$ 315,836</u>	<u>\$ -</u>

See Independent Auditor's Report.

TOWN OF WOODVILLE, MISSISSIPPI
 CAPITAL PROJECTS FUND
 MUNICIPAL BUILDING CONSTRUCTION FUND
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 YEARS ENDED SEPTEMBER 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Revenues		
Intergovernmental	\$ -	\$ 59,575
Note proceeds	<u>-</u>	<u>40,600</u>
Total revenues	\$ <u>-</u>	\$ <u>100,175</u>
Expenditures		
Capital outlay	\$ -	\$ 84,069
Debt service:		
Principal	-	40,600
Interest	<u>-</u>	<u>468</u>
Total expenditures	\$ <u>-</u>	\$ <u>125,137</u>
Revenues over (under) expenditures	\$ <u>-</u>	\$ <u>(24,962)</u>
Other Financing Sources (Uses)		
Operating transfers - in	\$ <u>-</u>	\$ <u>24,962</u>
Total other financing sources (uses)	\$ <u>-</u>	\$ <u>24,962</u>
Excess revenues and other sources over (under) expenditures and other uses	\$ -	\$ -
Fund balances - beginning of year	<u>1</u>	<u>1</u>
Fund balances - end of year	<u>\$ 1</u>	<u>\$ 1</u>

See Independent Auditor's Report.

TOWN OF WOODVILLE, MISSISSIPPI

CAPITAL PROJECTS FUND
HOME INVESTMENT PARTNERSHIP FUNDCOMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES

YEARS ENDED SEPTEMBER 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Revenues		
Intergovernmental	\$ -	\$ 336,485
Total revenues	\$ -	\$ 336,485
Expenditures		
Capital outlay - housing	\$ -	\$ 336,485
Total expenditures	\$ -	\$ 336,485
Revenues over (under) expenditures	\$ -	\$ -
Fund balances - beginning of year	-	-
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditor's Report.

ENTERPRISE FUND

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

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

TOWN OF WOODVILLE, MISSISSIPPI

ENTERPRISE FUND

COMPARATIVE BALANCE SHEETS

SEPTEMBER 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Current assets		
Cash	\$ 203,453	\$ 66,003
Accounts receivable (net of allowance for doubtful accounts of \$83,574 and \$75,299, respectively)	169,877	272,118
Due from other funds	<u>2,006</u>	<u>5,950</u>
Total current assets	<u>\$ 375,336</u>	<u>\$ 344,071</u>
Noncurrent assets		
Restricted assets		
Cash reserved for customer meter deposits	\$ 73,861	\$ 115,111
Cash reserved for bonded debts	<u>79,589</u>	<u>47,448</u>
Total restricted assets	<u>\$ 153,450</u>	<u>\$ 162,559</u>
Fixed assets		
Distribution systems	\$ 5,047,421	\$ 4,869,212
Accumulated depreciation	(2,160,519)	(2,055,316)
Construction in progress	<u>28,456</u>	<u>-</u>
Fixed assets (net of accumulated depreciation)	<u>\$ 2,915,358</u>	<u>\$ 2,813,896</u>
Total assets	<u>\$ 3,444,144</u>	<u>\$ 3,320,526</u>
<u>LIABILITIES</u>		
Current liabilities (payable from current assets)		
Accounts payable	\$ 48,656	\$ 169,833
Accrued liabilities	13,119	14,427
Accrued interest payable	559	569
Bonds payable - current portion	<u>13,223</u>	<u>12,642</u>
Total current liabilities (payable from current assets)	<u>\$ 75,557</u>	<u>\$ 197,471</u>
Current liabilities (payable from restricted assets)		
Customer deposits payable	\$ 73,861	\$ 87,492
Total current liabilities (payable from restricted assets)	<u>\$ 73,861</u>	<u>\$ 87,492</u>
Long-term liabilities		
Compensated absences	\$ 27,594	\$ 19,780
Bonds payable - long-term portion	<u>633,346</u>	<u>646,569</u>
Total long-term liabilities	<u>\$ 660,940</u>	<u>\$ 666,349</u>
Total liabilities	<u>\$ 810,358</u>	<u>\$ 951,312</u>

-continued-

TOWN OF WOODVILLE, MISSISSIPPI

ENTERPRISE FUND

COMPARATIVE BALANCE SHEETS

SEPTEMBER 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<u>NET ASSETS</u>		
Invested in capital assets, net of related debt	\$ 2,268,789	\$ 2,154,685
Restricted for:		
Deposits related to bonded debt	79,589	75,067
Unrestricted	<u>285,408</u>	<u>139,462</u>
Total net assets	<u>\$ 2,633,786</u>	<u>\$ 2,369,214</u>
 Total liabilities and net assets	 <u>\$ 3,444,144</u>	 <u>\$ 3,320,526</u>

See Independent Auditor's Report.

TOWN OF WOODVILLE, MISSISSIPPI

ENTERPRISE FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS

YEARS ENDED SEPTEMBER 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<u>OPERATING REVENUES</u>		
Charges for services:		
Water sales	\$ 424,074	\$ 425,871
Sewer charges	249,282	249,035
Gas sales	653,652	529,724
CCA revenues	<u>165,550</u>	<u>97,020</u>
Total operating revenues	<u>\$ 1,492,558</u>	<u>\$ 1,301,650</u>
<u>OPERATING EXPENSES</u>		
Personal services	\$ 309,551	\$ 321,873
Purchase of utilities provided	327,982	300,281
Materials and supplies	174,929	129,706
Repairs and maintenance	1,206	2,243
Depreciation	105,203	97,998
Utilities and telephone	82,256	83,374
Insurance	12,592	18,061
Other operating expenses	<u>112,884</u>	<u>109,461</u>
Total operating expenses	<u>\$ 1,126,603</u>	<u>\$ 1,062,997</u>
Operating income	<u>\$ 365,955</u>	<u>\$ 238,653</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Interest earnings	\$ 1,250	\$ 3,187
Other revenue	39,315	31,038
Interest expense	<u>(28,814)</u>	<u>(29,961)</u>
Total nonoperating revenues (expenses)	<u>\$ 11,751</u>	<u>\$ 4,264</u>
Income Before Contributions and Transfers	\$ 377,706	\$ 242,917
Capital contributions from grants	106,866	297,651
Transfers - out	<u>(220,000)</u>	<u>(242,000)</u>
Change in Net Assets	\$ 264,572	\$ 298,568
Net assets - beginning	<u>2,369,214</u>	<u>2,070,646</u>
Net assets - ending	<u>\$ 2,633,786</u>	<u>\$ 2,369,214</u>

See Independent Auditor's Report.

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

YEARS ENDED SEPTEMBER 30, 2010 AND 2009

	2010	2009
Cash flows from operating activities		
Cash received from customers	\$ 1,572,893	\$ 1,200,308
Cash payments to suppliers for goods and services	(824,750)	(529,488)
Cash payments to and on behalf of employees for services	(303,046)	(326,562)
Net cash provided by operating activities	\$ 445,097	\$ 344,258
Cash flows from noncapital financing activities		
Proceeds from other revenues	\$ 39,315	\$ 31,038
Operating transfers - out	(216,056)	(242,000)
Net cash used for noncapital financing activities	\$ (176,741)	\$ (210,962)
Cash flows from capital and related financing activities		
Proceeds from federal and state grants	\$ 106,866	\$ 297,651
Principal paid on bonds	(12,642)	(12,091)
Interest paid on bonds	(28,824)	(29,971)
Construction of water and sewer system improvements	(206,665)	(320,192)
Net cash used for capital and related financing activities	\$ (141,265)	\$ (64,603)
Cash flows from investing activities		
Interest on temporary investments	\$ 1,250	\$ 3,187
Net cash provided by investing activities	\$ 1,250	\$ 3,187
Net increase in cash and cash equivalents	\$ 128,341	\$ 71,880
Cash and cash equivalents - beginning of year	228,562	156,682
Cash and cash equivalents - end of year	\$ 356,903	\$ 228,562
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 365,955	\$ 238,653
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	\$ 105,203	\$ 97,998
Provision for bad debts	8,275	(1,992)
Change in assets and liabilities		
(Increase) decrease in:		
Accounts receivable	93,966	(99,350)
Increase (decrease) in:		
Accounts payable	(121,177)	94,235
Accrued liabilities	6,506	(4,689)
Customer deposits	(13,631)	19,403
Total adjustments	\$ 79,142	\$ 105,605
Net cash provided by operating activities	\$ 445,097	\$ 344,258

See Independent Auditor's Report.

TOWN OF WOODVILLE, MISSISSIPPI

ENTERPRISE FUND

COMPARATIVE STATEMENTS OF REVENUES AND EXPENSES
WATER DEPARTMENT

YEARS ENDED SEPTEMBER 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Operating Revenues		
Charges for services	\$ <u>424,074</u>	\$ <u>425,871</u>
Total operating revenues	\$ <u>424,074</u>	\$ <u>425,871</u>
Operating Expenses		
Personal services	\$ 103,564	\$ 119,631
Materials and supplies	61,475	47,668
Repairs and maintenance	-	416
Depreciation	29,047	24,352
Utilities and telephone	39,005	46,716
Insurance	4,000	5,800
Other services and charges	<u>27,504</u>	<u>30,110</u>
Total operating expenses	\$ <u>264,595</u>	\$ <u>274,693</u>
Operating income	<u>\$ 159,479</u>	<u>\$ 151,178</u>

See Independent Auditor's Report.

TOWN OF WOODVILLE, MISSISSIPPI

ENTERPRISE FUND

COMPARATIVE STATEMENTS OF REVENUES AND EXPENSES
SEWER DEPARTMENT

YEARS ENDED SEPTEMBER 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Operating Revenues		
Charges for services	\$ 249,282	\$ 249,035
Total operating revenues	<u>\$ 249,282</u>	<u>\$ 249,035</u>
Operating Expenses		
Personal services	\$ 65,326	\$ 59,045
Materials and supplies	29,570	32,020
Repairs and maintenance	-	122
Depreciation	63,450	60,535
Utilities and telephone	16,532	19,772
Insurance	1,988	2,000
Other services and charges	25,595	25,623
Total operating expenses	<u>\$ 202,461</u>	<u>\$ 199,117</u>
Operating income	<u>\$ 46,821</u>	<u>\$ 49,918</u>

See Independent Auditor's Report.

TOWN OF WOODVILLE, MISSISSIPPI

ENTERPRISE FUND

COMPARATIVE STATEMENTS OF REVENUES AND EXPENSES
GAS DEPARTMENT

YEARS ENDED SEPTEMBER 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Operating Revenues		
Charges for services	\$ 653,652	\$ 529,724
Total operating revenues	<u>\$ 653,652</u>	<u>\$ 529,724</u>
Operating Expenses		
Personal services	\$ 127,591	\$ 127,997
Purchase of natural gas	327,982	300,281
Materials and supplies	50,440	39,085
Repairs and maintenance	1,073	1,705
Depreciation	6,969	8,311
Utilities and telephone	6,165	6,702
Insurance	3,705	4,500
Other services and charges	<u>39,646</u>	<u>33,520</u>
Total operating expenses	<u>\$ 563,571</u>	<u>\$ 522,101</u>
Operating income	<u>\$ 90,081</u>	<u>\$ 7,623</u>

See Independent Auditor's Report.

TOWN OF WOODVILLE, MISSISSIPPI

ENTERPRISE FUND

COMPARATIVE STATEMENTS OF REVENUES AND EXPENSES
CORRECTIONS CORPORATION OF AMERICA (CCA) DEPARTMENT

YEARS ENDED SEPTEMBER 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Operating Revenues		
Charges for services	\$ 165,550	\$ 97,020
Total operating revenues	<u>\$ 165,550</u>	<u>\$ 97,020</u>
Operating Expenses		
Personal services	\$ 13,070	\$ 15,200
Materials and supplies	33,444	10,933
Repairs and maintenance	133	-
Depreciation	5,737	4,800
Utilities and telephone	20,554	10,184
Insurance	2,899	5,761
Other services and charges	<u>20,139</u>	<u>20,208</u>
Total operating expenses	<u>\$ 95,976</u>	<u>\$ 67,086</u>
Operating income	<u>\$ 69,574</u>	<u>\$ 29,934</u>

See Independent Auditor's Report.

AGENCY FUNDS

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

Agency Funds

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

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

TOWN OF WOODVILLE, MISSISSIPPI

AGENCY FUNDS

COMBINING BALANCE SHEETS

SEPTEMBER 30, 2010

(WITH COMPARATIVE TOTALS FOR SEPTEMBER 30, 2009)

	Agency Funds		Totals	
	Accounts Payable	Payroll	2010	2009
	Clearing Fund	Clearing Fund		
Assets				
Cash	\$ 4,826	\$ 4,617	\$ 9,443	\$ 18,293
Total assets	\$ 4,826	\$ 4,617	\$ 9,443	\$ 18,293
Liabilities				
Due to other funds	\$ 4,826	\$ 4,617	\$ 9,443	\$ 18,293
Total liabilities	\$ 4,826	\$ 4,617	\$ 9,443	\$ 18,293
Fund Equity				
Fund balance				
Unreserved, undesignated	\$ -	\$ -	\$ -	\$ -
Total fund equity	\$ -	\$ -	\$ -	\$ -
Total liabilities and fund equity	\$ 4,826	\$ 4,617	\$ 9,443	\$ 18,293

See Independent Auditor's Report.

OTHER SUPPLEMENTARY INFORMATION

TOWN OF WOODVILLE, MISSISSIPPI

SCHEDULE RECONCILING ORIGINAL AD VALOREM TAX ROLLS TO
FUND COLLECTIONS ON 2009 AD VALOREM TAXES

YEAR ENDED SEPTEMBER 30, 2010

	<u>Assessed Value</u>	<u>Tax</u>	
Assessed valuation			
Real property	\$ 3,479,139		
Personal property	596,871		
Auto and mobile home	1,278,402		
Public utilities	<u>414,256</u>		
Total at 26.34 mills	<u>\$ 5,768,668</u>	\$ 151,947	
Less: Homestead credit allowed		(13,221)	
Abatements		(157)	
Less: Ad valorem tax reimbursements		(462)	
Add: Prior year collections		2,242	
Add: Actual homestead reimbursement		<u>5,797</u>	
Total to be accounted for		<u>\$ 146,146</u>	
	<u>Taxes</u>	<u>Homestead Reimbursement</u>	<u>Totals</u>
Credits			
Collection allocated to:			
General Fund	\$ 140,222	\$ 5,797	\$ 146,019
Balance represented by			
Less: Interest on delinquent taxes			(1,296)
Unpaid real and personal			1,136
Unaccounted for			<u>287</u>
Total accounted for			<u>\$ 146,146</u>

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

See Independent Auditor's Report.

TOWN OF WOODVILLE, MISSISSIPPI
 SCHEDULE OF INVESTMENTS - ALL FUNDS
 SEPTEMBER 30, 2010

	<u>Rate</u>	<u>Principal Balance</u>	<u>Carrying Value</u>	<u>Fair Market Value</u>
General Funds				
<u>Restricted Funds</u>				
Concordia Bank and Trust Company				
Savings accounts				
Cemetery Fund	.50%	\$ 38,912	\$ 38,912	\$ 38,912
Fire Rebate Fund	.50%	207	207	207
Certificates of Deposit:				
Municipal Signs Fund	1.15%	2,768	2,768	2,768
Future Growth Fund	0.50%	65,465	65,465	65,465
Municipal Building Fund	1.00%	<u>10,946</u>	<u>10,946</u>	<u>10,946</u>
Total General Fund restricted investments		<u>\$ 118,298</u>	<u>\$ 118,298</u>	<u>\$ 118,298</u>
Enterprise Funds				
<u>Restricted Funds</u>				
Concordia Bank and Trust Company				
Certificates of Deposit:				
Water and Sewer System	2.00%	\$ 32,662	\$ 32,662	\$ 32,662
Enterprise Fund	0.15%	15,492	15,492	15,492
Bond Cushion Fund	0.00%	19,928	19,928	19,928
Contingent Fund	0.00%	9,964	9,964	9,964
Depreciation Fund	0.00%	9,964	9,964	9,964
Bond and Interest Sinking Fund	0.00%	<u>39,733</u>	<u>39,733</u>	<u>39,733</u>
Total Enterprise Fund restricted investments		<u>\$ 127,743</u>	<u>\$ 127,743</u>	<u>\$ 127,743</u>
Total investments - all funds		<u>\$ 246,041</u>	<u>\$ 246,041</u>	<u>\$ 246,041</u>

See Independent Auditor's Report.

TOWN OF WOODVILLE, MISSISSIPPI
 SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS
 SEPTEMBER 30, 2010

<u>Name</u>	<u>Position</u>	<u>Insurance Company</u>	<u>Amount</u>
Sharon D. Robinson	Mayor	Old Republic Surety Company	\$ 50,000
James Fry	Alderman	Travelers Casualty & Surety	\$ 25,000
Earl-Dean Anthony	Alderman	Travelers Casualty & Surety	\$ 25,000
William Carter	Alderman	Travelers Casualty & Surety	\$ 25,000
Robert Jensen	Alderman	Travelers Casualty & Surety	\$ 25,000
Cathy McCurley	Town Clerk	Old Republic Surety Company	\$ 50,000
Elnora Veals	Deputy Clerk	Old Republic Surety Company	\$ 25,000
Tarwonna Walker	Deputy Clerk	Old Republic Surety Company	\$ 50,000
Jessie Stewart	Chief of Police	Old Republic Surety Company	\$ 50,000

See Independent Auditor's Report.

TOWN OF WOODVILLE, MISSISSIPPI

SCHEDULE OF LONG-TERM DEBT

YEAR ENDED SEPTEMBER 30, 2010

Definition and Purpose	Balance	Transactions During Year		Balance
	Outstanding 10/1/2009	Issued	Redeemed	Outstanding 9/30/2010
General Obligation Bonds				
2010 Street Bonds	\$ -	\$ 325,000	\$ -	\$ 325,000
Municipal building	<u>445,800</u>	<u>-</u>	<u>15,300</u>	<u>430,500</u>
Total General Obligation Bonds	\$ <u>445,800</u>	\$ <u>325,000</u>	\$ <u>15,300</u>	\$ <u>755,500</u>
Revenue Bonds				
Enterprise Fund:				
Combined Water and Sewer Bonds	\$ <u>659,211</u>	\$ <u>-</u>	\$ <u>12,642</u>	\$ <u>646,569</u>
Notes Payable				
General Fund:				
Municipal Multi-Purpose Building	\$ <u>255,690</u>	\$ <u>-</u>	\$ <u>7,595</u>	\$ <u>248,095</u>
Total bond and notes payable	\$ <u>1,360,701</u>	\$ <u>325,000</u>	\$ <u>35,537</u>	\$ <u>1,650,164</u>
Other Long-Term Debt				
General Fund				
Compensated absences	\$ 21,628	\$ 1,218	\$ -	\$ 22,846
Enterprise Fund				
Compensated absences	<u>19,780</u>	<u>7,814</u>	<u>-</u>	<u>27,594</u>
Total other long-term debt	\$ <u>41,408</u>	\$ <u>9,032</u>	\$ <u>-</u>	\$ <u>50,440</u>
Totals	\$ <u>1,402,109</u>	\$ <u>334,032</u>	\$ <u>35,537</u>	\$ <u>1,700,604</u>

See Independent Auditor's Report.

INTERNAL CONTROL AND COMPLIANCE REPORTS



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

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

Mayor and Board of Aldermen
Town of Woodville, Mississippi

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Woodville, Mississippi, as of and for the year ended September 30, 2010, which collectively comprise the Town of Woodville, Mississippi's basic financial statements, and have issued our report thereon dated March 16, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings, that we consider to be material weaknesses in internal control over financial reporting, 2010-01 and 2010-02. 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. We did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies, as defined above.

Compliance and Other Matters

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

This report is intended for the information of the Mayor, Members of the Board of Aldermen, Management of the Town of Woodville, Mississippi, 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
March 16, 2011

SCHEDULE OF FINDINGS

TOWN OF WOODVILLE, MISSISSIPPI
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

SECTION 1: SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

- | | |
|---|---------------|
| 1. Type of auditor's report issued on the basic financial statements: | Unqualified |
| 2. Internal control over financial reporting: | |
| a. Material weakness(es) identified? | Yes |
| b. Significant deficiencies identified that are not considered to be material weaknesses? | None reported |
| 3. Material noncompliance relating to the basic financial statements? | No |

Federal Awards:

Not applicable

TOWN OF WOODVILLE, MISSISSIPPI
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

SECTION 2: FINANCIAL STATEMENT FINDINGS

Significant Deficiencies Considered to be Material Weaknesses

Current Year

2010-01 Finding

The Town's internal control structure does not include the necessary resources to create financial statements according to GASB 34. Instead, the organization relies on its auditors to create the financial statements at year end, as most municipalities do. This is primarily due to the limited physical and financial resources that are necessary to devote to this function.

Recommendation

We recommend that the Town continues to be involved in financial reporting matters as much as possible and continue working with auditors to allow for a more effective use of time during period close and financial statement preparation.

Management's Response

The Town will continue working with the external auditors to expedite financial reporting.

2010-02 Finding

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

Recommendation

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

Corrective Action

The Town will continue to implement alternate control procedures.

Prior Year

2009-01 Finding

The Town's internal control structure does not include the necessary resources to create financial statements according to GASB 34. Instead, the organization relies on its auditors to create the financial statements at year end, as most municipalities do. This is primarily due to the limited physical and financial resources that are necessary to devote to this function.

TOWN OF WOODVILLE, MISSISSIPPI
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

SECTION 2: FINANCIAL STATEMENT FINDINGS (continued)

Significant Deficiencies Considered to be Material Weaknesses (continued)

Prior Year (continued)

Recommendation

We recommend that the Town continues to be involved in financial reporting matters as much as possible and continue working with auditors to allow for a more effective use of time during period close and financial statement preparation.

Management's Response

The Town will continue working with the external auditors to expedite financial reporting. This condition still exists as of September 30, 2010. See 2010-01 above.

2009-02 Finding

Actual expenditures exceeded budgeted amounts within two departments in the Town's General Fund. General government expenditures were \$207,828, exceeding the budget by \$13,628. The Street Department budgeted expenditures were \$225,500 and the actual expenditures were \$287,166. Mississippi law requires that the expenditures not exceed the budgeted amounts.

Recommendation

We recommend that the Town of Woodville closely monitor the expenditures during the year so that expenditures do not exceed the budgeted amounts. The budget should be amended as necessary.

Corrective Action

The Town properly adhered to budget limitations in the current year.

2004-01 Finding

From our understanding of the Town's internal control structure, we have determined that the small size of the Town and its limited number of personnel do not allow for the adequate segregation of duties among its employees. This is a continuing comment from prior years. In the past, we have recommended that the duties of the employees be segregated as much as possible under these limited conditions. This condition still exists as of September 30, 2010. See 2010-02 above.

Recommendation

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

TOWN OF WOODVILLE, MISSISSIPPI
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

SECTION 2: FINANCIAL STATEMENT FINDINGS (continued)

Significant Deficiencies Considered to be Material Weaknesses (continued)

Corrective Action

The Town will continue to implement alternate control procedures.

SECTION 3: FEDERAL AWARDS, FINDINGS, AND QUESTIONED COSTS

Not applicable

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



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

www.silassimmons.com

Mayor and Board of Aldermen
Town of Woodville, Mississippi

We have audited the basic financial statements of the Town of Woodville, Mississippi, as of and for the year ended September 30, 2010, and have issued our report thereon dated March 16, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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

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

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

Silas Simmons, LLP

Natchez, Mississippi
March 16, 2011