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TOWN OF WINSTONVILLE, MISSISSIPPI
FINANCIAL REPORT
For The Fiscal Year Ended September 30, 2007

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**INDEPENDENT AUDITOR'S REPORT
ON THE FINANCIAL STATEMENT
AND SUPPLEMENTAL INFORMATION**



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**INDEPENDENT AUDITOR'S REPORT
ON THE FINANCIAL STATEMENT
AND SUPPLEMENTAL INFORMATION**

Honorable Mayor and Board of Aldermen
Town of Winstonville
Winstonville, Mississippi

We have audited the accompanying combined statement of cash receipts and disbursements (all funds) of the Town of Winstonville, Mississippi, for the year ended September 30, 2007. This statement is the responsibility of the Town's management. Our responsibility is to express an opinion on this statement based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *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 combined statement of cash receipts and disbursements (all funds) is free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the combined statement of cash receipts and disbursements (all funds). An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1 the combined statement of cash receipts and disbursements (all funds) is a summary of the cash activity of the Town and does not present transactions that would be included in financial statements of the Town prepared in conformity with generally accepted accounting principles.

In our opinion, the accompanying statement presents fairly the cash receipts and disbursements of the Town of Winstonville for the year ended September 30, 2007.


Our audit was conducted for the purpose of forming an opinion on the financial statement taken as a whole. The schedules and supplemental information, including the Schedule of Federal Financial Assistance, listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statement of the Town of Winstonville, Mississippi. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and, in our opinion, is fairly presented in all material respects in relation to the financial statement taken as a whole.

Page 2
Honorable Mayor and Board of Aldermen
Town of Winstonville

In accordance with *Government Auditing Standards*, we have also issued a report dated July 13, 2009 on our consideration of the Town of Winstonville's internal control structure and a report dated July 13, 2009 on its compliance with laws and regulations.

THE MYLES CPA FIRM, PLLC
Certified Public Accountants

BY:


Wayne E. Myles
Certified Public Accountant
FOR THE FIRM

Tupelo, Mississippi
July 13, 2009

**COMBINED STATEMENT OF CASH RECEIPTS
AND DISBURSEMENTS (ALL FUNDS)**

TOWN OF WINSTONVILLE, MISSISSIPPI
COMBINED STATEMENT OF RECEIPTS AND DISBURSEMENTS (ALL FUNDS)
For the Year Ended September 30, 2007

	Governmental Funds		Proprietary Fund		Totals (Memorandum Only)
	General	Special Revenue Community Dev. Block Grant	Natural Gas	Water and Sewer	
REVENUES					
General Property Taxes	25,077	-	-	-	25,077
Penalties and Interest on Delinquent Taxes	-	-	-	-	-
Licenses and Permits	1,445	-	-	-	1,445
Franchise Tax on Utilities	1,374	-	-	-	1,374
Intergovernmental Revenue:					
General Municipal Aid	1,003	-	-	-	1,003
State Shared Revenue:					
Sales Tax	3,526	-	-	-	3,526
Gasoline Tax	-	-	-	-	-
Motor Vehicle Tax	2,877	-	-	-	2,877
Alcoholic Beverage License	-	-	-	-	-
Fire Insurance Premium Tax	-	-	-	-	-
In Lieu Tax (Grand Gulf)	-	-	-	-	-
State Grant - Law Enforcement	-	-	-	-	-
Community Development Block Grant	-	-	-	-	-
Charges for Services:					
Water and Sewage Utility	-	-	-	-	-
Natural Gas Utility	-	-	31,151	41,321	72,472
Sanitation Fees	-	-	-	-	-
Interest Income	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenue Receipts	35,302	-	31,151	41,321	107,774
Other Receipts:					
Transfers from Other Funds	194	-	-	-	194
Other	9,996	-	-	-	9,996
Total Other Receipts	10,190	-	-	-	10,190
Total Receipts	45,492	-	31,151	41,321	117,964
Cash Balance (Beginning of Year)	21,530	-	(8,638)	8,325	21,217
Total to Account for	67,022	-	22,513	49,646	139,181

The accompanying notes are an integral part of these Financial Statements.

TOWN OF WINSTONVILLE, MISSISSIPPI
COMBINED STATEMENT OF RECEIPTS AND DISBURSEMENTS (ALL FUNDS)
For the Year Ended September 30, 2007

	Governmental Funds		Proprietary Funds		Totals (Memorandum Only)
	General	Special Revenue Community Dev. Block Grant	Natural Gas	Water and Sewer	
		-			
<u>OPERATING DISBURSEMENTS</u>					
General Government (Executive and Financial)	37,083	-	-	-	37,083
Public Safety:					
Police	151	-	-	-	151
Fire Protection	-	-	-	-	-
Highways and Streets:					
Lighting	9,040	-	-	-	9,040
Sanitation	15,823	-	-	-	15,823
Water and Sewage Utility	-	-	-	21,507	21,507
Natural Gas Utility	-	-	13,880	-	13,880
Interest on Bank Loans	-	-	-	-	-
Summer Food Service Program	-	-	-	-	-
Community Dev. Block Grant	-	-	-	-	-
Legal	3,011	-	-	-	3,011
Other	1,032	-	-	-	1,032
Total Operating Disbursements	66,140	-	13,880	21,507	101,527
Other Disbursements:					
Payment on Note(s) Rural Development	-	-	6,500	24,100	30,600
Total Other Disbursements	66,140	-	20,380	45,607	132,127
Cash Balance - End of Year	882	-	2,133	4,039	7,054
Total Amount Accounted for	67,022	-	22,513	49,646	139,181

The accompanying notes are an integral part of these Financial Statements.

NOTES TO FINANCIAL STATEMENTS

TOWN OF WINSTONVILLE, MISSISSIPPI
NOTES TO FINANCIAL STATEMENT
September 30, 2007

Note 1 - Summary of Significant Accounting Policies

The more significant of the government's accounting policies are described below.

A. Reporting Entity

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The Town of Winstonville has no component units.

The Mississippi Delta is an agricultural based economy. The economic stability of the taxpayers and utility customers of the Town of Winstonville is significantly affected by this environment.

B. Fund Accounting

The government uses funds to report on the cash receipts and disbursements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into two categories: governmental and proprietary. Each category, in turn, is divided into separate "fund types".

Governmental funds are used to account for all or most of a government's general activities including the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund. Special revenue funds account for revenue sources that are legally restricted to expenditures for specific purposes.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided to outside parties (enterprise funds).

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. When these assets are held under the terms of a formal trust agreement, a pension trust fund, a nonexpendable trust fund or an expendable trust fund is used. The terms "nonexpendable" and "expendable" refer to whether or not the government is under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the government holds on behalf of others as their agent.

(Continued)

TOWN OF WINSTONVILLE, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

Note 1 - Summary of Significant Accounting Policies (Cont'd.)

C. Basis of Accounting

The financial statement is prepared on a cash receipts and disbursements basis, as prescribed by the Office of the State Auditor. Consequently, certain revenues are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligation is incurred.

D. Report Classifications

Receipts and disbursements were classified according to requirements for small towns in the State of Mississippi as prescribed by the Office of the State Auditor.

E. Cash

The Town deposits excess funds in financial institutions selected by the board in accordance with state statutes. Cash consists of amounts on deposit in demand accounts and is valued at cost.

Various restrictions on these deposits are imposed by state statutes. These restrictions are summarized as follows:

All deposits with financial institutions insured by the Federal Deposit Insurance Corporation (FDIC) or by the Federal Savings and Loan Insurance Corporation (FSLIC), or any successors to such insurance corporations, must be collateralized in an amount equal to 105 % of the uninsured amount. The collateral must be on deposit with the Town Clerk.

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 in interest-bearing time certificates of deposit with any financial institution approved for the deposit of state funds.

F. Memorandum Only - Total Columns

Total columns on the financial statement are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial positions, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

TOWN OF WINSTONVILLE, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2007

Note 2 - Property Tax

Property taxes attach an enforceable lien on property as of January 1. Taxes are levied as of January 1 and payable on or before February 1. Taxes are collected and remitted by the Bolivar County Tax Collector.

The distribution of taxes to funds was in accordance with prescribed tax levies, and uncollected taxes were properly handled.

SUPPLEMENTAL INFORMATION

TOWN OF Winstonville, MISSISSIPPI

SCHEDULE OF LONG-TERM DEBT

For the Fiscal Year Ended September 30, 2007

	Balance Outstanding <u>October 1, 2006</u>	Transactions During Fiscal Year		Balance Outstanding <u>September 30, 2007</u>
		<u>Issued</u>	<u>Redeemed</u>	
Rural Development				
Loan # 9720	321,929	-	13,500	308,429
Loan # 9320	167,809	-	17,100	150,709
Loan # 9230	125,109	-	-	125,109
Total	<u>\$ 614,847</u>	<u>\$ -</u>	<u>\$ 30,600</u>	<u>\$ 584,247</u>

The accompanying notes are an integral part of these Financial Statements.

TOWN OF WINSTONVILLE, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS

For the Fiscal Year Ended September 30, 2007

NAME	POSITION	SURETY	BOND
Henry Perkins	Mayor	Zurich	\$ 40,000.00
Joyce Perkins	City Clerk	Zurich	50,000.00
Addie Baines	Alderman	Zurich	5,000.00
Ponthea Howard	Alderman	Zurich	5,000.00
Thelma Washington	Alderman	Zurich	5,000.00
Dwight Witherspoon	Alderman	Zurich	5,000.00

The accompanying notes are an integral part of these Financial Statements.

TOWN OF WINSTONVILLE, MISSISSIPPI
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

For the Fiscal Year Ended September 30, 2007

Federal Grantor, Pass-Through Grantor, Program Title	Federal CFDA Number	Federal Expenditures
N/A		

The accompanying notes are an integral part of these Financial Statements.

INTERNAL CONTROL REPORTS

**INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROL STRUCTURE
BASED ON AN AUDIT OF COMBINED STATEMENT OF CASH RECEIPTS
AND DISBURSEMENTS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***



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**INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROL STRUCTURE
BASED ON AN AUDIT OF COMBINED STATEMENT OF CASH RECEIPTS
AND DISBURSEMENT IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Mayor and Board of Aldermen
Town of Winstonville
Winstonville, Mississippi

We have audited the combined statement of cash receipts and disbursements of Town of Winstonville, Mississippi, as of and for the year ended September 30, 2007, and have issued our report thereon dated July 13, 2009.

We have conducted our audit in accordance with generally accepted auditing standards and *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 combined statement of cash receipts and disbursements is free of material misstatement.

The management of Town of Winstonville, Mississippi, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected.

Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the combined statement of cash receipts and disbursements of Town of Winstonville, for the year ended September 30, 2007, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted a matter involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reputable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statement. The following finding and recommendation describes a reportable condition noted during our consideration of the internal control structure:

Honorable Mayor and Board of Aldermen
Town of Winstonville

1. Finding:

There is a lack of segregation of duties in all financial transactions of the Town because there is only one employee in the business office. The Town Clerk is responsible for the entire accounting function of the Town. This finding was included in the prior year report.

Recommendation:

It is not financially feasible for the Town to add staff in order to allow for segregation of duties.

Response:

The Town has concluded that it is not financially feasible to add additional staff in order to allow for segregation of duties.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level risk that errors or irregularities in amounts that would be material in relation to the financial statement being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

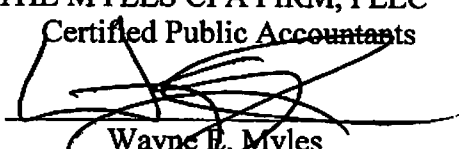
Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered material weaknesses as defined above. However, we believe the reportable condition described above results in a more than a relatively low risk that errors or irregularities in amounts that would be material in relation to the financial statements of the Town of Winstonville may occur and not be detected within a timely period.

This condition, identified as a material weakness, was considered in determining the nature, timing and extent of the audit tests to be applied to our audit of the 2007 financial statement. This report does not affect our report on the combined statement of cash receipts and disbursements dated July 13, 2009.

This report is intended for the information of the management, and the Mayor, and Board of Aldermen of the Town of Winstonville, Mississippi. However, this report is a matter of public record and its distribution is not limited.

THE MYLES CPA FIRM, PLLC
Certified Public Accountants

BY:


Wayne E. Myles
Certified Public Accountant
FOR THE FIRM

Tupelo, Mississippi
July 13, 2009

COMPLIANCE REPORTS

INDEPENDENT AUDITOR'S COMPLIANCE REPORT
BASED ON AN AUDIT OF COMBINED STATEMENT OF CASH RECEIPTS
AND DISBURSEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*



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**INDEPENDENT AUDITOR'S COMPLIANCE REPORT
BASED ON AN AUDIT OF COMBINED STATEMENT OF CASH RECEIPTS
AND DISBURSEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Mayor and Board of Aldermen
Town of Winstonville
Winstonville, Mississippi

We have audited the combined statement of cash receipts and disbursements of Town of Winstonville, Mississippi, as of and for the year ended September 30, 2007, and have issued our report thereon dated July 13, 2009.

We conducted our audit in accordance with generally accepted auditing standards and *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 combined statement of cash receipts and disbursements is free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Town of Winstonville, Mississippi, is the responsibility of the Town of Winstonville, Mississippi's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of Town of Winstonville, Mississippi's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general-purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such as opinion.

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


The prior year report did not contain any instances of noncompliance.

We noted certain immaterial instances of noncompliance that we have reported to the management of the Town of Winstonville in a separate letter dated July 13, 2009, included within this document.

This report is intended for the information of the Town of Winstonville, management, and appropriate grantor agencies. However, this report is a matter of public record and its distribution is not limited.

THE MYLES CPA FIRM, PLLC
Certified Public Accountants

BY:


Wayne B. Myles
Certified Public Accountant
FOR THE FIRM

Tupelo, Mississippi
July 13, 2009

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

TOWN OF WINSTONVILLE, MISSISSIPPI
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2007

Section I – Summary of Auditor’s Results

1. The auditor’s report is unqualified.
2. There were no reportable conditions.
3. There were no instances of noncompliance material to the general purpose financial statements of the Town of Winstonville, Mississippi disclosed during the engagement.
4. The Town participated in no major federal programs.
5. There is no auditor’s report on major federal programs (Refer to item 4 above).
6. No audit findings relative to the major federal award programs for the Town of Winstonville, Mississippi are reported in this Schedule.
7. The Town of Winstonville was determined to be a low-risk auditee.

TOWN OF WINSTONVILLE, MISSISSIPPI
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2007
Continued

Section II – Financial Statements Findings

REPORTABLE CONDITIONS:

No reportable conditions.

TOWN OF WINSTONVILLE, MISSISSIPPI
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2007

Section III – Federal Award Findings and Questioned Costs

Findings: No findings.

Questioned Cost: No questioned costs.