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**TOWN OF KOSSUTH, MISSISSIPPI**  
**FINANCIAL REPORT**  
**YEAR ENDED SEPTEMBER 30, 2009**

**TOWN OF KOSSUTH, MISSISSIPPI  
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**Independent Accountants' Report on  
 Applying Agreed-Upon Procedures**

To the Honorable Mayor and Board of Aldermen of the  
 Town of Kossuth, Mississippi, and  
 To the Office of the State Auditor of the  
 State of Mississippi

We have performed the procedures enumerated below, which were agreed to by the Town, solely to assist the Office of the State Auditor with respect to the accounting records of the Town of Kossuth, Mississippi, as of and for the year ended September 30, 2009, as required by the Office of the State Auditor, under the provisions of Section 21-35-31, Miss Code Ann. (1972). The Town of Kossuth's management is responsible for the entity's accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the management of the Town of Kossuth, Mississippi and the Office of the State Auditor. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. We reconciled cash on deposit with the following bank to balances in the respective general ledger accounts and obtained confirmation of the related balances from the bank:

<u>Bank</u>	<u>Account Name/Fund</u>	<u>Balance per General Ledger</u>
Regions Bank	General Account	\$ 49,966
Regions Bank	Fire Department	38,007
Regions Bank	Insurance Rebate	3,892
Regions Bank	Millage Account	21,829
	Total Special Revenue Funds	\$ 63,728
Total All Funds		\$ 113,694

2. The Town held no securities for investment for the year ended September 30, 2009.
3. The Town collected no taxes on real or personal property (including motor vehicles) during the year ended September 30, 2009.

4. We obtained a statement of payments made by the Department of Finance and Administration to the municipality. Payments indicated were traced to deposits in the respective bank accounts and recorded in the general ledger without exception. Payments traced were as follows:

<u>Payment Purpose</u>	<u>Receiving Fund</u>	<u>General Ledger Amount</u>
General Municipal Aid	General Fund	\$ 89
Sales Tax Allocation	General Fund	19,784
TVA Payments in Lieu of Taxes	General Fund	3,931
Fire Protection	Special Revenue Fund	898
Gasoline Tax	Special Revenue Fund	467
		<u>\$ 25,169</u>

5. We selected a sample of purchases made by the municipality during the fiscal year. Each sample item was evaluated for compliance with purchasing requirements set forth in Title 31, Chapter 7, Miss Code Ann. (1972), as applicable.

The sample consisted of the following:

Number of Sample Items	50
Total Dollar Value of Sample	\$ 22,364.22

We found the municipality's purchasing procedures to be in agreement with the requirements of the above-mentioned sections, except for the following transactions:

Two transactions missing supporting documentation were noted as follows:

Check #810	Wal-Mart	\$66.33
Check #824	Radio Shack	\$76.47

6. We have tested the Municipal Compliance Questionnaire completed by the municipality and found the following instances of noncompliance with state requirements.
- Monthly comparisons of actual expenditures to budgeted expenditures are not made.
  - Dockets are not prepared and compared to budget prior to authorizing payments.

We were not engaged to, and did not conduct an audit or examination, the objective of which would be the expression of an opinion of the accounting records. Accordingly, we do not express such an opinion. Had we performed additional procedures or had we conducted an audit of the financial statements in accordance with generally accepted auditing standards, other matters might have come to our attention that would have been reported to you.

This report should not be associated with the financial statement of the Town of Kossuth, Mississippi, for the year ended September 30, 2009.

It is understood the report is solely for the information and use of management and the governing body of the Town of Kossuth, Mississippi, others within the entity, and the Office of the State Auditor and should not be used for any other purposes by anyone other than these specified parties.

*Branner Vanostroy & Company, P. A.*

Corinth, Mississippi  
 April 23, 2010



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## INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To the Honorable Mayor and Board of Aldermen of the  
Town of Kossuth, Mississippi

We have compiled the accompanying combined statement of cash receipts and disbursements (all funds) of the Town of Kossuth, Mississippi, for the year ended September 30, 2009, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of the Town's officials. We have not audited or reviewed the accompanying statement of cash receipts and disbursements (all funds), and accordingly, do not express an opinion or any other form of assurance on them.

The Town's policy is to prepare its financial statements on the basis of cash receipts and disbursements; consequently, certain revenue is recognized when received rather than when measurable and available, and certain expenditures are recognized when paid rather than when the obligation is incurred. Accordingly, the statement of cash receipts and disbursements (all funds) is not intended to present results of operations in conformity with generally accepted accounting principles.

The Town's management has elected to omit substantially all of the disclosures ordinarily included in a financial statement prepared on the cash basis of accounting. If the omitted disclosures were included, they might influence the user's conclusions about the Town's cash receipts and disbursements. Accordingly, this financial statement is not designed for those who are not informed about such matters.

The supplementary information contained on page 6 is presented for purposes of additional analysis and has been compiled by us from information that is the representation of management of the Town of Kossuth, Mississippi, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on such supplementary information.

*Brawner Vanstory & Company, P. A.*

Corinth, Mississippi  
April 23, 2010

**TOWN OF KOSSUTH, MISSISSIPPI**  
**COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
<b>REVENUE RECEIPTS</b>			
Franchise Taxes	\$ 4,773	\$ -	\$ 4,773
Interest Income	64	108	172
Miscellaneous Income	-	972	972
Fund Raising Income	-	6,447	6,447
Intergovernmental Revenues:			
County Shared Receipts:			
Fire Protection	-	16,997	16,997
Fire Insurance Premium Tax Distribution	-	7,294	7,294
General Municipal Aid (From State)	89	-	89
State Shared Revenues:			
Sales Tax	19,784	-	19,784
Gasoline Tax	467	-	467
Fire Protection	-	898	898
Federal Revenues:			
TVA in Lieu Tax	3,931	-	3,931
<b>TOTAL RECEIPTS</b>	<u>29,108</u>	<u>32,716</u>	<u>61,824</u>
<b>CASH BALANCE - BEGINNING OF YEAR</b>	<u>47,057</u>	<u>58,712</u>	<u>105,769</u>
<b>TOTAL AMOUNT TO ACCOUNT FOR</b>	<u>\$ 76,165</u>	<u>\$ 91,428</u>	<u>\$ 167,593</u>
<b>OPERATING DISBURSEMENTS</b>			
General Government	\$ 19,656	\$ 212	\$ 19,868
Public Safety:			
Fire	589	10,564	11,153
Public Works	5,954	-	5,954
Debt Service:			
Principal	-	6,056	6,056
Interest	-	614	614
<b>TOTAL OPERATING DISBURSEMENTS</b>	<u>26,199</u>	<u>17,446</u>	<u>43,645</u>
<b>OTHER DISBURSEMENTS</b>			
Capital Outlay	-	10,254	10,254
<b>TOTAL OTHER DISBURSEMENTS</b>	<u>-</u>	<u>10,254</u>	<u>10,254</u>
<b>TOTAL DISBURSEMENTS</b>	26,199	27,700	53,899
<b>CASH BALANCE - END OF YEAR</b>	<u>49,966</u>	<u>63,728</u>	<u>113,694</u>
<b>TOTAL AMOUNT ACCOUNTED FOR</b>	<u>\$ 76,165</u>	<u>\$ 91,428</u>	<u>\$ 167,593</u>

See accompanying selected notes to the financial statement and accountants' compilation report.



**TOWN OF KOSSUTH, MISSISSIPPI  
SELECTED NOTES TO THE FINANCIAL STATEMENT  
SEPTEMBER 30, 2009**

**NOTE A: Summary of Significant Accounting Policies**

General Information

The town operates under the mayor-alderman form of government and provides services as authorized by law.

Reporting Entity

The financial statement of the town consists of all the funds of the town.

Fund Accounting

The accounts of the town are organized on the basis of funds, each of which is considered a separate accounting entity.

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.

**NOTE B: 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.

**TOWN OF KOSSUTH, MISSISSIPPI  
SUPPLEMENTARY SCHEDULES  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

**Schedule of Surety Bonds for Town Officials**

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Amount</u>
Don Pace	Mayor	Fidelity and Deposit Company of Maryland	\$ 10,000
Randy Holt	Town Clerk	Fidelity and Deposit Company of Maryland	\$ 50,000
William Jones	Alderman	Travelers Casualty & Surety Company of America	\$ 10,000
J. Cliff Hughes	Alderman	Travelers Casualty & Surety Company of America	\$ 10,000
Jerry Strickland	Alderman	Travelers Casualty & Surety Company of America	\$ 10,000
James Allen	Alderman	Travelers Casualty & Surety Company of America	\$ 10,000
Kenneth Rainey	Alderman	Travelers Casualty & Surety Company of America	\$ 10,000

**Schedule of Long-Term Debt**

	<u>Balance Outstanding 10/1/2008</u>	<u>Transactions During Fiscal Year</u>		<u>Balance Outstanding 9/30/2009</u>
		<u>Issued</u>	<u>Redeemed</u>	
Other Long-Term Debt:				
MS Development Authority	<u>\$ 30,360</u>	<u>\$ -</u>	<u>\$ 6,056</u>	<u>\$ 24,304</u>

See accountants' compilation report.