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Town of McCool
Financial Statements
Year Ended September 30, 2010

*Dungan CPA Company
120 South Natchez Street
Kosciusko, Mississippi 39090*

Town of McCool
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Town of McCool
Financial Section
September 30, 2010

Dungan CPA Co.

Kenny Dungan, CPA
120 S Natchez Street
Kosciusko, MS 39090

Telephone 662-289-9007
Fax 662-289-6644

INDEPENDENT ACCOUNTANTS' REPORT ON AGREED-UPON PROCEDURES FOR SMALL MUNICIPALITIES (TOWNS)

October 29, 2010

Honorable Mayor and Board of Aldermen
McCool, Mississippi

I have applied certain agreed-upon procedures, as discussed below, to the accounting records of the Town of McCool, Mississippi, as of September 30, 2010, and for the year then ended, as required by the Office of the State Auditor, under the provisions of Section 21-35-31, Miss. Code Ann. (1972). It is understood the report is solely for the use of the governing body of the Town of McCool, Mississippi, and the Office of the State Auditor and should not be used for any other purposes. My procedures and findings are as follows:

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

Bank	Fund	Balance Per General Ledger
Merchants & Farmers	General	\$3,456
Merchants & Farmers	General	101,666
Merchants & Farmers	General	4,321
Merchants & Farmers	Utility	37,928
Merchants & Farmers	Utility	13,122
Merchants & Farmers	Utility	72,081

2. I examined for compliance with investments by Section 21-33-323 Miss Code Ann. (1972).

<u>General Security</u>	<u>Fund</u>	<u>Ledger Cost</u>
Certificate of Deposit	General	\$ 101,666
Certificate of Deposit	Water	\$ 72,081
Certificate of Deposit	Fiduciary	\$ 37,928

3. I performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:
 - A. Verify use of certified county assessment rolls and trace levies to governing body minutes;
 - B. Traced distribution of taxes collected to proper funds; and
 - C. Analyzed increase in taxes for most recent period for completion with increase limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

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

Ad valorem tax collections were found to be within the limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

Ad valorem tax collections for the retirement of general obligation debt was found to be sufficient for payment of current principal and interest in accordance with limitations imposed by Sections 21-33-87 and 21-33-303, Miss. Code Ann. (1972).

4. I 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:

Payment Purpose	Receiving Fund	General Ledger Amount
General Municipal Aid	General Fund	\$94
Gasoline Tax	General Fund	500
Homestead Exemption	General Fund	793
Payments Nuclear Plant	General Fund	662
Sales Tax Allocation	General Fund	5,881
Utility Relocation	Water Fund	14,990

5. I selected a sample of purchases made by the municipality during the fiscal year. Each sample item was evaluated for proper approval and in 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	18
Total Dollar Value of Sample	\$11,495.54

I found the municipality's purchasing procedures to be in agreement with the requirements of the above-mentioned sections.

6. I selected a sample of collection of fines and forfeitures and verified that the municipal court clerk had settled daily with the municipal clerk. I also selected a sample of state imposed court assessments collected and determined that the municipal clerk had settled monthly with the Department of Finance and Administration.
7. I have read the Municipal Compliance Questionnaire completed by the municipality. The completed survey indicated no instances of noncompliance with state requirements.

Because the above procedures do not constitute an audit in accordance with generally accepted auditing standards, I do not express an opinion on any of the specific accounts or classes of transactions referred to above. In connection with the procedures referred to above, no matters came to my attention that caused me to believe the items specified in Paragraphs 1, 2 and 3 should be adjusted. Had I performed additional procedures or had I conducted an audit of the financial statement in accordance with generally accepted auditing standards, matters might have come to my attention that would have been reported to you. This report should not be associated with the financial statements of the Town of McCool, Mississippi, for the year ended September 30, 2010.

Dungan CPA Company
December 16, 2010

A handwritten signature in dark ink, appearing to read "Dungan CPA" followed by a checkmark-like flourish.

Dungan CPA Co.

Kenny Dungan, CPA
120 S Natchez Street
Kosciusko, MS 39090

Telephone 662-289-9007
Fax 662-289-6644

Honorable Mayor and Board of Alderman
Town of McCool, Mississippi

I have compiled the accompanying statement of cash receipts and disbursements - all fund types as of September 30, 2010, and for the year then ended, in accordance with *Statements on Standards for Accounting and Review Services* established 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 management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.



Dungan CPA Co
December 16, 2010

Town of McCool, Mississippi
COMBINED STM OF CASH RECEIPTS AND DISBURSEMENTS
For the Fiscal Year Ended September 30, 2010

Governmental Funds

	General	Special Revenue	Capital Projects	Proprietary Funds	Fiduciary Funds	Totals (Memorandum Only) 2010	Totals (Memorandum Only) 2009
Revenue Receipts:							
Intergovernmental Revenues:							
County Roads	7,420					7,420	8,753
State Shared Revenue:							
Sales Tax	5,357					5,357	8,872
Gasoline Tax	500					500	500
Franchise	1,140					1,140	1,751
Nuclear Plant Income	662					662	664
Homestead Exemption	793					793	829
General Aid to Municipalities	94					94	95
Charges for Services:							
Water & Sewer Utility				77,519		77,519	65,623
Grant				54,041		54,041	
Other Receipts:							
Other General Fund Revenue	2,701	4,939		1,151	0	7,640	0
Interest	1,593					2,744	3,167
Transfers	54,041					54,041	0
Total Receipts	<u>74,302</u>	<u>4,939</u>	<u>0</u>	<u>132,711</u>	<u>0</u>	<u>211,952</u>	<u>90,254</u>
Cash Balance-Beginning of Year	<u>105,185</u>	<u>40,423</u>		<u>81,901</u>		<u>227,510</u>	<u>129,855</u>
Total Amount to Account For	<u>\$ 179,487</u>	<u>\$ 45,362</u>	<u>\$ 0</u>	<u>\$ 214,612</u>	<u>\$ 0</u>	<u>\$ 439,462</u>	<u>\$ 220,109</u>

Public Safety
Enterprises
Water & Sewer Utility
Loan Repayments
Transfer to Other Funds
Capitalization
Total Disbursements
Cash Balance-End of Year
Total Amount Account For

Governmental Funds						Totals	Totals
	General	Special Revenue	Capital Projects	Proprietary Funds	Fiduciary Funds	(Memorandum Only) 2010	(Memorandum Only) 2009
Operating Disbursements							
General Government (Exec and Financial)	\$ 68,896					68,896	\$ 22,525
Public Safety							
Enterprises							
Water & Sewer Utility		1,114		66,448		67,562	121,101
Loan Repayments	5,469			8,919		14,388	0
Transfer to Other Funds	0			54,041	0	54,041	0
Capitalization	0	2,000		0		2,000	59,535
Total Disbursements	74,365	3,114	0	129,409	0	206,887	203,160
Cash Balance-End of Year	105,122	42,249		85,203	0	232,575	227,510
Total Amount Account For	\$ 179,487	\$ 45,363	\$ 0	\$ 214,612	\$ 0	\$ 439,462	\$ 430,670

TOWN OF McCOOL
Notes to Financial Statements
September 30, 2010

Note 1 - Summary of significant accounting policies

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

Reporting Entity:

The financial statement for 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 2 – 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 McCool
Supplemental Section
September 30, 2010

Town of McCool, Mississippi
Schedule of Investments-All Funds
For the Fiscal Year ended September 30, 2010

<u>Ownership</u>	<u>Type of Investment</u>	<u>Interest Rate</u>	<u>Acquisition Date</u>	<u>Maturity Date</u>	<u>Investment Value</u>
Town of McCool	CD	.005%	09/03/09	10/03/10	\$37,928
Town of McCool	CD	.005%	09/03/09	10/03/10	101,666
Town of McCool	CD	.005%	09/03/09	10/03/10	72,081

Town of McCool, Mississippi
Schedule of Long-Term Debt
For the Fiscal Year ended September 30, 2010

<u><i>Definition & Purpose</i></u>	<u><i>Balance Outstanding October 1, 2009</i></u>	<u><i>Issued</i></u>	<u><i>Redeemed</i></u>	<u><i>Balance Outstanding September 30, 2010</i></u>
CapMark	\$20,470		5,468	\$15,002
CapMark	26,369		4,131	22,238
USDA	60,137		1,823	58,314

Town of McCool, Mississippi
Schedule of Surety Bonds for Town Officials
September 30, 2010

<u><i>Name</i></u>	<u><i>Position</i></u>	<u><i>Surety</i></u>	<u><i>Bond Amount</i></u>
Teri Dempsey	Mayor	MS Municipal	\$35,000
Frances Becton	City Clerk	MS Municipal	85,000
Savannah Russell	Alderman	MS Municipal	10,000
Mark Hill	Alderman	MS Municipal	10,000
Margie Rosamond	Alderman	MS Municipal	10,000
Billy J Rowell	Alderman	MS Municipal	10,000
David Fancher	Alderman	MS Municipal	10,000