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TOWN OF RIENZI

TOWN HALL

P.O. BOX 53 • RIENZI, MS 38865 • 662-462-5315

Mr. Walter Williams, Mayor
Mr. David Massey, Alderman
Mrs. Sandra Williams, Alderwoman
Mr. Dale Leonard, Alderman

Ms. Betty Williams, Alderwoman
Mr. Harold Palmer, Alderman
Elaine Matthews, Town Clerk

Office of State Auditor

PO Box 956

Jackson, MS 39205

RE: Annual Municipal Compilation

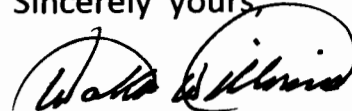
Dear Sir:

Accompanying this letter are two hard copies and a disk that contains an electronic copy of the annual compilation and agreed-upon procedures report of the Town of Rienzi, Mississippi, for the fiscal year ended September 30, 2015. A separate management letter was not written to the Town in connection with this compilation.

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Sincerely yours,



Walter Williams, Mayor

**Town of Rienzi
Rienzi, Mississippi
Financial Reports
and
Independent Accountants' Report
on Applying Agreed Upon Procedures
September 30, 2015**

**Jones & Jones
Certified Public Accountants
of Booneville, P.A.
Booneville, MS 38829-0250**

September 30, 2015
Table of Contents

	Page
Independent Accountants' Compilation Report	1 - 2
Financial Statements	
Statement of Cash Receipts Deposited and Cash Disbursements Paid - Governmental and Business-Type Funds	3 - 5
Supplemental Schedules	
Schedule 1 - Schedule of Investments	6
Schedule 2 - Schedule of Long Term Debt	7
Schedule 3 - Schedule of Surety Bonds for Town Officials	8
Independent Accountants' Report on Applying Agreed-Upon Procedures	9 - 11
Independent Accountants' Report on Compliance with State Laws and Regulations	12 - 13

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CERTIFIED PUBLIC ACCOUNTANTS
OF BOONEVILLE, P.A.

Kermit V. Jones Jr., C.P.A.

Christopher D. Jones, C.P.A.

Jeremy D. Jones, C.P.A.

David W. Jones, C.P.A.

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Honorable Mayor and Board of Alderman
Town of Rienzi
Rienzi, Mississippi

Management is responsible for the accompanying financial statement of the governmental activities and the business-type activities of Town of Rienzi, Mississippi as of and for year ended September 30, 2015 which is comprised of the Statement of Cash Receipts Deposited and Cash Disbursements Paid and for determining that the cash receipts deposited and cash disbursements paid basis of accounting is an acceptable reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on this financial statement.

The financial statement is prepared in accordance with the cash receipts deposited and cash disbursements paid basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has not presented government-wide financial statements to display the financial position and changes in financial position of its governmental activities and business-type activities. Accounting principles generally accepted in the United States of America, as applied to the Town's cash receipts deposited and cash disbursements paid basis of accounting, require the presentation of government-wide financial statements. The amounts that would be reported in government-wide financial statements for the Town's governmental activities and business-type activities are not reasonably determinable.

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

Management has omitted the management's discussion and analysis information and other required supplemental information that is required to be presented for purposes of additional analysis. Such missing 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.



The supplementary information contained in Schedules 1, 2, and 3 is presented for purposes of additional analysis and is not a required part of the basic financial statement. This information is the representation of management. The information was subject to our compilation engagement, however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

In accordance with the provisions of Section 21-35-31, Miss. Code Ann. (1972), we have issued a report dated September 27, 2016, on the results of our agreed-upon procedures.

Yours truly,

A handwritten signature in black ink, appearing to read "Jones & Jones", is written over the typed name.

Jones & Jones
Certified Public Accountants
of Booneville, P.A.
Booneville, MS

September 27, 2016



Town of Rienzi, Mississippi
Statement of Cash Receipts Deposited and Cash Disbursements Paid
Governmental and Business-Type Funds
For the Fiscal Year Ended September 30, 2015

	Governmental Funds			Business-Type Funds		
	Major Fund		Total Governmental Funds	Major Fund		Total Business- Type Funds
	General	Fire Protection		Water and Sewer System	Gas System	
RECEIPTS						
Taxes						
General property taxes	\$ 33,436	\$ -	\$ 33,436	\$ -	\$ -	\$ -
Payment in lieu of taxes	2,458	-	2,458	-	-	-
License and permits						
Privilege licenses	405	-	405	-	-	-
Franchise charges - utilities	4,733	-	4,733	-	-	-
Intergovernmental revenues:						
State shared revenues						
General municipal aid	158	-	158	-	-	-
Homestead exemption	4,911	-	4,911	-	-	-
Sales tax	56,050	-	56,050	-	-	-
Gasoline tax	951	-	951	-	-	-
Fire protection allocation	-	1,672	1,672	-	-	-
MDA (CDBG)	-	-	-	71,918	-	71,918
County shared revenues:						
Alcorn County fire protection	-	26,223	26,223	-	-	-
Charges for services						
Water utility	-	-	-	127,026	-	127,026
Gas utility	-	-	-	-	144,538	144,538
Interest	49	291	340	144	98	242
Loan proceeds	-	90,000	90,000	-	8,615	8,615
Intrafund loan repayment	2,000	6,615	8,615	-	-	-
Contributions	-	100	100	-	-	-
Miscellaneous receipts	384	-	384	-	210	210
Total Receipts	\$ 105,535	\$ 124,901	\$ 230,436	\$ 199,088	\$ 153,461	\$ 352,549

Town of Rienzi, Mississippi
Statement of Cash Receipts Deposited and Cash Disbursements Paid
Governmental and Business-Type Funds
For the Fiscal Year Ended September 30, 2015

	Governmental Funds			Business-Type Funds		
	Major Fund		Total Governmental Funds	Major Fund		Total Business- Type Funds
	General	Fire Protection		Water and Sewer System	Gas System	
<u>DISBURSEMENTS</u>						
General governmental						
Legislative	\$ 9,000	\$ -	\$ 9,000	\$ -	\$ -	\$ -
Executive	6,000	-	6,000	-	-	-
Financial	17,432	-	17,432	-	-	-
Other	35,592	-	35,592	-	-	-
Public safety						
Fire	-	15,872	15,872	-	-	-
Public works						
Street lights	7,688	-	7,688	-	-	-
Culture and recreation						
Cemetery	2,800	-	2,800	-	-	-
Library	2,187	-	2,187	-	-	-
Enterprise						
Water utility	-	-	-	122,265	-	122,265
Gas utility	-	-	-	-	112,374	112,374
Capital outlay	-	182	182	71,918	-	71,918
Intrafund loans	2,000	6,615	8,615	-	-	-
Redemption of principal	895	1,402	2,297	3,009	18,435	21,444
Debt service interest	305	249	554	3,454	15,560	19,014
Total disbursements	\$ 83,899	\$ 24,320	\$ 108,219	\$ 200,646	\$ 146,369	\$ 347,015

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Town of Rienzi, Mississippi
Statement of Cash Receipts Deposited and Cash Disbursements Paid
Governmental and Business-Type Funds
For the Fiscal Year Ended September 30, 2015

	Governmental Funds			Business-Type Funds		
	Major Fund			Major Fund		
	General	Fire Protection	Total Governmental Funds	Water and Sewer System	Gas System	Total Business-Type Funds
<u>OTHER FINANCING SOURCES (USES)</u>						
Transfers in / (out)	\$ (17,066)	\$ -	\$ (17,066)	\$ 7,948	\$ 9,118	\$ 17,066
Total other financing sources (uses)	<u>(17,066)</u>	<u>-</u>	<u>(17,066)</u>	<u>7,948</u>	<u>9,118</u>	<u>17,066</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,570	100,581	105,151	6,390	16,210	22,600
CASH BASIS FUND BALANCE - BEGINNING OF YEAR	<u>30,471</u>	<u>136,921</u>	<u>167,392</u>	<u>66,677</u>	<u>36,676</u>	<u>103,353</u>
CASH BASIS FUND BALANCE - END OF YEAR	<u>\$ 35,041</u>	<u>\$ 237,502</u>	<u>\$ 272,543</u>	<u>\$ 73,067</u>	<u>\$ 52,886</u>	<u>\$ 125,953</u>

Schedule 1

**Town of Rienzi, Mississippi
Schedule of Investments
September 30, 2015**

OWNERSHIP	TYPE OF INVESTMENT	INTEREST RATE	ACQUISITION DATE	MATURITY DATE	OTHER INFORMATION	INVESTMENT COST/VALUE
General Fund	Certificate of Deposit	0.35%	7/14/2015	7/14/2016	Farmers & Merchants Bank	\$ 6,584
Gas System	Certificate of Deposit	0.35%	7/14/2015	7/14/2016	Farmers & Merchants Bank	13,221
TOTAL INVESTMENTS						\$ 19,805

All certificates of deposit are included in the cash balance - end of year. The fair value of the certificates of deposit is approximately the same as the carrying value.

Schedule 2

Town of Rienzi, Mississippi
Schedule of Long-Term Debt
For the Fiscal Year Ended September 30, 2015

	Balance Outstanding 9/30/2014	Transactions During Fiscal Year		Balance Outstanding 9/30/2015
		Issued	Redeemed	
<u>General Obligation Bonds</u>				
Carolyn Bishop Note 0%, Imputed 3%	\$ 10,577	\$ -	\$ 895	\$ 9,682
Northeast Mississippi Planning and Development District Fire Note 2%	-	90,000	1,402	88,598
Total General Obligation Bonds	10,577	90,000	2,297	98,280
<u>Enterprise Fund</u>				
<u>REVENUE NOTES</u>				
Farmers Home Administration Water Note 92-03 4 1/2%	78,133	-	3,008	75,125
Farmers Home Administration Gas Note 97-05 5.125%	308,101	-	9,820	298,281
Town of Reinzi - Fire Fund Gas Note	-	6,615	6,615	-
Town of Reinzi - General Fund Gas Note	-	2,000	2,000	-
Rounding	-	-	1	-
Total revenue notes	386,234	8,615	21,444	373,406
Total long-term debt	\$ 396,811	\$ 98,615	\$ 23,741	\$ 471,686

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Schedule 3

**Town of Rienzi, Mississippi
Schedule of Surety Bonds for Town Officials
September 30, 2015**

Name	Position	Insurance Company	Bond
Walter Williams	Mayor	MS Municipal Bond Program	\$ 25,000
David Massey	Aldersperson	MS Municipal Bond Program	10,000
Sandra Williams	Aldersperson	MS Municipal Bond Program	10,000
Betty Williams	Aldersperson	MS Municipal Bond Program	10,000
Harold Palmer	Aldersperson	MS Municipal Bond Program	10,000
Dale Leonard	Aldersperson	MS Municipal Bond Program	10,000
Elaine Pitts	Town Clerk	St Paul Insurance Company	50,000
Chad Potts	Water Operator	St Paul Insurance Company	50,000



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**Independent Accountants' Report on
Applying Agreed-Up Procedures**

To the Honorable Mayor and Board of Alderman
and Office of the State Auditor, State of Mississippi

We have performed the procedures enumerated below, which were agreed to by the Town of Rienzi and required by the Office of the State Auditor, under the provisions of Section 21-35-31, Miss. Code Ann. (1972), solely to assist you with respect to the accounting records of Town of Rienzi, Mississippi's compliance with certain laws and regulations as of September 30, 2015 and for the year then ended. Town of Rienzi's management is responsible for the Town'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 these procedures is solely the responsibility of those parties specified in the report. 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 verified that all investment transactions were in compliance with Section 21-33-323 Miss. Code Ann. (1972), and we 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. No exceptions were noted.

<u>Balance Per Bank</u>	<u>Fund</u>	<u>General Ledger</u>
Farmers & Merchants Bank	General	\$ 28,443
Farmers & Merchants Bank - Certificate of Deposit	General	6,584
Farmers & Merchants Bank (Overdrafted)	General	(1)
Cash on Hand	General	<u>15</u>
Total General Fund		<u>\$ 35,041</u>
Farmers & Merchants Bank	Water	\$ 43,715
Farmers & Merchants Bank	Water	11,463
Farmers & Merchants Bank	Water	4,426
Farmers & Merchants Bank	Water	<u>13,463</u>
Total Water Fund		<u>\$ 73,067</u>

1. Continued

<u>Balance Per Bank</u>	<u>Fund</u>	<u>General Ledger</u>
Farmers & Merchants Bank	Fire Protection	\$ 233,434
Farmers & Merchants Bank	Fire Protection	4,068
Total Fire Protection		<u>\$ 237,502</u>
Farmers & Merchants Bank	Gas System	\$ 15,584
Farmers & Merchants Bank	Gas System	15,872
Farmers & Merchants Bank	Gas System	3,782
Farmers & Merchants Bank	Gas System	4,426
Farmers & Merchants Bank - Certificate of Deposit	Gas System	13,221
Total Gas Fund		<u>\$ 52,885</u>

2. We noted no investment transactions other than certificates of deposit which were tested in item 1 above.
3. We performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year.
 - a. Traced levies to governing body minutes. No exceptions were noted.
 - b. Traced settlement of taxes collected to proper funds. No exceptions were noted.
 - c. Analyzed increase in taxes for most recent period for compliance with increase limitations of Sections 27-39-320 to 27-39-323, Miss. Code, Ann. (1972). We noted the increase in taxes was in compliance with the above sections.
4. We obtained a statement of payments made by the Department of Finance and Administration to the Town. Payments indicated were traced to deposit in the respective bank accounts and recorded in the general ledger with one exception noted below. Payments traced were as follows:

<u>Payment Purpose</u>	<u>Receiving Fund</u>	<u>Amount</u>
Municipal Aid Tax	General Fund	\$ 158
Gasoline Tax	General Fund	951
Homestead Exemption	General Fund	4,911
Sales Tax	General Fund	56,050
T.V.A. Payments in Lieu of Taxes	General Fund	2,458
Community Block Development Grant	Water & Sewer	71,918
Fire Protection Allocation	General Fund	53
Fire Protection Allocation	Fire Fund	1,672
Total		<u>\$ 138,171</u>

The Town received \$53 in fire protection from the State of Mississippi, which was direct deposited into the General Fund bank account. These funds were not transferred to the Fire Fund's bank account.

5. We selected a sample of disbursements made by the Town during the fiscal year. Each sample item was evaluated for proper approval and 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 disbursements	35
Total dollar value of sample	\$ 150,413

We found the Town's purchasing procedures to be in agreement with the requirements of the abovementioned sections.

We reviewed the Town's Board minutes for approval of claims. In our testing of the sample above, we noted four disbursement totaling \$45,036 related to the Town's CDBG grant were not specifically detailed in the minutes or on the monthly docket authorizing payment.

6. We noted the Town did not have a Marshall and therefore no fines or court fees were collected or remitted to the State.
7. We have read the Municipal Compliance Questionnaire completed by the Town. The completed survey indicated no instances of noncompliance with State requirements.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on management's compliance with laws and regulations. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Town of Rienzi and the Office of the State Auditor, State of Mississippi 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.



Jones & Jones
Certified Public Accountants
of Booneville, P.A.
Booneville, MS

September 27, 2016

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CERTIFIED PUBLIC ACCOUNTANTS
OF BOONEVILLE, P.A.

Kermit V. Jones Jr., C.P.A. Christopher D. Jones, C.P.A. Jeremy D. Jones, C.P.A. David W. Jones C.P.A.

**INDEPENDENT ACCOUNTANTS' REPORT ON
COMPLIANCE WITH STATE LAWS AND REGULATIONS**

To the Honorable Mayor and Board of Alderman
and Office of the State Auditor, State of Mississippi

We have compiled the accompanying Statement of Cash Receipts Deposited and Cash Disbursements Paid – Governmental and Business-Type Funds of the Town of Rienzi, Mississippi for the year ended September 30, 2015 in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants, and have issued our report dated September 27, 2016. The financial statement has been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

We have performed procedures to test compliance with certain state laws and regulations as described by the Municipal Compliance Questionnaire that is prescribed by the Office of the State Auditor. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Town's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to items tested, the results of those procedures and our compilation of the accompanying Statement of Cash Receipts Deposited and Cash Disbursements Paid – Governmental and Business-Type Funds of the Town of Rienzi, Mississippi for the year ended September 30, 2015 disclosed the following instances of noncompliance with state laws and regulations which were also addressed in items 4 and 5 in the Independent Accountants' Report on Applying Agreed-Upon Procedures dated September 27, 2016. Our findings and recommendations are as follows:

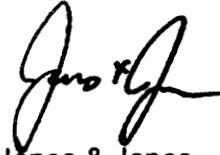
Failure to document approval of claims on docket

In our sample testing, we noted four CDGB grant disbursements totaling \$45,036 were not specifically detailed in the minutes or on the monthly docket authorizing payment.

Department of Finance and Administration Proceeds not allocated to proper fund

In our review of state funding provided to the Town, we noted \$53 was received for fire protection, which was deposited into the General Fund bank account. These funds were not transferred to the Fire Fund in accordance with the restrictions placed on those funds received.

This report is intended for the information and use of the Town's management and the Office of the State Auditor 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.



Jones & Jones
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