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**FINANCIAL STATEMENT**  
**TOWN OF MARIETTA, MISSISSIPPI**  
**September 30, 2016**

Franks, Franks, Jarrell & Wilemon, P.A.  
Certified Public Accountants

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**INDEPENDENT ACCOUNTANTS' COMPILATION REPORT**

Honorable Mayor and Board of Aldermen  
Town of Marietta, Mississippi

Management is responsible for the accompanying statement of cash receipts and disbursements – all fund types of the Town of Marietta, Mississippi, as of and for the year ended September 30, 2016, in accordance with the cash receipts and disbursements basis of accounting. 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 statement of cash receipts and disbursements 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 the statement of cash receipts and disbursements.

We draw attention to Note A of the financial statement, which describes the basis of accounting. The statement of cash receipts and disbursements is prepared in accordance with the cash receipts and disbursements basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The supplementary information contained on pages 5 through 7 is presented for purposes of additional analysis and is not a required part of the basic financial statement. The supplementary information has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information, and accordingly, do not express an opinion or provide any assurance on such supplementary information.

Management has elected to omit substantially all of the disclosures ordinarily included in a financial statement prepared in accordance with the cash receipts and disbursements 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 also omitted the management's discussion and analysis and other required supplementary 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 statement in an appropriate operations, economic, or historical context.

In accordance with provisions of section 21-35-31, Mississippi Code Annotated (1972), we have issued a report dated August 24, 2017, on the results of our agreed upon procedures.

*Franks, Franks, Jarrell & Wilemon, P.A.*

Franks, Franks, Jarrell & Wilemon, P. A.  
Tupelo, Mississippi  
August 24, 2017

**TOWN OF MARIETTA, MISSISSIPPI**  
**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS -**  
**ALL FUND TYPES**  
For the year ended September 30, 2016

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>General</u>	<u>Fire Protection Fund</u>	<u>Proprietary Fund</u>	<u>Totals Government-Wide</u>
<b><u>RECEIPTS:</u></b>				
General Property Taxes	\$ 17,635	\$ -	\$ -	\$ 17,635
Franchise Tax on Utilities	15,014	-	-	15,014
Natural Gas Tax	6,095	-	-	6,095
Intergovernmental Revenues:				
Homestead Exemption	1,936	-	-	1,936
Sales Tax	52,849	-	-	52,849
Gasoline Tax	784	-	-	784
Municipal Aid	128	-	-	128
TVA In Lieu Tax	2,776	-	-	2,776
Fire Protection	-	1,642	-	1,642
Charges for Services:				
Water & Sewer System	-	-	97,222	97,222
Miscellaneous Receipts:				
Court Fines and Fees	42	-	-	42
Park Donations	1,250	-	-	1,250
Fire Donations	-	2,668	-	2,668
Little League Registration	3,830	-	-	3,830
Privilege License	1,311	-	-	1,311
Interest Income	4	14	189	207
Other Income	1,150	-	-	1,150
Total Cash Receipts	<u>\$ 104,804</u>	<u>\$ 4,324</u>	<u>\$ 97,411</u>	<u>\$ 206,539</u>
<b><u>DISBURSEMENTS:</u></b>				
General Administration and Finance	\$ 55,250	\$ -	\$ -	\$ 55,250
Public Safety	39,683	1,936	-	41,619
Culture and Recreation: Park	3,454	-	-	3,454
Enterprise: Water & Sewer System	-	-	69,219	69,219
Capital Outlay	-	-	-	-
Total Cash Operating Disbursements	<u>98,387</u>	<u>1,936</u>	<u>69,219</u>	<u>169,542</u>
Excess (Deficiency) of receipts over disbursements	<u>6,417</u>	<u>2,388</u>	<u>28,192</u>	<u>36,997</u>
<b><u>OTHER CASH SOURCES (USES):</u></b>				
Loans Repaid:				
Principal	(10,041)	-	(10,956)	(20,997)
Interest	(3,947)	-	(8,727)	(12,674)
Interfund Loans and Transfers	<u>1,592</u>	<u>(2,000)</u>	<u>408</u>	<u>-</u>
Total Other Cash Sources (Uses)	<u>(12,396)</u>	<u>(2,000)</u>	<u>(19,275)</u>	<u>(33,671)</u>
Excess (Deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(5,979)</u>	<u>388</u>	<u>8,917</u>	<u>3,326</u>
Cash Balance - Beginning of Year	<u>12,310</u>	<u>9,597</u>	<u>37,296</u>	<u>59,203</u>
Cash Balance - End of Year	<u>\$ 6,331</u>	<u>\$ 9,985</u>	<u>\$ 46,213</u>	<u>\$ 62,529</u>

See independent accountants' compilation report.

**TOWN OF MARIETTA, MISSISSIPPI**  
**SELECTED INFORMATION**  
September 30, 2016

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

General Information

The Town operates under the mayor/board of 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 has been prepared on the 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.

**NOTE C - CASH ON DEPOSIT AND INVESTMENTS**

Cash on Deposit and on Hand

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:

<u>BANK</u>	<u>TYPE OF ACCOUNT</u>	<u>FUND</u>	<u>BALANCE PER GENERAL LEDGER</u>
Cash on Hand			\$ 1,162
Farmers & Merchants Bank	Checking	General	1,709
Farmers & Merchants Bank	Checking	General-Municipality Grant	1,742
Farmers & Merchants Bank	Checking	General-Park	1,680
Farmers & Merchants Bank	Checking	General-DARE	<u>38</u>
TOTAL GENERAL FUND			\$ <u>6,331</u>
Farmers & Merchants Bank	Checking	Fire Protection	\$ <u>9,985</u>
TOTAL FIRE PROTECTION FUND			\$ <u>9,985</u>



**TOWN OF MARIETTA, MISSISSIPPI**  
**SELECTED INFORMATION**  
September 30, 2016

**NOTE C - CASH ON DEPOSIT AND INVESTMENTS - continued**

<u>TYPE OF BANK</u>	<u>ACCOUNT</u>	<u>FUND</u>	<u>BALANCE PER GENERAL LEDGER</u>
Cash on Hand			\$ 74
Farmers & Merchants Bank	Checking	Water & Sewer	9,246
Farmers & Merchants Bank	Savings	Water & Sewer Construction CD	2,654
Farmers & Merchants Bank	Savings	Water & Sewer Reserve Account	14,780
Farmers & Merchants Bank	Savings	Water & Sewer Reserve CD	<u>19,459</u>
TOTAL PROPRIETARY FUND			\$ <u>46,213</u>
TOTAL GOVERNMENTAL FUNDS			\$ <u>62,529</u>

Investments

Since the municipality held no securities for investment during the year, it was not necessary to perform any tests related to investment transactions for compliance with investments authorized by Section 21-33-323, Miss. Code Ann. (1972).

**NOTE D - LONG-TERM DEBT**

The annual requirements to amortize all debt outstanding as of September 30, 2016, including interest of \$109,477 are as follows:

<u>Fiscal Year Ended September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 64,975	\$ 12,485	\$ 77,460
2018	20,804	9,606	30,410
2019	17,619	8,877	26,496
2020	14,168	8,406	22,348
2021	14,621	7,953	22,574
2022-2026	80,408	32,352	112,760
2027-2031	45,068	20,697	65,765
2032-2036	<u>53,267</u>	<u>9,101</u>	<u>62,368</u>
	\$ <u>310,930</u>	\$ <u>109,477</u>	\$ <u>420,407</u>

The Town does not maintain any debt service funds to service the above notes.

**TOWN OF MARIETTA, MISSISSIPPI**  
**SCHEDULE OF INVESTMENTS**  
September 30, 2016

**PROPRIETARY FUND TYPES**

Water & Sewer - Certificate of Deposit	\$ 2,654
Water & Sewer - Certificate of Deposit	<u>19,459</u>
Total Proprietary Fund Types	\$ <u><u>22,113</u></u>

See independent accountants' compilation report.



**TOWN OF MARIETTA, MISSISSIPPI**  
**SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS**  
September 30, 2016

<u>Name</u>	<u>Position</u>	<u>Company</u>	<u>Bond</u>
Cindy Ramey	Town Clerk	CNA Surety	50,000
Michael Ramey	Chief of Police	CNA Surety	50,000
Ricky Griffin	Part-Time Police	CNA Surety	25,000
Homer Stevens	Part-Time Police	CNA Surety	25,000
Lisa Ward	Part-Time Police	CNA Surety	25,000
Bryon Parker	Part-Time Police	CNA Surety	25,000
Angela Pounds	Judge	CNA Surety	5,000
Judy Ramey	Mayor	Mississippi Municipal Bond Program	25,000
Ronnie Livingston	Alderman	Mississippi Municipal Bond Program	10,000
Craig Pharr	Alderman	Mississippi Municipal Bond Program	10,000
Sarah Greene	Alderman	Mississippi Municipal Bond Program	10,000
Beau Burns	Alderman	Mississippi Municipal Bond Program	10,000
Rickey Stanley	Alderman	Mississippi Municipal Bond Program	10,000

See independent accountants' compilation report.

**TOWN OF MARIETTA, MISSISSIPPI**  
**SCHEDULE OF LONG-TERM DEBT**  
For the year ended September 30, 2016

<u>DEFINITION AND PURPOSE</u>	<u>BALANCE OUTSTANDING October 1, 2015</u>	<u>TRANSACTIONS DURING THE FISCAL YEAR (REDEEMED)/ BORROWED</u>	<u>BALANCE OUTSTANDING September 30, 2016</u>
Notes Payable:			
Farmers & Merchants Bank	\$ 43,860	\$ (318)	\$ 43,542
Northeast MS Planning & Development District	93,160	(7,623)	85,537
Sheffield Financial	3,499	(2,100)	1,399
Farmer's Home Administration-Water	24,138	(5,632)	18,506
Farmer's Home Administration	<u>167,270</u>	<u>(5,324)</u>	<u>161,946</u>
 TOTAL	 \$ <u>331,927</u>	 \$ <u>(20,997)</u>	 \$ <u>310,930</u>

See independent accountants' compilation report.

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*Rudolph Franks, CPA (emeritus)*

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

Honorable Mayor and Board of Alderman  
Town of Marietta, Mississippi

We have compiled the accompanying statement of cash receipts and disbursements – all fund types of the Town of Marietta, Mississippi, for the year ended September 30, 2016, and have issued our report thereon dated August 24, 2017. We conducted our compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

As required by the State legal compliance audit program prescribed by the Mississippi 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 engagement and, accordingly, we do not express such an opinion.

The results of those procedures and our compilation of the cash receipts and disbursements disclosed the following material instances of noncompliance with state laws and regulations. Our findings and recommendations and your responses are included in the Accountants' Report on Agreed-Upon Procedures as items 1 and 5.

The Office of the State Auditor or a public accounting firm will review, on a subsequent year's engagement, the findings in this report to ensure that corrective action has been taken.

This report is intended for the information 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.

*Franks, Franks, Jarrell & Wilemon, P.A.*

FRANKS, FRANKS, JARRELL & WILEMON, P.A.  
Tupelo, Mississippi  
August 24, 2017

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## INDEPENDENT ACCOUNTANTS' REPORT ON AGREED-UPON PROCEDURES

Honorable Mayor and Board of Aldermen  
Town of Marietta, Mississippi

We have performed the procedures enumerated below, which were agreed to by the Office of the State Auditor, to the accounting records of the Town of Marietta, Mississippi as of September 30, 2016, and for the year ended, as required by the Office of the State Auditor, under the provisions of Section 21-35-31, Miss. Code Ann. (1972). The Town of Marietta'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. Consequentially, we make no representations regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. It is understood the report is solely for the use of the governing body of the Town of Marietta, Mississippi, and the Office of the State Auditor and should not be used for any other purposes.

Our procedures and findings are as follows:

1. 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:

<u>Bank</u>	<u>Fund</u>	<u>Balance Per General Ledger</u>
Cash on Hand	General	\$ 1,162
Farmers and Merchants	General	5,169
Farmers and Merchants	Fire Protection	<u>9,985</u>
Total Governmental Funds		\$ <u>16,316</u>
Cash on Hand	Water & Sewer	\$ 74
Farmers and Merchants	Water & Sewer	<u>46,139</u>
Total Proprietary Fund		\$ <u>46,213</u>



2. We performed the following procedures with respect to taxes on real and personal property levied during the fiscal year:

- a. 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.

Ad valorem tax collections were found to be in excess of the limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972). This does appear to be a cash basis timing issue with the county that collects the ad valorem taxes for the Town.

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

<u>Purpose</u>	<u>Receiving Fund</u>	<u>Amount</u>
Sales Tax Allocation	General Fund	\$ 52,849
Gasoline Tax	General Fund	784
TVA In Lieu	General Fund	2,776
Municipal Aid	General Fund	128
Homestead Exemption Reimb.	General Fund	1,936
Fire Protection Allocation	Fire Protection Fund	1,642

4. 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), if applicable.

The sample consisted of the following:

Number of Sample Items	25
Dollar Value of Sample	\$ 8,211

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

5. We have read the Municipal Compliance Questionnaire completed by the Town. The following response to the questionnaire or tests of compliance indicate the following noncompliance with state requirements:

The Town has performed an annual inventory of fixed assets and all assets that are required to be tagged have been tagged appropriately. Significant work has been done on the fixed asset inventory. However, a complete fixed asset inventory ledger has not been completed. Items missing from the ledger are: purchase dates of some assets and

costs of some of the assets. (Section 7-7-211 of Municipal Audit and Accounting Guide)

The Town did approve claims and issue warrants in excess of budgeted amounts. (Section 21-35-17 of Municipal Audit and Accounting Guide)

6. We selected a sample of the collection of fines and forfeitures and verified that the municipal court clerk had settled daily with the municipal clerk. We also selected a sample of the state imposed court assessments collected and determined that the municipal clerk had settled monthly with the Department of Finance and Administration.

We found the municipality to be in agreement with the requirements of the above mentioned sections with the following exceptions:

It was determined that the court fine assessments were not being settled monthly with the Department of Finance Administration. Only one settlement was made during the year. The Town only had court fine collection in two months for the fiscal year.

Because the above procedures do not constitute an audit conducted in accordance with generally accepted auditing standards, we 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 our attention that caused us to believe that the items specified in Paragraphs 1, 2, 3 and 4 should be adjusted. Had we performed additional procedures or had we conducted an audit of the financial statements in accordance with generally accepted auditing standards, matters might have come to our attention that would have been reported to you. This report should not be associated with the financial statements of the Town of Marietta, Mississippi, for the year ended September 30, 2016.

*Franks, Franks, Jarrell & Wilemon, P.A.*

Franks, Franks, Jarrell & Wilemon, P.A.  
Tupelo, Mississippi  
August 24, 2017