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# TOWN OF RIENZI

TOWN HALL

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

Walter Williams, Mayor  
David Massey, Alderman  
Joe Bishop, Alderman  
Dale Leonard, Alderman

Jimmy Harwood, Alderman  
Harold Palmer, Alderman  
Jessica Pollard, Town Clerk

Office of State Auditor

P.O. 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, 2016. A separate management letter was not written to the Town in connection with this compilation.

Sincerely yours,



Walter Williams, Mayor

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**September 30, 2016**  
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**JONES & JONES**  
*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, 2016, which comprise 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 accompanying 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. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and 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 12, 2017, on the results of our agreed-upon procedures.

Yours truly,

A handwritten signature in black ink, appearing to be "J. Jones", written over the printed name "Jones & Jones".

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

September 12, 2017

**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, 2016**

	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	
<b>RECEIPTS</b>						
Taxes						
General property taxes	\$ 33,402	\$ -	\$ 33,402	\$ -	\$ -	\$ -
Payment in lieu of taxes	1,393	-	1,393	-	-	-
Rail car taxes	4,957	-	4,957	-	-	-
License and permits						
Privilege licenses	410	-	410	-	-	-
Franchise charges - utilities	4,699	-	4,699	-	-	-
Intergovernmental revenues:						
General municipal aid	158	-	158	-	-	-
Homestead exemption	5,104	-	5,104	-	-	-
Sales tax	56,394	-	56,394	-	-	-
Gasoline tax	951	-	951	-	-	-
Fire protection allocation	-	2,033	2,033	-	-	-
MDA (CDBG)	39,505	70,000	109,505	150,082	-	150,082
County shared revenues:						
Alcorn County fire protection	-	29,165	29,165	-	-	-
Charges for services						
Water and Sewer utility	-	-	-	143,372	-	143,372
Gas utility	-	-	-	-	109,628	109,628
Interest	82	252	334	143	117	260
Contributions	-	222	222	-	-	-
Loan proceeds	36,139	-	36,139	-	-	-
Miscellaneous receipts	1,400	-	1,400	-	2,000	2,000
Total Receipts	\$ 184,594	\$ 101,672	\$ 286,266	\$ 293,597	\$ 111,745	\$ 405,342

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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, 2016**

	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	
<b>DISBURSEMENTS</b>						
General governmental						
Legislative	\$ 8,950	\$ -	\$ 8,950	\$ -	\$ -	\$ -
Executive	10,600	-	10,600	-	-	-
Financial	6,077	-	6,077	-	-	-
Other	45,736	-	45,736	-	-	-
Fire	-	16,526	16,526	-	-	-
Street lights	9,063	-	9,063	-	-	-
Culture and recreation						
Cemetery	2,527	-	2,527	-	-	-
Library	2,133	-	2,133	-	-	-
Water and Sewer utility	-	-	-	137,302	-	137,302
Gas utility	-	-	-	-	87,797	87,797
Capital outlay	49,169	240,418	289,587	150,082	-	150,082
Redemption of principal	37,061	8,120	45,181	3,147	10,335	13,482
Debt service interest	331	1,782	2,113	3,316	15,045	18,361
Total disbursements	\$ 171,647	\$ 266,846	\$ 438,493	\$ 293,847	\$ 113,177	\$ 407,024

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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, 2016**

	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	
<b><u>OTHER FINANCING SOURCES (USES)</u></b>						
Intrafund loans - issued	\$ (31,621)	\$ -	\$ (31,621)	\$ -	\$ -	\$ -
Interfund loans - proceeds	-	15,000	15,000	6,077	10,544	16,621
Intrafund loans - principle payment	-	(15,000)	(15,000)	-	-	-
Intrafund loans - principle receipts	15,000	-	15,000	-	-	-
Transfers in / (out)	(592)	-	(592)	-	592	592
Total other financing sources (uses)	(17,213)	-	(17,213)	6,077	11,136	17,213
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4,266)	(165,174)	(169,440)	5,827	9,704	15,531
<b>CASH BASIS FUND BALANCE - BEGINNING OF YEAR</b>	<u>35,041</u>	<u>237,502</u>	<u>272,543</u>	<u>73,066</u>	<u>52,885</u>	<u>125,951</u>
<b>CASH BASIS FUND BALANCE - END OF YEAR</b>	<u>\$ 30,775</u>	<u>\$ 72,328</u>	<u>\$ 103,103</u>	<u>\$ 78,893</u>	<u>\$ 62,589</u>	<u>\$ 141,482</u>

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**Schedule 1**

**Town of Rienzi, Mississippi  
Schedule of Investments  
September 30, 2016**

<b><u>OWNERSHIP</u></b>	<b><u>TYPE OF INVESTMENT</u></b>	<b><u>INTEREST RATE</u></b>	<b><u>ACQUISITION DATE</u></b>	<b><u>MATURITY DATE</u></b>	<b><u>OTHER INFORMATION</u></b>	<b><u>INVESTMENT COST/VALUE</u></b>
General Fund	Certificate of Deposit	0.20%	7/14/2016	7/14/2017	Farmers & Merchants Bank	\$ 6,607
Gas System	Certificate of Deposit	0.25%	7/14/2016	7/14/2017	Farmers & Merchants Bank	<u>13,267</u>
<b>TOTAL INVESTMENTS</b>						<b>\$ <u>19,874</u></b>

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.

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**Schedule 2**

**Town of Rienzi, Mississippi**  
**Schedule of Long-Term Debt**  
**For the Fiscal Year Ended September 30, 2016**

	Balance Outstanding 9/30/2015	Transactions During Fiscal Year		Balance Outstanding 9/30/2016
		Issued	Redeemed	
<b><u>General Obligation Bonds</u></b>				
Carolyn Bishop Note 0%, Imputed 3%	\$ 9,682	\$ -	\$ 922	\$ 8,760
Farmers and Merchants Bank Note 3.5%	-	36,139	36,139	-
Northeast Mississippi Planning and Development District Fire Note 2%	<u>88,598</u>	<u>-</u>	<u>8,120</u>	<u>80,478</u>
Total General Obligation Bonds	98,280	36,139	45,181	89,238
<b><u>Enterprise Fund</u></b>				
<b><u>REVENUE NOTES</u></b>				
Farmers Home Administration Sewer Note 92-03 4 1/2%	75,125	-	3,147	71,978
Farmers Home Administration Gas Note 97-05 5.125%	298,281	-	10,335	287,946
Town of Reinzi - General Fund Fire Note	-	15,000	15,000	-
Water and Sewer Note	-	6,077	-	6,077
Gas Note	<u>-</u>	<u>10,544</u>	<u>-</u>	<u>10,544</u>
Total revenue notes	<u>373,406</u>	<u>31,621</u>	<u>28,482</u>	<u>376,545</u>
Total long-term debt	\$ 471,686	\$ 67,760	\$ 73,663	\$ 465,783

**Schedule 3**

**Town of Rienzi, Mississippi  
Schedule of Surety Bonds for Town Officials  
September 30, 2016**

<b>Name</b>	<b>Position</b>	<b>Insurance Company</b>	<b>Bond</b>
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
Vacant	Deputy Town Clerk	St Paul Insurance Company	50,000
Chad Potts	Water Operator	St Paul Insurance Company	50,000

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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  
Applying Agreed-Upon 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) (the specified parties), on the accounting records of Town of Rienzi, Mississippi's compliance with certain laws and regulations as of September 30, 2016 and for the year then ended. Town of Rienzi's management is responsible for the Town's accounting records. 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.

The procedures and associated 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	\$ 18,623
Farmers & Merchants Bank - Certificate of Deposit	General	6,607
Farmers & Merchants Bank	General	5,530
Cash on Hand	General	<u>15</u>
Total General Fund		<u>\$ 30,775</u>
Farmers & Merchants Bank	Water	\$ 40,848
Farmers & Merchants Bank	Water	14,252
Farmers & Merchants Bank	Water	7,559
Farmers & Merchants Bank	Sewer	4,938
Farmers & Merchants Bank	Sewer	4,497
Farmers & Merchants Bank	Sewer	<u>6,799</u>
Total Water & Sewer Fund		<u>\$ 78,893</u>

1. Continued

<u>Balance Per Bank</u>	<u>Fund</u>	<u>General Ledger</u>
Farmers & Merchants Bank	Fire Protection	\$ 4,070
Farmers & Merchants Bank	Fire Protection	68,258
Total Fire Protection		<u>\$ 72,328</u>
Farmers & Merchants Bank	Gas System	\$ 24,410
Farmers & Merchants Bank	Gas System	4,938
Farmers & Merchants Bank	Gas System	16,823
Farmers & Merchants Bank	Gas System	3,151
Farmers & Merchants Bank - Certificate of Deposit	Gas System	13,267
Total Gas Fund		<u>\$ 62,589</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. Payments traced were as follows:

<u>Payment Purpose</u>	<u>Receiving Fund</u>	<u>Amount</u>
Municipal Aid Tax	General	\$ 158
Gasoline Tax	General	951
Homestead Exemption	General	5,104
Sales Tax	General	56,394
T.V.A. Payments in Lieu of Taxes	General	1,393
MDA Grant	General	39,505
MDA Grant	Water and Sewer	150,082
Other Grants - Insurance Department	General	70,000
Fire Protection Allocation	Fire	2,033
Total		<u>\$ 325,620</u>

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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	43
Total dollar value of sample	\$ 504,191

We found the Town's purchasing procedures to be in agreement with the requirements of the abovementioned sections, except as follows:

The Town constructed a memorial park during the year and had three disbursements totaling \$33,691.97 related to its construction. The Town was unable to provide a second comparable bid as required by state bid laws for contracts in excess of \$5,000.

We reviewed the Town's Board minutes for approval of claims. In our testing of the sample above, we noted the following disbursements were not authorized in the details of the minutes or dockets attached to the minutes.

Check #	Date	Amount	Fund	Account
1030	12/10/2015	\$12,279.98	Water and Sewer	CDBG Account
Draft	1/15/2016	5,721.90	Water and Sewer	Operating
Draft	9/16/2016	5,785.47	Water and Sewer	Operating

We noted the following disbursement was listed in the docket however, no payee was detailed in the docket.

Check #	Date	Amount	Fund	Account
1033	3/16/2016	\$43,172.53	Water and Sewer	CDBG Account


We noted the following transfers were not listed in the docket. The amounts are not presented in the sample details above.

Check #	Date	Amount	Fund	Account
1177	12/7/2015	\$11,033.92	Water and Sewer	Clearing to Water and Sewer
1180	1/7/2016	9,935.32	Water and Sewer	Clearing to Water and Sewer
1181	1/7/2016	5,123.12	Gas	Clearing to Gas
1182	2/3/2016	10,522.92	Water and Sewer	Clearing to Water and Sewer
1183	2/3/2016	13,265.15	Gas	Clearing to Gas
3411	4/28/2016	39,505.40	General	Operating to CDBG

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.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on management's compliance with laws and regulations. Accordingly, we do not express such an opinion or conclusion. 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 those 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 12, 2017

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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**

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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, 2016 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 12, 2017. 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, 2016 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 12, 2017. Our findings and recommendations are as follows:

**Failure to document approval of claims on docket**

We reviewed the Town's Board minutes for approval of claims. In our testing of the sample reported on page 11, we noted the following disbursements were not authorized in the details of the minutes or dockets attached to the minutes.

<u>Check #</u>	<u>Date</u>	<u>Amount</u>	<u>Fund</u>	<u>Account</u>
1030	12/10/2015	\$12,279.98	Water and Sewer	CDBG Account
Draft	1/15/2016	5,721.90	Water and Sewer	Operating
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In our sample, we noted the following disbursement was listed in the docket; however, no payee was detailed in the docket.

<u>Check #</u>	<u>Date</u>	<u>Amount</u>	<u>Fund</u>	<u>Account</u>
1033	3/16/2016	\$43,172.53	Water and Sewer	CDBG Account

In our testing, we noted the following transfers were not listed in the docket. The amounts are not presented in the sample described in item 5 on page 11.

<u>Check #</u>	<u>Date</u>	<u>Amount</u>	<u>Fund</u>	<u>Account</u>
1177	12/7/2015	\$11,033.92	Water and Sewer	Clearing to Water and Sewer
1180	1/7/2016	9,935.32	Water and Sewer	Clearing to Water and Sewer
1181	1/7/2016	5,123.12	Gas	Clearing to Gas
1182	2/3/2016	10,522.92	Water and Sewer	Clearing to Water and Sewer
1183	2/3/2016	13,265.15	Gas	Clearing to Gas
3411	4/28/2016	39,505.40	General	Operating to CDBG

**Multiple bids were not obtained on a contract in excess of \$5,000**

The Town constructed a memorial park during the year and had three disbursements totaling \$33,691.97 related to its construction. The Town was unable to provide a second comparable bid as required by state bid laws for contracts in excess of \$5,000.

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.



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