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FINANCIAL STATEMENT
TOWN OF MARIETTA, MISSISSIPPI
September 30, 2017

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

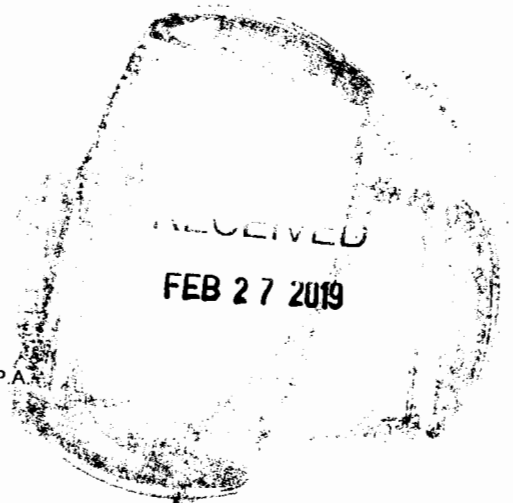


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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

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, 2017, 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 September 24, 2018, on the results of our agreed upon procedures.

Franks, Franks, Wilemon & Hagood P.A.

Franks, Franks, Wilemon & Hagood, P.A.
Tupelo, Mississippi
September 24, 2018

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TOWN OF MARIETTA, MISSISSIPPI
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS -
ALL FUND TYPES
For the year ended September 30, 2017

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | Totals |
|--|--------------------------------|-----------------------------|---------------------------------|------------------------|
| | <u>General</u> | <u>Fire Protection Fund</u> | <u>Proprietary Fund</u> | <u>Government-Wide</u> |
| <u>RECEIPTS:</u> | | | | |
| General Property Taxes | \$ 15,661 | \$ - | \$ - | \$ 15,661 |
| Franchise Tax on Utilities | 10,803 | - | - | 10,803 |
| Natural Gas Tax | 6,836 | - | - | 6,836 |
| Intergovernmental Revenues: | | | | |
| Homestead Exemption | 1,978 | - | - | 1,978 |
| Sales Tax | 58,197 | - | - | 58,197 |
| Gasoline Tax | 784 | - | - | 784 |
| Municipal Aid | 128 | - | - | 128 |
| TVA In Lieu Tax | 4,835 | - | - | 4,835 |
| Fire Protection | - | 1,433 | - | 1,433 |
| Grant Income-State of Mississippi | 68,187 | - | - | 68,187 |
| Charges for Services: | | | | |
| Water & Sewer System | - | - | 96,410 | 96,410 |
| Miscellaneous Receipts: | | | | |
| Park Donations | 1,200 | - | - | 1,200 |
| Fire Donations | - | 3,552 | - | 3,552 |
| Little League Registration | 3,540 | - | - | 3,540 |
| Privilege License | 368 | - | - | 368 |
| Interest Income | 8 | 16 | 219 | 243 |
| Other Income | 885 | - | - | 885 |
| Total Cash Receipts | \$ 173,410 | \$ 5,001 | \$ 96,629 | \$ 275,040 |
| <u>DISBURSEMENTS:</u> | | | | |
| General Administration and Finance | \$ 53,021 | \$ - | \$ - | \$ 53,021 |
| Public Safety | 35,382 | 2,681 | - | 38,063 |
| Culture and Recreation: Park | 2,107 | - | - | 2,107 |
| Enterprise: Water & Sewer System | - | - | 75,880 | 75,880 |
| Capital Outlay | 68,238 | - | 27,020 | 95,258 |
| Total Cash Operating Disbursements | 158,748 | 2,681 | 102,900 | 264,329 |
| Excess (Deficiency) of receipts over disbursements | 14,662 | 2,320 | (6,271) | 10,711 |
| <u>OTHER CASH SOURCES (USES):</u> | | | | |
| Loans Repaid: | | | | |
| Principal | (10,061) | - | (7,177) | (17,238) |
| Interest | (6,947) | - | (8,907) | (15,854) |
| Loan Proceeds | - | - | 27,159 | 27,159 |
| Interfund Loans and Transfers | 2,514 | - | (2,514) | - |
| Total Other Cash Sources (Uses) | (14,494) | - | 8,561 | (5,933) |
| Excess (Deficiency) of receipts and other financing sources over disbursements and other financing uses | 168 | 2,320 | 2,290 | 4,778 |
| Cash Balance - Beginning of Year | 6,331 | 9,985 | 46,213 | 62,529 |
| Cash Balance - End of Year | \$ 6,499 | \$ 12,305 | \$ 48,503 | \$ 67,307 |

See independent accountants' compilation report.

TOWN OF MARIETTA, MISSISSIPPI
SELECTED INFORMATION
September 30, 2017

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 with two exceptions 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 | | | \$ 1,575 |
| Farmers & Merchants Bank | Checking | General | 3,123 |
| Farmers & Merchants Bank | Checking | General-Municipality Grant | - |
| Farmers & Merchants Bank | Checking | General-Park | 1,762 |
| Farmers & Merchants Bank | Checking | General-DARE | <u>39</u> |
| TOTAL GENERAL FUND | | | \$ <u>6,499</u> |
| Farmers & Merchants Bank | Checking | Fire Protection | \$ <u>12,305</u> |
| TOTAL FIRE PROTECTION FUND | | | \$ <u>12,305</u> |

TOWN OF MARIETTA, MISSISSIPPI
SELECTED INFORMATION
September 30, 2017

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 | 11,841 |
| 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>18,329</u> |
| TOTAL PROPRIETARY FUND | | | \$ <u>48,503</u> |
| TOTAL GOVERNMENTAL FUNDS | | | \$ <u>67,307</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, 2017, including interest of \$101,533 are as follows:

| <u>Fiscal Year Ended September 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--|-------------------|-------------------|-------------------|
| 2018 | \$ 72,622 | \$ 12,171 | \$ 84,793 |
| 2019 | 20,184 | 9,312 | 29,496 |
| 2020 | 16,785 | 8,789 | 25,574 |
| 2021 | 17,290 | 8,284 | 25,574 |
| 2022 | 17,814 | 7,760 | 22,574 |
| 2023-2027 | 86,490 | 30,392 | 116,882 |
| 2028-2032 | 47,256 | 18,509 | 65,765 |
| 2033-2037 | <u>42,410</u> | <u>6,316</u> | <u>48,726</u> |
| | \$ <u>320,851</u> | \$ <u>101,533</u> | \$ <u>422,384</u> |

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

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TOWN OF MARIETTA, MISSISSIPPI
SCHEDULE OF INVESTMENTS
September 30, 2017

PROPRIETARY FUND TYPES

| | |
|--|------------------|
| Water & Sewer - Certificate of Deposit | \$ 2,654 |
| Water & Sewer - Certificate of Deposit | <u>18,329</u> |
| Total Proprietary Fund Types | <u>\$ 20,983</u> |

See independent accountants' compilation report.

TOWN OF MARIETTA, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS
September 30, 2017

| <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 |
| 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 |
| Clint Burns | Alderman | Mississippi Municipal Bond Program | 10,000 |
| Rickey Stanley | Alderman | Mississippi Municipal Bond Program | 10,000 |
| 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 |

See independent accountants' compilation report.

TOWN OF MARIETTA, MISSISSIPPI
SCHEDULE OF LONG-TERM DEBT
For the year ended September 30, 2017

| <u>DEFINITION AND PURPOSE</u> | <u>BALANCE</u> | | <u>TRANSACTIONS</u> | | <u>BALANCE</u> |
|------------------------------------|--------------------|------------------------|---------------------|--------------------|------------------------------------|
| | <u>OUTSTANDING</u> | <u>October 1, 2016</u> | <u>DURING THE</u> | <u>FISCAL YEAR</u> | <u>OUTSTANDING</u> |
| | | | <u>ISSUED</u> | <u>REDEEMED</u> | <u>September 30, 2017</u> |
| Notes Payable: | | | | | |
| Farmers & Merchants Bank | \$ | 43,542 | \$ | 231 | \$ - \$ 43,773 |
| Northeast MS PDD | | 85,537 | | - | 7,182 78,355 |
| Northeast MS PDD | | - | | 26,928 | 1,480 25,448 |
| Sheffield Financial | | 1,399 | | - | 1,399 - |
| Farmer's Home Administration-Water | | 18,506 | | - | 1,595 16,911 |
| Farmer's Home Administration | | <u>161,946</u> | | <u>-</u> | <u>5,582</u> <u>156,364</u> |
| TOTAL | \$ | <u>310,930</u> | \$ | <u>27,159</u> | \$ <u>17,238</u> \$ <u>320,851</u> |

See independent accountants' compilation report.

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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, 2017, and have issued our report thereon dated September 24, 2018. 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.

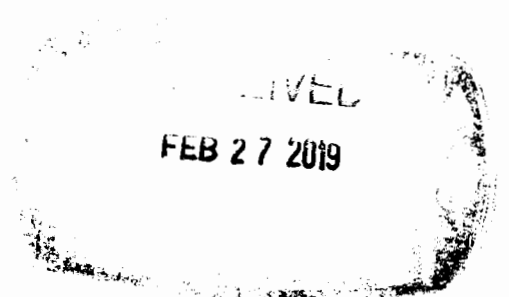
The results of those procedures and our compilation of the statement of cash receipts and disbursements disclosed the following material instances of noncompliance with state laws and regulations. Our finding is included in the Accountants' Report on Agreed-Upon Procedures as item 5.

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, Wilemon & Hagood P.A.

Franks, Franks, Wilemon & Hagood, P.A.
Tupelo, Mississippi
September 24, 2018



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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, 2017, 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 the Office of the State Auditor, State of Mississippi. 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 | \$ 1,575 |
| Farmers and Merchants | General | 4,924 |
| Farmers and Merchants | Fire Protection | <u>12,305</u> |
| Total Governmental Funds | | <u>\$ 18,804</u> |
| Cash on Hand | Water & Sewer | \$ 74 |
| Farmers and Merchants | Water & Sewer | <u>47,604</u> |
| Total Proprietary Fund | | <u>\$ 48,503</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 within the limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

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 | \$ 58,197 |
| Gasoline Tax | General Fund | 784 |
| TVA In Lieu | General Fund | 4,835 |
| Municipal Aid | General Fund | 128 |
| Homestead Exemption Reimb. | General Fund | 1,978 |
| Grant Income | General Fund | 68,187 |
| Fire Protection Allocation | Fire Protection Fund | 1,433 |

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 | \$ 7,799 |

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)

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, 2017.

Franks, Franks, Wilemon & Hagood P.A.

Franks, Franks, Wilemon & Hagood, P.A.
Tupelo, Mississippi
September 24, 2018

