

## OFFICE OF THE STATE AUDITOR REPORT NOTE:

*Section 7-7-211, Mississippi Code Annotated (1972)* gives the Office of the State Auditor the authority to audit, with the exception of municipalities, any governmental entity in the state. In the case of municipalities, *Section 21-35-31, Mississippi Code Annotated (1972)* requires municipalities to obtain an annual audit performed by a private CPA firm and submit that audit report to the Office of the State Auditor. The Office of the State Auditor files these audit reports for review in case questions arise related to the municipality.

As a result, the following document was not prepared by the Office of the State Auditor. Instead, it was prepared by a private CPA firm and submitted to the Office of the State Auditor. The document was placed on this web page as it was submitted and no review of the report was performed by the Office of the State Auditor prior to finalization of the report. The Office of the State Auditor assumes no responsibility for its content or for any errors located in the document. Any questions of accuracy or authenticity concerning this document should be submitted to the CPA firm that prepared the document. The name and address of the CPA firm appears in the document.

**City of Marks, Mississippi**

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**Financial Statements  
For the year ended September 30, 2018**

**CITY OF MARKS, MISSISSIPPI**  
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**September 30, 2018**

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Honorable Mayor and Board of Aldermen  
City of Marks, Mississippi

Management is responsible for the accompanying statement of cash receipts and disbursements of the governmental activities and business-type activities of the City of Marks, Mississippi, as of and for the year ended September 30, 2018, 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 page 5 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 City'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 April 7, 2026, on the results of our agreed upon procedures.

*Jarrell Group, PLLC*

Jarrell Group, PLLC  
Tupelo, Mississippi  
April 7, 2026

**CITY OF MARKS, MISSISSIPPI**  
**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**  
**For the year ended September 30, 2018**

	Governmental Activities	Business-Type Activities	Total Government- Wide
	General	Water and Sewer	
<b>RECEIPTS</b>			
Ad Valorem Taxes:			
Real and Personal Taxes	\$ 458,005	\$ -	\$ 458,005
Intergovernmental Revenues:			
State Shared Revenues			
Sales Tax	233,528	-	233,528
Gasoline Tax	5,205	-	5,205
Municipal Aid	865	-	865
Fire Protection Allocation	9,904	-	9,904
Homestead Reimbursement	35,924	-	35,924
TVA - In Lieu	12,971	-	12,971
Other State Grants	8,509	-	8,509
Other State Revenues	11,023	-	11,023
Other Intergovernmental Revenue			
County Fire Protection	4,300	-	4,300
Charges for Services:			
Water and Sewer Systems	-	471,721	471,721
Garbage Collections	19,846	-	19,846
Franchise Fees	14,931	-	14,931
Privilege License	1,015	-	1,015
Court Fines	5,575	-	5,575
Interest Income	1,524	78	1,602
Other Uncategorized Income	423,335	-	423,335
Total Receipts	\$ 1,246,460	\$ 471,799	\$ 1,718,259

**CITY OF MARKS, MISSISSIPPI**  
**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**  
**For the year ended September 30, 2018**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Government- Wide</u>
	<u>General</u>	<u>Water and Sewer</u>	
<b><u>DISBURSEMENTS</u></b>			
General Governmental Expenses	\$ 1,156,717	\$ -	\$ 1,156,717
Business-type Operating Expenses	-	438,917	438,917
Interest and Fiscal Charges	25,043	31,762	56,805
	<u>1,181,760</u>	<u>470,679</u>	<u>1,652,439</u>
 Excess (Deficiency) of Receipts Over disbursements	 <u>64,700</u>	 <u>1,120</u>	 <u>65,820</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Redemption of Principal	(40,236)	(108,461)	(148,697)
Transfers In (Out)	(88,089)	88,089	-
	<u>(128,325)</u>	<u>(20,372)</u>	<u>(148,697)</u>
 Excess (Deficiency) of Receipts and Other Financing Sources Over Disbursements and Other Financing Uses	 <u>(63,625)</u>	 <u>(19,252)</u>	 <u>(82,877)</u>
 Cash Basis Fund Balance - Beginning of Year	 <u>718,708</u>	 <u>68,179</u>	 <u>786,887</u>
 Cash Basis Fund Balance - End of Year	 <u>\$ 655,083</u>	 <u>\$ 48,927</u>	 <u>\$ 704,010</u>

See accompanying selected information and independent accountants' compilation report.

**CITY OF MARKS, MISSISSIPPI**  
SELECTED INFORMATION-Substantially all disclosures required  
by generally accepted accounting principles are not included  
September 30, 2018

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

General Information

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

Reporting Entity

The financial statement of the City includes all the funds of the City.

Fund Accounting

The accounts of the City 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.

**CITY OF MARKS, MISSISSIPPI**  
**SCHEDULE OF LONG-TERM DEBT**  
**For the year ended September 30, 2018**

<u>DEFINITION AND PURPOSE</u>	<u>Balance Outstanding 10/01/2017</u>	<u>Transactions During Fiscal Year Issued</u>	<u>Transactions During Fiscal Year Redeemed</u>	<u>Balance Outstanding 09/30/2018</u>
Revenue Bonds:				
USDA - Utility 01-92	\$ 71,608	\$ -	\$ 3,181	\$ 68,427
USDA - Utility 03-92	309,340		13,743	295,597
USDA - Utility 05-92	19,928		885	19,043
USDA - Utility 08-92	334,918	-	12,800	322,118
	<u>735,794</u>	<u>-</u>	<u>30,609</u>	<u>705,185</u>
Other Long-Term Debt:				
MDEQ - Drinking Water System	403,220	-	77,852	325,368
GO Bond - Street Improvements	556,000	-	36,000	520,000
	<u>959,220</u>	<u>-</u>	<u>113,852</u>	<u>845,368</u>
 TOTAL	 \$ <u>1,695,014</u>	 \$ <u>-</u>	 \$ <u>144,461</u>	 \$ <u>1,550,553</u>

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

Honorable Mayor and Board of Aldermen  
City of Marks, Mississippi

We have audited the financial statement of the City of Marks, Mississippi, as of and for the year ended September 30, 2018, and have issued our report thereon dated April 7, 2026. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*.

As required by the State legal compliance audit program prescribed by the 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.

1. The City is not in compliance with Section II, Part C of the Municipal Audit and Accounting Guide, as the fixed assets are not properly accounted for. The City does not maintain a fixed asset inventory listing, take a fixed asset inventory, or tag fixed assets.
2. The City is not reconciling its bank accounts with the general ledger on a timely basis each month.
3. The City could not produce a trial balance at September 30, 2018.
4. Due to the lack of a trial balance, it could not be determined if the City had any budget overages for September 30, 2018.
5. The City could not provide the renewal notice for the surety bond policies that should have been in place at September 30, 2018.

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 City'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.

*Jarrell Group, PLLC*

Jarrell Group, PLLC  
Tupelo, Mississippi  
April 7, 2026

**INDEPENDENT ACCOUNTANTS' REPORT ON AGREED-UPON PROCEDURES**

Honorable Mayor and Board of Aldermen  
 City of Marks, 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 City of Marks, Mississippi, Mississippi as of September 30, 2018, 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 City of Marks, Mississippi's management is responsible for the City'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 City of Marks, 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:

During our testing, we noted that the City is not reconciling the bank accounts with general ledger on a timely basis each month.

Bank	Fund	Balance Per General Ledger
First Security	General	\$ 48,582
First Security	General	117
First Security	General	11,444
First Security	General	14,664
First Tennessee	General	580,276
First Security	Business-Type	48,927
Total All Funds		\$ 704,010

2. 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;
  - b. Traced distribution of taxes collected to proper funds; and

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 Mississippi 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:

Purpose	Receiving Fund	Amount
Sales Tax Allocation	General	\$ 233,528
Fire Protection	Special Revenue	9,904
Gasoline Tax	General	5,205
Nuclear Plant - In Lieu	General	12,971
Municipal Aid	General	865
Homestead Exemption Reim.	General	35,924
Other State Revenues	General	18,550

4. We selected a sample of purchases made by the municipality 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 Items	13
Dollar Value of Sample	\$ 61,467

We found the municipality did not have adequate support for any of the 13 samples evaluated.

5. We performed the following procedure with respect to State Court Fine Assessments during the fiscal year:

Tested a sample of state-imposed court assessments collected and determined that court fine assessments were not being settled monthly with the Department of Finance Administration.

6. We have read the Municipal Compliance Questionnaire completed by the City. The following responses to the questionnaire indicate noncompliance with the state requirements.

The City is not in compliance with Part 5, Item 15 of the Questionnaire, as the fixed assets are not properly accounted for. The City does not maintain a fixed asset listing, take a fixed asset inventory, or tag fixed assets as required by Section II, Part C of the Mississippi 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 the preceding paragraphs 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 City of Marks, Mississippi, for the year ended September 30, 2018.

*Jarrell Group, PLLC*

Jarrell Group, PLLC  
Tupelo, Mississippi  
April 7, 2026