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FINANCIAL STATEMENT
TOWN OF MARIETTA, MISSISSIPPI
September 30, 2008

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

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ACCOUNTANTS' REPORT ON AGREED-UPON PROCEDURES

**FRANKS,
FRANKS &
JARRELL, P.A.**

Honorable Mayor and Board of Aldermen
Town of Marietta, Mississippi

CERTIFIED PUBLIC ACCOUNTANTS

We have applied certain agreed-upon procedures, as discussed below, to the accounting records of the Town of Marietta, Mississippi, as of September 30, 2008, and for the year then ended, as required by the Office of the State Auditor, under the provisions of Section 21-35-31, Mississippi Code Annotated (1972). It is understood that 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:

POST OFFICE BOX 731
1202 N. GLOSTER STREET
TUPELO, MS 38802-0731
E-MAIL: office@ffjcpa.com
PHONE 662.844.5226
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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</u> <u>General Ledger</u>
Cash on Hand	General	\$ 527
Farmers and Merchants	General	<u>34,321</u>
Total Governmental Funds		<u>\$ 34,848</u>
Cash on Hand	Water & Sewer	\$ 74
Farmers and Merchants	Water & Sewer	<u>37,116</u>
Total Proprietary Fund		<u>\$ 37,190</u>

SHAREHOLDERS:
RUDOLPH F. FRANKS
GARY M. FRANKS
P. GREG JARRELL
BRYON WILEMON

2. We performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:
 - a. Verified use of certified county assessment rolls and traced levies to governing body minutes;
 - b. Examined uncollected taxes for proper handling, including tax sales;
 - c. Traced distribution of taxes collected to proper funds; and
 - d. 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).

JONATHAN HAGOOD
MICHAEL LITTLE

OFFICES LOCATED IN
TUPELO, FULTON & AMORY

MEMBERS OF THE
AICPA & MSCPA

The distribution of taxes to funds was found to be in accordance with prescribed tax levies, and uncollected taxes were determined to be properly handled.

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	\$ 38,383
Gasoline Tax	General Fund	697
TVA In Lieu	General Fund	4,694
Municipal Aid	General Fund	129
Homestead Exemption Reimb.	General Fund	1,254
Fire Protection Allocation	General Fund	1,284
Grant—State of Mississippi	General Fund	194,995
Grant—Police and Schools	General Fund	1,578

4. We selected a sample of purchases made by the municipality during the fiscal year. Each sample item was evaluated for compliance with public 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	40
Dollar Value of Sample	\$ 44,297

We found the municipality's purchasing procedures to be in agreement with the requirements of the above-mentioned sections except as follows:

We noted four of the forty cash disbursements sampled did not have proper documentation supporting the disbursement.

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 approved claims and issued warrants which were in excess of the budgeted amounts for certain expenditures categories. This resulted in budget overages in three expenditure categories. (Section 21-35-17 – Municipal Audit and Accounting Guide)

The Town failed to gain surety bond coverage for an alderman that was appointed during the year. (Section 21-1-5 – 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, and 3 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, 2008.

Franks, Franks & Jarrell, P.A.

Franks, Franks & Jarrell, P.A.
July 20, 2009



ACCOUNTANTS' COMPILATION REPORT

**FRANKS,
FRANKS &
JARRELL, P.A.**

CERTIFIED PUBLIC ACCOUNTANTS

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MICHAEL LITTLE

Honorable Mayor and Board of Aldermen
Town of Marietta
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, 2008, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of the Town's officials. We have not audited or reviewed the accompanying statement of cash receipts and disbursements - all fund types and, accordingly, do not express an opinion or any other form of assurance on it.

The Town's policy is to prepare its financial statements on the basis of cash receipts and disbursements; consequently, certain revenue is recognized when received rather than when measurable and available, and certain expenditures are recognized when paid rather than when the obligation is incurred. Accordingly, the statement of cash receipts and disbursements - all fund types is not intended to present results of operations, in conformity with generally accepted accounting principles.

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

The supplementary information contained on pages 6 through 10 is presented for purposes of additional analysis and has been compiled by us from information that is the representation of the officials of the Town of Marietta, Mississippi, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on such supplementary information.

Franks, Franks & Jarrell, P.A.

Franks, Franks & Jarrell, P. A.
July 20, 2009

OFFICES LOCATED IN

TUPELO, FULTON & AMORY

MEMBERS OF THE

AICPA & MSCPA

TOWN OF MARIETTA, MISSISSIPPI
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - ALL FUND TYPES
For the year ended September 30, 2008

	General	Proprietary Fund	Totals (Memorandum Only)
<u>CASH RECEIPTS:</u>			
General Property Taxes	\$ 13,065	\$	\$ 13,065
Franchise Tax on Utilities	3,479		3,479
Natural Gas Tax	5,657		5,657
Intergovernmental Revenues:			
Homestead	1,254		1,254
Sales Tax	38,383		38,383
Gasoline Tax	697		697
Municipal Aid	129		129
TVA Tax-State	4,694		4,694
Fire Protection	1,284		1,284
Grant Income		194,995	194,995
Police Grant	1,578		1,578
Charges for Services:			
Water System		103,135	103,135
Miscellaneous Receipts:			
Court Fines and Fees	11,216		11,216
Park Donations	3,630		3,630
Little League Registration	6,273		6,273
Privilege License	733		733
Interest Income	116	640	756
Dare Donations	0		0
Transfers	849	(849)	0
Other Income	22,267	2,540	24,807
Total Cash Receipts	115,304	300,461	415,765
Cash Balance - Beginning of Year	39,920	39,101	79,021
TOTAL AMOUNT TO ACCOUNT FOR	\$ 155,224	\$ 339,562	\$ 494,786
<u>CASH OPERATING DISBURSEMENTS:</u>			
General Administration and Finance	\$ 58,318	\$	\$ 58,318
Public Safety	37,632		37,632
Culture and Recreation: Park	8,326		8,326
Enterprise: Water & Sewer System		76,818	76,818
Capital Outlay	16,100	194,988	211,088
Total Cash Operating Disbursements	120,376	271,806	392,182
<u>Other Cash Disbursements:</u>			
Loans Repaid:			
Farmer's Home Administration		14,776	14,776
Interest		15,790	15,790
Total Other Cash Disbursements	0	30,566	30,566
Total Cash Disbursements	120,376	302,372	422,748
Cash Balance - End of Year	34,848	37,190	72,038
TOTAL AMOUNT ACCOUNTED FOR	\$ 155,224	\$ 339,562	\$ 494,786

See accompanying selected information and accountants' compilation report.

TOWN OF MARIETTA, MISSISSIPPI
SELECTED INFORMATION
September 30, 2008

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			\$ 527
Farmers & Merchants Bank	Checking	General	19,112
Farmers & Merchants Bank	Checking	General-Fire Dept.	2,736
Farmers & Merchants Bank	Checking	General-Park	2,095
Farmers & Merchants Bank	Checking	General-Park	6,227
Farmers & Merchants Bank	Checking	General-DARE	<u>4,151</u>
TOTAL GENERAL			<u>\$ 34,848</u>

TOWN OF MARIETTA, MISSISSIPPI
SELECTED INFORMATION
September 30, 2008

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	11,403
Farmers & Merchants Bank	Savings	Water & Sewer Construction	2,654
Farmers & Merchants Bank	Checking	Water & Sewer	650
Farmers & Merchants Bank	Checking	Water & Sewer CDBG	25
Farmers & Merchants Bank	Savings	Reserve	7,604
Farmers & Merchants Bank	Savings	Water & Sewer	<u>14,780</u>
TOTAL PROPRIETARY FUNDS			\$ <u>37,190</u>
GRAND TOTALS			\$ <u>72,038</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, 2008, including interest of \$193,285 are as follows:

Fiscal Year Ended September 30	United States Dept of <u>Agriculture</u>	United States Dept of <u>Agriculture</u>	United States Dept of <u>Agriculture</u>	Farmers and Merchants Line of <u>Credit</u>	<u>Interest</u>	<u>Total</u>
2009	5,174	4,781	3,485	51,456	14,425	79,321
2010	5,438	5,026	3,654	0	13,747	27,865
2011	5,717	5,283	3,831	0	13,034	27,865
2012	6,009	5,554	4,017	0	12,285	27,865
2013	6,317	5,838	4,212	0	11,498	27,865
2014-2018	7,713	33,985	24,334	0	46,868	112,901
2019-2023	0	2,759	30,843	0	34,953	68,555
2024-2028	0	0	39,093	0	26,672	65,765
2029-2033	0	0	49,549	0	16,215	65,764
2034-2038	<u>0</u>	<u>0</u>	<u>35,216</u>	<u>0</u>	<u>3,588</u>	<u>38,804</u>
	\$ <u>36,368</u>	\$ <u>63,226</u>	\$ <u>198,235</u>	\$ <u>51,456</u>	\$ <u>193,285</u>	\$ <u>542,570</u>

TOWN OF MARIETTA, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS
September 30, 2008

Name	Position	Company	Bond
Cindy Ramey	City 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	CAN Surety	25,000
Bryon Parker	Part-Time Police	CNA Surety	25,000
Billy Sartin	Judge	CNA Surety	5,000
Judy Ramey	Mayor	Mississippi Municipal Bond Program	25,000
Ronnie Livingston	Alderman	Mississippi Municipal Bond Program	5,000
Craig Pharr	Alderman	Mississippi Municipal Bond Program	5,000
Sarah Greene	Alderman	Mississippi Municipal Bond Program	5,000
Mike Carter	Alderman	Mississippi Municipal Bond Program	5,000

See accountants' compilation report.

TOWN OF MARIETTA, MISSISSIPPI
SCHEDULE OF LONG-TERM DEBT
For the year ended September 30, 2008

<u>DEFINITION AND PURPOSE</u>	<u>BALANCE OUTSTANDING October 1, 2007</u>	<u>TRANSACTIONS DURING THE FISCAL YEAR (REDEEMED)/ BORROWED</u>	<u>BALANCE OUTSTANDING September 30, 2008</u>
Notes Payable:			
Farmers & Merchants Bank	\$ 51,456	\$ -	\$ 51,456
Farmers & Merchants Bank	1,658	(1,658)	0
Farmer's Home Administration-Water	67,777	(4,551)	63,226
Farmer's Home Administration-Sewer	41,292	(4,924)	36,368
Farmer's Home Administration	<u>201,878</u>	<u>(3,643)</u>	<u>198,235</u>
TOTAL	\$ <u>364,061</u>	\$ <u>(14,776)</u>	\$ <u>349,285</u>

See accountants' compilation report.

TOWN OF MARIETTA, MISSISSIPPI
SCHEDULE OF INVESTMENTS
September 30, 2008

PROPRIETARY FUND TYPES

Water & Sewer - Certificate of Deposit	\$ 14,780
Water & Sewer - Certificate of Deposit	2,654
Water & Sewer - Certificate of Deposit	<u>7,604</u>
Total Governmental Fund Types	\$ <u><u>25,038</u></u>

See accountants' compilation report