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FINANCIAL STATEMENT
TOWN OF MARIETTA, MISSISSIPPI
September 30, 2009

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

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ACCOUNTANTS' REPORT ON AGREED-UPON PROCEDURES

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

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OFFICES LOCATED IN
TUPELO, FULTON & AMORY

MEMBERS OF THE
AICPA & MSCPA

Honorable Mayor and Board of Aldermen
Town of Marietta, Mississippi

We have applied certain agreed-upon procedures, as discussed below, to the accounting records of the Town of Marietta, Mississippi, as of September 30, 2009, 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:

- 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	\$ 527
Farmers and Merchants	General	<u>27,535</u>
Total Governmental Funds		<u>\$ 28,062</u>
Cash on Hand	Water & Sewer	\$ 74
Farmers and Merchants	Water & Sewer	<u>31,887</u>
Total Proprietary Fund		<u>\$ 31,961</u>

- 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).

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	\$ 40,498
Gasoline Tax	General Fund	697
TVA In Lieu	General Fund	4,422
Municipal Aid	General Fund	129
Homestead Exemption Reimb.	General Fund	1,329
Fire Protection Allocation	General Fund	1,310
Grant—State of Mississippi	General Fund	48,559
Grant—Police and Schools	General Fund	1,463

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	42
Dollar Value of Sample	\$ 43,825

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

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 four expenditure categories. The Board is to be presented budget to actual expenditure report monthly to assist in budgetary compliance. (Section 21-35-17 & Section 21-35-13 – 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, 2009.

Franks, Franks & Jarrell P.A.

Franks, Franks & Jarrell, P.A.
May 27, 2010



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, 2009, 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.
May 27, 2010

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, 2009

	General	Proprietary Fund	Totals (Memorandum Only)
<u>CASH RECEIPTS:</u>			
General Property Taxes	\$ 15,266	\$	\$ 15,266
Franchise Tax on Utilities	7,488		7,488
Natural Gas Tax	6,165		6,165
Intergovernmental Revenues:			
Homestead	1,329		1,329
Sales Tax	40,498		40,498
Gasoline Tax	697		697
Municipal Aid	129		129
TVA In Lieu Tax	4,422		4,422
Fire Protection	1,310		1,310
Grant Income-State of Mississippi	50,022		50,022
Charges for Services:			
Water System		106,720	106,720
Miscellaneous Receipts:			
Court Fines and Fees	10,553		10,553
Park Donations	3,085		3,085
Fire Donations	3,541		3,541
Little League Registration	2,022		2,022
Privilege License	1,155		1,155
Interest Income	57	518	575
Dare Donations	0		0
Transfers	4,903	(4,903)	0
Other Income	5,965	0	5,965
Total Cash Receipts	158,607	102,335	260,942
Cash Balance - Beginning of Year	34,848	37,190	72,038
TOTAL AMOUNT TO ACCOUNT FOR	\$ 193,455	\$ 139,525	\$ 332,980
<u>CASH OPERATING DISBURSEMENTS:</u>			
General Administration and Finance	\$ 43,710	\$	\$ 43,710
Public Safety	74,976		74,976
Culture and Recreation: Park	2,225		2,225
Enterprise: Water & Sewer System		79,699	79,699
Capital Outlay	44,482	0	44,482
Total Cash Operating Disbursements	165,393	79,699	245,092
<u>Other Cash Disbursements:</u>			
Loans Repaid:			
Farmer's Home Administration		13,775	13,775
Interest		14,090	14,090
Total Other Cash Disbursements	0	27,865	27,865
Total Cash Disbursements	165,393	107,564	272,957
Cash Balance - End of Year	28,062	31,961	60,023
TOTAL AMOUNT ACCOUNTED FOR	\$ 193,455	\$ 139,525	\$ 332,980

See accompanying selected information and accountants' compilation report.

TOWN OF MARIETTA, MISSISSIPPI
SELECTED INFORMATION
September 30, 2009

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	10,590
Farmers & Merchants Bank	Checking	General-Fire Dept.	5,665
Farmers & Merchants Bank	Checking	General-Park	2,098
Farmers & Merchants Bank	Checking	General-Park	6,307
Farmers & Merchants Bank	Checking	General-DARE	<u>2,875</u>
TOTAL GENERAL			\$ <u>28,062</u>

TOWN OF MARIETTA, MISSISSIPPI
SELECTED INFORMATION
September 30, 2009

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	5,328
Farmers & Merchants Bank	Savings	Water & Sewer Construction	2,654
Farmers & Merchants Bank	Checking	Water & Sewer	150
Farmers & Merchants Bank	Checking	Water & Sewer CDBG	21
Farmers & Merchants Bank	Savings	Reserve	8,954
Farmers & Merchants Bank	Savings	Water & Sewer	<u>14,780</u>
TOTAL PROPRIETARY FUNDS			\$ <u>31,961</u>
GRAND TOTALS			\$ <u>60,023</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, 2009, including interest of \$178,860 are as follows:

Fiscal Year Ended September <u>30</u>	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>
2010	5,438	5,026	3,654	51,456	13,747	79,321
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	6,640	6,136	4,417	0	10,672	27,865
2015-2019	1,073	30,608	25,516	0	43,782	100,979
2020-2024	0	0	32,341	0	33,424	65,765
2025-2029	0	0	38,291	0	24,774	63,065
2030-2034	0	0	51,955	0	13,810	65,765
2035-2039	<u>0</u>	<u>0</u>	<u>26,181</u>	<u>0</u>	<u>1,834</u>	<u>28,015</u>
	<u>\$ 31,194</u>	<u>\$ 58,445</u>	<u>\$ 194,415</u>	<u>\$ 51,456</u>	<u>\$ 178,860</u>	<u>\$ 514,370</u>

TOWN OF MARIETTA, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS
September 30, 2009

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	10,000
Craig Pharr	Alderman	Mississippi Municipal Bond Program	10,000
Sarah Greene	Alderman	Mississippi Municipal Bond Program	10,000
Mike Carter	Alderman	Mississippi Municipal Bond Program	10,000
Rickey Stanley	Alderman	Mississippi Municipal Bond Program	10,000

See accountants' compilation report.

TOWN OF MARIETTA, MISSISSIPPI
SCHEDULE OF LONG-TERM DEBT
For the year ended September 30, 2009

<u>DEFINITION AND PURPOSE</u>	<u>BALANCE OUTSTANDING October 1, 2008</u>	<u>TRANSACTIONS DURING THE FISCAL YEAR (REDEEMED)/ BORROWED</u>	<u>BALANCE OUTSTANDING September 30, 2009</u>
Notes Payable:			
Farmers & Merchants Bank	\$ 51,456	\$ -	\$ 51,456
Farmer's Home Administration-Water	63,226	(4,781)	58,445
Farmer's Home Administration-Sewer	36,368	(5,174)	31,194
Farmer's Home Administration	<u>198,235</u>	<u>(3,820)</u>	<u>194,415</u>
 TOTAL	 <u>\$ 349,285</u>	 <u>\$ (13,775)</u>	 <u>\$ 335,510</u>

See accountants' compilation report.

TOWN OF MARIETTA, MISSISSIPPI
SCHEDULE OF INVESTMENTS
September 30, 2009

PROPRIETARY FUND TYPES

Water & Sewer - Certificate of Deposit	\$ 14,780
Water & Sewer - Certificate of Deposit	2,654
Water & Sewer - Certificate of Deposit	<u>8,954</u>
Total Governmental Fund Types	<u><u>\$ 26,388</u></u>

See accountants' compilation report