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FINANCIAL REPORT

TOWN OF FALKNER

FALKNER, MISSISSIPPI

SEPTEMBER 30, 2008

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CONTENTS

	<u>PAGE</u>
ACCOUNTANT'S REPORT ON AGREED UPON PROCEDURES	3,4
INDEPENDENT ACCOUNTANT'S COMPILATION REPORT	5
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS)-CASH BASIS	6,7
SCHEDULE OF LONG-TERM DEBT	8
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS	9

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ACCOUNTANT'S REPORT ON AGREED-UPON PROCEDURES

Honorable Mayor and Board of Aldermen
Town of Falkner
Falkner, Mississippi 38629

We have applied certain agreed-upon procedures as discussed below, to the accounting records of the Town of Falkner, 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, 1972, Annotated. This report is solely for the use of the governing body of the Town of Falkner, Mississippi, and the Office of the State Auditor. However, this report is a matter of public record, and its distribution is not limited. Our procedures and findings are as follows:

- A. We reconciled cash on deposit with the following bank to balances in the respective general ledger accounts and obtained confirmation of the related balances from the bank:

<u>Bank</u>	<u>Fund</u>	<u>Balance per General Ledger</u>
Citizens Bank	General	\$217,961
	Fire Department	48,679
	Park	3,335
	Sewer System	30,104
	Water System	131,419

- B. We confirmed directly with respective banks all investments, including certificates of deposits, owned by the Town of Falkner. All investments transactions during the year were examined for compliance with investments authorized by Section 21-33-323, Mississippi Code 1972, Annotated.

The Town of Falkner owned no investments at September 30, 2008.

- C. We obtained a statement of payments made by the Mississippi Department of Finance and Administration to the town. The payments were traced to deposits in the bank and recorded in the general ledger without exception. Cash receipts were as follows:

<u>Purpose</u>	<u>Receiving Fund</u>	<u>Amount</u>
Sales Tax Allocation	General	\$ 60,688
Gasoline Tax	General	596
TVA in Lieu of Taxes	General	3,489
General Municipal Aid	General	111
Fire Protection Allocation	Fire Protection	1,098

- D. We selected a sample of purchases made by the municipality during the year. Each sample item was evaluated for compliance with public purchasing requirements set forth in Sections 31-7-1, 31-7-13, 31-7-49, and 33-7-57, Mississippi Code, 1972, Annotated, as applicable.

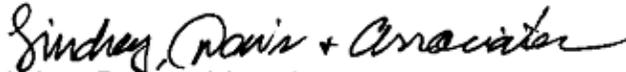
The sample consisted of the following:

Number of sample items	28
Dollar value of sample	\$ 37,701

We found the Town's purchasing procedures to be in compliance with the above sections.

- E. We have read the Municipal Compliance Questionnaire completed by the town. The completed survey indicated no instances of noncompliance.

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 accounts or items referred to above. In connection with the procedures referred to above, no matters came to our attention that caused us to believe that the specified accounts or items 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 is related only to the accounts and items specified above and does not extend to any financial statements of the Town of Falkner, taken as a whole.



Lindsey, Davis and Associates
Certified Public Accountants

Ripley, Mississippi
February 19, 2009

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Honorable Mayor and Board of Aldermen
Town of Falkner
Falkner, Mississippi 38629

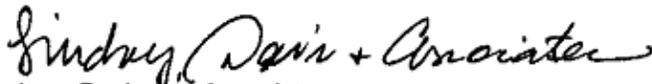
We have compiled the accompanying statement of cash receipts and disbursements (all funds)-cash basis of the Town of Falkner for the year ended September 30, 2008, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying statement of cash receipts and disbursements (all funds)-cash basis and, accordingly, do not express an opinion or any other form of assurance on it.

The Town's policy is to prepare its financial statement 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 funds)-cash basis is not intended to present results of operations, in conformity with accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements. If the omitted disclosures were included, 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.

The supplementary information contained on pages 8 through 9 is presented for purposes of additional analysis and has been compiled by us from information that is the representation of management of the Town of Falkner, Mississippi, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on such supplementary information.



Lindsey, Davis and Associates
Certified Public Accountants

Ripley, Mississippi
February 19, 2009

TOWN OF FALKNER
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - (ALL FUNDS) CASH BASIS
 YEAR ENDED SEPTEMBER 30, 2008

	GOVERNMENTAL FUND TYPE	PROPRIETARY FUND TYPE	TOTALS (MEMORANDUM ONLY)	
	GENERAL	ENTERPRISE	2008	2007
CASH OPERATING RECEIPTS				
Privilege License	\$ 378	\$	\$ 378	\$ 40
Intergovernmental Receipts				
State Shared Receipts:				
Sales Tax	60,688		60,688	58,057
Gasoline Tax	596		596	596
Fire Protection	1,098		1,098	1,003
TVA in Lieu of Taxes	3,489		3,489	3,093
General Municipal Aid	111		111	111
County Shared Receipts:				
Road Tax	7,553		7,553	7,470
Fire Protection	11,500		11,500	11,500
Charges for Services:				
Water and Sewer		255,644	255,644	244,739
Gross Receipts Tax	6,515		6,515	6,143
Donations	400		400	13,889
Park Revenue	23,806		23,806	22,500
Miscellaneous	2,154	4,685	6,839	11,994
TOTAL OPERATING RECEIPTS	118,288	260,329	378,617	381,135
OTHER CASH RECEIPTS				
Interest	6,590	3,760	10,350	15,110
Meter Deposit Collections		(1,050)	(1,050)	(1,531)
Meter Fees				5,950
Grant Income	43,464		43,464	280,654
TOTAL OTHER RECEIPTS	50,054	2,710	52,764	300,183
TOTAL CASH RECEIPTS	168,342	263,039	431,381	681,318

SEE ACCOUNTANT'S COMPILATION REPORT

TOWN OF FALKNER
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - (ALL FUNDS) CASH BASIS
YEAR ENDED SEPTEMBER 30, 2008

	GOVERNMENTAL FUND TYPE	PROPRIETARY FUND TYPE	TOTALS (MEMORANDUM ONLY)	
	GENERAL	ENTERPRISE	2008	2007
CASH OPERATING DISBURSEMENTS				
General Government	107,877		107,877	113,759
Public Safety:				
Fire	14,921		14,921	13,063
Enterprise:				
Water & Sewer Utilities		190,725	190,725	195,408
TOTAL OPERATING DISBURSEMENTS	<u>122,798</u>	<u>190,725</u>	<u>313,523</u>	<u>322,230</u>
OTHER CASH DISBURSEMENTS				
Interest on Notes		43,222	43,222	44,824
Investment in Fixed Assets	8,597	8,938	17,535	327,839
Principal Payments		32,854	32,854	39,843
TOTAL OTHER DISBURSEMENTS	<u>8,597</u>	<u>85,014</u>	<u>93,611</u>	<u>412,506</u>
TOTAL CASH DISBURSEMENTS	<u>131,395</u>	<u>275,739</u>	<u>407,134</u>	<u>734,736</u>
EXCESS OF CASH RECEIPTS OVER (UNDER) CASH DISBURSEMENTS	36,947	(12,700)	24,247	(53,418)
Cash Balances - Beginning of Year	<u>233,028</u>	<u>174,223</u>	<u>407,251</u>	<u>460,669</u>
Cash Balances - End of Year	<u>\$ 269,975</u>	<u>\$ 161,523</u>	<u>\$ 431,498</u>	<u>\$ 407,251</u>

SEE ACCOUNTANT'S COMPILATION REPORT

TOWN OF FALKNER
SCHEDULE OF LONG-TERM DEBT
 YEAR ENDED SEPTEMBER 30, 2008

	<u>Definition and Purpose</u>	<u>Balance Outstanding Oct. 1, 2007</u>	<u>Transactions During Fiscal Year</u>		<u>Balance Outstanding Sept. 30, 2008</u>
			<u>Issued</u>	<u>Redeemed</u>	
Rural Development	Water System	\$ 102,640	\$ 9,914		\$ 92,726
Rural Development	Water System	188,310		4,412	183,898
Rural Development	Water System	112,213		3,189	109,024
Rural Development	Water System	29,246		8,367	20,879
Rural Development	Water System	255,116		4,190	250,926
Rural Development	Water System	<u>199,661</u>		<u>2,782</u>	<u>196,879</u>
Total		<u>\$ 887,186</u>	<u>\$</u>	<u>\$ 32,854</u>	<u>\$ 854,332</u>

SEE ACCOUNTANT'S COMPILATION REPORT

TOWN OF FALKNER
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS
SEPTEMBER 30, 2008

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Amount</u>
Doyle Griffin	Mayor	Travelers Casualty & Surety Co. of America	\$ 50,000
Colleen Weeks	Town Clerk	Travelers Casualty & Surety Co. of America	50,000
Gary Bullock	Alderman	MS Municipal Association	5,000
L. D. Hudson	Alderman	MS Municipal Association	5,000
Mike McMillen	Alderman	MS Municipal Association	5,000
Tommy LaBarreare	Alderman	MS Municipal Association	5,000
Susan Rutherford	Alderwoman	MS Municipal Association	5,000

SEE ACCOUNTANT'S COMPILATION REPORT