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**FINANCIAL REPORT**  
**TOWN OF FALKNER**  
**FALKNER, MISSISSIPPI**  
**SEPTEMBER 30, 2003**

**LINDSEY AND DAVIS**  
CERTIFIED PUBLIC ACCOUNTANTS  
POST OFFICE BOX 146  
1122 CITY AVENUE NORTH  
RIPLEY, MISSISSIPPI 38663

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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, 2003, 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	\$ 255,469
	Fire Department	19,748
	Park	1,005
	Sewer System	30,815
	Water System	135,949

- B. We confirmed directly with respective banks all investments, including certificates of deposits, owned by the Town of Falkner. All investment 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, 2003.

- 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>
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Sales Tax Allocation	General	\$ 68,795
Gasoline Tax	General	624
TVA in Lieu of Taxes	General	2,341
General Municipal Aid	General	111
Fire Protection Allocation	Fire Protection	958

- 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	21
Dollar value of sample	\$ 116,690

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 relates 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 and Davis  
Certified Public Accountants

Ripley, MS 38663  
October 27, 2003

## 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, 2003, 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 generally accepted accounting principles.

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 the 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 and Davis  
Certified Public Accountants

Ripley, Mississippi  
October 27, 2003

TOWN OF FALKNER  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - (ALL FUNDS) CASH BASIS  
YEAR ENDED SEPTEMBER 30, 2003

	GOVERNMENTAL FUND TYPE	PROPRIETARY FUND TYPE	TOTALS (MEMORANDUM ONLY)	
	GENERAL	ENTERPRISE	2003	2002
CASH OPERATING RECEIPTS				
Privilege License	\$ 353	\$ -	\$ 353	\$ 445
Intergovernmental Receipts				
State Shared Receipts:				
Sales Tax	68,795		68,795	51,822
Gasoline Tax	624		624	652
Fire Protection	958		958	903
TVA in Lieu of Taxes	2,341		2,341	1,631
General Municipal Aid	111		111	111
County Shared Receipts:				
Road Tax	6,882		6,882	8,556
Fire Protection	11,500		11,500	11,500
Charges for Services:				
Water and Sewer		206,234	206,234	192,672
Gross Receipts Tax	4,971		4,971	4,753
Donations	25		25	10,083
Miscellaneous	7,373	2,619	9,992	56,665
TOTAL OPERATING RECEIPTS	103,933	208,853	312,786	339,793
OTHER CASH RECEIPTS				
Interest	5,200	5,143	10,343	13,549
Meter Deposit Collections		1,453	1,453	1,020
Grant Proceeds	50,070	32,942	83,012	282,558
Loan Proceeds		5,032	5,032	244,968
Bond Proceeds		266,000	266,000	
TOTAL OTHER RECEIPTS	55,270	310,570	365,840	542,095
TOTAL CASH RECEIPTS	159,203	519,423	678,626	881,888

SEE ACCOUNTANT'S COMPILATION REPORT



FINANCIAL REPORT

TOWN OF FALKNER

FALKNER, MISSISSIPPI

SEPTEMBER 30, 2003