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# Town of Falkner

P. O. Box 117  
Falkner, Mississippi 38629  
Phone (662) 837-4940

February 7, 2017

Office of the State Auditor  
P.O. Box 956  
Jackson, Mississippi 39205

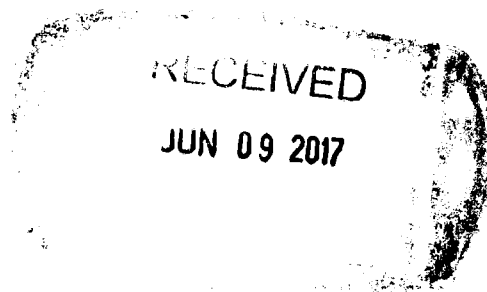
Re: Annual Municipal Audit

Accompanying this letter is a copy of the annual compilation of the Town of Falkner, Mississippi, for the fiscal year ended September 30, 2016. A separate management letter was not written to the town in connection with this audit.

Sincerely,



Mayor





FINANCIAL REPORT

TOWN OF FALKNER

FALKNER, MISSISSIPPI

SEPTEMBER 30, 2016



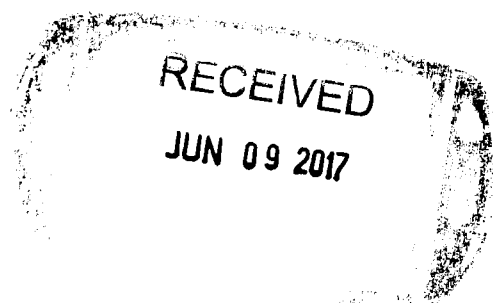


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# LINDSEY, DAVIS AND ASSOCIATES

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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

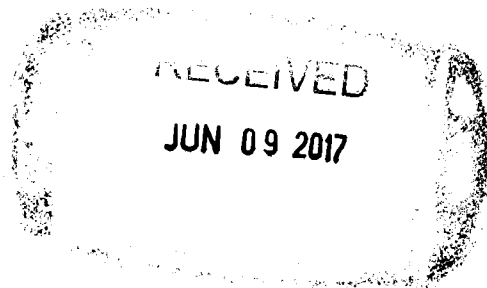
Honorable Mayor and Board of Aldermen  
Town of Falkner  
Falkner, Mississippi 38629

We have applied certain agreed-upon procedures as discussed below, to the accounting records of the Town of Falkner, Mississippi, as of September 30, 2016, 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:

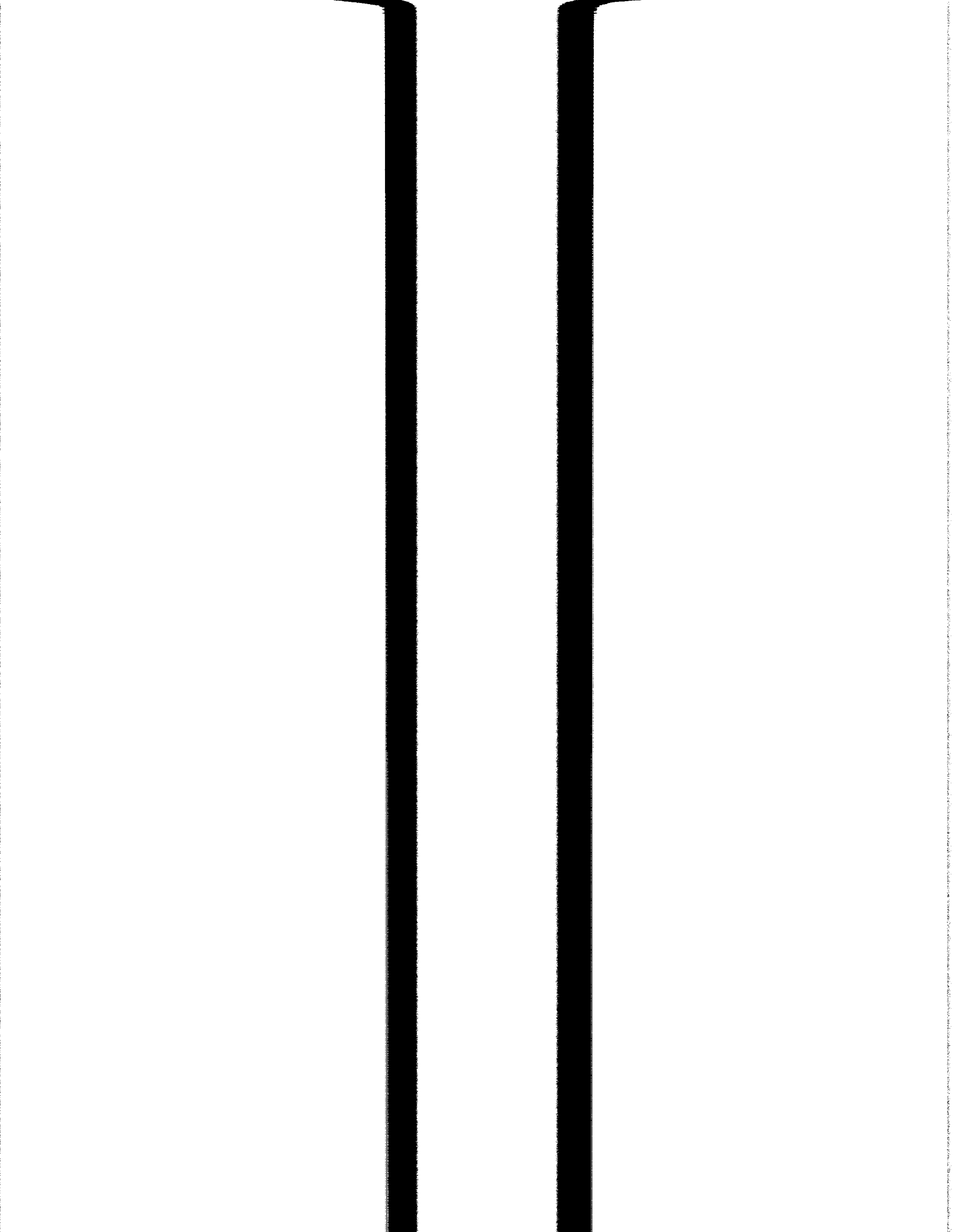
<u>Bank</u>	<u>Fund</u>	<u>Balance per General Ledger</u>
The Peoples Bank	General	\$ 138,390
	Fire Department	16,104
	Park	2,510
	Sewer System	24,324
	Water System	80,773

- B. The Town of Falkner owned no securities held for investment at September 30, 2016.
- C. The Town of Falkner collected no taxes on real or personal property (including motor vehicles) during the year ended September 30, 2016.
- D. 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. Payments traced were as follows:









<u>Purpose</u>	<u>Receiving Fund</u>	<u>Amount</u>
Sales Tax Allocation	General	\$ 66,895
Gasoline Tax	General	1,574
TVA in Lieu of Taxes	General	1,553
General Municipal Aid	General	256
Fire Protection Allocation	Fire Protection	3,297

- E. 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:

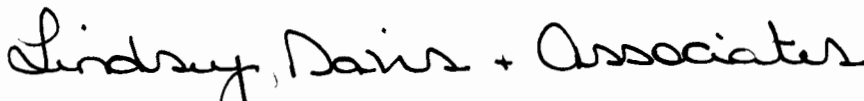
Number of sample items	58
Dollar value of sample	\$ 49,322

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

- F. The Town of Falkner collected no fines and forfeitures during the year ended September 30, 2016.
- G. 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, for the year ended September 30, 2016.

This report is intended solely for the use of the Office of the State Auditor, State of Mississippi, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

  
 Lindsey, Davis and Associates  
 Certified Public Accountants

Ripley, Mississippi  
 January 30, 2017



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## INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

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

Management is responsible for the accompanying statement of cash receipts and disbursements (all funds)-cash basis of the Town of Falkner, Mississippi, as of and for the year ended September 30, 2016 in accordance with accounting principles generally accepted in the United States of America. 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 financial statements 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 these financial statements.

Management has elected to omit substantially all of the disclosures ordinarily required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statement, they might influence the user's conclusions about the Town's cash receipts and disbursements. Accordingly, the financial statements are not designed for those who are not informed about such matters.

### **Required Supplementary Information**

Management has omitted the management's discussion and analysis information that is required to be presented for purposes of additional analysis. Such missing information, although not 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 statements in an appropriate operational, economic, or historical context.

The supplementary information contained on pages 8, 9 and 10 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 & Associates*  
Lindsey, Davis and Associates  
Certified Public Accountants

Ripley, Mississippi  
January 30, 2017

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TOWN OF FALKNER  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - (ALL FUNDS) CASH BASIS  
YEAR ENDED SEPTEMBER 30, 2016

	GOVERNMENTAL FUND TYPE	PROPRIETARY FUND TYPE	TOTALS (MEMORANDUM ONLY)	
	GENERAL	ENTERPRISE	2016	2015
CASH OPERATING RECEIPTS				
Privilege License	\$ 211	\$	\$ 211	\$ 328
Intergovernmental Receipts				
State Shared Receipts:				
Sales Tax	66,895		66,895	63,036
Gasoline Tax	1,574		1,574	1,574
Fire Protection	3,297		3,297	2,797
TVA in Lieu of Taxes	1,553		1,553	2,707
General Municipal Aid	256		256	256
County Shared Receipts:				
Road Tax	7,246		7,246	11,660
Fire Protection	11,500		11,500	11,500
Charges for Services:				
Water and Sewer		361,117	361,117	318,769
Gross Receipts Tax	7,636		7,636	2,617
Donations	200		200	1,470
Park Revenue	22,962		22,962	21,340
Miscellaneous	485	1,699	2,184	10,210
TOTAL OPERATING RECEIPTS	123,815	362,816	486,631	448,264
OTHER CASH RECEIPTS				
Interest	654	440	1,094	1,076
Meter Deposit Collections				(69)
Grant Revenue				40,358
Loan Proceeds				21,108
Transfers	1,500		1,500	1,700
TOTAL OTHER RECEIPTS	2,154	440	2,594	64,173
TOTAL CASH RECEIPTS	125,969	363,256	489,225	512,437

SEE ACCOUNTANT'S COMPILATION REPORT





TOWN OF FALKNER  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - (ALL FUNDS) CASH BASIS  
YEAR ENDED SEPTEMBER 30, 2016

	GOVERNMENTAL FUND TYPE	PROPRIETARY FUND TYPE	TOTALS (MEMORANDUM ONLY)	
	GENERAL	ENTERPRISE	2016	2015
CASH OPERATING DISBURSEMENTS				
General Government	133,562		133,562	114,433
Public Safety:				
Fire	13,871		13,871	6,693
Enterprise:				
Water & Sewer Utilities		260,424	260,424	277,921
TOTAL OPERATING DISBURSEMENTS	147,433	260,424	407,857	399,047
OTHER CASH DISBURSEMENTS				
Interest on Notes		28,549	28,549	33,654
Investment in Fixed Assets	2,267	23,209	25,476	122,699
Principal Payments		42,307	42,307	43,863
Transfers	1,500		1,500	1,700
TOTAL OTHER DISBURSEMENTS	3,767	94,065	97,832	201,916
TOTAL CASH DISBURSEMENTS	151,200	354,489	505,689	600,963
EXCESS OF CASH RECEIPTS OVER (UNDER) CASH DISBURSEMENTS	(25,231)	8,767	(16,464)	(88,526)
Cash Balances - Beginning of Year	182,235	96,330	278,565	367,091
Cash Balances - End of Year	\$ 157,004	\$ 105,097	\$ 262,101	\$ 278,565

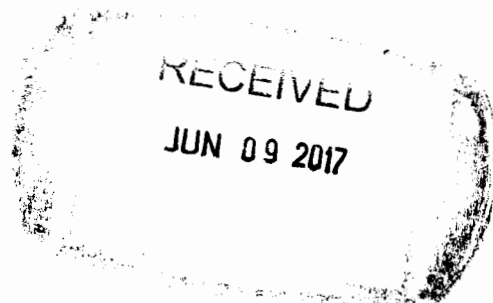
SEE ACCOUNTANT'S COMPILATION REPORT



TOWN OF FALKNER  
SCHEDULE OF LONG-TERM DEBT  
YEAR ENDED SEPTEMBER 30, 2016

	<u>Definition and Purpose</u>	<u>Balance Outstanding Oct. 1, 2015</u>	<u>Transactions During Fiscal Year Issued</u>	<u>Redeemed</u>	<u>Balance Outstanding Sept. 30, 2016</u>
Rural Development	Water System	\$ 7,721	\$	\$ 7,721	\$
Rural Development	Water System	145,808		7,218	138,590
Rural Development	Water System	80,607		5,973	74,634
Rural Development	Water System	215,498		6,590	208,908
Rural Development	Water System	171,394		4,551	166,843
The Peoples Bank	Truck	17,770		4,097	13,673
MS Department of Environmental Quality	Sewer System	108,639		6,155	102,484
Total		<u>\$ 747,437</u>	<u>\$</u>	<u>\$ 42,305</u>	<u>\$ 705,132</u>

SEE ACCOUNTANT'S COMPILATION REPORT





TOWN OF FALKNER  
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS  
September 30, 2016

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Amount</u>
Doyle Griffin	Mayor	Travelers Casualty & Surety Co. of America	\$ 50,000
Michaela Hunter	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
James Shelton	Alderman	MS Municipal Association	5,000
Tommy LaBarreare	Alderman	MS Municipal Association	5,000
Susan Rutherford	Alderwoman	MS Municipal Association	5,000
Position Bond	Collector	Travelers Casualty & Surety Co. of America	50,000

SEE ACCOUNTANT'S COMPILATION REPORT



TOWN OF FALKNER  
SCHEDULE OF INVESTMENTS (ALL FUNDS) - CASH BASIS  
September 30, 2016

The Town of Falkner owned no securities held for investment at September 30, 2016.

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SEE ACCOUNTANT'S COMPILATION REPORT





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## ACCOUNTANT'S REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

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

We have compiled the statement of cash receipts and disbursements (all funds)-cash basis of the Town of Falkner for the year ended September 30, 2016 and have issued our report dated January 30, 2017. We have conducted our compilation in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA.

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 audit and, accordingly, we do not express such an opinion.

The results of those procedures and our compilation of the cash receipts and disbursements disclosed no material instances of noncompliance with state laws and regulations.

This report is intended for the information of the Town'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.

*Lindsey, Davis + Associates*  
Lindsey, Davis and Associates  
Certified Public Accountants

Ripley, Mississippi  
January 30, 2017

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