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# Town of Falkner

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

February 6, 2018

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, 2017. A separate management letter was not written to the town in connection with this audit.

Sincerely,

  
Mayor

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OCT 01 2018

FINANCIAL REPORT

TOWN OF FALKNER

FALKNER, MISSISSIPPI

SEPTEMBER 30, 2017

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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, 2017, 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</u> <u>General Ledger</u>
The Peoples Bank	General	\$ 126,692
	Fire Department	13,869
	Park	1,885
	Sewer System	27,752
	Water System	103,989

- B. The Town of Falkner owned no securities held for investment at September 30, 2017.
- C. The Town of Falkner collected no taxes on real or personal property (including motor vehicles) during the year ended September 30, 2017.
- 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:

Purpose	Receiving Fund	Amount
Sales Tax Allocation	General	\$ 73,123
Gasoline Tax	General	1,574
TVA in Lieu of Taxes	General	2,882
General Municipal Aid	General	256
Fire Protection Allocation	Fire Protection	2,878

- 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	59
Dollar value of sample	\$ 137,128

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, 2017.
- 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, 2017.

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 & Associates*

Lindsey, Davis and Associates  
Certified Public Accountants

Ripley, Mississippi  
January 16, 2018

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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, 2017 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 16, 2018

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TOWN OF FALKNER  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - (ALL FUNDS) CASH BASIS  
YEAR ENDED SEPTEMBER 30, 2017

	GOVERNMENTAL FUND TYPE	PROPRIETARY FUND TYPE	TOTALS (MEMORANDUM ONLY)	
	GENERAL	ENTERPRISE	2017	2016
CASH OPERATING RECEIPTS				
Privilege License	\$ 297	\$	\$ 297	\$ 211
Intergovernmental Receipts				
State Shared Receipts:				
Sales Tax	73,123		73,123	66,895
Gasoline Tax	1,574		1,574	1,574
Fire Protection	2,878		2,878	3,297
TVA in Lieu of Taxes	2,882		2,882	1,553
General Municipal Aid	256		256	256
County Shared Receipts:				
Road Tax	4,472		4,472	7,246
Fire Protection	11,500		11,500	11,500
Charges for Services:				
Water and Sewer		400,707	400,707	361,117
Gross Receipts Tax	2,911		2,911	7,636
Donations				200
Park Revenue	18,837		18,837	22,962
Miscellaneous	9,774		9,774	2,184
TOTAL OPERATING RECEIPTS	128,504	400,707	529,211	486,631
OTHER CASH RECEIPTS				
Interest	735	603	1,338	1,094
Grant Revenue	52,000		52,000	
Transfers	7,500		7,500	1,500
TOTAL OTHER RECEIPTS	60,235	603	60,838	2,594
TOTAL CASH RECEIPTS	188,739	401,310	590,049	489,225

SEE ACCOUNTANT'S COMPILATION REPORT

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TOWN OF FALKNER  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - (ALL FUNDS) CASH BASIS  
YEAR ENDED SEPTEMBER 30, 2017

	GOVERNMENTAL FUND TYPE	PROPRIETARY FUND TYPE	TOTALS (MEMORANDUM ONLY)	
	GENERAL	ENTERPRISE	2017	2016
CASH OPERATING DISBURSEMENTS				
General Government	121,847		121,847	133,562
Public Safety:				
Fire	13,029		13,029	13,871
Enterprise:				
Water & Sewer Utilities		233,570	233,570	260,424
TOTAL OPERATING DISBURSEMENTS	134,876	233,570	368,446	407,857
OTHER CASH DISBURSEMENTS				
Interest on Notes		31,196	31,196	28,549
Investment in Fixed Assets	60,921	77,650	138,571	25,476
Principal Payments		32,250	32,250	42,307
Transfers	7,500		7,500	1,500
TOTAL OTHER DISBURSEMENTS	68,421	141,096	209,517	97,832
TOTAL CASH DISBURSEMENTS	203,297	374,666	577,963	505,689
EXCESS OF CASH RECEIPTS OVER (UNDER) CASH DISBURSEMENTS	(14,558)	26,644	12,086	(16,464)
Cash Balances - Beginning of Year	157,004	105,097	262,101	278,565
Cash Balances - End of Year	\$ 142,446	\$ 131,741	\$ 274,187	\$ 262,101

SEE ACCOUNTANT'S COMPILATION REPORT

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TOWN OF FALKNER  
SCHEDULE OF LONG-TERM DEBT  
YEAR ENDED SEPTEMBER 30, 2017

	<u>Definition and Purpose</u>	<u>Balance Outstanding Oct. 1, 2016</u>	<u>Transactions During Fiscal Year</u>		<u>Balance Outstanding Sept. 30, 2017</u>
			<u>Issued</u>	<u>Redeemed</u>	
Rural Development	Water System	\$ 138,590	\$	\$ 6,414	\$ 132,176
Rural Development	Water System	74,634		4,997	69,637
Rural Development	Water System	208,908		6,372	202,536
Rural Development	Water System	166,843		4,002	162,841
The Peoples Bank	Truck	13,673		4,201	9,472
MS Department of Environmental Quality	Sewer System	<u>102,484</u>		<u>6,264</u>	<u>96,220</u>
Total		<u>\$ 705,132</u>	<u>\$</u>	<u>\$ 32,250</u>	<u>\$ 672,882</u>

SEE ACCOUNTANT'S COMPILATION REPORT

TOWN OF FALKNER  
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS  
September 30, 2017

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Amount</u>
Ross Gay	Mayor	Travelers Casualty & Surety Co. of America	\$ 50,000
Michaela Hunter	Town Clerk	Travelers Casualty & Surety Co. of America	50,000
Brandon Butler	Alderman	MS Municipal Association	5,000
Tommy LaBarreare	Alderman	MS Municipal Association	5,000
James Shelton	Alderman	MS Municipal Association	5,000
Susan Rutherford	Alderwoman	MS Municipal Association	5,000
Jonathan Weatherly	Alderman	MS Municipal Association	5,000
Position Bond	Collector	Travelers Casualty & Surety Co. of America	50,000

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TOWN OF FALKNER  
SCHEDULE OF INVESTMENTS (ALL FUNDS) - CASH BASIS  
September 30, 2017

The Town of Falkner owned no securities held for investment at September 30, 2017.

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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, 2017 and have issued our report dated January 16, 2018. 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 16, 2018

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