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Town of Falkner

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

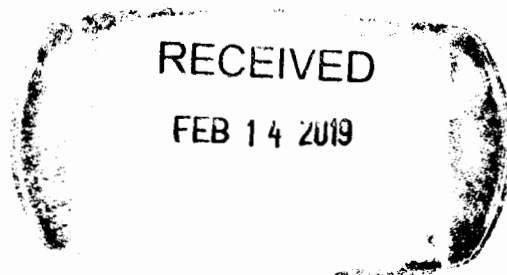
Office of the State Auditor
P.O. Box 956
Jackson, Mississippi 39205

Re: Annual Audit

Accompanying this letter is a copy of the financial report of the Town of Falkner, Mississippi, for the fiscal year ended September 30, 2018. A separate management letter was not written to the town in connection with this audit.

Sincerely,

Mayor

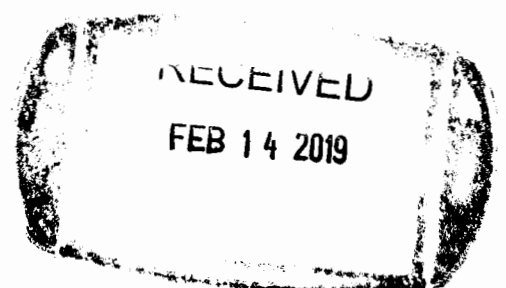


FINANCIAL REPORT

TOWN OF FALKNER

FALKNER, MISSISSIPPI

SEPTEMBER 30, 2018



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SHONDA DAVIS

MEMBER

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CERTIFIED PUBLIC ACCOUNTANTS
MISSISSIPPI SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

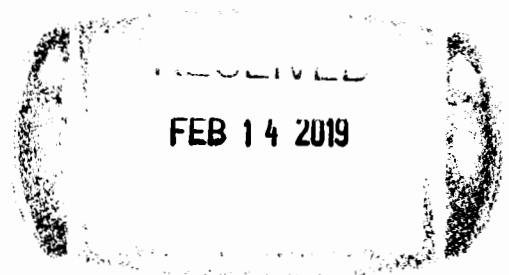
Honorable Mayor and Board of Aldermen
Town of Falkner
Falkner, Mississippi 38629

We have applied certain agreed-upon procedures as discussed below, to the accounting records of the Town of Falkner, Mississippi, as of September 30, 2018, 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	\$ 94,128
	Fire Department	15,104
	Park	984
	Sewer System	30,751
	Water System	196,963

- B. The Town of Falkner owned no securities held for investment at September 30, 2018.
- C. The Town of Falkner collected no taxes on real or personal property (including motor vehicles) during the year ended September 30, 2018.
- 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	\$ 64,438
Gasoline Tax	General	1,574
TVA in Lieu of Taxes	General	2,577
General Municipal Aid	General	256
Fire Protection Allocation	Fire Protection	2,934

- 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	60
Dollar value of sample	\$ 164,422

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, 2018.
- G. We have read the Municipal Compliance Questionnaire completed by the town. The completed survey indicated no instances of noncompliance.

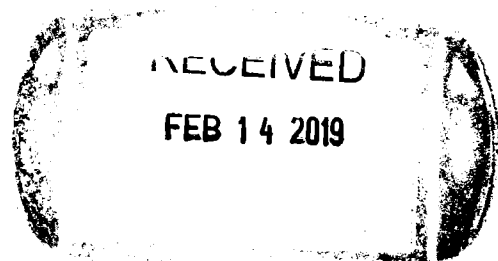
Because the above procedures do not constitute an audit conducted in accordance with generally accepted auditing standards, we do not express an opinion on any of the accounts or items referred to above. In connection with the procedures referred to above, no matters came to our attention that caused 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, 2018.

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 31, 2019



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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, 2018 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

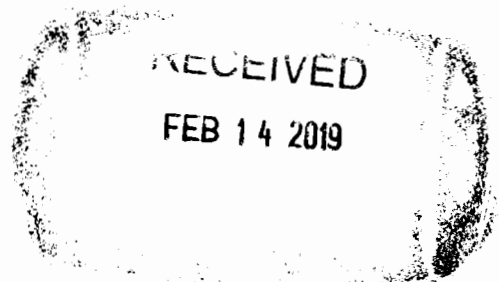
Management has omitted the management's discussion and analysis information that is required to be presented for purposes of additional analysis. Such missing information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it 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

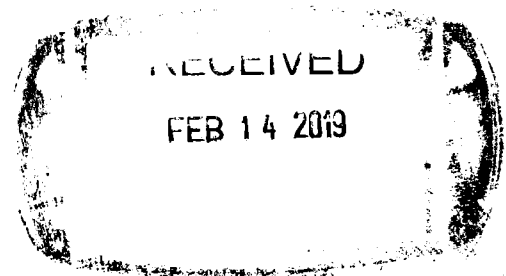
Ripley, Mississippi
January 31, 2019



TOWN OF FALKNER
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - (ALL FUNDS) CASH BASIS
YEAR ENDED SEPTEMBER 30, 2018

	GOVERNMENTAL FUND TYPE	PROPRIETARY FUND TYPE	TOTALS (MEMORANDUM ONLY)	
	GENERAL	ENTERPRISE	2018	2017
CASH OPERATING RECEIPTS				
Privilege License	\$ 226	\$	\$ 226	\$ 297
Intergovernmental Receipts				
State Shared Receipts:				
Sales Tax	64,438		64,438	73,123
Gasoline Tax	1,574		1,574	1,574
Fire Protection	2,934		2,934	2,878
TVA in Lieu of Taxes	2,577		2,577	2,882
General Municipal Aid	256		256	256
County Shared Receipts:				
Road Tax	4,513		4,513	4,472
Fire Protection	11,500		11,500	11,500
Charges for Services:				
Water and Sewer		388,387	388,387	400,707
Gross Receipts Tax	7,745		7,745	2,911
Donations				
Park Revenue	13,086		13,086	18,837
Miscellaneous	22,182	15,035	37,217	9,774
TOTAL OPERATING RECEIPTS	131,031	403,422	534,453	529,211
OTHER CASH RECEIPTS				
Interest	553	669	1,222	1,338
Loan Proceeds		37,000	37,000	
Grant Revenue	61,929		61,929	52,000
Transfers	5,000		5,000	7,500
TOTAL OTHER RECEIPTS	67,482	37,669	105,151	60,838
TOTAL CASH RECEIPTS	198,513	441,091	639,604	590,049

SEE ACCOUNTANT'S COMPILATION REPORT



TOWN OF FALKNER
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - (ALL FUNDS) CASH BASIS
 YEAR ENDED SEPTEMBER 30, 2018

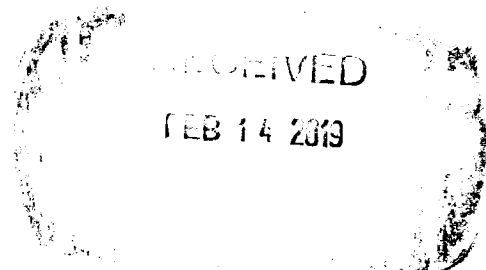
	GOVERNMENTAL FUND TYPE	PROPRIETARY FUND TYPE	TOTALS (MEMORANDUM ONLY)	
	GENERAL	ENTERPRISE	2018	2017
CASH OPERATING DISBURSEMENTS				
General Government	131,551		131,551	121,847
Public Safety:				
Fire	10,154		10,154	13,029
Enterprise:				
Water & Sewer Utilities		273,823	273,823	233,570
TOTAL OPERATING DISBURSEMENTS	141,705	273,823	415,528	368,446
OTHER CASH DISBURSEMENTS				
Interest on Notes		30,234	30,234	31,196
Investment in Fixed Assets	84,038		84,038	138,571
Principal Payments		41,061	41,061	32,250
Transfers	5,000		5,000	7,500
TOTAL OTHER DISBURSEMENTS	89,038	71,295	160,333	209,517
TOTAL CASH DISBURSEMENTS	230,743	345,118	575,861	577,963
EXCESS OF CASH RECEIPTS OVER (UNDER) CASH DISBURSEMENTS	(32,230)	95,973	63,743	12,086
Cash Balances - Beginning of Year	142,446	131,741	274,187	262,101
Cash Balances - End of Year	\$ 110,216	\$ 227,714	\$ 337,930	\$ 274,187

SEE ACCOUNTANT'S COMPILATION REPORT

TOWN OF FALKNER
SCHEDULE OF LONG-TERM DEBT
YEAR ENDED SEPTEMBER 30, 2018

	Definition and Purpose	Balance Outstanding Oct. 1, 2017	Transactions During Fiscal Year		Balance Outstanding Sept. 30, 2018
			Issued	Redeemed	
Rural Development	Water System	\$ 132,176	\$	\$ 7,357	\$ 124,819
Rural Development	Water System	69,637		5,261	64,376
Rural Development	Water System	202,536		6,095	196,441
Rural Development	Water System	162,841		4,556	158,285
The Peoples Bank	Truck	9,472		4,307	5,165
The Peoples Bank	Repair		37,000	7,110	29,890
MS Department of Environmental Quality	Sewer System	96,220		6,375	89,845
Total		<u>\$ 672,882</u>	<u>\$ 37,000</u>	<u>\$ 41,061</u>	<u>\$ 668,821</u>

SEE ACCOUNTANT'S COMPILATION REPORT



TOWN OF FALKNER
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS
September 30, 2018

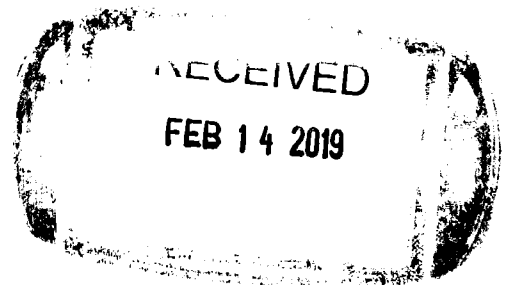
<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Amount</u>
Ross Gay	Mayor	Travelers Casualty & Surety Co. of America	\$ 50,000
Michaela Hunter	Town Clerk	Travelers Casualty & Surety Co. of America	50,000
Brandon Butler	Alderman	MS Municipal Association	5,000
Tommy LaBarreare	Alderman	MS Municipal Association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

SEE ACCOUNTANT'S COMPILATION REPORT

TOWN OF FALKNER
SCHEDULE OF INVESTMENTS (ALL FUNDS) - CASH BASIS
September 30, 2018

The Town of Falkner owned no securities held for investment at September 30, 2018.

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, 2018 and have issued our report dated January 31, 2019. 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 31, 2019

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