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FINANCIAL REPORT

TOWN OF FALKNER

FALKNER, MISSISSIPPI

SEPTEMBER 30, 2019

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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 performed the procedures enumerated below, which were agreed to by the Mayor and Board of Aldermen of the Town of Falkner on the cash, investments, ad valorem taxes, state receipts, disbursements, state court fine assessment and the municipal compliance questionnaire in accordance with the provisions of Section 21-35-31, Mississippi Code, 1972, Annotated of the Town of Falkner for the year ended September 30, 2019. The Town of Falkner's management is responsible for the cash, investments, ad valorem taxes, state receipts, disbursements, state court fine assessment and the municipal compliance questionnaire in accordance with the provisions of Section 21-35-31, Mississippi Code, 1972, Annotated. The sufficiency of these procedures is solely the responsibility of the Mayor and Board of Aldermen of the Town of Falkner. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

1) Cash

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	\$ 189,978
	Fire Department	12,714
	Park	1,384
	Sewer System	32,640
	Water System	252,744

2) Investments

The Town of Falkner owned no securities held for investment at September 30, 2019.

3) Ad Valorem Taxes

The Town of Falkner collected no taxes on real or personal property (including motor vehicles) during the year ended September 30, 2019.

4) State Receipts

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	\$ 65,683
Gasoline Tax	General	1,574
TVA in Lieu of Taxes	General	2,672
General Municipal Aid	General	256
Fire Protection Allocation	Fire Protection	3,034

5) Disbursements

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	68
Dollar value of sample	\$ 219,102

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

6) State Court Fine Assessments

The Town of Falkner collected no fines and forfeitures during the year ended September 30, 2019.

7) Municipal Compliance Questionnaire

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

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the cash, ad valorem taxes, state receipts, disbursements, state court fine assessment and the municipal compliance questionnaire. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Mayor and Board of Aldermen of the Town of Falkner and the Office of the State Auditor and is not intended to be and should not be used by anyone other than those 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 27, 2020

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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, 2019 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.

The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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 accompanying supplementary information contained on pages 8, 9 and 10 is presented for purposes of additional analysis. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

Lindsey Davis & Associates

Lindsey, Davis and Associates
Certified Public Accountants

Ripley, Mississippi
January 27, 2020

TOWN OF FALKNER
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - (ALL FUNDS) CASH BASIS
YEAR ENDED SEPTEMBER 30, 2019

	GOVERNMENTAL FUND TYPE	PROPRIETARY FUND TYPE	TOTALS (MEMORANDUM ONLY)	
	GENERAL	ENTERPRISE	2019	2018
CASH OPERATING RECEIPTS				
Privilege License	\$ 362		\$ 362	\$ 226
Intergovernmental Receipts				
State Shared Receipts:				
Sales Tax	65,683		65,683	64,438
Gasoline Tax	1,574		1,574	1,574
Fire Protection	3,034		3,034	2,934
TVA in Lieu of Taxes	2,672		2,672	2,577
General Municipal Aid	256		256	256
County Shared Receipts:				
Road Tax	5,811		5,811	4,513
Fire Protection	11,500		11,500	11,500
Charges for Services:				
Water and Sewer		383,214	383,214	388,387
Gross Receipts Tax	4,829		4,829	7,745
Donations	1,425		1,425	
Park Revenue	8,386		8,386	13,086
Miscellaneous	4,705	2,634	7,339	37,217
TOTAL OPERATING RECEIPTS	110,237	385,848	496,085	534,453
OTHER CASH RECEIPTS				
Interest	363	978	1,341	1,222
Loan Proceeds				37,000
Grant Revenue		194,736	194,736	61,929
Miscellaneous	100,000		100,000	
Transfers	7,500		7,500	5,000
TOTAL OTHER RECEIPTS	107,863	195,714	303,577	105,151
TOTAL CASH RECEIPTS	218,100	581,562	799,662	639,604

SEE ACCOUNTANT'S COMPILATION REPORT

TOWN OF FALKNER
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - (ALL FUNDS) CASH BASIS
YEAR ENDED SEPTEMBER 30, 2019

	GOVERNMENTAL FUND TYPE	PROPRIETARY FUND TYPE	TOTALS (MEMORANDUM ONLY)	
	GENERAL	ENTERPRISE	2019	2018
CASH OPERATING DISBURSEMENTS				
General Government	98,363		98,363	131,551
Public Safety:				
Fire	18,376		18,376	10,154
Enterprise:				
Water & Sewer Utilities		254,511	254,511	273,823
TOTAL OPERATING DISBURSEMENTS	116,739	254,511	371,250	415,528
OTHER CASH DISBURSEMENTS				
Interest on Notes		27,078	27,078	30,234
Investment in Fixed Assets		194,736	194,736	84,038
Principal Payments		44,218	44,218	41,061
Meter Deposit Refunds		3,350	3,350	
Transfers	7,500		7,500	5,000
TOTAL OTHER DISBURSEMENTS	7,500	269,382	276,882	160,333
TOTAL CASH DISBURSEMENTS	124,239	523,893	648,132	575,861
EXCESS OF CASH RECEIPTS OVER (UNDER) CASH DISBURSEMENTS	93,861	57,669	151,530	63,743
Cash Balances - Beginning of Year	110,216	227,714	337,930	274,187
Cash Balances - End of Year	<u>\$ 204,077</u>	<u>\$ 285,383</u>	<u>\$ 489,460</u>	<u>\$ 337,930</u>

SEE ACCOUNTANT'S COMPILATION REPORT

TOWN OF FALKNER
SCHEDULE OF LONG-TERM DEBT
YEAR ENDED SEPTEMBER 30, 2019

<u>Definition and Purpose</u>		<u>Balance Outstanding Oct. 1, 2018</u>	<u>Transactions During Fiscal Year Issued Redeemed</u>		<u>Balance Outstanding Sept. 30, 2019</u>
Rural Development	Water System	\$ 124,819		\$ 7,743	\$ 117,076
Rural Development	Water System	64,376		6,603	57,773
Rural Development	Water System	196,441		6,962	189,479
Rural Development	Water System	158,285		4,753	153,532
The Peoples Bank	Truck	5,165		4,418	747
The Peoples Bank	Repair	29,890		7,252	22,638
MS Department of Environmental Quality	Sewer System	<u>89,845</u>		<u>6,487</u>	<u>83,358</u>
Total		<u>\$ 668,821</u>		<u>\$ 44,218</u>	<u>\$ 624,603</u>

SEE ACCOUNTANT'S COMPILATION REPORT

TOWN OF FALKNER
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS
September 30, 2019

<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, 2019

The Town of Falkner owned no securities held for investment at September 30, 2019.

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, 2019 and have issued our report dated January 27, 2020. 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 compilation 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 27, 2020