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FINANCIAL REPORT

TOWN OF FALKNER

FALKNER, MISSISSIPPI

SEPTEMBER 30, 2020

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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, 2020. 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	\$ 192,783
	Fire Department	45,491
	Park	1,891
	Sewer System	36,530
	Water System	305,177

2) Investments

The Town of Falkner owned no securities held for investment at September 30, 2020.

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, 2020.

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	\$ 68,635
Gasoline Tax	General	1,574
TVA in Lieu of Taxes	General	2,845
General Municipal Aid	General	256
Fire Protection Allocation	Fire Protection	3,101

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	48
Dollar value of sample	\$ 54,521

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, 2020.

7) Municipal Compliance Questionnaire

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

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, investments, 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
April 2, 2021

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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 financial statement of the Town of Falkner, Mississippi, which comprise the statement of cash receipts and disbursements (all funds)-cash basis as of September 30, 2020 and for the year then ended in accordance with the cash basis of accounting and for determining that the cash basis of accounting is an acceptable financial framework. 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. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

The financial statements are prepared in accordance with 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 included in financial statements prepared in accordance with the cash basis of accounting. 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
April 2, 2021

TOWN OF FALKNER
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - (ALL FUNDS) CASH BASIS
YEAR ENDED SEPTEMBER 30, 2020

	GOVERNMENTAL FUND TYPE	PROPRIETARY FUND TYPE	TOTALS (MEMORANDUM ONLY)	
	GENERAL	ENTERPRISE	2020	2019
CASH OPERATING RECEIPTS				
Privilege License	\$ 376	\$	\$ 376	\$ 362
Intergovernmental Receipts				
State Shared Receipts:				
Sales Tax	68,635		68,635	65,683
Gasoline Tax	1,574		1,574	1,574
Fire Protection	3,101		3,101	3,034
TVA in Lieu of Taxes	2,845		2,845	2,672
General Municipal Aid	256		256	256
County Shared Receipts:				
Road Tax	6,206		6,206	5,811
Fire Protection	12,600		12,600	11,500
Charges for Services:				
Water and Sewer		382,763	382,763	383,214
Gross Receipts Tax	4,765		4,765	4,829
Donations			0	1,425
Park Revenue	1,022		1,022	8,386
Miscellaneous	9,537	442	9,979	7,339
TOTAL OPERATING RECEIPTS	110,917	383,205	494,122	496,085
OTHER CASH RECEIPTS				
Interest	351	2,099	2,450	1,341
Grant Revenue	48,540	247,180	295,720	194,736
Miscellaneous	11,813		11,813	100,000
Transfers	12,000		12,000	7,500
TOTAL OTHER RECEIPTS	72,704	249,279	321,983	303,577
TOTAL CASH RECEIPTS	183,621	632,484	816,105	799,662

SEE ACCOUNTANT'S COMPILATION REPORT

TOWN OF FALKNER
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - (ALL FUNDS) CASH BASIS
YEAR ENDED SEPTEMBER 30, 2020

	GOVERNMENTAL FUND TYPE	PROPRIETARY FUND TYPE	TOTALS (MEMORANDUM ONLY)	
	GENERAL	ENTERPRISE	2020	2019
CASH OPERATING DISBURSEMENTS				
General Government	85,360		85,360	98,363
Public Safety:				
Fire	19,678		19,678	18,376
Enterprise:				
Water & Sewer Utilities		261,507	261,507	254,511
TOTAL OPERATING DISBURSEMENTS	105,038	261,507	366,545	371,250
OTHER CASH DISBURSEMENTS				
Interest on Notes		25,856	25,856	27,078
Investment in Fixed Assets	30,495	247,180	277,675	194,736
Principal Payments		41,617	41,617	44,218
Meter Deposit Refunds				3,350
Transfers	12,000		12,000	7,500
TOTAL OTHER DISBURSEMENTS	42,495	314,653	357,148	276,882
TOTAL CASH DISBURSEMENTS	147,533	576,160	723,693	648,132
EXCESS OF CASH RECEIPTS OVER (UNDER) CASH DISBURSEMENTS	36,088	56,324	92,412	151,530
Cash Balances - Beginning of Year	204,077	285,383	489,460	337,930
Cash Balances - End of Year	\$ 240,165	\$ 341,707	\$ 581,872	\$ 489,460

SEE ACCOUNTANT'S COMPILATION REPORT

TOWN OF FALKNER
SCHEDULE OF LONG-TERM DEBT
YEAR ENDED SEPTEMBER 30, 2020

	Definition and Purpose	Balance Outstanding Oct. 1, 2019	Transactions During Fiscal Year		Balance Outstanding Sept. 30, 2020
			Issued	Redeemed	
Rural Development	Water System	\$ 117,076	\$	\$ 8,148	\$ 108,928
Rural Development	Water System	57,773		6,474	51,299
Rural Development	Water System	189,479		7,290	182,189
Rural Development	Water System	153,532		4,959	148,573
The Peoples Bank	Truck	747		747	
The Peoples Bank	Repair	22,638		7,397	15,241
MS Department of Environmental Quality	Sewer System	83,358		6,602	76,756
Total		<u>\$ 624,603</u>	<u>\$</u>	<u>\$ 41,617</u>	<u>\$ 582,986</u>

SEE ACCOUNTANT'S COMPILATION REPORT

TOWN OF FALKNER
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS
SEPTEMBER 30, 2020

<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, 2020

The Town of Falkner owned no securities held for investment at September 30, 2020.

SEE ACCOUNTANT'S COMPILATION REPORT

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

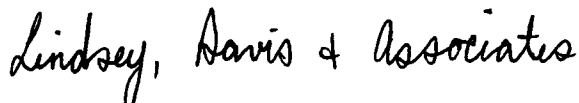
Honorable Mayor and Board of Aldermen
Town of Falkner
Falkner, MS 38629

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, 2020 and have issued our report dated April 2, 2021. 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 and Associates
Certified Public Accountants

Ripley, Mississippi
April 2, 2021