

## OFFICE OF THE STATE AUDITOR REPORT NOTE:

*Section 7-7-211, Mississippi Code Annotated (1972)* gives the Office of the State Auditor the authority to audit, with the exception of municipalities, any governmental entity in the state. In the case of municipalities, *Section 21-35-31, Mississippi Code Annotated (1972)* requires municipalities to obtain an annual audit performed by a private CPA firm and submit that audit report to the Office of the State Auditor. The Office of the State Auditor files these audit reports for review in case questions arise related to the municipality.

As a result, the following document was not prepared by the Office of the State Auditor. Instead, it was prepared by a private CPA firm and submitted to the Office of the State Auditor. The document was placed on this web page as it was submitted and no review of the report was performed by the Office of the State Auditor prior to finalization of the report. The Office of the State Auditor assumes no responsibility for its content or for any errors located in the document. Any questions of accuracy or authenticity concerning this document should be submitted to the CPA firm that prepared the document. The name and address of the CPA firm appears in the document.

FINANCIAL REPORT

TOWN OF FALKNER

FALKNER, MISSISSIPPI

SEPTEMBER 30, 2021

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# LINDSEY, DAVIS AND ASSOCIATES

## CERTIFIED PUBLIC ACCOUNTANTS

POST OFFICE BOX 146

1122 CITY AVE. NORTH

RIPLEY, MS 38663

TELEPHONE 662-837-3295

FAX # 662-837-0174

## MEMBER

AMERICAN INSTITUTE OF

CERTIFIED PUBLIC ACCOUNTANTS

MISSISSIPPI SOCIETY OF

CERTIFIED PUBLIC ACCOUNTANTS

STOCKHOLDERS  
CHARLES L. DAVIS, JR., CPA  
DEAN CAVINESS, CPA  
STEPHANIE CLIFTON, CPA  
B.J. HORTON, CPA  
SHONDA DAVIS

### 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, 2021. 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	\$ 316,975
	Fire Department	3,546
	Park	0
	Sewer System	39,638
	Water System	262,324

2) Investments

The Town of Falkner owned no securities held for investment at September 30, 2021.

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, 2021.

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	\$ 72,124
Gasoline Tax	General	1,574
TVA in Lieu of Taxes	General	2,815
General Municipal Aid	General	256
Fire Protection Allocation	Fire Protection	0
Modernization Use Tax	General	32,175
ARPA Funds	General	60,109

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	43
Dollar value of sample	\$ 130,012

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, 2021.

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  
September 20, 2022

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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, 2021 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 reporting 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 statement 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 this financial statements

The financial statement is 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 statement is 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 the Governmental Accounting Standards Board requires to be presented to supplement the basic financial statements. Such missing information, although not a required 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 and 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 is the representation of management of the Town of Falkner, Mississippi. 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  
September 20, 2022

TOWN OF FALKNER  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - (ALL FUNDS) CASH BASIS  
YEAR ENDED SEPTEMBER 30, 2021

	GOVERNMENTAL FUND TYPE	PROPRIETARY FUND TYPE	TOTALS (MEMORANDUM ONLY)	
	GENERAL	ENTERPRISE	2021	2020
CASH OPERATING RECEIPTS				
Privilege License	\$ 216	\$	\$ 216	\$ 376
Intergovernmental Receipts				
State Shared Receipts:				
Sales Tax	72,124		72,124	68,635
Gasoline Tax	1,574		1,574	1,574
Fire Protection	0		0	3,101
TVA in Lieu of Taxes	2,815		2,815	2,845
General Municipal Aid	256		256	256
Modernization Use Tax	32,175		32,175	0
ARPA Funds	60,109		60,109	0
County Shared Receipts:				
Road Tax			0	6,206
Fire Protection			0	12,600
Charges for Services:				
Water and Sewer		389,685	389,685	382,763
Gross Receipts Tax	4,774		4,774	4,765
Park Revenue			0	1,022
Miscellaneous	15,238	95	15,333	9,979
TOTAL OPERATING RECEIPTS	189,281	389,780	579,061	494,122
OTHER CASH RECEIPTS				
Interest	717	1,096	1,813	2,450
Grant Revenue	36,667		36,667	295,720
Miscellaneous			0	11,813
Transfers	104,765		104,765	12,000
TOTAL OTHER RECEIPTS	142,149	1,096	143,245	321,983
TOTAL CASH RECEIPTS	331,430	390,876	722,306	816,105

SEE ACCOUNTANT'S COMPILATION REPORT

TOWN OF FALKNER  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - (ALL FUNDS) CASH BASIS  
 YEAR ENDED SEPTEMBER 30, 2021

	GOVERNMENTAL FUND TYPE	PROPRIETARY FUND TYPE	TOTALS (MEMORANDUM ONLY)	
	GENERAL	ENTERPRISE	2021	2020
CASH OPERATING DISBURSEMENTS				
General Government	99,370		99,370	85,360
Public Safety:				
Fire	2,937		2,937	19,678
Enterprise:				
Water & Sewer Utilities		259,210	259,210	261,507
TOTAL OPERATING DISBURSEMENTS	<u>102,307</u>	<u>259,210</u>	<u>361,517</u>	<u>366,545</u>
OTHER CASH DISBURSEMENTS				
Interest on Notes		24,134	24,134	25,856
Investment in Fixed Assets	148,767		148,767	277,675
Principal Payments		42,512	42,512	41,617
Transfers		104,765	104,765	12,000
TOTAL OTHER DISBURSEMENTS	<u>148,767</u>	<u>171,411</u>	<u>320,178</u>	<u>357,148</u>
TOTAL CASH DISBURSEMENTS	<u>251,074</u>	<u>430,621</u>	<u>681,695</u>	<u>723,693</u>
EXCESS OF CASH RECEIPTS OVER (UNDER) CASH DISBURSEMENTS	80,356	(39,745)	40,611	92,412
Cash Balances - Beginning of Year	<u>240,165</u>	<u>341,707</u>	<u>581,872</u>	<u>489,460</u>
Cash Balances - End of Year	<u>\$ 320,521</u>	<u>\$ 301,962</u>	<u>\$ 622,483</u>	<u>\$ 581,872</u>

SEE ACCOUNTANT'S COMPILATION REPORT

TOWN OF FALKNER  
SCHEDULE OF LONG-TERM DEBT  
YEAR ENDED SEPTEMBER 30, 2021

	<u>Definition and Purpose</u>	<u>Balance Outstanding Oct. 1, 2020</u>	<u>Transactions During Fiscal Year</u>		<u>Balance Outstanding Sept. 30, 2021</u>
			<u>Issued</u>	<u>Redeemed</u>	
Rural Development	Water System	\$ 108,928	\$	\$ 8,576	\$ 100,352
Rural Development	Water System	51,299		6,865	44,434
Rural Development	Water System	182,189		7,634	174,555
Rural Development	Water System	148,573		5,174	143,399
The Peoples Bank	Repair	15,241		7,545	7,696
MS Department of Environmental Quality	Sewer System	<u>76,756</u>		<u>6,718</u>	<u>70,038</u>
Total		<u>\$ 582,986</u>	<u>\$</u>	<u>\$ 42,512</u>	<u>\$ 540,474</u>

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SEE ACCOUNTANT'S COMPILATION REPORT

TOWN OF FALKNER  
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS  
SEPTEMBER 30, 2021

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Amount</u>
Ross Gay	Mayor	Travelers Casualty & Surety Co. of America	\$ 50,000
Tracy Jeter	Town Clerk	Travelers Casualty & Surety Co. of America	50,000
Brandon Butler	Alderman	MS Municipal Association	5,000
Lemon P. Rutherford	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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SEE ACCOUNTANT'S COMPILATION REPORT

TOWN OF FALKNER  
SCHEDULE OF INVESTMENTS (ALL FUNDS) - CASH BASIS  
SEPTEMBER 30, 2021

The Town of Falkner owned no securities held for investment at September 30, 2021.

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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, 2021 and have issued our report dated September 20, 2022. 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*

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Certified Public Accountants

Ripley, Mississippi  
September 20, 2022