

## 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, 2022

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# LINDSEY, DAVIS AND ASSOCIATES

## CERTIFIED PUBLIC ACCOUNTANTS

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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 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, 2022. 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	\$ 416,072
	Fire Department	90,271
	Sewer System	47,598
	Water System	285,264

2) Investments

The Town of Falkner owned no securities held for investment at September 30, 2022.

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, 2022.

4) State Receipts

We obtained a statement of payments made by the Mississippi Department of Finance and Administration to the municipality. 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	\$ 73,728
Gasoline Tax	General	1,362
TVA in Lieu of Taxes	General	2,286
General Municipal Aid	General	256
Fire Protection Allocation	Fire Protection	5,523
Modernization Use Tax	General	34,061
ARPA Funds	General	60,109
Other Aid - Fire Grant	Fire Protection	75,000
Other Aid - CDBG	Water	225,527

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	70
Dollar value of sample	\$ 561,779

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, 2022.

7) Municipal Compliance Questionnaire

We have read the Municipal Compliance Questionnaire completed by the municipality. 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 29, 2023

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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, 2022 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 statement.

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.

### **Other 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 9, 10, and 11 is presented in compliance with the requirements of the Mississippi Office of the State Auditor and has been compiled from information that is the representation of management. This information was subject to our compilation engagement; however, we have not audited or reviewed the required supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such information.

*Other Information*

These reports are intended solely for informational use of the governing body and management of the Town of Falkner, Mississippi, and filing with the Office of the State Auditor of Mississippi. This restriction is not intended to limit the distribution of this report which is a matter of public record.

*Lindsey Davis & Associates*

Lindsey, Davis and Associates  
Certified Public Accountants

Ripley, Mississippi  
September 29, 2023

TOWN OF FALKNER  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - (ALL FUNDS) CASH BASIS  
YEAR ENDED SEPTEMBER 30, 2022

	GOVERNMENTAL FUND TYPE	PROPRIETARY FUND TYPE	TOTALS (MEMORANDUM ONLY)	
	GENERAL	ENTERPRISE	2022	2021
CASH OPERATING RECEIPTS				
Privilege License	\$ 306	\$	\$ 306	\$ 216
Intergovernmental Receipts				
State Shared Receipts:				
Sales Tax	73,728		73,728	72,124
Gasoline Tax	1,362		1,362	1,574
Fire Protection	5,523		5,523	
TVA in Lieu of Taxes	2,286		2,286	2,815
General Municipal Aid	256		256	256
Modernization Use Tax	34,061		34,061	32,175
ARPA Funds	60,109		60,109	60,109
County Shared Receipts:				
Fire Protection	25,000		25,000	
Charges for Services:				
Water and Sewer		403,691	403,691	389,685
Gross Receipts Tax	5,435		5,435	4,774
Miscellaneous	14,073	1,210	15,283	15,333
TOTAL OPERATING RECEIPTS	222,139	404,901	627,040	579,061
OTHER CASH RECEIPTS				
Interest	962	811	1,773	1,813
Grant Revenue	81,190	225,527	306,717	36,667
Transfers		19,183	19,183	104,765
TOTAL OTHER RECEIPTS	82,152	245,521	327,673	143,245
TOTAL CASH RECEIPTS	304,291	650,422	954,713	722,306

SEE ACCOUNTANT'S COMPILATION REPORT



TOWN OF FALKNER  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - (ALL FUNDS) CASH BASIS  
YEAR ENDED SEPTEMBER 30, 2022

	GOVERNMENTAL FUND TYPE	PROPRIETARY FUND TYPE	TOTALS (MEMORANDUM ONLY)	
	GENERAL	ENTERPRISE	2022	2021
CASH OPERATING DISBURSEMENTS				
General Government	79,650		79,650	99,370
Public Safety:				
Fire	17,237	-	17,237	2,937
Enterprise:				
Water & Sewer Utilities		308,011	308,011	259,210
TOTAL OPERATING DISBURSEMENTS	96,887	308,011	404,898	361,517
OTHER CASH DISBURSEMENTS				
Interest on Notes		22,570	22,570	24,134
Investment in Fixed Assets	2,399	244,710	247,109	148,767
Principal Payments		44,231	44,231	42,512
Transfers	19,183		19,183	104,765
TOTAL OTHER DISBURSEMENTS	21,582	311,511	333,093	320,178
TOTAL CASH DISBURSEMENTS	118,469	619,522	737,991	681,695
EXCESS OF CASH RECEIPTS OVER (UNDER) CASH DISBURSEMENTS	185,822	30,900	216,722	40,611
Cash Balances - Beginning of Year	320,521	301,962	622,483	581,872
Cash Balances - End of Year	\$ 506,343	\$ 332,862	\$ 839,205	\$ 622,483

SEE ACCOUNTANT'S COMPILATION REPORT

TOWN OF FALKNER  
SCHEDULE OF LONG-TERM DEBT  
YEAR ENDED SEPTEMBER 30, 2022

<u>Definition and Purpose</u>		<u>Balance Outstanding Oct. 1, 2021</u>	<u>Transactions During Fiscal Year Issued      Redeemed</u>		<u>Balance Outstanding Sept. 30, 2022</u>
Rural Development	Water System	\$ 100,352	\$	\$ 9,026	\$ 91,326
Rural Development	Water System	44,434		7,280	37,154
Rural Development	Water System	174,555		7,995	166,560
Rural Development	Water System	143,399		5,397	138,002
The Peoples Bank	Repair	7,696		7,696	
MS Department of Environmental Quality	Sewer System	70,038		6,837	63,201
Total		<u>\$ 540,474</u>	<u>\$</u>	<u>\$ 44,231</u>	<u>\$ 496,243</u>

SEE ACCOUNTANT'S COMPILATION REPORT

TOWN OF FALKNER  
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS  
SEPTEMBER 30, 2022

<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
Susan Rutherford	Alderwoman	MS Municipal Association	5,000
James Shelton	Alderman	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, 2022

The Town of Falkner owned no securities held for investment at September 30, 2022.

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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, schedule of long-term debt, schedule of surety bonds, and schedule of investments of the Town of Falkner, Mississippi, as of and for the year ended September 30, 2022 in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statement has been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles in the United States of America.

We have performed procedures to test compliance with certain state laws and regulations as described by the Municipal Compliance Questionnaire that is prescribed by the Office of the State Auditor. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Town's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures and our compilation of the accompanying statement of cash receipts and disbursements (all funds)-cash basis, schedule of long-term debt, schedule of surety bonds, and schedule of investments, for the Town of Falkner, Mississippi, for the year ended September 30, 2022 disclosed no material instances of noncompliance with the state laws and regulations.

This report is intended for the information of the Town of Falkner, Mississippi'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  
September 29, 2023