

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, 2024

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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, 2024 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 7 thru 9 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

The statement of cash receipts and disbursements (all funds) cash basis is intended to comply with the requirements of the Mississippi Office of the State Auditor, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

In accordance with the provisions of § 21-35-31, Miss. Code Ann. (1972), we have issued a report dated June 5, 2025 on the results of our agreed-upon procedures.

A handwritten signature in black ink, appearing to read "Lindsey Davis + Associates".

Lindsey, Davis and Associates
Certified Public Accountants

Ripley, Mississippi
June 5, 2025

TOWN OF FALKNER
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS) CASH BASIS
YEAR ENDED SEPTEMBER 30, 2024

	GOVERNMENTAL FUND TYPE	PROPRIETARY FUND TYPE	TOTALS (MEMORANDUM ONLY)	
	GENERAL	ENTERPRISE	2024	2023
CASH OPERATING RECEIPTS				
Privilege License	\$ 262	\$	\$ 262	\$ 412
Intergovernmental Receipts				
State Shared Receipts:				
Sales Tax	65,281		65,281	70,590
Gasoline Tax	1,338		1,338	1,338
Fire Protection	8,508		8,508	8,446
TVA in Lieu of Taxes	3,381		3,381	2,359
General Municipal Aid	218		218	218
Modernization Use Tax	48,716		48,716	48,057
ARPA Funds				
County Shared Receipts:				
Road Tax	7,210		7,210	6,078
Fire Protection	12,500		12,500	12,525
Charges for Services:				
Water and Sewer		418,674	418,674	420,944
Gross Receipts Tax	9,089		9,089	5,702
Miscellaneous	21,188	1,659	22,847	8,717
TOTAL OPERATING RECEIPTS	177,691	420,333	598,024	585,386
OTHER CASH RECEIPTS				
Interest	1,308	774	2,082	1,975
Loan Proceeds		51,552	51,552	
Grant Revenue	95,111	48,392	143,503	303,085
Transfers	15,644		15,644	69,800
TOTAL OTHER RECEIPTS	112,063	100,718	212,781	374,860
TOTAL CASH RECEIPTS	289,754	521,051	810,805	960,246

SEE ACCOUNTANT'S COMPILATION REPORT

TOWN OF FALKNER
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS) CASH BASIS
YEAR ENDED SEPTEMBER 30, 2024

	<u>GOVERNMENTAL FUND TYPE</u>	<u>PROPRIETARY FUND TYPE</u>	<u>TOTALS (MEMORANDUM ONLY)</u>	
	<u>GENERAL</u>	<u>ENTERPRISE</u>	<u>2024</u>	<u>2023</u>
CASH OPERATING DISBURSEMENTS				
General Government	102,526		102,526	96,296
Public Safety:				
Fire	8,703		8,703	5,391
Enterprise:				
Water & Sewer Utilities		343,453	343,453	342,771
TOTAL OPERATING DISBURSEMENTS	<u>111,229</u>	<u>343,453</u>	<u>454,682</u>	<u>444,458</u>
OTHER CASH DISBURSEMENTS				
Interest on Notes		19,345	19,345	20,759
Investment in Fixed Assets	177,396	86,327	263,723	360,494
Principal Payments		50,180	50,180	38,192
Transfers		15,644	15,644	69,800
TOTAL OTHER DISBURSEMENTS	<u>177,396</u>	<u>171,496</u>	<u>348,892</u>	<u>489,245</u>
TOTAL CASH DISBURSEMENTS	<u>288,625</u>	<u>514,949</u>	<u>803,574</u>	<u>933,703</u>
EXCESS OF CASH RECEIPTS OVER (UNDER) CASH DISBURSEMENTS	1,129	6,102	7,231	26,543
Cash Balances - Beginning of Year	<u>586,231</u>	<u>305,313</u>	<u>891,544</u>	<u>865,001</u>
Cash Balances - End of Year	<u>\$ 587,360</u>	<u>\$ 311,415</u>	<u>\$ 898,775</u>	<u>\$ 891,544</u>

SEE ACCOUNTANT'S COMPILATION REPORT

TOWN OF FALKNER
SCHEDULE OF LONG-TERM DEBT
YEAR ENDED SEPTEMBER 30, 2024

	Definition and Purpose	Balance Outstanding Oct. 1, 2023	Transactions During Fiscal Year		Balance Outstanding Sept. 30, 2024
			Issued	Redeemed	
Rural Development	Water System	\$ 81,822	\$	\$ 9,999	\$ 71,823
Rural Development	Water System	29,435		8,145	21,290
Rural Development	Water System	158,183		8,769	149,414
Rural Development	Water System	132,367		5,877	126,490
The Peoples Bank	Water System Vehicle		51,552	10,310	41,242
MS Department of Environmental Quality	Sewer System	<u>56,244</u>		<u>7,080</u>	<u>49,164</u>
Total		<u>\$ 458,051</u>	<u>\$ 51,552</u>	<u>\$ 50,180</u>	<u>\$ 459,423</u>

SEE ACCOUNTANT'S COMPILATION REPORT

TOWN OF FALKNER
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS
 YEAR ENDED SEPTEMBER 30, 2024

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Amount</u>
Ross Gay	Mayor	MS Municipal Association	\$ 25,000
Tracy Jeter	Town Clerk	Travelers Casualty & Surety Co. of America	50,000
Ashley Brown	Part-Time Deputy Clerk	Travelers Casualty & Surety Co. of America	50,000
Brandon Butler	Alderman	MS Municipal Association	10,000
Lemon P. Rutherford	Alderman	MS Municipal Association	10,000
Susan Rutherford	Alderwoman	MS Municipal Association	10,000
James Shelton	Alderman	MS Municipal Association	10,000
Jonathan Weatherly	Alderman	MS Municipal Association	10,000
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
YEAR ENDED SEPTEMBER 30, 2024

The Town of Falkner owned no securities held for investment at September 30, 2024.

SEE ACCOUNTANT'S COMPILATION REPORT

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ACCOUNTANT'S REPORT ON COMPLIANCE
WITH STATE LAWS AND REGULATIONS

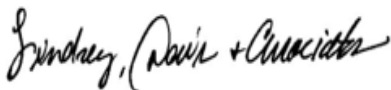
Honorable Mayor and Board of Aldermen
Town of Falkner
Falkner, MS 38629

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, 2024 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, 2024 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
June 5, 2025

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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 assessments, 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, 2024. The Town of Falkner's management is responsible for the cash, investments, ad valorem taxes, state receipts, disbursements, state court fine assessments, and the municipal compliance questionnaire in accordance with the provisions of Section 21-35-31, Mississippi Code, 1972, Annotated.

The Mayor and Board of Aldermen of the Town of Falkner have agreed to acknowledge that the procedures performed are appropriate to meet the intended purpose of applying agreed-upon procedures required by the Office of the State Auditor of Mississippi. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report or may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

A. 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</u> <u>General Ledger</u>
The Peoples Bank	General	\$ 504,029
	Fire Department	57,338
	Sewer System	61,872
	Water System	249,543
CB&S Bank	General	25,993

We found no exceptions as a result of the procedures.

B. Investments

We physically examined securities held for investment. Securities held in trust were confirmed directly with respective trustees. All investment transactions during the year were examined for compliance with investments authorized by Section 21-33-323, Miss. Code Ann. (1972).

The Town of Falkner owned no securities held for investment at September 30, 2024.

C. Ad Valorem Taxes

We performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:

1. Traced levies to the governing body minutes.
2. Traced settlements to the proper funds.
3. Confirmed that increases in ad valorem taxes are within the growth limitation allowed by law Sections 27-39-320 through 27-39-323.

The Town of Falkner collected no taxes on real or personal property (including motor vehicles) during the year ended September 30, 2024.

D. 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	\$ 65,281
Gasoline Tax	General	1,338
TVA in Lieu of Taxes	General	3,381
General Municipal Aid	General	218
Fire Protection Allocation	Fire Protection	8,508
Modernization Use Tax	General	48,716
Other Aid - Grant	General	48,392

We found no exceptions as a result of the procedures.

E. 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	28
Dollar value of sample	\$ 304,091

We found no exceptions as a result of the procedures.

F. State Court Fine Assessments

We selected a sample of collections of fines and forfeitures and verified that the municipal court clerk had settled daily with the municipal clerk. We also selected a sample of state-imposed court assessments collected and determined that the municipal clerk had settled monthly with the Department of Finance and Administration.

The Town of Falkner collected no fines and forfeitures during the year ended September 30, 2024.

G. Municipal Compliance Questionnaire

We performed the following procedures with respect to the municipal compliance questionnaire completed by the municipality:

1. We determined that the municipal compliance questionnaire was completed, signed, and recorded in the board's minutes.
2. We evaluated the completed questionnaire to determine it was accurately prepared.

We found no exceptions as a result of the procedures.

We were engaged by the Mayor and Board of Aldermen of the Town of Falkner to perform this agreed-upon procedures engagement and conducted our engagement 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 engagement, 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 assessments, and the municipal compliance questionnaire in accordance with the provisions of Section 21-35-31, Mississippi Code, 1972, Annotated. 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.

We are required to be independent of the Town of Falkner and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for 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 these specified parties.



Lindsey, Davis and Associates
Certified Public Accountants

Ripley, Mississippi
June 5, 2025