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FINANCIAL REPORT

TOWN OF FALKNER

FALKNER, MISSISSIPPI

SEPTEMBER 30, 2009

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ACCOUNTANT'S REPORT ON AGREED-UPON PROCEDURES

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

We have applied certain agreed-upon procedures as discussed below, to the accounting records of the Town of Falkner, Mississippi, as of September 30, 2009, and for the year then ended, as required by the Office of the State Auditor, under the provisions of Section 21-35-31, Mississippi Code, 1972, Annotated. This report is solely for the use of the governing body of the Town of Falkner, Mississippi, and the Office of the State Auditor. However, this report is a matter of public record, and its distribution is not limited. Our procedures and findings are as follows:

- A. 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>
Citizens Bank	General	\$ 203,611
	Fire Department	12,327
	Park	6,948
	Sewer System	36,040
	Water System	133,793

- B. We confirmed directly with respective banks all investments, including certificates of deposits, owned by the Town of Falkner. All investments transactions during the year were examined for compliance with investments authorized by Section 21-33-323, Mississippi Code 1972, Annotated.

The Town of Falkner owned no investments at September 30, 2009.

- C. 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. Cash receipts were as follows:

<u>Purpose</u>	<u>Receiving Fund</u>	<u>Amount</u>
Sales Tax Allocation	General	\$ 52,501
Gasoline Tax	General	596
TVA in Lieu of Taxes	General	3,394
General Municipal Aid	General	111
Fire Protection Allocation	Fire Protection	0

- D. 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	12
Dollar value of sample	\$ 54,650

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

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

Because the above procedures do not constitute an audit conducted in accordance with generally accepted auditing standards, we do not express an opinion on any of the accounts or items referred to above. In connection with the procedures referred to above, no matters came to our attention that caused us to believe that the specified accounts or items should be adjusted. Had we performed additional procedures or had we conducted an audit of the financial statements in accordance with generally accepted auditing standards, matters might have come to our attention that would have been reported to you. This report is related only to the accounts and items specified above and does not extend to any financial statements of the Town of Falkner, taken as a whole.

Lindsey Davis and Associates
 Lindsey, Davis and Associates
 Certified Public Accountants

Ripley, Mississippi
 October 28, 2009

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

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

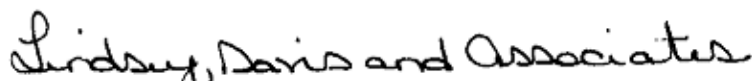
We have compiled the accompanying statement of cash receipts and disbursements (all funds)-cash basis of the Town of Falkner for the year ended September 30, 2009, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying statement of cash receipts and disbursements (all funds)-cash basis and, accordingly, do not express an opinion or any other form of assurance on it.

The Town's policy is to prepare its financial statement on the basis of cash receipts and disbursements; consequently, certain revenue is recognized when received rather than when measurable and available, and certain expenditures are recognized when paid rather than when the obligation is incurred. Accordingly, the statement of cash receipts and disbursements (all funds)-cash basis is not intended to present results of operations, in conformity with 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. If the omitted disclosures were included, 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.

The supplementary information contained on pages 8 through 9 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 and Associates
Certified Public Accountants

Ripley, Mississippi
October 28, 2009

TOWN OF FALKNER
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - (ALL FUNDS) CASH BASIS
YEAR ENDED SEPTEMBER 30, 2009

	GOVERNMENTAL FUND TYPE	PROPRIETARY FUND TYPE	TOTALS (MEMORANDUM ONLY)	
	GENERAL	ENTERPRISE	2009	2008
CASH OPERATING RECEIPTS				
Privilege License	\$ 309	\$	\$ 309	\$ 378
Intergovernmental Receipts				
State Shared Receipts:				
Sales Tax	52,501		52,501	60,688
Gasoline Tax	596		596	596
Fire Protection	0		0	1,098
TVA in Lieu of Taxes	3,394		3,394	3,489
General Municipal Aid	111		111	111
County Shared Receipts:				
Road Tax	8,708		8,708	7,553
Fire Protection	11,500		11,500	11,500
Charges for Services:				
Water and Sewer		287,776	287,776	255,644
Gross Receipts Tax	6,662		6,662	6,515
Donations	3,421		3,421	400
Park Revenue	23,604		23,604	23,806
Miscellaneous	424	3,376	3,800	6,839
TOTAL OPERATING RECEIPTS	111,230	291,152	402,382	378,617
OTHER CASH RECEIPTS				
Interest	3,593	2,650	6,243	10,350
Meter Deposit Collections		(272)	(272)	(1,050)
Grant Income	128,491	86,200	214,691	43,464
TOTAL OTHER RECEIPTS	132,084	88,578	220,662	52,764
TOTAL CASH RECEIPTS	243,314	379,730	623,044	431,381

SEE ACCOUNTANT'S COMPILATION REPORT

TOWN OF FALKNER
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - (ALL FUNDS) CASH BASIS
YEAR ENDED SEPTEMBER 30, 2009

	GOVERNMENTAL FUND TYPE	PROPRIETARY FUND TYPE	TOTALS (MEMORANDUM ONLY)	
	GENERAL	ENTERPRISE	2009	2008
CASH OPERATING DISBURSEMENTS				
General Government	107,774		107,774	107,877
Public Safety:				
Fire	3,932		3,932	14,921
Enterprise:				
Water & Sewer Utilities		202,241	202,241	190,725
TOTAL OPERATING DISBURSEMENTS	<u>111,706</u>	<u>202,241</u>	<u>313,947</u>	<u>313,523</u>
OTHER CASH DISBURSEMENTS				
Interest on Notes		41,439	41,439	43,222
Investment in Fixed Assets	178,697	94,886	273,583	17,535
Principal Payments		32,854	32,854	32,854
TOTAL OTHER DISBURSEMENTS	<u>178,697</u>	<u>169,179</u>	<u>347,876</u>	<u>93,611</u>
TOTAL CASH DISBURSEMENTS	<u>290,403</u>	<u>371,420</u>	<u>661,823</u>	<u>407,134</u>
EXCESS OF CASH RECEIPTS OVER (UNDER) CASH DISBURSEMENTS	(47,089)	8,310	(38,779)	24,247
Cash Balances - Beginning of Year	<u>269,975</u>	<u>161,523</u>	<u>431,498</u>	<u>407,251</u>
Cash Balances - End of Year	<u>\$ 222,886</u>	<u>\$ 169,833</u>	<u>\$ 392,719</u>	<u>\$ 431,498</u>

SEE ACCOUNTANT'S COMPILATION REPORT

TOWN OF FALKNER
SCHEDULE OF LONG-TERM DEBT
YEAR ENDED SEPTEMBER 30, 2009

	<u>Definition and Purpose</u>	<u>Balance Outstanding Oct. 1, 2008</u>	<u>Transactions During Fiscal Year</u>		<u>Balance Outstanding Sept. 30, 2009</u>
			<u>Issued</u>	<u>Redeemed</u>	
Rural Development	Water System	\$ 92,726	\$	\$ 10,421	\$ 82,305
Rural Development	Water System	183,898		4,643	179,255
Rural Development	Water System	109,024		3,382	105,642
Rural Development	Sewer System	20,879		3,474	17,405
Rural Development	Water System	250,926		4,387	246,539
Rural Development	Water System	196,879		3,040	193,839
	Total	<u>\$ 854,332</u>	<u>\$</u>	<u>\$ 29,347</u>	<u>\$ 824,985</u>

SEE ACCOUNTANT'S COMPILATION REPORT

TOWN OF FALKNER
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS
SEPTEMBER 30,2009

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Amount</u>
Doyle Griffin	Mayor	Travelers Casualty & Surety Co. of America	\$ 50,000
Colleen Weeks	Town Clerk	Travelers Casualty & Surety Co. of America	50,000
Gary Bullock	Alderman	MS Municipal Association	5,000
L. D. Hudson	Alderman	MS Municipal Association	5,000
Mike McMillen	Alderman	MS Municipal Association	5,000
Tommy LaBarreare	Alderman	MS Municipal Association	5,000
Susan Rutherford	Alderwoman	MS Municipal Association	5,000
Position Bond	Collector	Travelers Casualty & Surety Co. of America	50,000

SEE ACCOUNTANT'S COMPILATION REPORT