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# TOWN OF SALLIS

JACK ABLES, MAYOR  
P. O. Box 73  
Sallis, Mississippi 39160

## Aldermen

Kelly Hutchison  
Gloria Bordelon  
Linda Hutchison  
David (Brent) Busbea  
William (Shannon) Lewis

12/5/14


Office of the State Auditor  
P.O. Box 956  
Jackson, Ms 39205

Re: Annual Municipal Audit

Department of Technical Assistance

Accompanying this letter is a copy of the annual compilation of the Town of Sallis, Mississippi, for the fiscal year ending September 30, 2014. A separate management letter was not written to the town in connection with the audit.

Sincerely,

  
Jack Ables,  
Mayor

Enclosure

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**TOWN OF SALLIS**  
**FINANCIAL STATEMENTS**  
September 30, 2014

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**JIMMY SHAFFER**  
PUBLIC ACCOUNTANT  
118 W. North Street  
Kosciusko, Mississippi 39090  
662-289-1150

Accountant's Compilation Report

Honorable Mayor and Board of Aldermen  
Town of Sallis  
Sallis, Mississippi

The accompanying combined Statement of Cash Receipts and Disbursements of all Funds of the Town of Sallis, Mississippi, for the year ended September 30, 2014 were compiled by me in accordance with standards established by the American Institute of Certified Public Accountants for Accounting and Review services.

My compilation was limited to presenting in the form prescribed by the Mississippi State Department of Audit information that is the representation of the town officials. I have not audited or reviewed the accompanying statement and accordingly, do not express an opinion or any other form of assurance on them.

This statement is represented in accordance with the requirements of the office of the state auditor, which differs from generally accepted accounting principles. Accordingly, these statements are not designed for those who are not informed about such differences.



Jimmy Shaffer  
Public Accountant  
November 5, 2014

Honorable Mayor and Board of Aldermen  
Town of Sallis  
Mississippi

I have applied certain agreed-upon procedures, as discussed below, to the accounting records of the Town of Sallis, Mississippi as of September 30, 2014 and for the year then ended, as required by the Office of the State Auditor, under the provisions of Section 21-35-31, Miss. Code Ann. (1972). It is understood that the report is solely for the use of the governing body of the Town of Sallis, Mississippi, and the Office of the State Auditor and should not be used for any other purpose. My procedure and findings are as follows:

- A. Reconciled bank accounts to balance in the respective general ledger accounts and obtained confirmation of the related balances from the banks:

<u>Bank</u>	<u>Fund</u>	<u>Balance per General Ledger</u>
Renasant	General	19,077
Renasant	General CD	41,514
The Citizens Bank	General CD	<u>40,000</u>
Total General Fund		100,591
Renasant	Enterprise	2,400
Renasant	Enterprise	250,000
Renasant	Enterprise	1,934
Renasant	Enterprise	82,922
Renasant	Enterprise CD	12,488
The Citizens Bank	Enterprise CD	<u>135,869</u>
Total Enterprise		485,613

- B. With respect to taxes on real and personal property levied during the fiscal year the following procedures were performed:

1. Traced amounts collected to the proper funds.
2. Verified collections and payments to the town by the county tax collector.

Taxes collected and deposited to fund \$6,988

Taxes collected were made by the county tax collector and paid to the town less collection fee.

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- C. I have obtained a statement of payments made by the State Department of Finance & Administration to the municipality. Payments were traced to deposit in the proper fund accounts and recorded in the general ledger without exception.

<u>Payment Purpose</u>	<u>Receiving Fund</u>	<u>General Ledger Amount</u>
Gasoline tax	General	366
Grand Gulf tax allocation	General	2,049
Sales tax allocation	General	23,884
Municipal relieving fund	General	67
Homestead exemption refund	General	845

- D. Purchases made by the municipality during the fiscal year were examined. Each sample item was evaluated for compliance with Mississippi Code Ann. (1972) purchasing requirements. I have found the municipality purchasing procedure to be in agreement with the requirements of this code section.

Sample items	6	Dollar Amount of Samples	20,976
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- E. I have read the Municipal Compliance Questionnaire completed by the municipality and there were no instances of non-compliance with state requirements.

Population on the latest census is 134.

Because the above procedures were not sufficient to constitute an audit in accordance with generally accepted auditing standards, I do not express an opinion on any of the specific accounts or classes of transactions referred to above. In connection with the procedures referred to above, no matters came to my attention that caused me to believe that the items specified above should be adjusted. Had I performed additional procedures or had I made an examination in accordance with generally accepted auditing standards, matters might have come to my attention that would have been reported to you. This report should not be associated with the financial statements of the Town of Sallis, Mississippi, for the year ended September 30, 2014.

Jimmy Shaffer  
Public Accountant  
November 5, 2014

**TOWN OF SALLIS**  
**COMBINED STATEMENT OF RECEIPTS & DISBURSEMENTS ALL FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014**

	General <u>Fund</u>	Enterprise <u>Fund</u>	Totals Sept. 30, <u>2013</u>	Totals Sept. 30, <u>2014</u>
Revenue Receipts:				
General property taxes	6,988		7,108	6,988
Franchise taxes	5,423		5,174	5,423
Homestead exemption	845		786	845
General municipal aid	67		67	67
State shared revenue:				
Sales tax	23,884		26,449	23,884
Motor vehicles	4,395		3,907	4,395
Gasoline tax	366		366	366
Fire protection	0			
Grand Gulf tax	2,049		2,088	2,049
Charges for services:				
Water & sewer utility	0	320,409	324,015	320,409
Total Revenue Receipts	44,017	320,409	369,960	364,426
Other Receipts:				
Interest	104	613	2,933	717
Grant Proceeds	0	169,387	18,095	169,387
Total Other Receipts	104	170,000	21,028	170,104
Total Receipts	44,121	490,409	390,988	534,530
Cash Balance - Beginning of Year	75,726	482,323	602,554	558,049
Total Amount to Account For	119,847	972,732	993,542	1,092,579
Operating Disbursements				
General government	16,642	0	16,114	16,642
Public works	2,615	0	16,287	2,615
Enterprise:				
Water & Sewer utility	0	296,486	261,693	296,486
Total Operating Disbursements	19,257	296,486	294,094	315,743
Other Disbursements				
Equipment	0	188,214	126,868	188,214
Debt retirement	0	2,418	14,531	2,418
Total Other Disbursements	0	190,632	141,399	190,632
Total Disbursements	19,257	487,118	435,493	506,375
Cash Balance - End of Year	100,590	485,614	558,049	586,204
Total Amount Accounted For	119,847	972,732	993,542	1,092,579

TOWN OF SALLIS, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENT  
SEPTEMBER 30, 2014

Note 1: Summary of Significant Accounting Policies:

The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled. The funds are grouped, in the financial statements in this report, into fund types and fund categories as follows:

Governmental – The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Water Fund – This fund is used to account for the operation and maintenance of the Town water system. The water system is stated at cost and depreciation is provided for over a 35 year period using the straight-line method. Water system improvements, which are financed from current operations are charged directly to expense. Major water system improvements which are financed from government grants and loans are capitalized and depreciated.

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TOWN OF SALLIS, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

Note 2: Long Term Debt:

A summary of long term debt, all of which is payable to USDA Rural Development, follows:

	<u>2013</u>	<u>Issued</u>	<u>Redeemed</u>	<u>2014</u>
5% note payable in monthly installments of \$1,254 through April 2015	<u>2,419</u>		<u>2,419</u>	-0-

All notes are collateralized by the Town water system and the operating revenues of the Water Fund.

**TOWN OF SALLIS**  
**BALANCE SHEET**  
**AT 09/30/13 AND 09/30/14**

	<u>9/30/2013</u>	<u>9/30/2014</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash in banks	291,945	337,257
Time deposits	190,377	148,357
Accounts receivable	<u>32,440</u>	<u>27,584</u>
Total Current Assets	514,762	513,198
<b>Fixed Assets</b>		
Land	1,510	1,510
Buildings	292,817	311,643
Distribution system	2,696,727	2,866,114
Less: accumulated depreciation	<u>(1,342,715)</u>	<u>(1,401,415)</u>
Net fixed assets	1,648,339	1,777,852
<b>Total Assets</b>	<u><u>2,163,101</u></u>	<u><u>2,291,050</u></u>
<b>Current Liabilities</b>		
Accounts payable	11,983	7,243
Current portion USDA notes	<u>2,419</u>	<u>0</u>
Total Current Liabilities	14,402	7,243
<b>Longterm Liabilities</b>		
Notes payable	<u>0</u>	<u>0</u>
<b>Total Liabilities</b>	14,402	7,243
<b>Equity</b>		
Retained Earnings	1,712,714	1,678,434
Grants	<u>435,985</u>	<u>605,373</u>
	2,148,699	2,283,807
<b>Total Liabilities &amp; Equity</b>	<u><u>2,163,101</u></u>	<u><u>2,291,050</u></u>

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**TOWN OF SALLIS**  
**WATER SERVICES FUND**  
**STATEMENT OF INCOME AND EQUITY**  
**FOR THEY YEAR ENDED 09/30/2014**

	<u>9/30/2013</u>	<u>9/30/2014</u>
Operating Income		
Water Revenue	324,015	315,553
Total Income	<u>324,015</u>	<u>315,553</u>
Operating Expenses		
Contract services	85,090	106,234
Office	59,081	59,699
Utilities	21,301	26,565
Insurance	23,691	20,327
Salaries	74,564	78,831
Interest	517	90
Depreciation	58,700	58,700
Total Expenses	<u>322,944</u>	<u>350,446</u>
Net Operating Income (Loss)	1,071	(34,893)
Non Operating Income		
Interest	2,686	613
Net Income (Loss)	<u>3,757</u>	<u>(34,280)</u>
Beginning Equity	217,404	221,161
Ending Equity	<u><u>221,161</u></u>	<u><u>186,881</u></u>

**TOWN OF SALLIS**  
**SCHEDULE OF BUDGET & INCOME**  
**FOR THE PERIOD 10/01/14 TO 09/30/15**

Operating Income	
Water Revenue	<u>330,000</u>
Total	330,000
Operating Expenses	
Contract services	80,000
Office	60,000
Utilities	28,000
Insurance	22,000
Salaries	80,000
Interest	0
Depreciation	<u>58,700</u>
Total Expenses	<u>328,700</u>
Net Operating Income (Loss)	1,300
Non-operating Income	
Interest	<u>1,000</u>
Total Non-operating Income	<u>1,000</u>
Net Income (Loss)	2,300

TOWN OF SALLIS  
SCHEDULE OF SURETY BONDS  
SEPTEMBER 30, 2014

<u>Position</u>	<u>Company</u>	<u>Amount</u>
Mayor	Travelers	\$ 50,000
Town Clerk	Travelers	\$ 50,000
Assistant Clerks (3)	Travelers	\$ 50,000 ea
Board of Aldermen (5)	MS Municipalities Prog.	\$ 10,000 ea

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TOWN OF SALLIS, MISSISSIPPI  
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Federal Grantor/ Pass-through Grantor/ Program Title	Catalog of Federal Domestic Assistance Number	Pass-through Number	Program Amount	Federal Revenue	<u>Expenditures</u>
U. S. Dept. of Housing & Urban Development passed through the Governor's Office of Federal-State Programs Dept. of Community Development State of Mississippi					
Community Development Block Grant Program					
Water Improvement	14.228	1129-12-324-PF01	231,954	169,387	169,387

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