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# Town of Sallis

Mayor  
Jack Ables

City Clerk  
Melissa Roberts

Aldermen  
Gloria Bordelon  
Brent Busbea  
Kelly Hutchison  
Linda Hutchison  
Shannon Lewis

12/8/16

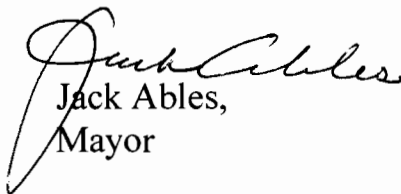
Office of the State Auditor  
P.O. Box 956  
Jackson, Ms 39205

Re: Annual Municipal Report

Department of Technical Assistance

Accompanying this letter is a copy of the annual compilation of the Town of Sallis, Mississippi for fiscal year ending September 30, 2016. A separate management letter was not written to the town in connection with the audit.

Sincerely,

  
Jack Ables,  
Mayor

Enclosure





**TOWN OF SALLIS**  
**FINANCIAL STATEMENTS**  
September 30, 2016



**JIMMY SHAFFER**  
**PUBLIC ACCOUNTANT**  
118 W. North Street  
Kosciusko, Mississippi 39090

**REPORT ON COMPLIANCE**  
**WITH STATE LAWS AND REGULATIONS**

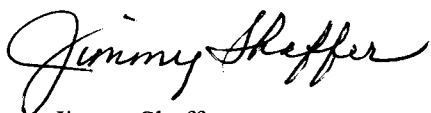
Honorable Mayor and Board of Aldermen  
Town of Sallis  
Sallis, Mississippi

I have compiled the accompanying Combined Statement of Receipts and Disbursements – Governmental and Business – Type Activities, Schedule of Investments – All Funds, and Schedule of Surety Bonds for Town Officials, of the Town of Sallis, Mississippi, for the year ended September 30, 2016, 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 accounting principles generally accepted in the United States of America.

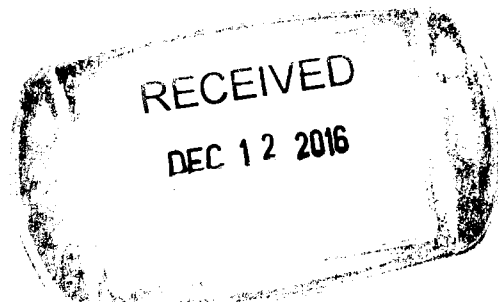
I have performed procedures to test compliance with certain state laws and regulations as described by the Municipal Compliance Questionnaire that is prescribed by the Office of the State Auditor. My procedures were substantially less in scope than an audit, the objective of which is the expression of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

With respect to items tested, the results of those procedures and my compilation of the accompanying Combined Statement of Receipts and Disbursements – Governmental and Business – Type Activities, Schedule of Investments – All Funds, and Schedule of Surety Bonds for Town Officials, of the Town of Sallis, Mississippi, for the year ended September 30, 2016, disclosed no material instances of noncompliance with state laws and regulations.

This report is intended solely for the information and use of 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.



Jimmy Shaffer  
Public Accountant  
November 4, 2016





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, 2016 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 Bank	General	653
Renasant Bank	General	6,511
Renasant Bank	General CD	<u>61,364</u>
Total General Fund		68,528
Renasant Bank	Enterprise	74,421
Renasant Bank	Enterprise	252,066
Renasant Bank	Enterprise	1,935
Renasant Bank	Enterprise	45,797
Renasant Bank	Enterprise CD	12,583
Renasant Bank	Enterprise CD	<u>136,825</u>
Total Enterprise		523,627

- 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 \$5,582

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





- 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	402
Grand Gulf tax allocation	General	2,222
Sales tax allocation	General	20,895
Municipal relieving fund	General	67
Homestead exemption refund	General	891

- 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	8	Dollar Amount of Samples	21,826
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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, 2016.

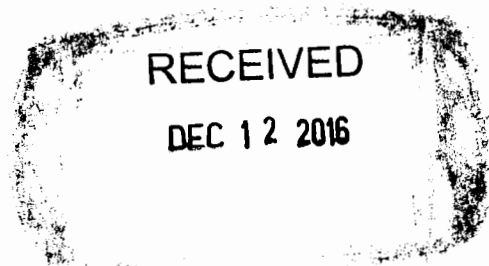
Jimmy Shaffer  
Public Accountant  
November 4, 2016

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**TOWN OF SALLIS**  
**COMBINED STATEMENT OF RECEIPTS & DISBURSEMENTS ALL FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016**

	General <u>Fund</u>	Enterprise <u>Fund</u>	Totals Sept. 30, <u>2015</u>	Totals Sept. 30, <u>2016</u>
Revenue Receipts:				
General property taxes	7,093		6,582	7,093
Franchise taxes	4,603		5,408	4,603
Homestead exemption	891		913	891
General municipal aid	67		67	67
State shared revenue:				
Sales tax	20,896		22,730	20,896
Motor vehicles	5,582		4,967	5,582
Gasoline tax	402		402	402
Fire protection	0		0	0
Grand Gulf tax	2,222		2,148	2,222
Charges for services:				
Water & sewer utility	0	317,208	315,289	317,208
Total Revenue Receipts	41,756	317,208	358,506	358,964
Other Receipts:				
Interest	325	1,579	1,926	1,904
Grant Proceeds	0	0	0	0
Total Other Receipts	325	1,579	1,926	1,904
Total Receipts	42,081	318,787	360,432	360,868
Cash Balance - Beginning of Year	114,039	502,510	586,204	616,549
Total Amount to Account For	156,120	821,297	946,636	977,417
Operating Disbursements				
General government	13,884	0	16,193	13,884
Public works	3,792	0	4,952	3,792
Enterprise:				
Water & Sewer utility	0	288,576	279,928	288,576
Total Operating Disbursements	17,676	288,576	301,073	306,252
Other Disbursements				
Construction in progress	69,915	9,094	29,014	79,009
Equipment	0	0	0	
Debt retirement	0	0	0	
Total Other Disbursements	69,915	9,094	29,014	79,009
Total Disbursements	87,591	297,670	330,087	385,261
Cash Balance - End of Year	68,529	523,627	616,549	592,156
Total Amount Accounted For	156,120	821,297	946,636	977,417





TOWN OF SALLIS, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENT  
SEPTEMBER 30, 2016

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.



TOWN OF SALLIS, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

Note 2: Long Term Debt:

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

Sallis Water Association had no long term debt as of September 30, 2016.

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





**TOWN OF SALLIS**  
**BALANCE SHEET - WATER FUND**  
**AT 09/30/15 AND 09/30/16**

	<u>9/30/2015</u>	<u>9/30/2016</u>
Assets		
Current Assets		
Cash in banks	102,603	122,153
Time deposits	399,907	401,474
Accounts receivable	27,288	26,284
Total Current Assets	<u>529,798</u>	<u>549,911</u>
Fixed Assets		
Land	1,510	1,510
Buildings	331,666	340,760
Distribution system	2,866,114	2,866,114
Less: accumulated depreciation	<u>(1,460,115)</u>	<u>(1,503,115)</u>
Net fixed assets	<u>1,739,175</u>	<u>1,705,269</u>
Total Assets	<u><u>2,268,973</u></u>	<u><u>2,255,180</u></u>
Current Liabilities		
Accounts payable	4,854	9,092
Current portion USDA notes	0	0
Total Current Liabilities	<u>4,854</u>	<u>9,092</u>
Longterm Liabilities		
Notes payable	0	0
Total Liabilities	4,854	9,092
Equity		
Retained Earnings	1,658,747	1,640,716
Grants	605,372	605,372
	<u>2,264,119</u>	<u>2,246,088</u>
Total Liabilities & Equity	<u><u>2,268,973</u></u>	<u><u>2,255,180</u></u>



**TOWN OF SALLIS**  
**WATER SERVICES FUND**  
**STATEMENT OF INCOME AND EQUITY**  
**FOR THE YEAR ENDED 09/30/2016**

	<u>9/30/2015</u>	<u>9/30/2016</u>
Operating Income		
Water Revenue	314,995	316,203
	<hr/>	<hr/>
Total Income	314,995	316,203
Operating Expenses		
Contract services	97,998	123,297
Office	50,019	37,625
Utilities	25,640	19,924
Insurance	21,914	25,040
Salaries	81,967	86,928
Interest	0	0
Depreciation	58,700	43,000
	<hr/>	<hr/>
Total Expenses	336,238	335,814
Net Operating Income (Loss)	(21,243)	(19,611)
Non Operating Income		
Interest	1,557	1,579
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Net Income (Loss)	(19,686)	(18,032)
Beginning Equity	186,881	167,195
Ending Equity	<hr/> <hr/>	<hr/> <hr/>

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**TOWN OF SALLIS**  
**SCHEDULE OF BUDGET & INCOME**  
**FOR THE PERIOD 10/01/16 TO 09/30/17**

Operating Income	
Water Revenue	<u>330,000</u>
Total	330,000
Operating Expenses	
Contract services	110,000
Office	40,000
Utilities	22,000
Insurance	26,000
Salaries	90,000
Interest	0
Depreciation	<u>43,000</u>
Total Expenses	331,000
Net Operating Income (Loss)	(1,000)
Non-operating Income	
Interest	<u>1,800</u>
Total Non-operating Income	1,800
Net Income (Loss)	800



TOWN OF SALLIS  
SCHEDULE OF SURETY BONDS  
SEPTEMBER 30, 2016

<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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