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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

12/15/17

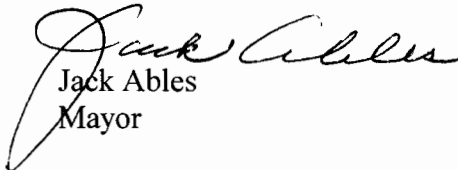
Office of State Auditor
P.O. Box 956
Jackson, Ms 39205

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, 2017. 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, 2017

JIMMY SHAFFER
PUBLIC ACCOUNTANT
4789 Attala Road 1010
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, 2017, 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, 2017, 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 6, 2017

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, 2017 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	0
Renasant Bank	General	38,058
Renasant Bank	General CD	<u>122,688</u>
Total General Fund		160,746
Renasant Bank	Enterprise	110,444
Renasant Bank	Enterprise	255,209
Renasant Bank	Enterprise	1,936
Renasant Bank	Enterprise	48,966
Renasant Bank	Enterprise CD	0
Renasant Bank	Enterprise CD	<u>138,329</u>
Total Enterprise		554,884

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 \$6,276

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	2,167
Sales tax allocation	General	20,463
Municipal relieving fund	General	67
Homestead exemption refund	General	964

- 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	3	Dollar Amount of Samples	11,355
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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, 2017.

Jimmy Shaffer
Public Accountant
November 6, 2017

TOWN OF SALLIS
COMBINED STATEMENT OF RECEIPTS & DISBURSEMENTS ALL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	General <u>Fund</u>	Enterprise <u>Fund</u>	Totals Sept. 30 <u>2016</u>	Totals Sept. 30 <u>2017</u>
Revenue Receipts:				
General property taxes	7,296		7,093	7,296
Franchise taxes	4,930		4,603	4,930
Homestead exemption	964		891	964
General municipal aid	67		67	67
State shared revenue:				
Sales tax	20,463		20,896	20,463
Motor vehicles	5,029		5,582	5,029
Gasoline tax	402		402	402
Fire protection	0		0	0
Grand Gulf tax	2,167		2,222	2,167
Charges for services:				
Water & sewer utility	0	322,152	317,208	322,152
Total Revenue Receipts	41,318	322,152	358,964	363,470
Other Receipts:				
Insurance proceeds	0	5,422	0	5,422
Interest	1,324	4,764	1,904	6,088
Grant Proceeds	81,731	33,202	0	114,933
Total Other Receipts	83,055	43,388	1,904	126,443
Total Receipts	124,373	365,540	360,868	489,913
Cash Balance - Beginning of Year	68,529	523,627	616,549	592,156
Total Amount to Account For	192,902	889,167	977,417	1,082,069
Operating Disbursements				
General government	13,932	0	13,884	13,932
Public works	10,458	0	3,792	10,458
Enterprise:				
Water & Sewer utility	0	297,246	288,576	297,246
Total Operating Disbursements	24,390	297,246	306,252	321,636
Other Disbursements				
Construction in progress	7,765	28,730	79,009	36,495
Equipment	0	0		
Debt retirement	0	0		
Total Other Disbursements	7,765	28,730	79,009	36,495
Total Disbursements	32,155	325,976	385,261	358,131
Cash Balance - End of Year	160,747	563,191	592,156	723,938
Total Amount Accounted For	192,902	889,167	977,417	1,082,069

TOWN OF SALLIS, MISSISSIPPI
NOTES TO FINANCIAL STATEMENT
SEPTEMBER 30, 2017

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, 2017

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, 2017.

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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 09/30/16 AND 09/30/17

	<u>09/30/16</u>	<u>09/30/17</u>
Assets		
Current Assets		
Cash in banks	122,153	169,654
Time deposits	401,474	393,538
Accounts receivable	26,284	24,899
Total Current Assets	<u>549,911</u>	<u>588,091</u>
Fixed Assets		
Land	1,510	1,510
Buildings	340,760	369,490
Distribution system	2,866,114	2,866,114
Less: accumulated depreciation	<u>-1,503,115</u>	<u>-1,546,115</u>
Net fixed assets	1,705,269	-1,690,999
Total Assets	<u>2,255,180</u>	<u>2,279,090</u>
Current Liabilities		
Accounts payable	9,092	9,753
Current portion USDA notes	<u>0</u>	<u>0</u>
Total Current Liabilities	9,092	9,753
Longterm Liabilities		
Notes payable	<u>0</u>	<u>0</u>
Total Liabilities	9,092	9,753
Equity		
Retained Earnings	1,640,716	1,630,763
Grants	<u>605,372</u>	<u>638,574</u>
	2,246,088	2,269,337
Total Liabilities & Equity	<u>2,255,180</u>	<u>2,279,090</u>

TOWN OF SALLIS
WATER SERVICES FUND
STATEMENT OF INCOME AND EQUITY
FOR THE YEAR ENDED 09/30/2017

	<u>09/30/16</u>	<u>09/30/17</u>
Operating Income		
Water Revenue	316,203	320,767
Other Income	0	5,422
	<hr/>	<hr/>
Total Income	316,203	326,189
	<hr/>	<hr/>
Operating Expenses		
Contract services	123,297	126,560
Office	37,625	32,854
Utilities	19,924	21,420
Insurance	25,040	26,664
Salaries	86,928	90,408
Interest	0	0
Depreciation	43,000	43,000
	<hr/>	<hr/>
Total Expenses	335,814	340,906
	<hr/>	<hr/>
Net Operating Income (Loss)	-19,611	-14,717
Non Operating Income		
Interest	1,579	4,764
	<hr/>	<hr/>
Net Income (Loss)	-18,032	-9,953
Beginning Equity	167,195	149,163
	<hr/>	<hr/>
Ending Equity	<u>149,163</u>	<u>139,210</u>

TOWN OF SALLIS
SCHEDULE OF BUDGET & INCOME
FOR THE PERIOD 10/01/17 TO 09/30/18

Operating Income	
Water Revenue	<u>330,000</u>
Total	330,000
Operating Expenses	
Contract services	110,000
Office	34,000
Utilities	22,000
Insurance	27,000
Salaries	92,000
Interest	0
Depreciation	<u>43,000</u>
Total Expenses	328,000
Net Operating Income (Loss)	2,000
Non-operating Income	
Interest	<u>6,000</u>
Total Non-operating Income	6,000
Net Income (Loss)	8,000

TOWN OF SALLIS
SCHEDULE OF SURETY BONDS
SEPTEMBER 30, 2017

<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

TOWN OF SALLIS, MISSISSIPPI
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2017

<u>Federal Grantor/ Pass-through Grantor/ Program Title</u>	<u>Catalog of Federal Domestic Assistance Number</u>	<u>Pass-through Number</u>	<u>Program Amount</u>	<u>Federal Revenue</u>	<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	1132-16-324-PF-01	443,090	33,202	24,895
Dept. Wildlife Fisheries & Parks		28-RTP-240	81,731	81,731	81,731