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Town of Sallis

Mayor
Jack Ables

City Clerk
Melissa Roberts

12/12/18

Aldermen
Gloria Bordelon
Brent Busbea
Kelly Hutchison
Linda Hutchison
Shannon Lewis

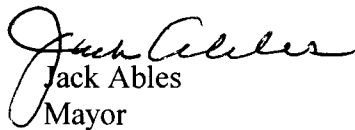
Office of State Auditor
P.O. Box 956
Jackson, Ms 39205

Re: Annual Municipal Report

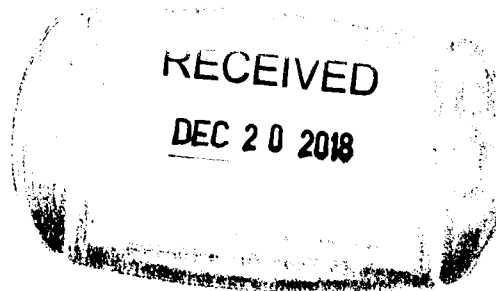
Department of Technical Assistance

Accompanying this letter is a copy of the annual compilation of the Town of Sallis, Mississippi for fiscal year ending September 30, 2018. 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, 2018

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JIMMY SHAFFER
PUBLIC ACCOUNTANT
4789 Attala Road 1010
Kosciusko, Mississippi 39090

REPORT ON COMPLIANCE
WITH STATE LAWS AND REGULATIONS

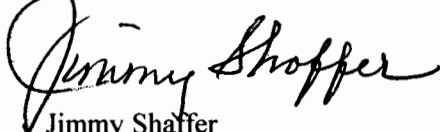
Honorable Mayor and Board of Aldermen
Town of Sallis
Sallis, Mississippi

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, 2018. 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, 2018, 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.

A handwritten signature in black ink that reads "Jimmy Shaffer". The signature is written in a cursive, flowing style.

Jimmy Shaffer
Public Accountant
November 6, 2018

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, 2018 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	30,418
Renasant Bank	General CD	<u>149,529</u>
Total General Fund		179,947
Renasant Bank	Enterprise	146,476
Renasant Bank	Enterprise	258,527
Renasant Bank	Enterprise	<u>1,937</u>
Renasant Bank	Enterprise	89,239
Renasant Bank	Enterprise CD	<u>0</u>
Renasant Bank	Enterprise CD	<u>0</u>
Total Enterprise		496,179

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 \$12,205

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	402
Grand Gulf tax allocation	General	2,141
Sales tax allocation	General	19,334
Municipal relieving fund	General	67
Homestead exemption refund	General	1,016

- 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	10	Dollar Amount of Samples	4,154
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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.

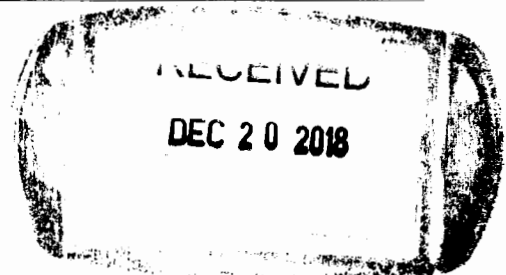
Because the above procedures were not sufficient to constitute an audit in accordance with generally accepted auditing standards, I do not express an opinion on any of the specific accounts or classes of transactions referred to above. In connection with the procedures referred to above, no matters came 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, 2018.

Jimmy Shaffer
Public Accountant
November 6, 2018

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TOWN OF SALLIS
COMBINED STATEMENT OF RECEIPTS & DISBURSEMENTS ALL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	General <u>Fund</u>	Enterprise <u>Fund</u>	Totals Sept. 30 <u>2017</u>	Totals Sept. 30 <u>2018</u>
Revenue Receipts:				
General property taxes	7,288		7,296	7,288
Franchise taxes	5,252		4,930	5,252
Homestead exemption	1,016		964	1,016
General municipal aid	67		67	67
State shared revenue:				
Sales tax	19,334		20,463	19,334
Motor vehicles	4,917		5,029	4,917
Gasoline tax	402		402	402
Fire protection	0		0	0
Grand Gulf tax	2,141		2,167	2,141
Charges for services:				
Water & sewer utility	0	318,966	322,152	318,966
Total Revenue Receipts	40,417	318,966	363,470	359,383
Other Receipts:				
Insurance proceeds	0	0	5,422	0
Interest	1,840	4,400	6,088	6,240
Grant Proceeds	0	394,797	114,933	394,797
Total Other Receipts	1,840	399,197	126,443	401,037
Total Receipts	42,257	718,163	489,913	760,420
Cash Balance - Beginning of Year	160,747	563,191	592,156	723,938
Total Amount to Account For	203,004	1,281,354	1,082,069	1,484,358
Operating Disbursements				
General government	14,037	0	13,932	14,037
Public works	9,020	74,958	10,458	83,978
Enterprise:				
Water & Sewer utility	0	307,113	297,246	307,113
Total Operating Disbursements	23,057	382,071	321,636	405,128
Other Disbursements				
Construction in progress	0	403,104	36,495	403,104
Equipment	0	0		
Debt retirement	0	0		
Total Other Disbursements	0	403,104	36,495	403,104
Total Disbursements	23,057	785,175	358,131	808,232
Cash Balance - End of Year	179,947	496,179	723,938	676,126
Total Amount Accounted For	203,004	1,281,354	1,082,069	1,484,358



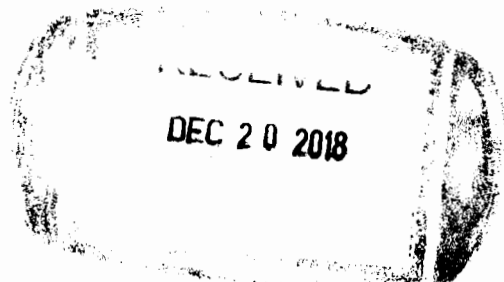
TOWN OF SALLIS, MISSISSIPPI
NOTES TO FINANCIAL STATEMENT
SEPTEMBER 30, 2018

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, 2018

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, 2018.

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 09/30/17 AND 09/30/18

	<u>09/30/17</u>	<u>09/30/18</u>
Assets		
Current Assets		
Cash in banks	169,654	237,652
Time deposits	393,538	258,527
Accounts receivable	24,899	27,647
Total Current Assets	<u>588,091</u>	<u>523,826</u>
Fixed Assets		
Land	1,510	1,510
Buildings	369,490	369,490
Distribution system	2,866,114	3,344,177
Less: accumulated depreciation	<u>-1,546,115</u>	<u>-1,581,115</u>
Net fixed assets	<u>-1,690,999</u>	<u>2,134,062</u>
Total Assets	<u><u>2,279,090</u></u>	<u><u>2,657,888</u></u>
Current Liabilities		
Accounts payable	9,753	4,752
Current portion USDA notes	<u>0</u>	<u>0</u>
Total Current Liabilities	<u>9,753</u>	<u>4,752</u>
Long Term Liabilities		
Notes payable	<u>0</u>	<u>0</u>
Total Liabilities	<u>9,753</u>	<u>4,752</u>
Equity		
Retained Earnings	1,630,763	1,619,764
Grants	<u>638,574</u>	<u>1,033,372</u>
	<u>2,269,337</u>	<u>2,653,136</u>
Total Liabilities & Equity	<u><u>2,279,090</u></u>	<u><u>2,657,888</u></u>

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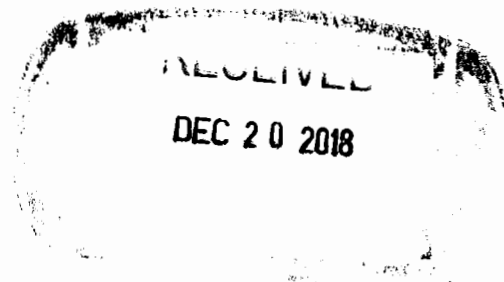
TOWN OF SALLIS
WATER SERVICES FUND
STATEMENT OF INCOME AND EQUITY
FOR THE YEAR ENDED 09/30/2018

	<u>09/30/17</u>	<u>09/30/18</u>
Operating Income		
Water Revenue	320,767	321,714
Other Income	5,422	0
Total Income	<u>326,189</u>	<u>321,714</u>
Operating Expenses		
Contract services	126,560	114,622
Office	32,854	43,392
Utilities	21,420	25,418
Insurance	26,664	26,218
Salaries	90,408	92,463
Interest	0	0
Depreciation	43,000	35,000
Total Expenses	<u>340,906</u>	<u>337,113</u>
Net Operating Income (Loss)	-14,717	-15,399
Non Operating Income		
Interest	4,764	4,400
Net Income (Loss)	<u>-9,953</u>	<u>-10,999</u>
Beginning Equity	149,163	139,210
Ending Equity	<u>139,210</u>	<u>128,211</u>

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TOWN OF SALLIS
SCHEDULE OF BUDGET & INCOME
FOR THE PERIOD 10/01/18 TO 09/30/19

Operating Income	
Water Revenue	<u>335,000</u>
Total	335,000
Operating Expenses	
Contract services	115,000
Office	40,000
Utilities	26,000
Insurance	27,000
Salaries	92,000
Interest	0
Depreciation	<u>35,000</u>
Total Expenses	335,000
Net Operating Income (Loss)	0
Non-operating Income	
Interest	<u>5,000</u>
Total Non-operating Income	5,000
Net Income (Loss)	5,000



TOWN OF SALLIS
SCHEDULE OF SURETY BONDS
SEPTEMBER 30, 2018

<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, 2018

<u>Federal Grantor/ Pass-through Grantor/ Program Title</u>	<u>Catalog of Federal 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	394,797	403,104

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