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# Town of Sallis

Mayor  
Jack Ables

City Clerk  
Melissa Roberts

12/11/19

Aldermen  
Gloria Bordelon  
Brent Bushea  
Kelly Hutchison  
Linda Hutchison  
Shannon Lewis

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

Re: Annual Municipal Report

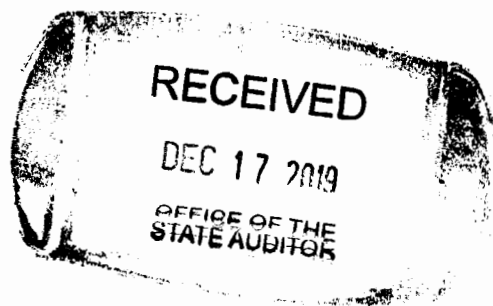
Department of Technical Assistance

Accompanying this letter is a copy of the annual compilation of the Town of Sallis, Mississippi for fiscal year ending September 30, 2019. A separate management letter was not written to the town in connection with the audit.

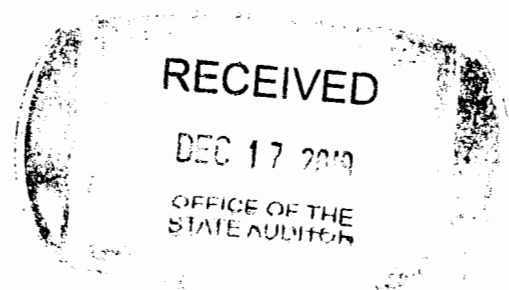
Sincerely,

  
Jack Ables  
Mayor

Enclosure



**TOWN OF SALLIS**  
**FINANCIAL STATEMENTS**  
September 30, 2019



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

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

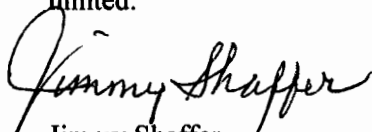
Honorable Mayor and Board of Aldermen  
Town of Sallis  
Sallis, Mississippi

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, 2019. 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.

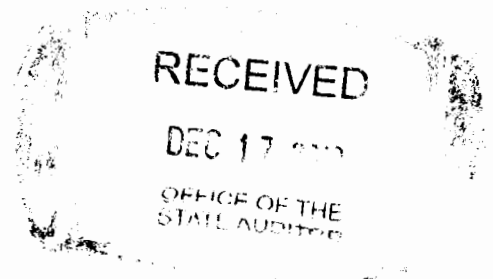
I have performed procedures to test compliance with certain state laws and regulations as described by the Municipal Compliance Questionnaire that is prescribed by the Office of the State Auditor. My procedures were substantially less in scope than an audit, the objective of which is the expression of 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, 2019, 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 7, 2019



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, 2019 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:

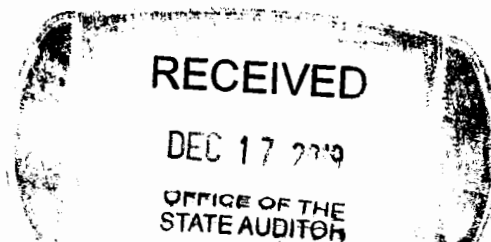
<u>Bank</u>	<u>Fund</u>	<u>Balance per General Ledger</u>
Renasant Bank	General	27,503
Renasant Bank	General CD	<u>47,491</u>
Total General Fund		74,994
Renasant Bank	Enterprise	182,518
Renasant Bank	Enterprise	130,944
Renasant Bank	Enterprise	<u>1,937</u>
Renasant Bank	Enterprise	72,951
Renasant Bank	Enterprise CD/ Debt Ser.	130,944
Renasant Bank	Enterprise	<u>3,600</u>
Total Enterprise		522,894

- 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 \$13,218

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	2,030
Sales tax allocation	General	13,653
Municipal relieving fund	General	67
Homestead exemption refund	General	1,072

- 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	12	Dollar Amount of Samples	4,266
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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, 2019.

Jimmy Shaffer  
Public Accountant  
November 7, 2019



**TOWN OF SALLIS**  
**COMBINED STATEMENT OF RECEIPTS & DISBURSEMENTS ALL FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

	General <u>Fund</u>	Enterprise <u>Fund</u>	Totals Sept. 30 <u>2018</u>	Totals Sept. 30 <u>2019</u>
Revenue Receipts:				
General property taxes	7,321		7,288	7,321
Franchise taxes	4,935		5,252	4,935
Homestead exemption	1,073		1,016	1,073
General municipal aid	67		67	67
State shared revenue:				
Sales tax	13,653		19,334	13,653
Motor vehicles	5,896		4,917	5,896
Gasoline tax	402		402	402
Fire protection	791		0	791
Grand Gulf tax	2,029		2,141	2,029
Charges for services:				
Water & sewer utility	0	320,931	318,966	320,931
Total Revenue Receipts	36,167	320,931	359,383	357,098
Other Receipts:				
Loan proceeds	0	250,000	0	250,000
Interest	1,750	3,403	6,240	5,153
Grant Proceeds	100,000	22,000	394,797	122,000
Total Other Receipts	101,750	275,403	401,037	377,153
Total Receipts	137,917	596,334	760,420	734,251
Cash Balance - Beginning of Year	179,947	496,179	723,938	676,126
Total Amount to Account For	317,864	1,092,513	1,484,358	1,410,377
Operating Disbursements				
General government	15,173	0	14,037	15,173
Public works	5,097	0	83,978	5,097
Enterprise:				
Water & Sewer utility	0	316,857	307,113	316,857
Total Operating Disbursements	20,270	316,857	405,128	337,127
Other Disbursements				
Construction in progress	222,600	244,129	403,104	466,729
Equipment	0	0	0	0
Debt retirement	0	8,633		8,633
Total Other Disbursements	222,600	252,762	403,104	475,362
Total Disbursements	242,870	569,619	808,232	812,489
Cash Balance - End of Year	74,994	522,894	676,126	597,888
Total Amount Accounted For	317,864	1,092,513	1,484,358	1,410,377

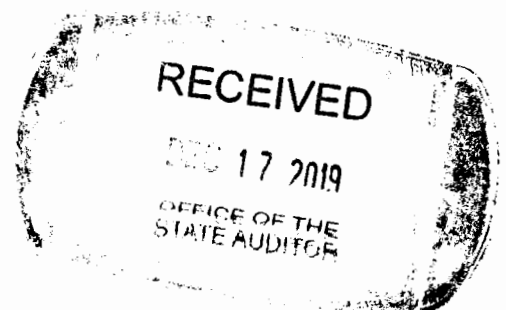
TOWN OF SALLIS, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENT  
SEPTEMBER 30, 2019

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.





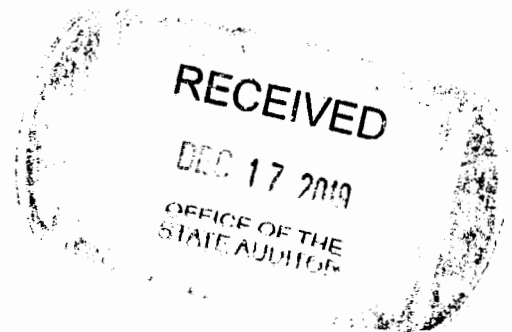
TOWN OF SALLIS, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

Note 2: Long Term Debt:

A summary of long term debt, all of which is payable to Mississippi Development Authority, follows:

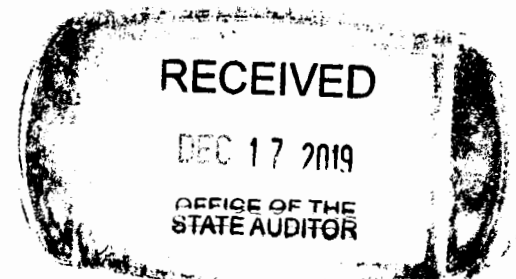
	<u>2018</u>	<u>Issued</u>	<u>Redeemed</u>	<u>2019</u>
3% note payable in 240 monthly installments of \$1,386 through November 2038	-0-	250,000	8,633	241,366

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



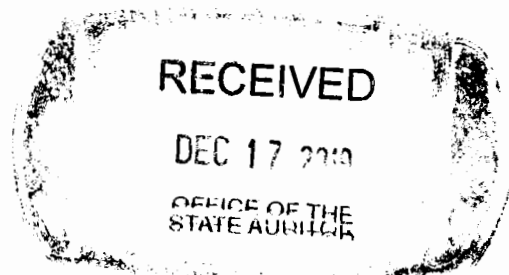
**TOWN OF SALLIS**  
**BALANCE SHEET - WATER FUND**  
**AT 09/30/18 & 09/30/19**

	<u>09/30/18</u>	<u>9/30/19</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash in banks	237,652	261,006
Time deposits	258,527	261,889
Accounts receivable	27,647	24,978
<b>Total Current Assets</b>	<u>523,826</u>	<u>547,873</u>
<b>Fixed Assets</b>		
Land	1,510	1,510
Construction in progress	0	244,129
Buildings	369,490	369,490
Distribution system	3,344,177	3,344,177
Less: accumulated depreciation	1,581,115	-1,616,115
<b>Net fixed assets</b>	<u>2,134,062</u>	<u>2,343,191</u>
<b>Total Assets</b>	<u>2,657,888</u>	<u>2,891,064</u>
<b>Current Liabilities</b>		
Accounts payable	4,752	4,071
Current portion USDA notes	0	0
<b>Total Current Liabilities</b>	<u>4,752</u>	<u>4,071</u>
<b>Long Term Liabilities</b>		
Notes payable	0	241,365
<b>Total Liabilities</b>	4,752	245,436
<b>Equity</b>		
Retained Earnings	1,619,764	1,590,256
Grants	1,033,372	1,055,372
	<u>2,653,136</u>	<u>2,645,628</u>
<b>Total Liabilities &amp; Equity</b>	<u>2,657,888</u>	<u>2,891,064</u>



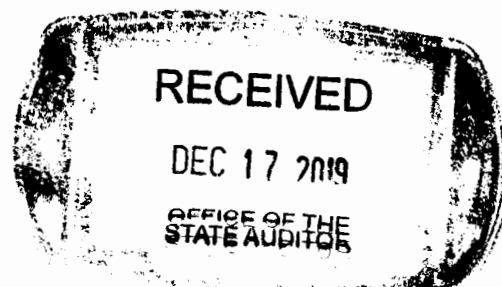
**TOWN OF SALLIS**  
**WATER SERVICES FUND**  
**STATEMENT OF INCOME AND EQUITY**  
**FOR THE YEAR ENDED 09/30/2019**

	<u>09/30/18</u>	<u>09/30/19</u>
Operating Income		
Water Revenue	321,714	318,263
Other Income	0	
	<hr/>	<hr/>
Total Income	321,714	318,263
Operating Expenses		
Contract services	114,622	108,025
Office	43,392	41,819
Utilities	25,418	22,994
Insurance	26,218	27,683
Salaries	92,463	108,847
Interest	0	6,806
Depreciation	35,000	35,000
	<hr/>	<hr/>
Total Expenses	337,113	351,174
Net Operating Income (Loss)	-15,399	-32,911
Non Operating Income		
Interest	4,400	3,403
	<hr/>	<hr/>
Net Income (Loss)	-10,999	-29,508
Beginning Equity	139,210	128,211
Ending Equity	<hr/> <u>128,211</u>	<hr/> <u>98,703</u>



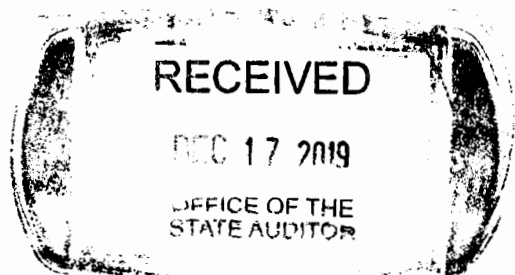
**TOWN OF SALLIS**  
**SCHEDULE OF BUDGET & INCOME**  
**FOR THE PERIOD 10/01/19 TO 09/30/20**

Operating Income	
Water Revenue	335,000
Total	335,000
Operating Expenses	
Contract services	119,000
Office	35,000
Utilities	22,000
Insurance	27,000
Salaries	95,000
Interest	0
Depreciation	35,000
Total Expenses	333,000
Net Operating Income (Loss)	2,000
Non-operating Income	
Interest	4,000
Total Non-operating Income	4,000
Net Income (Loss)	6,000



TOWN OF SALLIS  
SCHEDULE OF SURETY BONDS  
SEPTEMBER 30, 2019

<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, 2019

<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>State 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			100,000	100,000	100,000
Community Development Block Grant Program					
Water Improvement	14.228	1132-16-324-PF-01	443,090	416,797	22,000

