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TOWN OF SALLIS
Financial Statements
September 30, 2020

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, 2020. 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, 2020, 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, 2020

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, 2020 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	21,632
Renasant Bank	General	2,400
Renasant Bank	General	29,845
Renasant Bank	General CD	<u>48,360</u>
Total General Fund		102,237
Renasant Bank	Enterprise	193,564
Renasant Bank	Enterprise	132,608
Renasant Bank	Enterprise	2,038
Renasant Bank	Enterprise	24,345
Renasant Bank	Enterprise CD/ Debt Ser.	132,608
Renasant Bank	Enterprise	<u>7,200</u>
Total Enterprise		492,363

- 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 \$14,480

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	2,192
Sales tax allocation	General	6,793
Municipal relieving fund	General	67
Homestead exemption refund	General	1,130
Modernization tax	General	21,632

- 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	17,147
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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, 2020.

Jimmy Shaffer
Public Accountant
November 4, 2020

TOWN OF SALLIS
COMBINED STATEMENT OF RECEIPTS & DISBURSEMENTS ALL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	General <u>Fund</u>	Enterprise <u>Fund</u>	Totals Sept. 30 <u>2019</u>	Totals Sept. 30 <u>2020</u>
Revenue Receipts:				
General property taxes	7,730		7,321	7,730
Franchise taxes	4,962		4,935	4,962
Homestead exemption	1,130		1,073	1,130
General municipal aid	67		67	67
State shared revenue:				
Sales tax	6,794		13,653	6,794
Motor vehicles	6,750		5,896	6,750
Gasoline tax	402		402	402
Modernization tax	21,632		0	21,632
Fire protection	808		791	808
Grand Gulf tax	2,192		2,029	2,192
Licenses	40		0	40
Charges for services:				
Water & sewer utility	0	322,098	320,931	322,098
Total Revenue Receipts	52,507	322,098	357,098	374,605
Other Receipts:				
Loan proceeds	0	0	250,000	0
Interest	869	3,475	5,153	4,344
Grant Proceeds	0	0	122,000	0
Total Other Receipts	869	3,475	377,153	4,344
Total Receipts	53,376	325,573	734,251	378,949
Cash Balance - Beginning of Year	74,994	522,894	676,126	597,888
Total Amount to Account For	128,370	848,467	1,410,377	976,837
Operating Disbursements				
General government	15,519	0	15,173	15,519
Public works	10,614	0	5,097	10,614
Enterprise:				
Water & Sewer utility	0	346,737	316,857	346,737
Total Operating Disbursements	26,133	346,737	337,127	372,870
Other Disbursements				
Construction in progress	0	0	466,729	0
Debt retirement	0	9,366	8,633	9,366
Total Other Disbursements	0	9,366	475,362	9,366
Total Disbursements	26,133	356,103	812,489	382,236
Cash Balance - End of Year	102,237	492,364	597,888	594,601
Total Amount Accounted For	128,370	848,467	1,410,377	976,837

TOWN OF SALLIS, MISSISSIPPI
NOTES TO FINANCIAL STATEMENT
SEPTEMBER 30, 2020

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, 2020

Note 2: Long Term Debt:

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

	<u>2019</u>	<u>Issued</u>	<u>Redeemed</u>	<u>2020</u>
3% note payable in 240 monthly installments of \$1,386 through November 2038	241,366		9,366	232,000

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 09/30/19 & 09/30/20

	<u>9/30/19</u>	<u>09/30/20</u>
Assets		
Current Assets		
Cash in banks	261,006	227,147
Time deposits	261,889	265,217
Accounts receivable	24,978	24,778
Total Current Assets	<u>547,873</u>	<u>517,142</u>
Fixed Assets		
Land	1,510	1,510
Construction in progress	244,129	0
Buildings	369,490	369,490
Distribution system	3,344,177	3,588,306
Less: accumulated depreciation	<u>-1,616,115</u>	<u>-1,651,115</u>
Net fixed assets	2,343,191	2,308,191
Total Assets	<u><u>2,891,064</u></u>	<u><u>2,825,333</u></u>
Current Liabilities		
Accounts payable	4,071	4,628
Current portion USDA notes	<u>0</u>	<u>0</u>
Total Current Liabilities	4,071	4,628
Long Term Liabilities		
Notes payable	<u>241,365</u>	<u>232,000</u>
Total Liabilities	245,436	236,628
Equity		
Retained Earnings	1,590,256	1,533,333
Grants	<u>1,055,372</u>	<u>1,055,372</u>
	2,645,628	2,588,705
Total Liabilities & Equity	<u><u>2,891,064</u></u>	<u><u>2,825,333</u></u>

TOWN OF SALLIS
WATER FUND
STATEMENT OF INCOME AND EQUITY
FOR THE YEARS ENDED 09/30/2019 and 9/30/2020

	<u>09/30/19</u>	<u>09/30/20</u>
Operating Income		
Water Revenue	318,263	321,898
Other Income	0	0
	<hr/>	<hr/>
Total Income	318,263	321,898
Operating Expenses		
Contract services	87,694	108,483
Materials	20,331	28,941
Office	41,819	29,373
Utilities	22,994	22,680
Insurance	27,683	29,371
Salaries	108,847	122,562
Interest	6,806	5,885
Depreciation	35,000	35,000
	<hr/>	<hr/>
Total Expenses	351,174	382,295
Net Operating Income (Loss)	-32,911	-60,397
Non Operating Income		
Interest	3,403	3,475
	<hr/>	<hr/>
Net Income (Loss)	-29,508	-56,922
Beginning Equity	1,619,764	1,590,255
Ending Equity	<hr/> <u>1,590,256</u>	<hr/> <u>1,533,333</u>

TOWN OF SALLIS
SCHEDULE OF BUDGET & INCOME
FOR THE PERIOD 10/01/20 TO 09/30/21

Operating Income	
Water Revenue	<u>330,000</u>
Total	330,000
Operating Expenses	
Contract services	110,000
Office	30,000
Utilities	23,000
Insurance	30,000
Salaries	100,000
Interest	4,500
Depreciation	<u>35,000</u>
Total Expenses	332,500
Net Operating Income (Loss)	(2,500)
Non-operating Income	
Interest	<u>4,000</u>
Total Non-operating Income	4,000
Net Income (Loss)	1,500

TOWN OF SALLIS
SCHEDULE OF SURETY BONDS
SEPTEMBER 30, 2020

<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