

## OFFICE OF THE STATE AUDITOR REPORT NOTE:

*Section 7-7-211, Mississippi Code Annotated (1972)* gives the Office of the State Auditor the authority to audit, with the exception of municipalities, any governmental entity in the state. In the case of municipalities, *Section 21-35-31, Mississippi Code Annotated (1972)* requires municipalities to obtain an annual audit performed by a private CPA firm and submit that audit report to the Office of the State Auditor. The Office of the State Auditor files these audit reports for review in case questions arise related to the municipality.

As a result, the following document was not prepared by the Office of the State Auditor. Instead, it was prepared by a private CPA firm and submitted to the Office of the State Auditor. The document was placed on this web page as it was submitted and no review of the report was performed by the Office of the State Auditor prior to finalization of the report. The Office of the State Auditor assumes no responsibility for its content or for any errors located in the document. Any questions of accuracy or authenticity concerning this document should be submitted to the CPA firm that prepared the document. The name and address of the CPA firm appears in the document.

**TOWN OF SALLIS**  
**Financial Statements**  
**September 30, 2021**

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

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

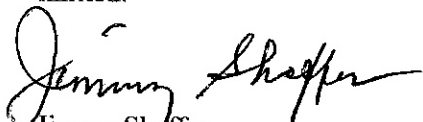
Honorable Mayor and Board of Aldermen  
Town of Sallis  
Sallis, Mississippi

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, 2021. 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, 2021, 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  
December 2, 2021

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, 2021 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	29,523
Renasant Bank	General	4,600
Renasant Bank	General	65,673
Renasant Bank	General CD	48,763
Total General Fund		148,559
Renasant Bank	Enterprise	179,606
Renasant Bank	Enterprise	133,482
Renasant Bank	Enterprise	2,018
Renasant Bank	Enterprise	61,889
Renasant Bank	Enterprise CD/ Debt Ser.	133,482
Renasant Bank	Enterprise	10,800
Total Enterprise		521,277

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 \$17,664

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	2,114
Sales tax allocation	General	8,146
Municipal relieving fund	General	67
Homestead exemption refund	General	1,158
Modernization tax	General	23,146
Covid Relief	General	12,079

- 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	15	Dollar Amount of Samples	23,885
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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, 2021.

Jimmy Shaffer  
Public Accountant  
December 2, 2021

**TOWN OF SALLIS**  
**COMBINED STATEMENT OF RECEIPTS & DISBURSEMENTS ALL FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	General <u>Fund</u>	Enterprise <u>Fund</u>	Totals Sept. 30 <u>2020</u>	Totals Sept. 30 <u>2021</u>
Revenue Receipts:				
General property taxes	11,366		7,730	11,366
Franchise taxes	4,936		4,962	4,936
Homestead exemption	1,159		1,130	1,159
General municipal aid	67		67	67
State shared revenue:				
Sales tax	8,146		6,794	8,146
Motor vehicles	6,300		6,750	6,300
Gasoline tax	402		402	402
Modernization tax	23,146		21,632	23,146
Fire protection	0		808	0
Grand Gulf tax	2,114		2,192	2,114
Covid Relief	12,079		40	12,079
Charges for services:				
Water & sewer utility	0	342,628	322,098	342,628
Total Revenue Receipts	69,715	342,628	374,605	412,343
Other Receipts:				
Asset sold	4,000	0	0	4,000
Interest	402	1,798	4,344	2,200
Grant Proceeds	0	0	0	0
Total Other Receipts	4,402	1,798	4,344	6,200
Total Receipts	74,117	344,426	378,949	418,543
Cash Balance - Beginning of Year	102,237	492,364	597,888	594,601
Total Amount to Account For	176,354	836,790	976,837	1,013,144
Operating Disbursements				
General government	14,476	0	15,519	14,476
Public works	13,319	0	10,614	13,319
Enterprise:				
Water & Sewer utility	0	304,685	346,737	304,685
Total Operating Disbursements	27,795	304,685	372,870	332,480
Other Disbursements				
Asset purchase	0	1,000	0	1,000
Debt retirement	0	9,828	9,366	9,828
Total Other Disbursements	0	10,828	9,366	10,828
Total Disbursements	27,795	315,513	382,236	343,308
Cash Balance - End of Year	148,559	521,277	594,601	669,836
Total Amount Accounted For	176,354	836,790	976,837	1,013,144

TOWN OF SALLIS, MISSISSIPPI  
NOTES TO FINANCIAL STATEMENT  
SEPTEMBER 30, 2021

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, 2021

Note 2: Long Term Debt:

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

	<u>2020</u>	<u>Issued</u>	<u>Redeemed</u>	<u>2021</u>
3% note payable in 240 monthly installments of \$1,386 through November 2038	232,000		9,828	222,172

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 09/30/20 & 09/30/21**

	<u>09/30/20</u>	<u>09/30/21</u>
Assets		
Current Assets		
Cash in banks	227,147	254,313
Time deposits	265,217	266,964
Accounts receivable	24,778	22,813
Total Current Assets	<u>517,142</u>	<u>544,090</u>
Fixed Assets		
Land	1,510	2,510
Construction in progress	0	0
Buildings	369,490	369,490
Distribution system	3,588,306	3,588,306
Less: accumulated depreciation	<u>-1,651,115</u>	<u>-1,686,115</u>
Net fixed assets	<u>2,308,191</u>	<u>2,274,191</u>
Total Assets	<u><u>2,825,333</u></u>	<u><u>2,818,281</u></u>
Current Liabilities		
Accounts payable	<u>4,628</u>	<u>4,629</u>
Total Current Liabilities	<u>4,628</u>	<u>4,629</u>
Long Term Liabilities		
Notes payable	<u>232,000</u>	<u>222,172</u>
Total Liabilities	236,628	226,801
Equity		
Retained Earnings	1,533,333	1,536,108
Grants	<u>1,055,372</u>	<u>1,055,372</u>
	2,588,705	2,591,480
Total Liabilities & Equity	<u><u>2,825,333</u></u>	<u><u>2,818,281</u></u>

**TOWN OF SALLIS**  
**WATER FUND**  
**STATEMENT OF INCOME AND EQUITY**  
**FOR THE YEARS ENDED 09/30/2020 & 9/30/2021**

	<u>09/30/20</u>	<u>09/30/21</u>
Operating Income		
Water Revenue	321,898	340,663
Other Income	0	0
Total Income	<u>321,898</u>	<u>340,663</u>
Operating Expenses		
Contract services	108,483	90,535
Materials	28,941	20,740
Office	29,373	36,629
Utilities	22,680	21,794
Insurance	29,371	26,950
Salaries	122,562	101,229
Interest	5,885	6,809
Depreciation	35,000	35,000
Total Expenses	<u>382,295</u>	<u>339,686</u>
Net Operating Income (Loss)	-60,397	977
Non Operating Income		
Interest	3,475	1,798
Net Income (Loss)	<u>-56,922</u>	<u>2,775</u>
Beginning Equity	1,590,255	1,533,333
Ending Equity	<u><u>1,533,333</u></u>	<u><u>1,536,108</u></u>

**TOWN OF SALLIS**  
**SCHEDULE OF BUDGET & INCOME**  
**FOR THE PERIOD 10/01/21 TO 09/30/22**

Operating Income	
Water Revenue	<u>345,000</u>
Total	345,000
Operating Expenses	
Contract services	110,000
Office	30,000
Utilities	23,000
Insurance	30,000
Salaries	105,000
Interest	6,000
Depreciation	<u>35,000</u>
Total Expenses	<u>339,000</u>
Net Operating Income (Loss)	6,000
Non-operating Income	
Interest	<u>2,000</u>
Total Non-operating Income	<u>2,000</u>
Net Income (Loss)	<u><u>8,000</u></u>

TOWN OF SALLIS  
SCHEDULE OF SURETY BONDS  
SEPTEMBER 30, 2021

<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