

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
P. O. 73
Sallis, MS 39160***

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

Re: Annual Municipal Compilation

Accompanying this letter is a copy of the annual compilation of the Town of Sallis, Mississippi, for the fiscal year ended September 30, 2022. A separate management letter was not written to the town in connection with this compilation.

Sincerely,

Luke Eaton
Mayor

A handwritten signature in black ink, appearing to read "L. Eaton", written in a cursive style.

**TOWN OF SALLIS, MISSISSIPPI
COMPILATION REPORT
AND REPORT ON AGREED-UPON PROCEDURES
SEPTEMBER 30, 2022**

**TOWN OF SALLIS, MISSISSIPPI
COMPILATION REPORT AND REPORT ON AGREED-UPON PROCEDURES
SEPTEMBER 30, 2022**

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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

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

Management is responsible for the accompanying Statement of Cash Receipts and Disbursements-Governmental and Business-type Activities of the Town of Sallis, Mississippi for the year ended September 30, 2022, in accordance with the cash basis of accounting, and for determining that the cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the Statement of Cash Receipts and Disbursements-Governmental and Business-type Activities nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The Statements of Cash Receipts and Disbursements-Governmental and Business-type Activities is prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all the disclosures ordinarily included in financial statements prepared in accordance with the cash basis of accounting. If the omitted disclosures were included in the Statement of Cash Receipts and Disbursements-Governmental and Business-type Activities, they might influence the user's conclusions about the Town of Sallis, Mississippi's cash receipts and disbursements. Accordingly, the Statement of Cash Receipts and Disbursements-Governmental and Business-type Activities is not designed for those who are not informed about such matters.

The supplementary information contained in Schedule of Investments, Schedule of Capital Assets, Schedule of Long-Term Debt and Schedule of Surety Bonds for Municipal Officials is presented in compliance with the requirements of the Mississippi Office of the State Auditor and has been compiled from information that is the representation of management. This information was subject to our compilation engagement; however, we have not audited or reviewed the required supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such information.

The Statement of Cash Receipts and Disbursements-Governmental and Business-type Activities is intended to comply with the requirements of the Mississippi Office of the State Auditor, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

In accordance with the provisions of §21-35-31, Miss Code Ann. (1972), we have issued a report dated July 25, 2024 on the results of our agreed-upon procedures.

Kosciusko, Mississippi
July 25, 2024

Watkins Ward and Stafford, P.C.

TOWN OF SALLIS, MISSISSIPPI
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS-
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
	<u>General Fund</u>	<u>Water Fund</u>
CASH RECEIPTS:		
Taxes		
General property tax	\$ 22,766	\$ -
Privilege tax	8	-
Intergovernmental revenue		
State shared revenue		
General municipal aid	12,146	-
Sales tax	8,121	-
Gasoline tax	394	-
State fire rebate & fire prot.	1,656	-
Nuclear plant	2,145	-
Homestead reimbursement	1,225	-
Other aid in municipalities	48,412	-
Charges for services		
Water utility	-	349,828
Other receipts		
Interest earned	97	772
TOTAL CASH RECEIPTS	<u><u>\$ 96,970</u></u>	<u><u>\$ 350,600</u></u>

See accompanying independent accountants' compilation report.

TOWN OF SALLIS, MISSISSIPPI
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS-
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
	<u>General Fund</u>	<u>Water Fund</u>
DISBURSEMENTS:		
General government	\$ 34,856	\$ -
Water utility	-	343,753
TOTAL DISBURSEMENTS	<u><u>\$ 34,856</u></u>	<u><u>\$ 343,753</u></u>

See accompanying independent accountants' compilation report.

TOWN OF SALLIS, MISSISSIPPI
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS-
GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
FOR THE YEAR ENDED SEPTMEBER 30, 2022

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
	<u>General Fund</u>	<u>Water Fund</u>
EXCESS OF CASH RECEIPTS OVER DISBURSEMENTS	<u>\$ 62,114</u>	<u>\$ 6,847</u>
OTHER FINANCING SOURCES (USES)		
Transfers	-	-
Change in payroll liability	6,723	128
Loans repaid	-	(16,638)
Capital outlay	<u>(44,617)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(37,894)</u>	<u>(16,510)</u>
Excess of cash receipts and other financing sources over disbursements and other financing sources (uses)	<u>24,220</u>	<u>(9,663)</u>
CASH BALANCE-BEGINNING	<u>148,559</u>	<u>521,277</u>
CASH BALANCE-ENDING	<u><u>\$ 172,779</u></u>	<u><u>\$ 511,614</u></u>

See accompanying independent accountants' compilation report.

SUPPLEMENTARY INFORMATION

**TOWN OF SALLIS, MISSISSIPPI
SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2022**

Ownership	Type of Investment	Interest Rate	Acquisition	Maturity	Bank	Amount
General fund	CD	0.20%	10/18/2010	8/6/2023	Renasant Bank	\$ 22,211
General fund	CD	0.15%	2/7/2018	6/30/2023	Renasant Bank	26,650
Water fund	CD	0.20%	10/23/2019	6/30/2023	Renasant Bank	133,844
Water fund	CD	0.20%	10/23/2019	6/30/2023	Renasant Bank	133,844
Total						<u>\$ 316,549</u>

See accompanying independent accountants' compilation report.

TOWN OF SALLIS, MISSISSIPPI
SCHEDULE OF CAPITAL ASSETS
September 30, 2022

General Fund:

	<u>Balance</u> <u>9/30/2021</u>	<u>Additions &</u> <u>Reclassifications</u>	<u>Retirements &</u> <u>Reclassifications</u>	<u>Balance</u> <u>9/30/2022</u>
Building - Town Hall	\$ -	258,643	-	\$ 258,643
Walking Track	-	110,847	-	110,847
Pavillon	-	44,617	-	44,617
Total	<u>\$ -</u>	<u>414,107</u>	<u>-</u>	<u>\$ 414,107</u>

Proprietary Fund:

Building - Town Hall	\$ 258,643	-	258,643	\$ -
Walking Track	110,847	-	110,847	-
Water System	3,588,306	-	-	3,588,306
Total	<u>\$ 3,957,796</u>	<u>-</u>	<u>369,490</u>	<u>\$ 3,588,306</u>

See accompanying independent accountants' compilation report.

**TOWN OF SALLIS, MISSISSIPPI
SCHEDULE OF LONG-TERM DEBT
SEPTEMBER 30, 2022**

Payee	Balance Outstanding 10/01/2021	2021 Adjustment	Issued	Redeemed	Balance Outstanding 09/30/2022
MDA Water System Note (3% note payable in 240 monthly installments through November 2038)	\$ 222,172	\$ 6,684	\$ -	\$ 16,638	\$ 212,218

Note: The 2021 adjustment of \$6,684 was due to an error at 10/1/2021 by previous town accountant. This adjustment was recorded to arrive at a correct outstanding beginning long-term debt balance.

See accompanying independent accountants' compilation report.

**TOWN OF SALLIS, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS
SEPTEMBER 30, 2022**

Position	Name	Surety	Bond Amount	
Mayor	Luke Eaton	Travelers Casualty and Surety Company	\$	50,000
City Clerk	Melissa Roberts	Travelers Casualty and Surety Company	\$	50,000
Alderwoman	Jackie Turner	Travelers Casualty and Surety Company	\$	10,000
Alderwoman	Gloria Bordelon	Travelers Casualty and Surety Company	\$	10,000
Alderwoman	Cindy Cochran	Travelers Casualty and Surety Company	\$	10,000
Alderwoman	Linda Hutchison	Travelers Casualty and Surety Company	\$	10,000
Alderman	William Lewis	Travelers Casualty and Surety Company	\$	10,000

See accompanying independent accountants' compilation report.



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REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

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

We have compiled the accompanying Statement of Cash Receipts and Disbursements-Governmental and Business-type Activities, Schedule of Investments, Schedule of Capital Assets, Schedule of Long-Term Debt and Schedule of Surety Bonds for Municipal Officials of the Town of Sallis, Mississippi, for the year ended September 30, 2022, in accordance with Statements of 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 generally accepted accounting principles in the United States of America.

We have performed procedures to test compliance with certain state laws and regulations as described in the Municipal Compliance Questionnaire that is prescribed by the Office of the State Auditor. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the town's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures and our compilation of the accompanying Statement of Cash Receipts and Disbursements-Governmental and Business-type Activities, Schedule of Investments, Schedule of Capital Assets, Schedule of Long-Term Debt and Schedule of Surety Bonds for Municipal Officials of the Town of Sallis, Mississippi, for the year ended September 30, 2022, disclosed no instances of noncompliance with state laws and regulations.

This report is intended solely for the information and use of management 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.

Kosciusko, Mississippi
July 25, 2024

Watkins Ward and Stafford, PLLC

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have applied certain agreed-upon procedures, as discussed below, to the accounting records of the Town of Sallis, Mississippi, as of September 30, 2022, 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 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 purposes. Our procedures and findings are as follows:

- 1) We reconciled cash on deposit with the following banks to balances in the respective general ledger accounts and obtained confirmation of the related balances from the banks:

Bank	Fund	Balance
Renasant Bank	General funds:	
	General fund	\$ 65,373
	General fund	5,367
	General fund	53,178
	Total general funds	<u>\$ 123,918</u>
Renasant Bank	Proprietary funds:	
	Water fund	\$ 38,343
	Water fund	11,667
	Water fund	1,963
	Water fund	191,953
	Total proprietary funds	<u>\$ 243,926</u>

All investments were confirmed directly with respective trustees. All investment transactions during the year were examined for compliance with investments authorized by §21-33-323, Miss. Code Ann. (1972). This total is included in the ending cash balance in the statement of cash receipts and disbursements.

Type	Fund	Value
Certificate of Deposit	General Fund	\$ 22,211
Certificate of Deposit	General Fund	26,650
Certificate of Deposit	Water Fund	133,844
Certificate of Deposit	Water Fund	133,844
		<u>\$ 316,549</u>

- 2) We performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:

- a. Trace levies to governing body minutes;
- b. Traced distribution of taxes collected to proper funds; and
- c. Analyzed increase in taxes for most recent period for completion with increase limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

The distribution of taxes to funds was found to be in accordance with prescribed tax levies.

Ad valorem tax collections were found to be within the limitations of §27-39-320 to §27-39-323, Miss. Code Ann. (1972).

- 3) We obtained a statement of payments made by the Department of Finance and Administration to the municipality. Payments indicated were traced to deposit in the respective bank accounts and recorded in the general ledger without exception. Payments traced were as follows:

Payment Purpose	Receiving Fund	Amount
Gasoline Tax	General Fund	\$ 394
General Municipal Aid	General Fund	66
Grantor Payments Nontaxable	General Fund	48,412
Nuclear Payments in lieu of Taxes	General Fund	2,145
Homestead Exemption Reimbursement	General Fund	1,225
Fire Protection Allocation	General Fund	1,656
Other Aid	General Fund	12,079
Sales Tax Allocation	General Fund	8,121
		<u>\$ 74,098</u>

- 4) We selected a sample of purchases made by the municipality during the fiscal year. Each sample item was evaluated for compliance with purchasing requirements set forth in Title 31, Chapter 7, Miss. Code Ann. (1972), as applicable.

The sample consisted of the following:

- a. Number of Sample Items 14
- b. Total Dollar Value of Sample \$10,988

We found the municipality's purchasing procedures to be in agreement with the requirements of the above-mentioned sections.

- 5) We determined that the Town of Sallis does not have its own court. All cases are sent to the Justice Court. Therefore, there were no fines to be tested for the year.
- 6) We have read the Municipal Compliance Questionnaire completed by the municipality. Based on the Schedule of Agreed-Upon Procedures, questionnaire is to be completed, signed, and recorded in the board's minutes of the next board meeting. The board did not approve the questionnaire until February 6, 2023. To be in full-compliance, we suggest that the municipality be sure to answer each question on the Municipal Compliance Questionnaire and approve it in their board minutes at the following board meeting after fiscal year-end.

Because the above procedures do not constitute an audit in accordance with generally accepted auditing standards, we 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 our attention that caused us to believe the items specified in paragraphs 1, 2, and 3 should be adjusted. Had we performed additional procedures or had we conducted an audit of the financial statements in accordance with generally accepted auditing standards, matters might have come to our 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, 2022.

Kosciusko, Mississippi
July 25, 2024

Watkins Ward and Stafford, P.C.