



The following document was not prepared by the Office of the State Auditor, but was prepared by and submitted to the Office of the State Auditor by a private CPA firm. The document was placed on this web page as it was submitted. 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, 2007

RECEIVED
DEC 1 2007
STATE AUDITOR'S OFFICE

JIMMY SHAFFER
PUBLIC ACCOUNTANT
118 W. North Street
Kosciusko, Mississippi 39090
662-289-1150

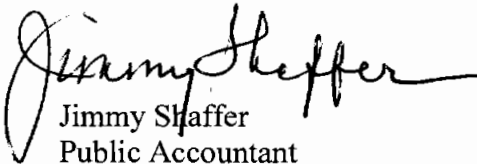
Accountant's Compilation Report

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

The accompanying combined Statement of Cash Receipts and Disbursements of all Funds of the Town of Sallis, Mississippi, for the year ended September 30, 2007 were compiled by me in accordance with standards established by the American Institute of Certified Public Accountants for Accounting and Review services.

My compilation was limited to presenting in the form prescribed by the Mississippi State Department of Audit information that is the representation of the town officials. I have not audited or reviewed the accompanying statement and accordingly, do not express an opinion or any other form of assurance on them.

This statement is represented in accordance with the requirements of the office of the state auditor, which differs from generally accepted accounting principles. Accordingly, these statements are not designed for those who are not informed about such differences.


Jimmy Shaffer
Public Accountant
November 5, 2007

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, 2007 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>
Merchants & Farmers	General	4,424
Merchants & Farmers	General CD	<u>44,051</u>
Total General Fund		48,475
Merchants & Farmers	Enterprise	25,059
Merchants & Farmers	Enterprise	504
Merchants & Farmers	Enterprise	69,375
Merchants & Farmers	Enterprise CD	246,189
Merchants & Farmers	Grant Fund	<u>1,913</u>
Total Enterprise		343,040

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 \$4,021

Taxes collected were made by the county tax collector and paid to the town less collection fee.

The distribution of taxes to fund was found to be in accordance with prescribed tax levies and uncollected taxes were determined to be properly handled.

- 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	313
Grand Gulf tax allocation	General	790
Sales tax allocation	General	9,847
Municipal relieving fund	General	59
Homestead exemption refund	General	580
Fire Protection	General	539

- 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	6	Dollar Amount of Samples	24,440
--------------	---	--------------------------	--------

- 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 114.

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, 2007.

Jimmy Shaffer
Public Accountant
November 5, 2007

TOWN OF SALLIS
COMBINED STATEMENT OF RECEIPTS & DISBURSEMENTS ALL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007

	General <u>Fund</u>	Enterprise <u>Fund</u>	Totals Sept. 30, <u>2006</u>	Totals Sept. 30, <u>2007</u>
Revenue Receipts:				
General property taxes	4,022		2,646	4,022
Franchise taxes	1,810		2,295	1,810
Homestead exemption	580		548	580
General municipal aid	59		59	59
State shared revenue:				
Sales tax	9,847		8,961	9,847
Motor vehicles	4,033		3,372	4,033
Gasoline tax	314		314	314
Fire protection	540		580	540
Grand Gulf tax	790		781	790
Other	0		0	0
Charges for services:				
Rent	0		0	0
Water & sewer utility	0	364,472	266,127	364,472
Total Revenue Receipts	21,995	364,472	285,683	386,467
Other Receipts:				
Insurance proceeds	0	0	0	0
Interest	2,243	7,469	7,185	9,712
Grant Proceeds	0	231,146	0	231,146
Total Other Receipts	2,243	238,615	7,185	240,858
Total Receipts	24,238	603,087	292,868	627,325
Cash Balance - Beginning of Year	58,761	242,564	259,661	301,325
Total Amount to Account For	82,999	845,651	552,529	928,650
Operating Disbursements				
General government	7,887	0	7,780	7,887
Public works	26,638	0	4,161	26,638
Enterprise:				
Water & Sewer utility	0	251,570	217,455	251,570
Total Operating Disbursements	34,525	251,570	229,396	286,095
Other Disbursements				
Equipment	0	229,232	0	229,232
Debt retirement	0	21,808	21,808	21,808
Total Other Disbursements	0	251,040	21,808	251,040
Total Disbursements	34,525	502,610	251,204	537,135
Cash Balance - End of Year	48,474	343,041	301,325	391,515
Total Amount Accounted For	82,999	845,651	552,529	928,650

TOWN OF SALLIS, MISSISSIPPI
NOTES TO FINANCIAL STATEMENT
SEPTEMBER 30, 2007

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, 2007

Note 2: Long Term Debt:

A summary of long term debt, all of which is payable to USDA Rural Development, follows:

	<u>2006</u>	<u>Issued</u>	<u>Redeemed</u>	<u>2007</u>
5% note payable in annual installments of \$5,652, through January 2008	8,730		5,175	3,555
5% note payable in annual installments of \$1,108 through January 2008	2,196		988	1,208
5% note payable in monthly installments of \$1,254 through April 2015	<u>92,085</u>		<u>10,687</u>	<u>81,398</u>
	103,011		16,850	86,161
Less Current Portion	<u>25,000</u>			<u>25,000</u>
Long Term Debt Excluding Current Portion	<u>78,011</u>			<u>61,161</u>

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

TOWN OF SALLIS
SCHEDULE OF SURETY BONDS
SEPTEMBER 30, 2007

<u>Position</u>	<u>Company</u>	<u>Amount</u>
Mayor	U S F & G	\$180,000
Town Clerk	U S F & G	\$ 50,000

JIMMY SHAFFER
Public Accountant
118 West North Street
Kosciusko, Mississippi 39090

INDEPENDENT AUDITOR'S REPORT

To the Board of Alderman
Town of Sallis, Mississippi

I have examined the accompanying statement of cash receipts and disbursements of the CDBG Fund of the Town of Sallis, Mississippi for the year ended September 30, 2007. This general-purpose financial statement is the responsibility of the Town of Sallis, Mississippi, management.

I conducted my examination in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An exam includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. My exam also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation.

The general purpose financial statement referred to in the first paragraph present fairly, in all material respects, the results of operations of the Town of Sallis, Mississippi, CDBG Fund, for the year ended September 30, 2007 in conformity with generally accepted accounting principles.

Jimmy Shaffer
Public Accountant
November 5, 2007

TOWN OF SALLIS, MISSISSIPPI
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED SEPTEMBER 30, 2007

Federal Grantor/ Pass-through Grantor/ Program Title	Catalog of Federal Domestic		Pass-through Program Amount	Federal Revenue	Expenditures
	Assistance Number	Number			
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	1122-05-324-PF01	299,896	231,145	229,232
Supplement Grant		1117-00-324-PF05	94,482	-	-