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TOWN OF SALLIS

JACK ABLES, MAYOR
P. O. Box 73
Sallis, Mississippi 39160

Aldermen

Gloria Bordelon
Kelly Hutchison
Linda Hutchison
George McLellan
John Roby

12/09/09


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

Re: Annual Municipal Audit

Department of Technical Assistance

Accompanying this letter is a copy of the annual compilation of the Town of Sallis, Mississippi, for the fiscal year ending September 30, 2009. A separate management letter was not written to the town in connection with this audit.

Sincerely,


Jack Ables
Mayor

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DEC 16 2009
STATE AUDITOR'S OFFICE

TOWN OF SALLIS
FINANCIAL STATEMENTS
September 30, 2009

RECEIVED
DEC 16 2009
STATE AUDITOR'S OFFICE

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

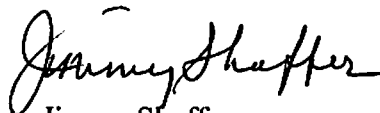
Accountant's Compilation Report

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, 2009 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 12, 2009

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, 2009 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	28,458
Merchants & Farmers	General CD	<u>57,612</u>
Total General Fund		86,070
Merchants & Farmers	Enterprise	35,520
Merchants & Farmers	Enterprise	506
Merchants & Farmers	Enterprise	50,279
Merchants & Farmers	Enterprise CD	319,413
Merchants & Farmers	Grant Fund	<u>-</u>
Total Enterprise		405,718

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 \$5,803

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	788
Sales tax allocation	General	17,917
Municipal relieving fund	General	59
Homestead exemption refund	General	652
Fire Protection	General	602

- 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	5	Dollar Amount of Samples	1,674
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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 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, 2009.

Jimmy Shaffer
Public Accountant
November 12, 2009

TOWN OF SALLIS
COMBINED STATEMENT OF RECEIPTS & DISBURSEMENTS ALL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

	General <u>Fund</u>	Enterprise <u>Fund</u>	Totals Sept. 30, <u>2008</u>	Totals Sept. 30, <u>2009</u>
Revenue Receipts:				
General property taxes	5,803		4,668	5,803
Franchise taxes	2,281		1,799	2,281
Homestead exemption	652		615	652
General municipal aid	59		59	59
State shared revenue:				
Sales tax	17,917		12,519	17,917
Motor vehicles	4,203		3,721	4,203
Gasoline tax	313		313	313
Fire protection	602		591	602
Grand Gulf tax	788		826	788
Other	0		0	0
Charges for services:				
Rent	0		0	0
Water & sewer utility	0	354,106	342,638	354,106
Total Revenue Receipts	32,618	354,106	367,749	386,724
Other Receipts:				
Interest	1,723	12,366	13,412	14,089
Grant Proceeds	0	0	154,897	0
Total Other Receipts	1,723	12,366	168,309	14,089
Total Receipts	34,341	366,472	536,058	400,813
Cash Balance - Beginning of Year	62,758	412,108	391,515	474,866
Total Amount to Account For	97,099	778,580	927,573	875,679
Operating Disbursements				
General government	8,531	0	9,100	8,531
Public works	2,498	0	3,565	2,498
Enterprise:				
Water & Sewer utility	0	257,718	261,423	257,718
Total Operating Disbursements	11,029	257,718	274,088	268,747
Other Disbursements				
Equipment	0	103,242	156,811	103,242
Debt retirement	0	11,902	21,808	11,902
Total Other Disbursements	0	115,144	178,619	115,144
Total Disbursements	11,029	372,862	452,707	383,891
Cash Balance - End of Year	86,070	405,718	474,866	491,788
Total Amount Accounted For	97,099	778,580	927,573	875,679

TOWN OF SALLIS, MISSISSIPPI
NOTES TO FINANCIAL STATEMENT
SEPTEMBER 30, 2009

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, 2009

Note 2: Long Term Debt:

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

	<u>2008</u>	<u>Issued</u>	<u>Redeemed</u>	<u>2009</u>
5% note payable in monthly installments of \$1,254 through April 2015	<u>68,339</u>		<u>11,902</u>	<u>56,437</u>
	68,339		11,902	56,437
Less Current Portion	<u>25,000</u>			<u>10,000</u>
Long Term Debt Excluding Current Portion	<u>43,339</u>			<u>46,437</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, 2009

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