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TOWN OF DECATUR, MISSISSIPPI
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

TONY CHANCE & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
514-A AIRPORT ROAD
FOREST, MISSISSIPPI 39074

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**TOWN OF DECATUR, MISSISSIPPI
AUDITED FINANCIAL STATEMENTS
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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Board of Aldermen
Town of Decatur, Mississippi

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Decatur, Mississippi as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Decatur, Mississippi as of September 30, 2015 and the respective changes in cash thereof, for the year then ended in accordance with the basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Disclaimer of Opinion on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Decatur, Mississippi's basic financial statements. The management's discussion and analysis and budgetary comparison information on pages 5 through 12 and 30 through 31 which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.



Tony Chance & Company
Forest, Mississippi
January 5, 2016

**TOWN OF DECATUR, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

The Discussion and Analysis of the Town of Decatur's financial performance on a cash basis provides an overall review of the Town's financial activities for the year ended September 30, 2015. The intent of this discussion and analysis is to look at the Town's performance as a whole. Information contained in this section is qualified by the more detailed information contained elsewhere in the Town's financial statements, notes to the financial statements and any accompanying materials. To the extent this discussion contains any forward-looking statements of the Town's plans, objectives, expectations and prospects, the actual results could differ materially from those discussed herein.

This discussion and analysis is in a format consistent with the presentation requirements of the Governmental Accounting Standards Board's (GASB) Statement No. 34 – *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* issued June, 1999.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2015 were as follows:

- The Town's net cash increased by \$360,620, or 44% from 2014.
- Total net assets are comprised of the following:
 - (1) Cash in banks of \$1,182,052.
 - (2) Cash of \$586,285 is restricted, committed and assigned by constraints imposed from outside the Town such as debt covenants, grantors, laws, or regulations.
 - (3) Unrestricted net assets of \$595,767 represent the portion available to maintain the Town's continuing obligations to citizens and creditors.
- The Town had \$1,923,680 in total revenue. General revenues account for \$640,970, or 33% of all revenues. Program specific revenues in the form of charges for services and grants account for \$1,282,761 or 67% of total revenues.
- The Town had \$1,563,060 in expenses; 19% or \$686,852 of these expenses were covered by program specific charges for services; \$595,091 of expenses were covered by grants, and the balance of \$280,299 was covered by general revenues of the Town.
- Among major funds, the General Fund had \$778,785 in revenue and \$705,053 in expenditures. The General Fund's cash balance increased \$73,732 over the prior year.
- The Proprietary fund had \$468,607 in revenue and \$384,450 in expenditures. The Proprietary fund's balance increased \$84,157 over the prior year.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements are comprised of three components: 1) government-wide financial statement, 2) fund financial statement, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The statement of activities and net assets presents information on the Town's cash position, with the difference in year end balances reported as net assets – cash basis. Over time, increases or decreases in cash assets may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement is prepared using the cash basis of accounting where revenues are reported when received and expenses are reported when paid. The statement of activities and net assets presents information showing how the Town's cash position changed during the most recent fiscal year.

The government-wide financial statement outlines functions of the Town that are principally supported by property taxes and intergovernmental revenues (governmental activities) and water and sewer charges (proprietary activities). The governmental activities of the Town include general government, public safety, streets and sanitation, culture and recreation, and economic development.

The government-wide financial statement can be found on pages 14 and 15 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the Town can be divided into three categories: governmental, proprietary, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statement. Governmental Funds are reported using the cash method of accounting. The Governmental Funds Statement provides a detailed short-term view of the Town's operations.

The basic governmental fund financial statement can be found on pages 17 to 18 of this report.

Proprietary funds. The Town of Decatur maintains one type of proprietary fund, the water and sewer fund. The water and sewer fund is used to report the same functions presented as business-type activities in the government-wide financial statement.

Proprietary funds provide the same type of information as the government-wide financial statement, only in more detail.

The basic proprietary fund financial statement can be found on pages 17 through 18 of this report.

Fiduciary funds. The Town's fiduciary fund includes payroll clearing accounts. The fiduciary fund financial statement reports resources that are not available to fund the Town programs. The fiduciary fund financial statement is reported similarly to proprietary funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19 through 27 of this report.

Required supplementary information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's budget process.

The Town adopts an annual operating budget for all governmental funds and proprietary funds. Budgetary comparison statements have been provided for the General Fund and the Enterprise Fund. This required supplementary information can be found on pages 29 through 35 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

One of the most important questions to ask about the Town of Decatur's finances is, "Has the Town's cash increased or decreased as a result of the year's activities?" The Statement of Activities and Net Assets reports information about the Town as a whole and about its activities in a way that helps answer this question. This statement includes all the activities resulting from the use of the cash basis of accounting.

Net assets. The Town's combined net assets, on the cash basis of accounting, increased from \$821,431 to \$1,182,052 between fiscal years 2014 and 2015.

The Town's cash position is a product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and the disposal of capital assets.

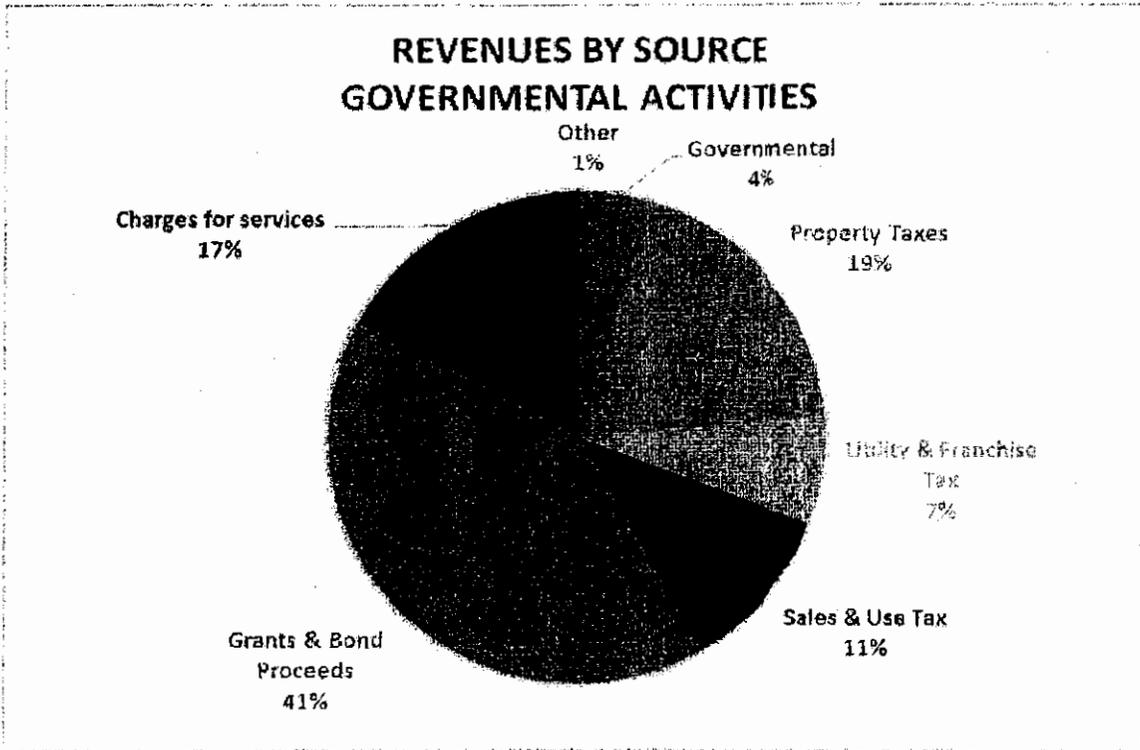
The following table reflects condensed information on the Town's cash assets:

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Net Assets:						
Cash and cash equivalents:						
Restricted, committed or assigned	\$408,320	\$205,587	\$177,965	\$172,530	\$ 586,285	\$378,117
Unrestricted	485,173	397,946	110,594	45,368	595,767	443,314
Total Net Assets	\$893,493	\$603,533	\$288,559	\$217,898	\$1,182,052	\$821,431

Changes in net assets. The Town's total revenues and expenses for governmental and business-type activities are reflected in the following table:

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Program Revenues:						
Charges for services	\$250,807	\$219,954	\$ 436,045	\$ 429,560	\$686,852	\$649,514
Capital grants	345,909	-	-	127,515	345,909	127,515
Bond Proceeds	250,000	110,000	-	-	250,000	110,000
General Revenues:						
Sales and gasoline taxes	161,555	158,248	-	1,676	161,555	159,924
Property taxes	281,128	245,166	-	-	281,128	245,166
Franchise taxes	103,115	103,716	-	-	103,115	103,716
Intergovernmental	53,816	53,132	-	-	53,816	53,132
Insurance proceeds	-	-	15,439	5,300	15,439	5,300
Sale of assets	13,760	22,554	-	-	13,760	22,554
Other	8,480	9,196	3,627	3,615	12,107	12,811
Total Revenues	\$1,468,570	\$ 921,966	\$455,111	\$ 567,666	\$1,923,680	\$1,489,632
Program Expenses:						
General Government	\$134,439	\$124,004	\$ -	\$ -	\$134,439	\$124,004
Public Safety	330,135	352,054	-	-	330,135	352,054
Streets and Sanitation	185,899	178,050	-	-	185,899	178,050
Culture and Recreation	6,460	8,690	-	-	6,460	8,690
Water and Sewer	-	-	342,038	354,818	342,038	354,818
Interest expense	7,612	8,134	-	-	7,612	8,134
Capital Outlay	467,860	133,346	25,353	159,808	493,213	293,154
Debt principal payments	46,205	40,877	17,059	16,207	63,264	57,084
Total Expenses	\$ 1,178,610	\$ 845,155	\$384,450	\$530,833	\$1,563,060	\$1,375,988
Increase in Net Assets	\$ 289,960	\$ 76,811	\$ 70,661	\$ 36,833	\$ 360,621	\$ 113,644

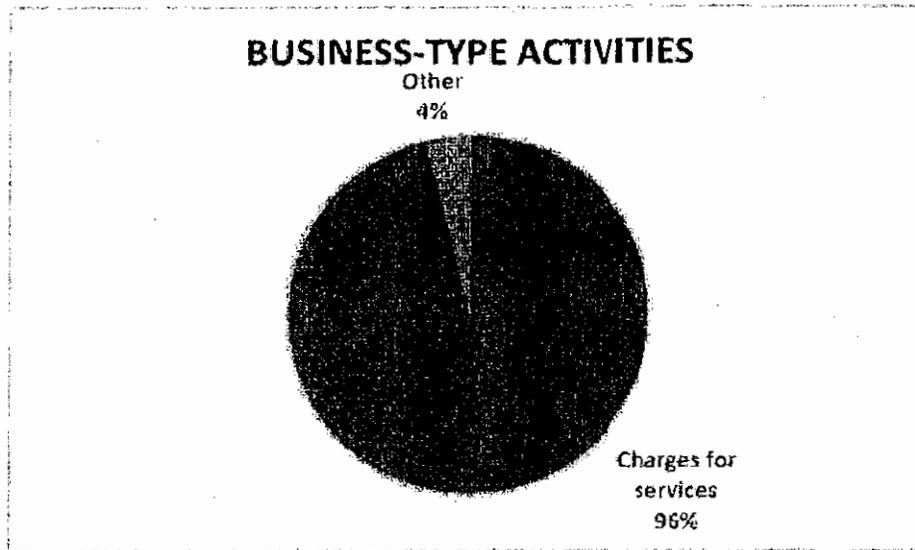
Governmental activities. Revenues for the Town's governmental activities for the year ended September 30, 2015 were \$1,468,570 compared to \$921,966 in 2014. Revenues increased \$546,603, mostly due to capital grants, charges for services, and property taxes.



The cost of providing all governmental activities this year was \$1,178,610, an increase of \$333,455 from the prior year. Of this amount, general government expenses increased \$10,435; public safety expenses decreased \$21,919; streets and sanitation expenses increased \$7,849; culture and recreation expenses decreased \$2,230. In addition, the Town had note payments of \$53,817, and an increase in capital expenditures of \$334,514.

The Town's largest programs are public safety and streets and sanitation. Expenses exceeding revenues are offset by general revenues generated by taxes, investment income and other general revenues.

Business-type activities: Revenues for business-type activities are, for the most part, comprised of charges for services. Charges for services for the Town's business-type activities were \$436,045 for 2015, an increase of \$6,485 from 2014.



The cost of these business-type activities was \$384,450 for 2015, a decrease of \$146,383 from 2014 primarily due to capital outlay.

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FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Town's governmental funds is to provide information on current inflows, outflows and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Town's net resources available for spending at the end of the fiscal year.

The financial performance of the Town as a whole is reflected in its governmental funds. As the Town completed the year, its governmental funds reported a combined fund balance of \$893,491, an increase of \$289,960. \$485,173 or 54% of the fund balance constitutes unassigned fund balance, which is available for spending at the Town's discretion. The remaining fund balance of \$408,320 or 46% is not available for spending because it has already been restricted, committed or assigned.

BUDGETARY HIGHLIGHTS

The Town's budget is prepared according to Mississippi law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

Over the course of the year, the Town revised the annual operating budget. Schedules showing the final budget amounts compared to the Town's actual financial activity for the General Fund and the Enterprise Fund are provided in this report as required supplementary information.

CAPITAL ASSETS AND DEBT ADMINISTRATION

As of September 30, 2015, the Town's total capital assets were \$7,698,816, including land, city buildings, infrastructure, vehicles, and furniture and equipment. This amount represents an increase of \$493,213 from the previous year.

Additional information on the Town's capital assets can be found in the Schedule of Capital Assets on page 34 of this report.

Debt Administration. At September 30, 2015, the Town's long-term debt was \$1,125,836. The Town borrowed \$250,000 through a general obligation bond issue and repaid principal of \$63,264 on existing loans.

Additional information on the Town's long-term debt can be found in Schedule of Long-Term Debt on page 35 of this report.

CURRENT ISSUES

- a) In April, 2014, the Town sustained a tornado which resulted in the Town receiving \$65,461 on December 11, 2014, in FEMA (Federal Emergency Management Agency) funds to repair Country Club Road and Spencer Road, a lift station, and a truck. The project is expected to be completed in fiscal year 2016.
- b) The Town received a Local Public Agency grant through the Mississippi Department of Transportation for \$360,000 with 20% matching by the Town. On January 7, 2014, the Town received a \$110,000 general obligation bond issue to fund the Town's portion. Project was completed June, 2015; some outstanding reimbursement funds are still to be received by Town.
- c) On April 20, 2015, the Town received \$250,000 in a general obligation bond issue for street improvements. The bonds mature April 7, 2020, at 2.2% with interest and principal paid annually.

The Town increased its millage rate on property taxes from 35 mills to 38 mills to cover the debt of the bonds, effective January 1, 2015.

- d) The Town has applied for a Community Development Block Grant for \$450,000, for a water line replacement project and installation of valves to improve Town portable water reliability. The project is expected to be completed by September 30, 2016.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of the Town of Decatur's finances and to show the Town's accountability for the money it receives. Interested parties may direct questions to or request additional financial information from the Mayor's Office of the Town of Decatur, 66 7th Street, Decatur, MS 39327.

GOVERNMENT-WIDE FINANCIAL STATEMENT

TOWN OF DECATUR, MISSISSIPPI
STATEMENT OF ACTIVITIES AND NET ASSETS-CASH BASIS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2015

Function/Programs	Program Cash Receipts			Changes in Net Assets		
	Cash Disbursements	Charges for Services	Capital Grants/ Bond Proceeds	Governmental Activities	Business-type Activities	Total
PRIMARY GOVERNMENT						
Governmental activities:						
General government	\$ 134,439	\$ -	\$ -	(134,439)	\$ -	\$ (134,439)
Public safety	330,135	118,720	-	(211,415)	-	(211,415)
Culture and recreation	6,460	4,025	-	(2,435)	-	(2,435)
Streets and sanitation	185,899	128,062	-	(57,837)	-	(57,837)
Interest expense	7,612	-	-	(7,612)	-	(7,612)
Debt principal payments	46,205	-	-	(46,205)	-	(46,205)
Bond Proceeds	-	-	250,000	250,000	-	250,000
Capital Outlay	467,860	-	345,909	(121,951)	-	(121,951)
Total governmental activities	1,178,610	250,807	595,909	(331,894)	-	(331,894)
Business-type activities:						
Water and sewer	342,038	436,045	-	-	94,007	94,007
Capital Outlay	25,353	-	-	-	(25,353)	(25,353)
Debt principal payments	17,059	-	-	-	(17,059)	(17,059)
Total business-type activities	384,450	436,045	-	-	51,595	51,595
Total Primary Government	\$ 1,563,060	\$ 686,852	\$ 595,909	(331,894)	51,595	(280,299)
General Receipts:						
Taxes:						
Ad valorem				281,128	-	281,128
Sales and gasoline taxes				161,555	-	161,555
Franchises taxes, licenses, permits				103,115	-	103,115
Intergovernmental				53,816	-	53,816
Sale of assets				13,760	-	13,760
Insurance proceeds				-	15,439	15,439
Donations				1,131	-	1,131
Interest income				1,516	545	2,061
Miscellaneous				5,833	3,082	8,915
Total General receipts				621,854	19,066	640,920
Changes in Net Assets				289,960	70,661	360,621
Net Assets at Beginning of Year				603,533	217,898	821,431
Net Assets at End of Year				\$ 893,493	\$ 288,559	\$ 1,182,052

**TOWN OF DECATUR, MISSISSIPPI
STATEMENT OF ACTIVITIES AND NET ASSETS-CASH BASIS
AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2015**

Function/Programs (Continued)	Cash Disbursements	Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Assets		
		Charges for Services	Capital Grants	Governmental Activities	Business-type Activities	Total
Assets						
Cash and cash equivalents				\$ 857,475	\$ 324,577	\$ 1,182,052
Due (to) from other funds				36,018	(36,018)	-
				<u>\$ 893,493</u>	<u>\$ 288,559</u>	<u>\$ 1,182,052</u>
Net Assets						
Restricted for debt service				\$ -	\$ 46,268	\$ 46,268
Restricted for fire prevention				55,936	-	55,936
Restricted for meter deposits				-	36,894	36,894
Restricted for street improvements				279,656	-	279,656
Committed for lagoon				-	94,803	94,803
Assigned for fire protection				28,256	-	28,256
Assigned for cemetery				39,068	-	39,068
Assigned for police				5,404	-	5,404
Unassigned				485,173	110,594	595,767
				<u>\$ 893,493</u>	<u>\$ 288,559</u>	<u>\$ 1,182,052</u>

The accompanying notes are an integral part of this statement

FUND FINANCIAL STATEMENT

Town of Decatur, Mississippi
Statement of Cash Receipts and Disbursements
Governmental and Business-type Activities
For the year ended September 30, 2015

	Governmental Funds					Total
	General Fund	Special Revenue Funds	Capital Projects Fund	Proprietary Fund	Fiduciary Fund	
RECEIPTS:						
Taxes:						
General property taxes	\$ 232,735	\$ -	\$ 21,103	\$ -	\$ -	\$ 253,838
Road and bridge taxes	26,190	-	-	-	-	26,190
Penalties and interest on delinquent taxes	1,099	-	-	-	-	1,099
Licenses and permits:						
Privilege licenses	2,463	-	-	-	-	2,463
Franchise charges-utilities	100,652	-	-	-	-	100,652
Intergovernmental revenues:						
Federal receipts:						
JAG-Firewise Grant	2,405	-	-	-	-	2,405
JAG-Police Grant	1,685	-	-	-	-	1,685
FEMA Grant	-	-	65,461	-	-	65,461
MEMA Grant	-	-	11,676	-	-	11,676
LPA Grant	-	-	268,772	-	-	268,772
General municipal aid:						
State of Mississippi	918	-	-	-	-	918
Newton County	-	13,903	-	-	-	13,903
State shared revenues:						
Sales taxes	155,917	-	-	-	-	155,917
Gasoline taxes	5,638	-	-	-	-	5,638
Fire protection	-	10,017	-	-	-	10,017
Homestead reimbursement	24,888	-	-	-	-	24,888
Charges for services:						
Sanitation	93,184	-	34,878	-	-	128,062
Water and sewer utility	-	-	-	436,045	-	436,045
Cemetery	-	4,025	-	-	-	4,025
Fines and forfeits	118,720	-	-	-	-	118,720
Interest income	857	311	348	545	14	2,075
Donations	-	1,131	-	-	-	1,131
Culture and recreation	-	-	-	-	-	-
Miscellaneous	3,711	-	2,125	-	-	8,160
Total Receipts	771,062	29,387	404,363	438,914	14	1,643,740

Town of Decatur, Mississippi
Statement of Cash Receipts and Disbursements
Governmental and Business-type Activities
For the year ended September 30, 2015

	Governmental Funds					Fiduciary Fund	Total
	General Fund	Special Revenue Fund	Capital Projects Fund	Proprietary Fund	Fiduciary Fund		
DISBURSEMENTS:							
General government	134,439	-	-	-	-	-	134,439
Public safety:							
Police	308,817	-	-	-	-	-	308,817
Fire	-	21,319	-	-	-	-	21,319
Culture and recreation	-	6,460	-	-	-	-	6,460
Streets and sanitation	185,899	-	-	-	-	-	185,899
Water and sewer	-	-	-	319,421	-	-	319,421
Interest expense	7,612	-	-	22,617	-	-	30,229
Total Disbursements	636,767	27,779	-	342,038	-	-	1,006,584

Excess of receipts over disbursements	134,295	1,608	404,363	96,876	14	637,156
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OTHER FINANCING USES:

Sale of assets	-	-	13,760	-	-	13,760
Insurance Proceeds	-	-	-	15,439	-	15,439
Bond proceeds	-	-	250,000	-	-	250,000
Capital outlay	(5,854)	(7,250)	(454,757)	(25,353)	-	(493,214)
Notes repaid	(43,205)	-	(3,000)	(17,059)	-	(63,264)
Due to (from) other funds	7,723	-	(21,219)	13,496	-	-
Transfers in (out) to other funds	(19,227)	18,500	727	-	-	-
Other	-	-	-	758	-	758
Total Other Financing Uses	(60,563)	11,250	(214,489)	(12,719)	-	(276,521)

Excess of receipts over disbursements and other financing uses

	73,732	12,858	189,874	84,157	14	360,635
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**CASH BASIS FUND BALANCE-
BEGINNING OF YEAR**

	375,426	110,399	95,186	240,420	6,931	828,362
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**CASH BASIS FUND BALANCE-
END OF YEAR**

	\$ 449,158	\$ 123,257	\$ 285,060	\$ 324,577	\$ 6,945	\$ 1,188,997
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The accompanying notes are an integral part of this financial statement

TOWN OF DECATUR, MISSISSIPPI
Notes to Financial Statements
Year Ended September 30, 2015

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The Town of Decatur, Mississippi, was incorporated in 1912. The Town operates under the mayor/board of aldermen form of government and provides services as authorized by law.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Activities and Net Assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Town combines the Statement of Activities and Statement of Net Assets.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct disbursements* are those that are clearly identifiable with a specific function or segment. *Program receipts* include (1) receipts from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program receipts are reported instead as *general receipts*.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when collected and disbursements are recorded when cash is spent.

Governmental fund financial statements are reported using the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when collected and disbursements are recorded when cash is spent

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Fund Accounting

The accounts of the Town are organized on the basis of funds, each of which is a separate accounting entity. The Town reports the following funds:

GOVERNMENTAL FUNDS

General Fund - 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.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted for specific expenditure purposes.

Capital Projects Funds - Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by propriety funds or for assets that will be held in trust for individuals, private organizations, or other governments.

PROPRIETARY FUND

Enterprise Fund - The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs and expenses of providing water and sewer services to the general public on a continuing basis be financed or recovered primarily through user charges.

FIDUCIARY FUNDS

Fiduciary Funds - Fiduciary Funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations and/or other funds. These funds are custodial in nature and do not involve measurement of results of operations.

E. Account Classifications

Receipts and disbursements were classified according to requirements for small towns in the State of Mississippi as prescribed by the Office of the State Auditor.

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

F. Cash and Cash Equivalents

The carrying amount of the Town's deposits with financial institutions at September 30, 2015, was \$1,182,051. The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Depository Insurance Corporation.

Custodial Credit Risk – Deposits and Investments: Custodial credit risk is defined as the risk that, in the event of a failure of a financial institution, the Town will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Town does not have a formal policy for custodial credit risk. However, the Mississippi State Treasury manages the risk on behalf of the Town. Deposits above FDIC coverage are collateralized by the pledging financial institution trust department or agent in the name of the Mississippi State Treasurer on the behalf of the City. As of September 30, 2015, none of the Town's bank balance of \$1,182,052 was exposed to custodial risk.

Interest Rate Risk: The Town does not have a formal investment policy that limits investments maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk: State law limits investments to those prescribed in Sections 27-105-33(d) and 27-105-33(e) Miss Code Ann. (1972). The Town does not have a formal investment policy that would further limit its investment choices of one that addresses credit risk.

G. Net Assets

In accordance with Government Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, the City classifies governmental fund balances or net assets as follows:

Non-spendable – Includes fund balance amounts that cannot be spent either because they are not in spendable form or because of legal or contractual constraints. The Town has no fund balance reported in this category.

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Restricted – Includes fund balance amounts that are constrained for specific purposes which are internally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation. The Town has \$418,754 reported as restricted fund balances.

Committed – Includes fund balance amounts that are constrained for specific purposes which are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end. The Town has \$94,803 reported as committed fund balances.

Assigned – Includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by management other than the highest decision making authority of the Town. The Town has \$72,728 reported as assigned fund balances.

Unassigned. – Includes fund balances which have not been classified within the above mentioned categories. The Town has \$595,767 reported as unassigned fund balances.

The Town uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balances are available, unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the Town would first use committed, then assigned, and lastly, unassigned amounts of unrestricted fund balance when expenditures are made.

H. Compensated Absences

Employees of the Town accumulate sick leave at a minimum amount as required by state law or at an amount provided by policy of the Town. Employees are allowed vacation leave, but vacation time is generally required to be used within one year of accrual. The Town does not provide for payment of accumulated sick leave, but up to 10 days of accumulated vacation will be paid if requested by the employee.

I. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. All unpaid taxes become delinquent February 1. For a fee Newton County bills and collects all the property taxes of the Town. Town property tax revenues are recognized when collected. The millage rate for the Town for January through December, 2014, was 35.00 mills. The millage increased to 38.00 mills, effective January 1, 2015, to pay bond principal and interest.

The taxes were distributed to funds in accordance with prescribed tax levies. A tax sale was held for uncollected taxes. Remaining uncollected taxes were not accrued.

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Ad valorem tax collections were within the limitations of Section 27-39-320 to 27-39-323 as follows:

\$ 243,845	Base 2013-2014	\$ 237,822	Taxes collected 2014-2015
<u>24,385</u>	10% Increase	<u>24,888</u>	Homestead Exemption Reimbursements
		262,710	Total Collections
		<u>55,520</u>	Under Limitations
<u>\$ 268,230</u>	Total	<u>\$ 268,230</u>	Total

J. Economic Dependency

Two heavy water users of the Water and Sewer Enterprise Fund accounted for 12% of gross revenue.

K. Budgetary and Budgetary Accounting

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to September 1, the Mayor submits to the Board of Aldermen a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. During September, the budget must be published in a newspaper published in the town (or the county if none is published by the town).
3. Prior to the adoption of the budget, at least one public hearing is held by the Board of Aldermen to provide the general public with an opportunity to comment on the taxing and spending plan incorporated in the proposed budget. The public hearing must be held at least one week prior to the adoption of the budget with advance notice and held outside normal working hours.
4. Prior to September 15, the budget is legally enacted through passage of an ordinance.

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

5. Routine budget revisions may be made by the Board as often as necessary. However, when a department's total budget has been revised up or down by ten percent (10%) or more, public notice must be given of the change. Also, during the first three months of office, while operating under the prior Board's budget, the new Board is limited to one revision if a deficit is evident.
6. It is the Town's policy for the Board to approve all budget transfers between departments and/or funds.
7. Formal budgetary integration is employed as a management control device during the year for the various funds. Budgeting data presented is as originally adopted or amended by the Board of Aldermen.
8. Budgets for the various funds are not adopted on a basis consistent with generally accepted accounting principles (GAAP) but rather on a cash basis as required by State statutes.

L. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

M. Comparative Data

Comparative data have not been presented in all statements because their inclusion would make statements unduly complex and difficult to understand.

Note 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents

The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Depository Insurance Corporation.

Note 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS - Continued

The carrying amount of the Town's deposits with financial institutions was \$1,182,052.

Investments

Investments made by the Town that are included on the statement of activities and net assets are summarized below. The investments that are represented by specific identifiable investment securities are classified as to credit risk by the categories described below:

Category 1 - Insured or registered for which the securities are held by the Town or its agent in the Town's name.

Category 2 - Uninsured and unregistered for which the securities are held by the broker or dealer's trust department or agent in the Town's name.

Category 3 - Uninsured and unregistered for which the securities are held by the broker or dealer, or by its trust department or agent but not in the Town's name.

<u>Investment Type</u>	<u>Category</u>			<u>Carrying Amount</u>	<u>Market Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
Certificates of Deposit	\$ 36,017	\$ -	\$ -	\$ 30,187	\$ 30,187

Note 3. INTERFUND BALANCES AND TRANSFERS

Individual fund interfund receivable and payable balances are presented as of September 30, 2014, as follows:

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 36,018	\$ -
Water and Sewer Fund	-	36,018
	<u>\$ 36,018</u>	<u>\$ 36,018</u>

Individual fund interfund transfers are presented as of September 30, 2015, as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ -	\$ 19,227
Special Revenue Fund	18,500	-
Capital Project Fund	727	-
	<u>\$ 19,227</u>	<u>\$ 19,227</u>

Note 4. DEFINED BENEFIT PENSION PLAN

Plan Description. The Town contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state law and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Public Employees' Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling 601 359-3589 or 1-800-444-PERS.

Funding Policy. PERS members were required to contribute a percentage of their annual covered salary and the Town is required to contribute at an actuarially determined rate. The current year employee rate was 9% of annual covered payroll. The employer's rate was 15.75% of annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The Town's contributions to PERS for the fiscal year ending September 30, 2015, was \$57,618, which equaled the required contributions for the year.

Note 5. RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Except as described below, the Town carries commercial insurance for these risks. Settled claims resulting from these insured risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Participation in Public Entity Risk Pool:

The Town participates in the Mississippi Municipal Liability Plan (MMLD), an insurance-purchasing pool. The Town, along with other municipalities as a group, purchased insurance to insure against losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. Settled claims resulting from these insured risks have not exceeded the Town's insurance coverage since it joined the pool.

The Town is a member of the Mississippi Municipal Workers Compensation Group (MMWCG). The group is a risk-sharing pool, frequently referred to as a self-insurance pool. MMWCG covers risks of loss arising from injuries to the Town's employees. The Mississippi Workers' Compensation Commission requires that an indemnity agreement be executed by each member in a workers' compensation self-insurance pool for the purpose of jointly and severally binding the pool and each of the employers comprising the group to meet the workers' compensation obligations of each member.

Note 5. RISK MANAGEMENT - Continued

The Town's agreement with the two entities provides that the entities will be self-sustaining through premiums and will provide \$500,000 per occurrence coverage for lost liability under automobile and general liability and \$1,000,000 statutory workers' compensation protection.

Note 6. SUBSEQUENT EVENTS

- a) In April, 2014, the Town sustained a tornado which resulted in the Town receiving \$65,461 on December 11, 2014, in FEMA (Federal Emergency Management Agency) funds to repair Country Club Road and Spencer Road, a lift station, and a truck. The project is expected to be completed in fiscal year 2016.
- b) The Town received a Local Public Agency grant through the Mississippi Department of Transportation for \$360,000 with 20% matching by the Town. On January 7, 2014, the Town received a \$110,000 general obligation bond issue to fund the Town's portion. Project was completed June, 2015; some outstanding reimbursement funds are still to be received by Town.
- c) On April 20, 2015, the Town received \$250,000 in a general obligation bond issue for street improvements. The bonds mature April 7, 2020, at 2.2% with interest and principal paid annually.

The Town increased its millage rate on property taxes from 35 mills to 38 mills to cover the debt of the bonds, effective January 1, 2015.

- d) The Town has applied for a Community Development Block Grant for \$450,000, for a water line replacement project and installation of valves to improve Town portable water reliability. The project is expected to be completed by September 30, 2016.
- e) Management has evaluated subsequent events through February 2, 2016, the date of which the financial statements were available to be issued.

Note 7. COMMITMENTS AND CONTINGENCIES

Grant Audit

The Town receives Federal grants for specific purposes that are subject to review and audit by Federal agencies. Such audits could result in a request for reimbursement by the Federal Government for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of the Town management, such disallowance, if any, will not be significant.

REQUIRED SUPPLEMENTARY INFORMATION

**TOWN OF DECATUR, MISSISSIPPI
BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Budget Amounts</u>		<u>Actual (Cash Basis)</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
General property taxes	220,952	220,952	233,834	12,882
Road and bridge taxes	25,892	25,892	26,190	298
Licenses and permits	1,500	1,500	2,463	963
Franchise taxes on utilities	95,000	95,000	100,652	5,652
State shared revenues:				
Municipal Aid	3,500	3,500	918	(2,582)
Sales tax	145,000	145,000	155,917	10,917
Gasoline tax	-	-	5,638	5,638
Homestead exemption	20,000	20,000	24,888	4,888
Street Improvement	50,000	50,000	-	(50,000)
Charges for services	83,500	83,500	93,184	9,684
Accident Reports	300	300	-	(300)
Fines and forfeits	82,500	82,500	118,720	36,220
Interest income	400	400	856	456
Other income	3,500	3,500	3,710	210
Due from other funds	-	-	7,724	7,724
Total Revenues	<u>732,044</u>	<u>732,044</u>	<u>774,694</u>	<u>42,650</u>
Disbursements:				
General Government	154,061	154,061	142,050	(12,011)
Public safety	311,270	311,410	308,817	(2,593)
Streets and sanitation	214,794	214,794	185,899	(28,895)
Capital outlay	17,000	17,000	5,854	(11,146)
Principal debt reduction	96,728	96,728	43,205	(53,523)
Transfers out	18,500	18,500	19,227	727
Total Disbursements	<u>812,353</u>	<u>812,493</u>	<u>705,052</u>	<u>(107,441)</u>
Net Change in Cash Balance	(80,309)	(80,449)	69,642	<u>150,091</u>
Cash Balance, October 1, 2014	<u>375,426</u>	<u>375,426</u>	<u>375,426</u>	
Cash Balance, September 30, 2015	<u>295,117</u>	<u>294,977</u>	<u>445,068</u>	

TOWN OF DECATUR, MISSISSIPPI

**Notes to the Required Supplementary Information
For the Year Ended September 30, 2015**

Note A - Budgetary Information

Generally, in the month of August, prior to the ensuing fiscal year beginning each October 1, the Board of Aldermen of the Town, using historical and anticipated fiscal data, prepares an original budget for the general fund for said fiscal year. The completed budget for the fiscal year includes every source of revenue, each general item of expenditure, and the unencumbered cash and investment balances. When during the fiscal year it appears to the Board of Aldermen that budgetary estimates will not be met, the Board may make revisions to the budget.

The Town's budget is prepared on the cash basis of accounting. All appropriations lapse at year-end, and there are no encumbrances to the budget because state law does not require that funds be available when goods or services are ordered, only when payment is made.

Note B - Basis of Presentation

The Budgetary Comparison Schedule - Budget and Actual presents the original adopted budget, the final adopted budget, actual amounts on a budgetary basis and variance between the final budget and the actual amounts. The schedule is presented for the General Fund.

Note C - Budget Reconciliation

As discussed in Note 1, the financial statements are prepared on the basis of cash receipts and disbursements which is the same as the basis used for budget preparation.

OTHER SUPPLEMENTAL INFORMATION

**TOWN OF DECATUR, MISSISSIPPI
 SCHEDULE OF INVESTMENTS - ALL FUNDS
 September 30, 2015**

<u>Ownership</u>	<u>Type of Investment</u>	<u>Interest Rate</u>	<u>Acquisition Date</u>	<u>Maturity Date</u>	<u>Other Information</u>	<u>Investment Cost/Value</u>
General Fund	Certificate of Deposit	0.15%	4/14/2015	12 Months	Citizens Bank	<u>\$ 30,187</u>
TOTAL INVESTMENTS						<u><u>\$ 30,187</u></u>

TOWN OF DECATUR, MISSISSIPPI
UNAUDITED SCHEDULE OF CAPITAL ASSETS
For the year ended September 30, 2015

	Balance, 9/30/2014	Additions	Retirements	Balance, 9/30/2015
Governmental Activities:				
Land	\$ 47,207	-	-	\$ 47,207
Infrastructure	1,223,939	458,811	-	1,682,750
Buildings	278,853	-	-	278,853
Machinery and equipment	483,286	9,049	3,500	488,835
Total Governmental activities capital assets	<u>2,033,285</u>	<u>467,860</u>	<u>3,500</u>	<u>2,497,645</u>
Proprietary Activities :				
Land	7,745	-	-	7,745
Water plant	2,957,530	-	-	2,957,530
Sewer plant	2,147,385	-	-	2,147,385
Buildings	8,412	-	-	8,412
Equipment	54,746	25,353	-	80,099
Total Proprietary-type capital assets	<u>5,175,818</u>	<u>25,353</u>	<u>-</u>	<u>5,201,171</u>
Overall Total	<u>\$ 7,209,103</u>	<u>\$ 493,213</u>	<u>\$ 3,500</u>	<u>\$ 7,698,816</u>

**Town of Decatur, Mississippi
Schedule of Long-Term Debt
Year Ended September 30, 2016**

<u>Definition and Purpose</u>	<u>Balance</u>	<u>Transactions During Fiscal Year</u>		<u>Balance</u>
	<u>Outstanding 9/30/14</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Outstanding 9/30/15</u>
Bonds:				
2002 Combined Water and Sewer Revenue Bond	\$ 454,829	\$ -	\$ 11,845	\$ 442,984
General Obligation Bonds	110,000	-	3,000	107,000
General Obligation Bond-Street Improvements	-	250,000	-	250,000
Total Bonds	<u>564,829</u>	<u>250,000</u>	<u>14,845</u>	<u>799,984</u>
Other Long-Term Debt:				
USDA Rural Development	22,483	-	5,212	17,271
MS Development Authority				
Capital Improvements Revolving Loan	292,781	-	14,278	278,503
Citizens Bank - Street Improvements	59,007	-	28,929	30,078
Total Other Long-Term Debt	<u>374,271</u>	<u>-</u>	<u>48,419</u>	<u>325,852</u>
Total	<u>\$ 939,100</u>	<u>\$ 250,000</u>	<u>\$ 63,264</u>	<u>\$ 1,125,836</u>

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**Town of Decatur, Mississippi
Schedule of Surety Bonds for Municipal Officials
Year Ended September 30, 2015**

Name	Position	Surety	Amount
Pat O'Neill	Mayor	Clyde C. Scott Insurance Agency	\$ 50,000
Brenda Harper	Clerk	Harthcock Insurance and Realty	\$ 50,000
Pam Joyner	Deputy Clerk	Harthcock Insurance and Realty	\$ 50,000
Sharon Clarke	Part-time Deputy Clerk	Harthcock Insurance and Realty	\$ 50,000
Joedy Pennington	Police Chief	Harthcock Insurance and Realty	\$ 50,000
Clay Garvin	Assistant Police Chief	Harthcock Insurance and Realty The Policy Center	\$ 50,000 \$ 100,000
Jai Leach	Policeman	The Policy Center	\$ 100,000
Justin Gressett	Policeman	The Policy Center	\$ 100,000
Dan Hurst	Policeman	The Policy Center	\$ 100,000
Josh Walker	Policeman	The Policy Center	\$ 100,000
Jackson Smith	Policeman	The Policy Center	\$ 100,000
Jeremy Pinson	Policeman	The Policy Center	\$ 100,000
Andrew Dellapenna	Policeman	The Policy Center	\$ 100,000
Todd Brown	Policeman	The Policy Center	\$ 100,000
Scott Reed	Policeman	The Policy Center	\$ 100,000
John Leslie	Policeman	The Policy Center	\$ 100,000
Leo Windord	Policeman	The Policy Center	\$ 100,000
	Aldermen	Clyde C. Scott Insurance Agency	\$ 50,000

STATE COMPLIANCE SECTION

TONY CHANCE & COMPANY
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS
314-A AIRPORT ROAD
FOREST, MISSISSIPPI 39074
601/469-1414
FAX 601/489-0318

MEMBER
AMERICAN INSTITUTE
CERTIFIED PUBLIC ACCOUNTANTS

MEMBER
MISSISSIPPI SOCIETY OF CERTIFIED
PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH STATE LAWS AND REGULATIONS

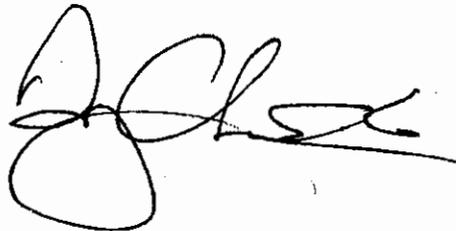
Honorable Mayor and Board of Aldermen
Town of Decatur, Mississippi

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Decatur, Mississippi as of and for the year ended September 30, 2015, which collectively comprise the Town of Decatur, Mississippi's basic financial statements and have issued our report dated January 5, 2016. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

As required by the state legal compliance audit program prescribed by the Office of the State Auditor, we have also performed procedures to test compliance with certain state laws and regulations. However, providing an opinion on compliance with state laws and regulations was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of procedures performed to test compliance with certain other state laws and regulations and our audit of the financial statements disclosed no instances of noncompliance with other state laws and regulations.

This report is intended solely for the information of the Mayor, Board of Aldermen, management and federal awarding agencies and pass-through entities 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.



Forest, Mississippi
January 5, 2016

TONY CHANCE & COMPANY
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS
514-A AIRPORT ROAD
FOREST, MISSISSIPPI 39074
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MEMBER
AMERICAN INSTITUTE
CERTIFIED PUBLIC ACCOUNTANTS

MEMBER
MISSISSIPPI SOCIETY OF CERTIFIED
PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH STATE LAWS AND REGULATIONS**

Honorable Mayor and Board of Aldermen
Town of Decatur, Mississippi

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Decatur, Mississippi as of and for the year ended September 30, 2015, which collectively comprise the Town of Decatur, Mississippi's basic financial statements and have issued our report dated January 5, 2016. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

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Forest, Mississippi
January 5, 2016

