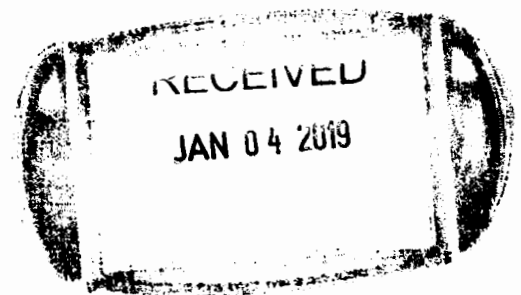




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TOWN OF DECATUR, MISSISSIPPI
AUDITED FINANCIAL STATEMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2018



**TOWN OF DECATUR, MISSISSIPPI
ANNUAL FINANCIAL STATEMENT
For the Year Ended September 30, 2018**

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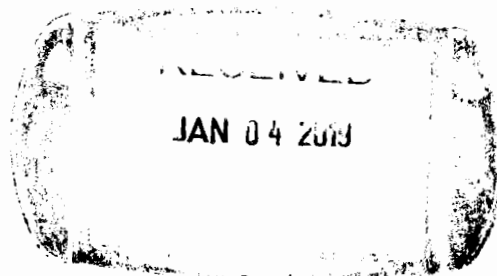
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PRICE & Co.

Certified Public Accountants

A Professional Association

P.O. Box 364 - 106 East Third Street

Forest, Mississippi 39074

Phone: (601) 469-4020 - Fax: (601) 469-4028

E-mail address: billyprice62@yahoo.com

William N. Price, Jr. CPA

**Member: American Institute of Certified Public Accountants
Mississippi Society of Certified Public Accountants**

William Newman Price, CPA

1927-2011

INDEPENDENT AUDITOR'S REPORT ON THE COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS AND SUPPLEMENTAL INFORMATION

Honorable Mayor and Board of Aldermen
Town of Decatur, Mississippi

Report on the Financial Statements

We have audited the accompanying financial statement of the governmental activities, business-type activities, and each major fund of the Town of Decatur, Mississippi, as of and for the year ended September 30, 2018, and the related notes to the financial statement, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statement

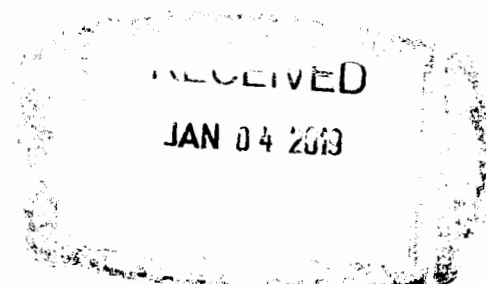
Management is responsible for the preparation and fair presentation of this financial statement in accordance with the cash basis of accounting; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement 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 involves 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 the 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 statement referred to above presents fairly, in all material respects, the respective cash basis financial position of the governmental activities, the business-type activities, and each major fund of the Town of Decatur, Mississippi as of September 30, 2018, and the respective changes in cash basis financial position thereof for the year then ended in conformity with the basis of accounting described in Note 1.

Other Matters

Omission of Required Supplementary Information

Management has omitted the Management's Discussion and Analysis, the Schedule of the Town's Proportionate Share of the Net Pension Liability, the Schedule of the Town's Contributions, and budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statement. Such missing information, although not a part of the basic financial statement, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statement in appropriate operational, economic, or historical context. Our opinion on the basic financial statement is not affected by this missing information.

Other Required Supplementary Information

The Schedule of Investments - All Funds, Schedule of Capital Assets, Schedule of Changes in Long-Term Debt, and Schedule of Surety Bonds for Municipal Officials and Employees have not been subjected to the auditing procedures applied in the audit of the basic financial statement, and accordingly, we do not express an opinion or provide any assurance on them.

Emphasis of Matter

As discussed in Note 1, the Town of Decatur, Mississippi prepares its financial statements on 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.



Price & Co.
Forest, Mississippi

December 18, 2018

TOWN OF DECATUR, MISSISSIPPI
COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS)
For the Year Ended September 30, 2018

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Proprietary Fund</u>	<u>Fiduciary</u>	<u>T o t a l s</u> (Memorandum Only)	
						<u>2018</u>	<u>2017</u>
RECEIPTS							
Taxes							
General Property Taxes	\$ 271,723	\$ -	\$ 23,861	\$ -	\$ -	\$ 295,584	\$ 290,748
Licenses and Permits							
Franchise charges - utilities	90,320	-	-	-	-	90,320	87,304
Other	1,613	-	-	-	-	1,613	1,953
Intergovernmental Revenues:							
Federal Receipts							
Grants	2,694	-	191,380	-	-	194,074	1,279,246
General Municipal Aid (From State)	918	-	-	-	-	918	918
State Shared Revenues:							
Sales Taxes	147,682	-	-	-	-	147,682	144,958
Gasoline Tax	5,638	-	-	-	-	5,638	5,638
Fire Insurance Premium Distribution	-	10,509	-	-	-	10,509	10,308
MEMA Assistance	13,908	-	-	-	-	13,908	-
Special Infrastructure Project	-	-	-	-	-	-	150,000
Small Municipality Grants	-	-	144,896	-	-	144,896	41,409
County Grants and Shared Receipts							
Road Taxes	30,865	-	-	-	-	30,865	27,139
Fire Calls	-	6,235	-	-	-	6,235	15,880
Interest income	974	360	111	889	14	2,348	1,737
Cemetery Charges	-	5,650	-	-	-	5,650	3,025
Sale of Vehicles and Equipment	8,720	-	-	-	-	8,720	-
Contribution from Businesses and Individuals	-	741	-	-	-	741	1,172
Charges For Services:							
Water Utility	-	-	-	397,070	-	397,070	411,904
Sanitation	102,366	-	39,106	-	-	141,472	130,854
Drug Seized Funds	-	-	10,924	-	-	10,924	3,143
Fines and Forfeits	111,110	-	-	-	-	111,110	133,442
Miscellaneous Receipts	-	-	-	1,556	-	1,556	2,456
Total Receipts	<u>788,531</u>	<u>23,495</u>	<u>410,278</u>	<u>399,515</u>	<u>14</u>	<u>1,621,833</u>	<u>2,743,234</u>

The accompanying notes are an integral part of this financial statement.

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TOWN OF DECATUR, MISSISSIPPI
COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS)
For the Year Ended September 30, 2018

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Proprietary Fund</u>	<u>Fiduciary</u>	<u>T o t a l s</u> <u>(Memorandum Only)</u>	
						<u>2018</u>	<u>2017</u>
DISBURSEMENTS							
General Government (Executive and Financial)	\$ 136,807	\$ -	\$ -	\$ -	\$ -	\$ 136,807	\$ 136,178
Public Safety							
Police	321,267	-	7,923	-	-	329,190	331,249
Fire	2,000	21,792	-	-	-	23,792	20,750
Streets and Sanitation	163,737	-	122,456	-	-	286,193	266,420
Culture and Recreation	-	7,300	-	-	-	7,300	7,460
Enterprise:							
Water Utility	-	-	-	320,715	-	320,715	312,230
Bond and Notes Repaid	37,625	-	53,318	48,643	-	139,586	563,063
Total Disbursements	<u>661,436</u>	<u>29,092</u>	<u>183,697</u>	<u>369,358</u>	<u>-</u>	<u>1,243,583</u>	<u>1,637,350</u>
Excess (Deficiency) of receipts over disbursements	<u>127,095</u>	<u>(5,597)</u>	<u>226,581</u>	<u>30,157</u>	<u>14</u>	<u>378,250</u>	<u>1,105,884</u>
OTHER FINANCING SOURCES (USES)							
Transfers	89,252	18,500	(265,890)	158,138	-	-	-
Bond Proceeds	-	-	-	-	-	-	460,000
Capital Outlay	(47,479)	(6,324)	(384,399)	(37,537)	-	(475,739)	(1,449,031)
Total other financing resources (uses)	<u>41,773</u>	<u>12,176</u>	<u>(650,289)</u>	<u>120,601</u>	<u>-</u>	<u>(475,739)</u>	<u>(989,031)</u>
Excess (Deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>168,868</u>	<u>6,579</u>	<u>(423,708)</u>	<u>150,758</u>	<u>14</u>	<u>(97,489)</u>	<u>116,853</u>
CASH BASIS FUND BALANCE - BEGINNING OF YEAR	<u>463,408</u>	<u>151,210</u>	<u>459,718</u>	<u>386,324</u>	<u>6,961</u>	<u>1,467,621</u>	<u>1,350,768</u>
CASH BASIS FUND BALANCE - END OF YEAR	<u>\$ 632,276</u>	<u>\$ 157,789</u>	<u>\$ 36,010</u>	<u>\$ 537,082</u>	<u>\$ 6,975</u>	<u>\$ 1,370,132</u>	<u>\$ 1,467,621</u>

The accompanying notes are an integral part of this financial statement.

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TOWN OF DECATUR, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENT
September 30, 2018

Note 1 Summary of Significant Accounting Policies

A. **General Information**

The city operates under the mayor/board of alderman form of government and provides services as authorized by law.

Reporting Entity

The financial statement of the town consists of all the funds of the town.

Fund Accounting

The accounts of the town are organized on the basis of funds, each of which is considered a separate accounting entity.

Basis of Accounting

The financial statement is prepared on a cash receipts and disbursements basis, as prescribed by the Office of the State Auditor. Consequently, certain revenues are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred.

B. **Report 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 2 Economic Dependency

Three educational institutions provided 17% of the revenue of the Water and Sewer Fund.

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TOWN OF DECATUR, MISSISSIPPI
SCHEDULE OF INVESTMENTS - ALL FUNDS
September 30, 2018

<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	0.55%	4/16/2018	10/13/2018	The Citizens Bank	\$ 30,000
TOTAL INVESTMENTS						<u><u>\$ 30,000</u></u>

See accompanying notes and accountant's report.

JAN 14 2019

TOWN OF DECATUR, MISSISSIPPI
SCHEDULE OF CAPITAL ASSETS
For the Year Ended September 30, 2018

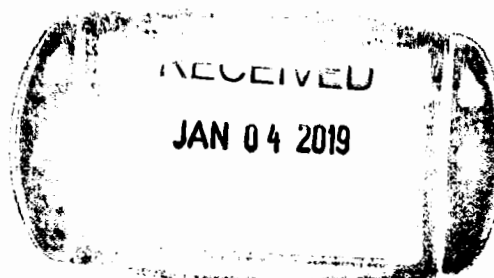
		Transactions During Fiscal Year		
	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital Assets:				
Land	\$ 47,207	\$ -	\$ -	\$ 47,207
Buildings	278,853	-	-	278,853
Machinery and Equipment	513,287	34,313	35,941	511,659
Infrastructure	1,708,520	263,060	-	1,971,580
Construction in process	-	-	-	-
Total Governmental activities capital assets	<u>\$ 2,547,867</u>	<u>\$ 297,373</u>	<u>\$ 35,941</u>	<u>\$ 2,809,299</u>
Business-type activities:				
Capital Assets:				
Land	\$ 7,745	\$ -	\$ -	\$ 7,745
Buildings	37,424	-	-	37,424
Machinery and Equipment	250,144	1,200	1,501	249,843
Infrastructure	6,172,873	41,289	19,960	6,194,202
Construction in process	-	191,380	-	191,380
Total Business-type activities capital assets	<u>\$ 6,468,186</u>	<u>\$ 233,869</u>	<u>\$ 21,461</u>	<u>\$ 6,680,594</u>

See accompanying notes and accountant's report.

TOWN OF DECATUR, MISSISSIPPI
 SCHEDULE OF CHANGES IN LONG TERM DEBT
 For the Year Ended September 30, 2018

	Balance Outstanding October 1, 2017	Transactions During Fiscal Year		Balance Outstanding September 30, 2018
		Issued	Redeemed	
DEFINITION AND PURPOSE:				
General Obligation Bonds:				
General Obligation	\$ 88,000	\$ -	\$ 16,000	\$ 72,000
Street Improvements	149,901	-	49,967	99,934
Other Long-term Debt:				
Mississippi Development Authority	251,354	-	15,096	236,258
2017 Water and Sewer Refunding	<u>460,000</u>	<u>-</u>	<u>30,667</u>	<u>429,333</u>
TOTAL	<u>\$ 949,255</u>	<u>\$ -</u>	<u>\$ 111,730</u>	<u>\$ 837,525</u>

See accompanying notes and accountant's report.



TOWN OF DECATUR, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS AND EMPLOYEES
September 30, 2018

Schedule 4

<u>N a m e</u>	<u>P o s i t i o n</u>	<u>S u r e t y</u>	<u>B o n d A m o u n t</u>
David Marshall	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
	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	The Policy Center	\$ 50,000
	Aldermen	Clyde C. Scott Insurance Agency	\$ 50,000
Josh Walker	Police Officer	Harthcock Insurance and Realty	\$ 50,000
Scott Reed	Police Officer	Harthcock Insurance and Realty	\$ 50,000
Leo Winford	Police Officer	Harthcock Insurance and Realty	\$ 50,000
Jeremy Pinson	Police Officer	Harthcock Insurance and Realty	\$ 50,000
Andrew Dellapenna	Police Officer	Harthcock Insurance and Realty	\$ 50,000
Todd Brown	Police Officer	Harthcock Insurance and Realty	\$ 50,000
Dan Hurst	Police Officer	Harthcock Insurance and Realty	\$ 50,000
Ryan Myers	Police Officer	Harthcock Insurance and Realty	\$ 50,000
Ryan Oakley	Police Officer	Harthcock Insurance and Realty	\$ 50,000
Barry Truhett	Police Officer	Harthcock Insurance and Realty	\$ 50,000
Kaleb Rice	Police Officer	Harthcock Insurance and Realty	\$ 50,000

Note - In addition to the Surety Bond Coverage detailed above, all employees are covered under a \$100,000 Honesty Blanket Bond.

See accompanying notes and accountant's report.

PRICE & Co.

Certified Public Accountants

A Professional Association

P.O. Box 364 - 106 East Third Street

Forest, Mississippi 39074

Phone: (601) 469-4020 - Fax: (601) 469-4028

E-mail address: billyprice62@yahoo.com

William N. Price, Jr. CPA

Member: American Institute of Certified Public Accountants
Mississippi Society of Certified Public Accountants

William Newman Price, CPA

1927-2011

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 combined statement of cash receipts and disbursements (all funds) of the Town of Decatur, Mississippi for the year ended September 30, 2018, and have issued our report dated December 18, 2018. We have conducted our audit in accordance with auditing standards generally accepted in the United States of America.

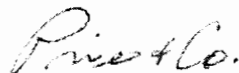
As required by the state legal compliance audit program prescribed by the Office of the State Auditor, we have also performed procedures to test compliance with certain state laws and regulations. However, providing an opinion on compliance with state laws and regulations was not an objective of our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

The results of those procedures and our audit of the financial statement disclosed the following material instances of noncompliance with state laws and regulations. Our findings and recommendations and your responses are as follows:

1. Finding: Fixed assets were not tagged and accounted for. This finding was noted in the previous year's audit.
Recommendation: Fixed assets should be tagged and accounted for.
Response: Fixed assets will be tagged and accounted for.

The Office of the State Auditor or a public accounting firm will review, on a subsequent year's audit engagement, the findings in this report to ensure that corrective action has been taken.

This report is intended for the information of the Town's management and the Office of the State Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.



Price & Co.
Forest, Mississippi

December 18, 2018

