

OFFICE OF THE STATE AUDITOR REPORT NOTE:

Section 7-7-211, Mississippi Code Annotated (1972) gives the Office of the State Auditor the authority to audit, with the exception of municipalities, any governmental entity in the state. In the case of municipalities, *Section 21-35-31, Mississippi Code Annotated (1972)* requires municipalities to obtain an annual audit performed by a private CPA firm and submit that audit report to the Office of the State Auditor. The Office of the State Auditor files these audit reports for review in case questions arise related to the municipality.

As a result, the following document was not prepared by the Office of the State Auditor. Instead, it was prepared by a private CPA firm and submitted to the Office of the State Auditor. The document was placed on this web page as it was submitted and no review of the report was performed by the Office of the State Auditor prior to finalization of the report. The Office of the State Auditor assumes no responsibility for its content or for any errors located in the document. Any questions of accuracy or authenticity concerning this document should be submitted to the CPA firm that prepared the document. The name and address of the CPA firm appears in the document.

TOWN OF DECATUR, MISSISSIPPI
AUDITED FINANCIAL STATEMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2019



**TOWN OF DECATUR, MISSISSIPPI
FINANCIAL STATEMENT
For the Year Ended September 30, 2019**

TABLE OF CONTENTS

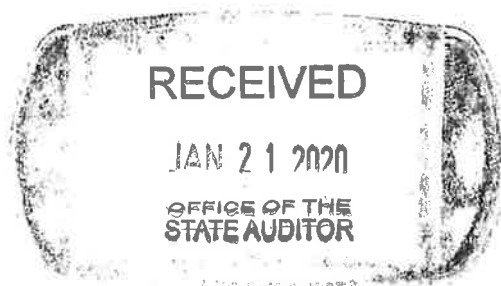
	<u>Page</u>
Independent Auditor's Report on the Combined Statement of Cash Receipts and Disbursements (All Funds) and Supplemental Information	1-2
Combined Statement of Cash Receipts and Disbursements (All Funds)	3-4
Notes to the Financial Statement	5

SUPPLEMENTARY INFORMATION

Schedule of Investments - All Funds	6
Schedule of Capital Assets	7
Schedule of Changes in Long-Term Debt	8
Schedule of Surety Bonds for Municipal Officials and Employees	9

COMPLIANCE REPORTS

Independent Auditor's Report on Compliance with State Laws and Regulations	10
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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, 2019, 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, 2019, 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.

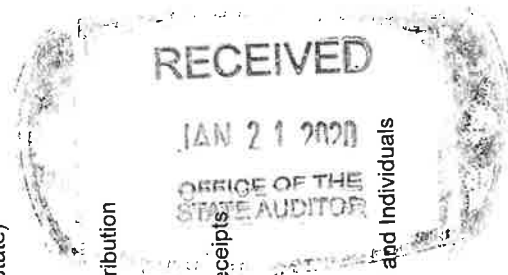


Price & Co.
Forest, Mississippi

December 30, 2019

TOWN OF DECATUR, MISSISSIPPI
COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS)
For the Year Ended September 30, 2019

	T o t a l s				
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Proprietary Fund</u>	<u>(Memorandum Only)</u>
					<u>2019</u> <u>2018</u>
RECEIPTS					
Taxes	\$ 286,022	\$ -	\$ 25,079	\$ -	\$ 311,101 \$ 295,584
General Property Taxes					
Licenses and Permits	101,022	-	-	-	101,022 90,320
Franchise charges - utilities	1,111	-	-	-	1,111 1,613
Other					
Intergovernmental Revenues:					
Federal Receipts	2,684	-	256,956	-	259,640 194,074
Grants	918	-	-	-	918 918
General Municipal Aid (From State)					
State Shared Revenues:					
Sales Taxes	166,072	-	-	-	166,072 147,682
Gasoline Tax	5,638	-	-	-	5,638 5,638
Fire Insurance Premium Distribution	-	10,866	-	-	10,866 10,509
MEMA Assistance	-	-	-	-	- 13,908
Firewise Grant	2,465	-	-	-	2,465 -
Small Municipality Grants	-	-	118,418	-	118,418 144,896
County Grants and Shared Receipts					
Road Taxes	32,417	-	-	-	32,417 30,865
Fire Calls	-	15,014	-	-	15,014 6,235
Interest Income	12,535	3,279	939	10,419	27,313 2,348
Cemetery Charges	-	5,600	-	-	5,600 5,650
Sale of Assets	24,065	6,614	-	21,000	51,679 8,720
Contribution from Businesses and Individuals	-	2,708	-	-	2,708 741
Charges For Services:					
Water Utility	-	-	-	448,281	448,281 397,070
Sanitation	97,323	-	36,923	-	134,246 141,472
Drug Seized Funds	-	-	3,610	-	3,610 10,924
Fines and Forfeits	66,749	-	-	-	66,749 111,110
Miscellaneous Receipts	10	-	-	1,859	1,869 1,556
Total Receipts	<u>799,031</u>	<u>44,081</u>	<u>441,925</u>	<u>481,559</u>	<u>1,766,737</u> <u>1,621,833</u>



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

TOWN OF DECATUR, MISSISSIPPI
COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS)
For the Year Ended September 30, 2019

	General	Special Revenue	Capital Projects	Proprietary Fund	Fiduciary	T o t a l s (Memorandum Only)	
						2019	2018
DISBURSEMENTS							
General Government (Executive and Financial)	\$ 141,203	\$ -	\$ -	\$ -	\$ -	\$ 141,203	\$ 136,807
Public Safety							
Police	309,439	-	2,284	-	-	311,723	329,190
Fire	-	22,134	-	-	-	22,134	23,792
Streets and Sanitation	167,113	-	450	-	-	167,563	286,193
Culture and Recreation	-	6,882	-	-	-	6,882	7,300
Enterprise:							
Water Utility	-	-	-	305,440	-	305,440	320,715
Bond and Notes Repaid	38,319	-	52,223	48,166	-	138,708	139,586
Total Disbursements	<u>656,074</u>	<u>29,016</u>	<u>54,957</u>	<u>353,606</u>	<u>-</u>	<u>1,093,653</u>	<u>1,243,583</u>
Excess (Deficiency) of receipts over disbursements	<u>142,957</u>	<u>15,065</u>	<u>386,968</u>	<u>127,953</u>	<u>141</u>	<u>673,084</u>	<u>378,250</u>
OTHER FINANCING SOURCES (USES)							
Transfers	(22,366)	19,100	3,266	-	-	-	-
Capital Outlay	(81,211)	(1,903)	(374,926)	(98,119)	-	(556,159)	(475,739)
Total other financing resources (uses)	<u>(103,577)</u>	<u>17,197</u>	<u>(371,660)</u>	<u>(98,119)</u>	<u>-</u>	<u>(556,159)</u>	<u>(475,739)</u>
Excess (Deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>39,380</u>	<u>32,262</u>	<u>15,308</u>	<u>29,834</u>	<u>141</u>	<u>116,925</u>	<u>(97,489)</u>
CASH BASIS FUND BALANCE - BEGINNING 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>
CASH BASIS FUND BALANCE - END OF YEAR	<u>\$ 671,656</u>	<u>\$ 190,051</u>	<u>\$ 51,318</u>	<u>\$ 566,916</u>	<u>\$ 7,116</u>	<u>\$ 1,487,057</u>	<u>\$ 1,370,132</u>

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

TOWN OF DECATUR, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENT
September 30, 2019

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 25% of the revenue of the Water and Sewer Fund.

TOWN OF DECATUR, MISSISSIPPI
SCHEDULE OF INVESTMENTS - ALL FUNDS
September 30, 2019

<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	0.40%	4/12/2019	10/9/2019	The Citizens Bank	\$ 25,141
TOTAL INVESTMENTS						<u>\$ 25,141</u>

See accompanying notes and accountant's report.

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TOWN OF DECATUR, MISSISSIPPI
SCHEDULE OF CAPITAL ASSETS
For the Year Ended September 30, 2019

		Transactions During Fiscal Year		
	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital Assets:				
Land	\$ 47,207	\$ 4,500	\$ -	\$ 51,707
Buildings	278,853	-	-	278,853
Machinery and Equipment	511,659	31,735	32,175	511,219
Infrastructure	1,971,580	149,518	-	2,121,098
Construction in process	-	-	-	-
Total Governmental activities capital assets	\$ 2,809,299	\$ 185,753	\$ 32,175	\$ 2,962,877
Business-type activities:				
Capital Assets:				
Land	\$ 7,745	\$ -	\$ -	\$ 7,745
Buildings	37,424	27,419	-	64,843
Machinery and Equipment	249,843	63,644	24,800	288,687
Infrastructure	6,194,202	448,335	-	6,642,537
Construction in process	191,380	-	191,380	-
Total Business-type activities capital assets	\$ 6,680,594	\$ 539,398	\$ 216,180	\$ 7,003,812

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See accompanying notes and accountant's report.

TOWN OF DECATUR, MISSISSIPPI
SCHEDULE OF CHANGES IN LONG TERM DEBT
For the Year Ended September 30, 2019

	Balance Outstanding	Transactions During Fiscal Year		Balance Outstanding
		<u>Issued</u>	<u>Redeemed</u>	
DEFINITION AND PURPOSE:				
General Obligation Bonds:				
General Obligation	\$ 72,000	\$ -	\$ 17,000	\$ 55,000
Street Improvements	99,934	-	50,030	49,904
Other Long-term Debt:				
Mississippi Development Authority	236,258	-	15,333	220,925
2017 Water and Sewer Refunding	<u>429,333</u>	<u>-</u>	<u>30,666</u>	<u>398,667</u>
TOTAL	<u>\$ 837,525</u>	<u>\$ -</u>	<u>\$ 113,029</u>	<u>\$ 724,496</u>

See accompanying notes and accountant's report.

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TOWN OF DECATUR, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS AND EMPLOYEES
September 30, 2019

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.

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CHIEF AUDITOR

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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, 2019, and have issued our report dated December 30, 2019. 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.
2. Finding: Only one written quote was obtained for the construction of a metal building costing \$24,350.
Recommendation: At least two written quotes should be obtained for purchases over \$5,000 up to \$50,000.
Response: Two or more written quotes will be obtained for purchases over \$5,000 up to \$50,000.
3. Finding: Documentation supporting the purchase of a piece of equipment over \$50,000 at State Contract Price could not be obtained.
Recommendation: Documentation should be obtained for State Contract Purchases.
Response: Documentation will be obtained for State Contract Purchases.

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.

Price & Co.
Forest, Mississippi

December 30, 2019

