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TOWN OF DECATUR, MISSISSIPPI
FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

**TOWN OF DECATUR, MISSISSIPPI
FINANCIAL STATEMENT
For the Year Ended September 30, 2020**

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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, 2020, 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, 2020, 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.

A handwritten signature in blue ink that reads "Price & Co." in a cursive script.

Price & Co.
Forest, Mississippi

November 19, 2020

TOWN OF DECATUR, MISSISSIPPI
COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS)
For the Year Ended September 30, 2020

	<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>2020</u>	<u>2019</u>
RECEIPTS							
Taxes							
General Property Taxes	\$ 289,301	\$ -	\$ 25,643	\$ -	\$ -	\$ 314,944	\$ 311,101
Licenses and Permits							
Franchise charges - utilities	95,998	-	-	-	-	95,998	101,022
Other	1,227	-	-	-	-	1,227	1,111
Intergovernmental Revenues:							
Federal Receipts							
Grants	3,341	-	35,100	21,708	-	60,149	259,640
General Municipal Aid (From State)	918	-	-	-	-	918	918
State Shared Revenues:							
Sales Taxes	156,006	-	-	-	-	156,006	166,072
Gasoline Tax	5,638	-	-	-	-	5,638	5,638
Fire Insurance Premium Distribution	-	11,106	-	-	-	11,106	10,866
Use Tax	-	-	30,881	-	-	30,881	-
Firewise Grant	2,000	-	-	-	-	2,000	2,465
Small Municipality Grants	240,000	-	-	-	-	240,000	118,418
County Grants and Shared Receipts							
Road Taxes	33,291	-	-	-	-	33,291	32,417
Fire Calls	-	15,026	-	-	-	15,026	15,014
Interest income	17,054	4,230	1,509	14,297	188	37,278	27,313
Cemetery Charges	-	10,000	-	-	-	10,000	5,600
Sale of Assets	-	-	-	-	-	-	51,679
Contribution from Businesses and Individuals	-	727	-	-	-	727	2,708
Charges For Services:							
Water Utility	-	-	-	446,157	-	446,157	448,281
Sanitation	112,406	-	42,742	-	-	155,148	134,246
Drug Seized Funds	-	-	3,671	-	-	3,671	3,610
Fines and Forfeits	65,183	-	-	-	-	65,183	66,749
Miscellaneous Receipts	169	-	-	1,605	-	1,774	1,869
Total Receipts	<u>1,022,532</u>	<u>41,089</u>	<u>139,546</u>	<u>483,767</u>	<u>188</u>	<u>1,687,122</u>	<u>1,766,737</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, 2020

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Proprietary Fund</u>	<u>Fiduciary</u>	T o t a l s (Memorandum Only)	
						2020	2019
DISBURSEMENTS							
General Government (Executive and Financial)	\$ 143,362	\$ -	\$ -	\$ -	\$ -	\$ 143,362	\$ 141,203
Public Safety							
Police	318,366	-	3,392	-	-	321,758	311,723
Fire	-	42,462	-	-	-	42,462	22,134
Streets and Sanitation	187,891	-	-	-	-	187,891	167,563
Culture and Recreation	-	7,304	-	-	-	7,304	6,882
Enterprise:							
Water Utility	-	-	-	322,407	-	322,407	305,440
Bond and Notes Repaid	<u>38,978</u>	<u>-</u>	<u>50,913</u>	<u>46,893</u>	<u>-</u>	<u>136,784</u>	<u>138,708</u>
Total Disbursements	<u>688,597</u>	<u>49,766</u>	<u>54,305</u>	<u>369,300</u>	<u>-</u>	<u>1,161,968</u>	<u>1,093,653</u>
Excess (Deficiency) of receipts over disbursements	<u>333,935</u>	<u>(8,677)</u>	<u>85,241</u>	<u>114,467</u>	<u>188</u>	<u>525,154</u>	<u>673,084</u>
OTHER FINANCING SOURCES (USES)							
Transfers	(16,100)	14,100	-	2,000	-	-	-
Capital Outlay	<u>(383,529)</u>	<u>(130,650)</u>	<u>(35,100)</u>	<u>(50,542)</u>	<u>-</u>	<u>(599,821)</u>	<u>(556,159)</u>
Total other financing resources (uses)	<u>(399,629)</u>	<u>(116,550)</u>	<u>(35,100)</u>	<u>(48,542)</u>	<u>-</u>	<u>(599,821)</u>	<u>(556,159)</u>
Excess (Deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(65,694)</u>	<u>(125,227)</u>	<u>50,141</u>	<u>65,925</u>	<u>188</u>	<u>(74,667)</u>	<u>116,925</u>
CASH BASIS FUND BALANCE - BEGINNING 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>
CASH BASIS FUND BALANCE - END OF YEAR	<u>\$ 605,962</u>	<u>\$ 64,824</u>	<u>\$ 101,459</u>	<u>\$ 632,841</u>	<u>\$ 7,304</u>	<u>\$ 1,412,390</u>	<u>\$ 1,487,057</u>

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

TOWN OF DECATUR, MISSISSIPPI
NOTES TO THE FINANCIAL STATEMENT
September 30, 2020

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 22% of the revenue of the Water and Sewer Fund.

**TOWN OF DECATUR, MISSISSIPPI
SCHEDULE OF INVESTMENTS - ALL FUNDS
September 30, 2020**

<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%	10/9/2019	10/9/2020	The Citizens Bank	\$ <u>25,257</u>
TOTAL INVESTMENTS						\$ <u>25,257</u>

See accompanying notes and accountant's report.

TOWN OF DECATUR, MISSISSIPPI
SCHEDULE OF CAPITAL ASSETS
For the Year Ended September 30, 2020

		Transactions During Fiscal Year		
	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital Assets:				
Land	\$ 51,707	\$ -	\$ -	\$ 51,707
Buildings	278,853	-	-	278,853
Machinery and Equipment	511,219	484,959	3,302	992,876
Infrastructure	<u>2,121,098</u>	<u>-</u>	<u>-</u>	<u>2,121,098</u>
Total Governmental activities capital assets	<u>\$ 2,962,877</u>	<u>\$ 484,959</u>	<u>\$ 3,302</u>	<u>\$ 3,444,534</u>
Business-type activities:				
Capital Assets:				
Land	\$ 7,745	\$ -	\$ -	\$ 7,745
Buildings	64,843	-	-	64,843
Machinery and Equipment	288,687	17,535	-	306,222
Infrastructure	6,642,537	-	-	6,642,537
Construction in Process	<u>-</u>	<u>35,100</u>	<u>-</u>	<u>35,100</u>
Total Business-type activities capital assets	<u>\$ 7,003,812</u>	<u>\$ 52,635</u>	<u>\$ -</u>	<u>\$ 7,056,447</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, 2020

	Balance Outstanding	Transactions During Fiscal Year		Balance Outstanding
		Issued	Redeemed	
DEFINITION AND PURPOSE:				
General Obligation Bonds:				
General Obligation	\$ 55,000	\$ -	\$ 18,000	\$ 37,000
Street Improvements	49,904	-	49,904	-
Other Long-term Debt:				
Mississippi Development Authority	220,925	-	17,352	203,573
2017 Water and Sewer Refunding	398,667	-	30,667	368,000
TOTAL	\$ 724,496	\$ -	\$ 115,923	\$ 608,573

See accompanying notes and accountant's report.

TOWN OF DECATUR, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS AND EMPLOYEES
September 30, 2020

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
Clay Garvin	Police Chief	Harthcock Insurance and Realty	\$ 50,000
Josh Walker	Assistant Police Chief	The Policy Center	\$ 50,000
	Aldermen	Clyde C. Scott Insurance Agency	\$ 50,000
Loretta Edwards	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
Ronnie Adcock	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
Paris Griffin	Police Officer	Harthcock Insurance and Realty	\$ 50,000
Chris Ferguson	Police Officer	Harthcock Insurance and Realty	\$ 50,000
Fred Hardy	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.

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, 2020, and have issued our report dated November 19, 2020. 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: \$48,620 was used as the budget for Police Contractual Services using the Department Services worksheet and used each month for comparing budget to actual expenditures. A mistake caused the figure of \$32,120 to be published in the newspaper causing the actual expenditures of \$35,086 to exceed by \$2,966 the number in the newspaper.
Recommendation: Actual expenditures should not exceed the budget published in the newspaper.
Response: Actual expenditures will not exceed the budget published in the newspaper.

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

November 19, 2020