

## 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**

**YEAR ENDED SEPTEMBER 30, 2021**

**TOWN OF DECATUR, MISSISSIPPI  
AUDITED FINANCIAL STATEMENT  
Year Ended September 30, 2021**

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# PRICE & Co.

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## **INDEPENDENT AUDITOR'S REPORT ON THE COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES**

Honorable Mayor and Board of Aldermen  
Town of Decatur, Mississippi

### **Report on the Financial Statement**

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, 2021, 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 described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement 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 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 statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, 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 statement 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 statement.

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, each major fund, and the aggregate remaining fund information of the Town of Decatur, Mississippi as of September 30, 2021, and the respective changes in cash basis financial position thereof for the year then ended in accordance 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 Information*

The Schedule of Investments, Schedule of Capital Assets, Schedule of Changes in Long-Term Debt, and Schedule of Surety Bonds for Town Officials are presented for purposes of additional analysis and are not a required part of the financial statement. This information has 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.

## **Basis of Accounting**

We draw attention to Note 1 of the financial statement, which describes the basis of accounting. The financial statement is 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 this matter.

## **Other Reporting Requirements required by the Office of State Auditor**

In accordance with requirements set forth by the Office of State Auditor of Mississippi, we have issued our report dated January 19, 2022, on our consideration of the Town of Decatur, Mississippi's compliance with the state laws and regulations. The purpose of this report is to describe the scope of our testing of compliance with certain laws and regulations and the result of that testing, and not provide an opinion on compliance.



Price & Co.  
Forest, Mississippi

January 19, 2022

**TOWN OF DECATUR, MISSISSIPPI**  
**COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES**  
**Year Ended September 30, 2021**

|   | <u>Governmental Activities</u> |                             |                      |                              | <u>Business-Type Activities</u> |                          | <u>Totals</u>       |
|---|--------------------------------|-----------------------------|----------------------|------------------------------|---------------------------------|--------------------------|---------------------|
|   | <u>General Fund</u>            | <u>Fire Protection Fund</u> | <u>Cemetery Fund</u> | <u>Capital Projects Fund</u> | <u>Water and Sewer Fund</u>     | <u>(Memorandum Only)</u> | <u>2020</u>         |
| <b>RECEIPTS</b>                               |                                |                             |                      |                              |                                 |                          |                     |
| <b>Taxes</b>                                  |                                |                             |                      |                              |                                 |                          |                     |
| General Property Taxes                        | \$ 287,309                     | \$ -                        | \$ -                 | \$ 25,756                    | \$ -                            | \$ 313,065               | \$ 314,944          |
| In Lieu of Taxes                              | 2,122                          | -                           | -                    | -                            | -                               | 2,122                    | -                   |
| <b>Licenses and Permits</b>                   |                                |                             |                      |                              |                                 |                          |                     |
| Franchise charges - Utilities                 | 91,068                         | -                           | -                    | -                            | -                               | 91,068                   | 95,998              |
| Other   | 1,404                          | -                           | -                    | -                            | -                               | 1,404                    | 1,227               |
| <b>Intergovernmental Revenues:</b>            |                                |                             |                      |                              |                                 |                          |                     |
| <b>Federal Receipts</b>                       |                                |                             |                      |                              |                                 |                          |                     |
| Grants  | 213,675                        | 4,500                       | -                    | 396,281                      | -                               | 614,456                  | 60,149              |
| General Municipal Aid (From State)            | 918                            | -                           | -                    | -                            | -                               | 918                      | 918                 |
| <b>State Shared Revenues:</b>                 |                                |                             |                      |                              |                                 |                          |                     |
| Sales Taxes                                   | 161,125                        | -                           | -                    | -                            | -                               | 161,125                  | 156,006             |
| Gasoline Tax                                  | 5,638                          | -                           | -                    | -                            | -                               | 5,638                    | 5,638               |
| Fire Insurance Premium Distribution           | -                              | -                           | -                    | -                            | -                               | -                        | 11,106              |
| Use Tax                                       | -                              | -                           | -                    | 35,598                       | -                               | 35,598                   | 30,881              |
| Firewise Grant                                | 2,948                          | -                           | -                    | -                            | -                               | 2,948                    | 2,000               |
| Small Municipality Grants                     | -                              | -                           | -                    | -                            | -                               | -                        | 240,000             |
| COVID Grant                                   | 1,535                          | -                           | -                    | -                            | -                               | 1,535                    | -                   |
| MEMA - Cares Act Grant                        | 43,120                         | -                           | -                    | -                            | -                               | 43,120                   | -                   |
| <b>County Grants and Shared Receipts</b>      |                                |                             |                      |                              |                                 |                          |                     |
| Road Taxes                                    | 33,585                         | -                           | -                    | -                            | -                               | 33,585                   | 33,291              |
| Fire Calls                                    | -                              | 15,568                      | -                    | -                            | -                               | 15,568                   | 15,026              |
| Interest Income                               | 5,751                          | 302                         | 198                  | 976                          | 5,865                           | 13,092                   | 37,278              |
| Cemetery Charges                              | -                              | -                           | 3,600                | -                            | -                               | 3,600                    | 10,000              |
| Sale of Assets                                | 117,105                        | -                           | -                    | -                            | -                               | 117,105                  | -                   |
| Contributions from Businesses and Individuals | 1,328                          | 278                         | 575                  | -                            | -                               | 2,181                    | 727                 |
| <b>Charges For Services:</b>                  |                                |                             |                      |                              |                                 |                          |                     |
| Water Utility                                 | -                              | -                           | -                    | -                            | 513,577                         | 513,577                  | 446,157             |
| Sanitation                                    | 97,964                         | -                           | -                    | -                            | -                               | 138,115                  | 155,148             |
| Drug Seized Funds                             | -                              | -                           | -                    | -                            | -                               | 52,020                   | 3,671               |
| Fines and Forfeits                            | 72,716                         | -                           | -                    | -                            | -                               | 72,716                   | 65,183              |
| Miscellaneous Receipts                        | 245                            | -                           | -                    | -                            | 1,219                           | 1,464                    | 1,774               |
| <b>Total Receipts</b>                         | <b>\$ 1,139,556</b>            | <b>\$ 20,648</b>            | <b>\$ 4,373</b>      | <b>\$ 550,782</b>            | <b>\$ 520,661</b>               | <b>\$ 2,236,020</b>      | <b>\$ 1,687,122</b> |

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



**TOWN OF DECATUR, MISSISSIPPI**  
**COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES**  
Year Ended September 30, 2021

|   | <u>Governmental Activities</u> |                             |                      |                              | <u>Business-Type Activities</u> |                               | <u>Totals</u>       |
|---|--------------------------------|-----------------------------|----------------------|------------------------------|---------------------------------|-------------------------------|---------------------|
|   | <u>General Fund</u>            | <u>Fire Protection Fund</u> | <u>Cemetery Fund</u> | <u>Capital Projects Fund</u> | <u>Water and Sewer Fund</u>     | <u>(Memorandum Only) 2021</u> | <u>2020</u>         |
| <b>DISBURSEMENTS</b>                                      |                                |                             |                      |                              |                                 |                               |                     |
| General Government (Executive and Financial)              | \$ 154,240                     | \$ -                        | \$ -                 | \$ -                         | \$ -                            | \$ 154,240                    | \$ 143,362          |
| Public Safety   |                                |                             |                      |                              |                                 |                               |                     |
| Police  | 366,550                        | -                           | -                    | 922                          | -                               | 367,472                       | 321,758             |
| Fire  | 440                            | 20,573                      | -                    | -                            | -                               | 21,013                        | 42,462              |
| Streets and Sanitation                                    | 200,330                        | -                           | -                    | 1,712                        | -                               | 202,042                       | 187,891             |
| Culture and Recreation                                    | -                              | -                           | 7,505                | -                            | -                               | 7,505                         | 7,304               |
| Enterprise:   |                                |                             |                      |                              |                                 |                               |                     |
| Water Utility   | -                              | -                           | -                    | -                            | 309,553                         | 309,553                       | 322,407             |
| Bond and Notes Repaid                                     | 38,609                         | -                           | -                    | -                            | 45,621                          | 84,230                        | 136,784             |
| <b>Total Disbursements</b>                                | <b>760,169</b>                 | <b>20,573</b>               | <b>7,505</b>         | <b>2,634</b>                 | <b>355,174</b>                  | <b>1,146,055</b>              | <b>1,161,968</b>    |
| <b>Excess (Deficiency) of receipts over disbursements</b> | <b>379,387</b>                 | <b>75</b>                   | <b>(3,132)</b>       | <b>548,148</b>               | <b>165,487</b>                  | <b>1,089,965</b>              | <b>525,154</b>      |
| <b>OTHER CASH SOURCES (USES)</b>                          |                                |                             |                      |                              |                                 |                               |                     |
| Transfers   | 7,038                          | 14,100                      | -                    | -                            | (21,138)                        | -                             | -                   |
| Capital Outlay  | (43,817)                       | (9,111)                     | -                    | (396,281)                    | (4,000)                         | (453,209)                     | (599,821)           |
| <b>Total other cash sources (uses)</b>                    | <b>(36,779)</b>                | <b>4,989</b>                | <b>-</b>             | <b>(396,281)</b>             | <b>(25,138)</b>                 | <b>(453,209)</b>              | <b>(599,821)</b>    |
| <b>Net Changes in Cash</b>                                | <b>342,608</b>                 | <b>5,064</b>                | <b>(3,132)</b>       | <b>151,867</b>               | <b>140,349</b>                  | <b>636,756</b>                | <b>(74,667)</b>     |
| <b>CASH - BEGINNING</b>                                   | <b>613,266</b>                 | <b>28,185</b>               | <b>36,639</b>        | <b>101,459</b>               | <b>632,841</b>                  | <b>1,412,390</b>              | <b>1,487,057</b>    |
| <b>CASH - ENDING</b>                                      | <b>\$ 955,874</b>              | <b>\$ 33,249</b>            | <b>\$ 33,507</b>     | <b>\$ 253,326</b>            | <b>\$ 773,190</b>               | <b>\$ 2,049,146</b>           | <b>\$ 1,412,390</b> |

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

**TOWN OF DECATUR, MISSISSIPPI  
NOTES TO THE FINANCIAL STATEMENT  
September 30, 2021**

**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 the cash basis of accounting, 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 26.17% of the revenue of the Water and Sewer Fund.

**Note 3    Subsequent Events**

Management has evaluated events and transactions for potential recognition or disclosure through January 19, 2022, which is the date the financial statement was available to the issued.



TOWN OF DECATUR, MISSISSIPPI  
SCHEDULE OF INVESTMENTS - ALL FUNDS  
September 30, 2021

| <u>OWNERSHIP</u>  | <u>TYPE OF<br/>INVESTMENT</u> | <u>INTEREST<br/>RATE</u> | <u>ISSUE<br/>DATE</u> | <u>MATURITY<br/>DATE</u> | <u>AMOUNT</u>    |
|-------------------|-------------------------------|--------------------------|-----------------------|--------------------------|------------------|
| General Fund      | Certificate of Deposit        | .15%                     | 10/9/2020             | 10/9/2021                | \$ <u>25,355</u> |
| TOTAL INVESTMENTS |                               |                          |                       |                          | <u>\$ 25,355</u> |

**TOWN OF DECATUR, MISSISSIPPI**  
**SCHEDULE OF CAPITAL ASSETS**  
**Year Ended September 30, 2021**

|  | <u>Balance</u><br><u>October 1, 2020</u> | <u>Additions</u>  | <u>Deletions</u> | <u>Balance</u><br><u>September 30, 2021</u> |
|--|--|-------------------|------------------|---|
| <b>Governmental activities:</b>                      |  |                   |                  |   |
| Capital Assets:                                      |  |                   |                  |   |
| Land   | \$ 51,707                                | \$ -              | \$ 1,000         | \$ 50,707                                   |
| Buildings  | 278,853                                  | -                 | -                | 278,853                                     |
| Machinery and Equipment                              | 992,876                                  | 27,007            | 28,470           | 991,413                                     |
| Infrastructure                                       | 2,121,098                                | -                 | -                | 2,121,098                                   |
| Construction in Process                              | -  | 127,684           | -                | 127,684                                     |
| <b>Total Depreciable Capital Assets</b>              | <u>3,392,827</u>                         | <u>154,691</u>    | <u>28,470</u>    | <u>3,519,048</u>                            |
| <b>Total Governmental activities capital assets</b>  | <u>\$ 3,444,534</u>                      | <u>\$ 154,691</u> | <u>\$ 29,470</u> | <u>\$ 3,569,755</u>                         |
| <b>Business-type activities:</b>                     |  |                   |                  |   |
| Capital Assets:                                      |  |                   |                  |   |
| Land   | \$ 7,745                                 | \$ -              | \$ -             | \$ 7,745                                    |
| Buildings  | 64,843                                   | -                 | -                | 64,843                                      |
| Machinery and Equipment                              | 306,222                                  | -                 | -                | 306,222                                     |
| Infrastructure                                       | 6,642,537                                | 339,797           | -                | 6,982,334                                   |
| Construction in Process                              | 35,100                                   | -                 | 35,100           | -   |
| <b>Total Depreciable Capital Assets</b>              | <u>7,048,702</u>                         | <u>339,797</u>    | <u>35,100</u>    | <u>7,353,399</u>                            |
| <b>Total Business-type activities capital assets</b> | <u>\$ 7,056,447</u>                      | <u>\$ 339,797</u> | <u>\$ 35,100</u> | <u>\$ 7,361,144</u>                         |

See accompanying notes and accountant's report.

TOWN OF DECATUR, MISSISSIPPI  
 SCHEDULE OF CHANGES IN LONG TERM DEBT  
 Year Ended September 30, 2021

|                                   | Balance<br>Outstanding<br><u>October 1, 2020</u> | <u>Transactions<br/>During Fiscal Year</u> |                  | Balance<br>Outstanding<br><u>September 30, 2021</u> |
|-----------------------------------|--|--|------------------|---|
|                                   |  | <u>Borrowed</u>                            | <u>Retired</u>   |   |
| DEFINITION AND PURPOSE:           |  |  |                  |   |
| General Obligation Bonds:         |  |  |                  |   |
| General Obligation                | \$ 37,000  | \$ -                                       | \$ 18,000        | \$ 19,000   |
| Other Long-term Debt:             |  |  |                  |   |
| Mississippi Development Authority | 203,573  | -  | 13,610           | 189,963   |
| 2017 Water and Sewer Refunding    | <u>368,000</u>                                   | <u>-</u>                                   | <u>30,667</u>    | <u>337,333</u>                                      |
| TOTAL                             | <u>\$ 608,573</u>                                | <u>\$ -</u>                                | <u>\$ 62,277</u> | <u>\$ 546,296</u>                                   |

See accompanying notes and accountant's report.



TOWN OF DECATUR, MISSISSIPPI  
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS  
September 30, 2021

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<br/>A m o u n t</u> |
|--------------------|------------------------|-------------------------------|--------------------------------|
| James Max Anderson | Mayor                  | Scott Insurance Services, LLC | \$ 50,000                      |
| Tanya Tanner       | City Clerk             | Travelers                     | \$ 50,000                      |
| Rebecca Slay       | Deputy Clerk           | Travelers                     | \$ 50,000                      |
|                    | Part-time Deputy Clerk | Travelers                     | \$ 50,000                      |
| Clay Garvin        | Police Chief           | Travelers                     | \$ 50,000                      |
| Josh Walker        | Assistant Police Chief | Travelers                     | \$ 50,000                      |
|                    | Aldermen               | Scott Insurance Services, LLC | \$ 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

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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 cash basis financial statement of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Decatur, Mississippi, ("Town") as of and for the year ended September 30, 2021, and the related notes in the financial statement which collectively comprise the Town's basic financial statements and have issued our report thereon dated January 19, 2022. We conducted our audit in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board.

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.

Due to the reduced scope, these compliance tests cannot and do not provide absolute assurance that all state legal requirements have been complied with. The results of our compliance tests and our audit of the financial statement of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information disclosed the following material instance of noncompliance with state laws and regulations. Our finding and recommendation and your response 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: The budget for Fire Contractual Services shown on the Department Services worksheet and used each month for comparing budget to actual expenditures was \$24,880. The budget number published in the newspaper was \$7,000. This mistake caused the actual expenditures of \$15,077 to exceed the budget by \$8,077.

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 purpose of this report is solely to describe the scope of our testing of compliance with certain state laws and regulations and the results of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.

*Price & Co.*

Price & Co.  
Forest, Mississippi

January 19, 2022