

## 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, 2022**

**TOWN OF DECATUR, MISSISSIPPI  
AUDITED FINANCIAL STATEMENT  
Year Ended September 30, 2022**

**TABLE OF CONTENTS**

	<u>Page</u>
Independent Auditor's Report	1-3
Combined Statement of Cash Receipts and Disbursements - Governmental and Business-Type Activities	4-5
Notes to the Financial Statement	6

**SUPPLEMENTARY INFORMATION**

Schedule of Investments	7
Schedule of Capital Assets	8
Schedule of Changes in Long-Term Debt	9
Schedule of Surety Bonds for Town Officials	10

**COMPLIANCE REPORTS**

Independent Auditor's Report on Compliance with State Laws and Regulations	11
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# PRICE & Co.

## **Certified Public Accountants**

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**1927-2011**

## **INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and Board of Aldermen  
Town of Decatur, Mississippi

### **Opinions**

We have audited the accompanying cash basis financial statement of the governmental activities, the business-type activities, and each major fund of the Town of Decatur, Mississippi, as of and for the year ended September 30, 2022, and the related notes to the financial statement, which collectively comprise the Town of Decatur, Mississippi's basic financial statement as listed in the table of contents.

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, 2022, and the respective changes in cash basis financial position, for the year then ended in accordance with the cash basis of accounting described in Note 1.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the Town of Decatur, Mississippi, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Emphasis of Matter – 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 opinions are not modified with respect to this matter.

### **Responsibilities of Management 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, and for 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 Responsibilities for the Audit of the Financial Statement**

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town of Decatur, Mississippi's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Decatur, Mississippi's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Other Matters**

#### ***Omission of Required Supplementary Information***

Management has omitted the Management's Discussion and Analysis 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***

Management is responsible for the schedules in the supplementary information section. The other information comprises the Schedule of Investments, Schedule of Capital Assets, Schedule of Changes in Long-Term Debt, and Schedule of Surety Bonds for Municipal Officials, but does not include the basic financial statement and our auditor's report thereon. Our opinion on the basic financial statement does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statement, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statement, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

#### **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 December 15, 2022, on our consideration of the Town of Decatur, Mississippi's compliance with 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 results of that testing, and not provide an opinion on compliance.

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

Price & Co.  
Forest, Mississippi

December 15, 2022

**TOWN OF DECATUR, MISSISSIPPI**  
**COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES**  
**Year Ended September 30, 2022**

	<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>2022</u>	<u>2021</u>
<b>RECEIPTS</b>							
Taxes							
General Property Taxes	\$ 287,456	\$ -	\$ -	\$ 26,273	\$ -	\$ 313,729	\$ 313,065
In Lieu of Taxes	3,012	-	-	-	-	3,012	2,122
Licenses and Permits							
Franchise charges - Utilities	99,371	-	-	-	-	99,371	91,068
Other	6,907	-	-	-	-	6,907	1,404
Intergovernmental Revenues:							
Federal Receipts							
Grants	209,583	4,500	-	-	-	214,083	614,456
General Municipal Aid (From State)	917	-	-	-	-	917	918
State Shared Revenues:							
Sales Taxes	200,132	-	-	-	-	200,132	161,125
Gasoline Tax	5,924	-	-	-	-	5,924	5,638
Fire Insurance Premium Distribution	-	24,583	-	-	-	24,583	-
Use Tax	-	-	-	64,756	-	64,756	35,598
Firewise Grant	5,000	-	-	-	-	5,000	2,948
Small Municipality Grants	-	-	-	197,919	-	197,919	-
COVID Grant	-	-	-	-	-	-	1,535
MEMA - Cares Act Grant	-	-	-	-	-	-	43,120
2022 Local Improvement Projects	-	-	-	60,000	-	60,000	-
County Grants and Shared Receipts							
Road Taxes	33,329	-	-	-	-	33,329	33,585
Fire Calls	-	16,382	-	-	-	16,382	15,568
Interest income	3,841	178	56	859	3,270	8,204	13,092
Cemetery Charges	-	-	4,400	-	-	4,400	3,600
Sale of Assets	-	-	-	-	-	-	117,105
Contributions from Businesses and Individuals	-	289	425	-	-	714	2,181
Charges For Services:							
Water Utility	-	-	-	-	520,135	520,135	513,577
Sanitation	115,845	-	-	48,100	-	163,945	138,115
Drug Seized Funds	-	-	-	-	-	-	52,020
Fines and Forfeits	39,370	-	-	-	-	39,370	72,716
Miscellaneous Receipts	1,048	-	-	-	1,047	2,095	1,464
<b>Total Receipts</b>	<b>\$ 1,011,735</b>	<b>\$ 45,932</b>	<b>\$ 4,881</b>	<b>\$ 397,907</b>	<b>\$ 524,452</b>	<b>\$ 1,984,907</b>	<b>\$ 2,236,020</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, 2022**

	<u>Governmental Activities</u>			<u>Business-Type Activities</u>		<u>Totals</u> <u>(Memorandum Only)</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>2022</u>	<u>2021</u>
<b>DISBURSEMENTS</b>							
General Government (Executive and Financial)	\$ 150,710	\$ -	\$ -	\$ -	\$ -	\$ 150,710	\$ 154,240
Public Safety							
Police	350,381	-	-	48,940	-	399,321	367,472
Fire	-	21,338	-	-	-	21,338	21,013
Streets and Sanitation	214,175	-	-	-	-	214,175	202,042
Culture and Recreation	-	-	7,465	-	-	7,465	7,505
Enterprise:							
Water Utility	-	-	-	-	278,499	278,499	309,553
Bond and Notes Repaid	50,219	-	-	-	44,348	94,567	84,230
<b>Total Disbursements</b>	<u>765,485</u>	<u>21,338</u>	<u>7,465</u>	<u>48,940</u>	<u>322,847</u>	<u>1,166,075</u>	<u>1,146,055</u>
<b>Excess (Deficiency) of receipts over disbursements</b>	<u>246,250</u>	<u>24,594</u>	<u>(2,584)</u>	<u>348,967</u>	<u>201,605</u>	<u>818,832</u>	<u>1,089,965</u>
<b>OTHER CASH SOURCES (USES)</b>							
Debt Proceeds	58,321	-	-	-	-	58,321	-
Transfers	(14,100)	14,100	-	-	-	-	-
Capital Outlay	(170,444)	(22,017)	-	(257,919)	(1,008)	(451,388)	(453,209)
<b>Total other cash sources (uses)</b>	<u>(126,223)</u>	<u>(7,917)</u>	<u>-</u>	<u>(257,919)</u>	<u>(1,008)</u>	<u>(393,067)</u>	<u>(453,209)</u>
<b>Net Changes in Cash</b>	120,027	16,677	(2,584)	91,048	200,597	425,765	636,756
<b>CASH - BEGINNING</b>	<u>955,874</u>	<u>33,249</u>	<u>33,507</u>	<u>253,326</u>	<u>773,190</u>	<u>2,049,146</u>	<u>1,412,390</u>
<b>CASH - ENDING</b>	<u>\$ 1,075,901</u>	<u>\$ 49,926</u>	<u>\$ 30,923</u>	<u>\$ 344,374</u>	<u>\$ 973,787</u>	<u>\$ 2,474,911</u>	<u>\$ 2,049,146</u>

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



**TOWN OF DECATUR, MISSISSIPPI**  
**NOTES TO THE FINANCIAL STATEMENT**  
**September 30, 2022**

**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 28.55% 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 December 15, 2022, which is the date the financial statement was available to the issued.

**TOWN OF DECATUR, MISSISSIPPI  
SCHEDULE OF INVESTMENTS - ALL FUNDS  
September 30, 2022**

<u>OWNERSHIP</u>	<u>TYPE OF INVESTMENT</u>	<u>INTEREST RATE</u>	<u>ACQUISITION DATE</u>	<u>MATURITY DATE</u>	<u>INVESTMENT COST/VALUE</u>
General Fund	Certificate of Deposit	.15%	10/9/2021	10/9/2022	\$ <u>25,383</u>
<b>TOTAL INVESTMENTS</b>					<b>\$ <u>25,383</u></b>

See accompanying notes and accountant's report.

**TOWN OF DECATUR, MISSISSIPPI**  
**SCHEDULE OF CAPITAL ASSETS**  
**Year Ended September 30, 2022**

	<u>Balance</u> <u>October 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>September 30, 2022</u>
<b>Governmental activities:</b>				
Capital Assets:				
Land	\$ 50,707	\$ -	\$ -	\$ 50,707
Buildings	278,853	-	-	278,853
Machinery and Equipment	991,413	138,753	-	1,130,166
Infrastructure	2,121,098	368,496	-	2,489,594
Construction in Progress	<u>127,684</u>	<u>-</u>	<u>127,684</u>	<u>-</u>
<b>Total Governmental Activities Capital Assets</b>	<u><u>\$ 3,569,755</u></u>	<u><u>\$ 507,249</u></u>	<u><u>\$ 127,684</u></u>	<u><u>\$ 3,949,320</u></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	6,982,334	10,899	-	6,993,233
Construction in Progress	<u>-</u>	<u>58,500</u>	<u>-</u>	<u>58,500</u>
<b>Total Business-Type Activities Capital Assets</b>	<u><u>\$ 7,361,144</u></u>	<u><u>\$ 69,399</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 7,430,543</u></u>

See accompanying notes and accountant's report.

**TOWN OF DECATUR, MISSISSIPPI  
SCHEDULE OF LONG TERM DEBT  
Year Ended September 30, 2022**

	<u>Balance Outstanding October 1, 2021</u>	<u>Transactions During Fiscal Year</u>		<u>Balance Outstanding September 30, 2022</u>
		<u>Increases</u>	<u>Decreases</u>	
<b>DEFINITION AND PURPOSE:</b>				
<b>General Obligation Bonds:</b>				
General Obligation	\$ 19,000	\$ -	\$ 19,000	\$ -
<b>Other Long-Term Debt:</b>				
Mississippi Development Authority	189,963	-	16,282	173,681
2017 Water and Sewer Refunding	337,333	-	30,666	306,667
Axon Enterprises - Tasers	<u>-</u>	<u>58,321</u>	<u>11,008</u>	<u>47,313</u>
<b>TOTAL</b>	<u>\$ 546,296</u>	<u>\$ 58,321</u>	<u>\$ 76,956</u>	<u>\$ 527,661</u>

See accompanying notes and accountant's report.

**TOWN OF DECATUR, MISSISSIPPI**  
**SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS**  
**September 30, 2022**

**Schedule 4**

<u>N a m e</u>	<u>Position</u>	<u>Surety</u>	<u>Bond Amount</u>
James Max Anderson	Mayor	Scott Insurance Services, LLC	\$ 50,000
Tanya Tanner	City Clerk	Travelers	\$ 50,000
Carol Youngblood	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.

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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 - governmental and business-type activities of the Town of Decatur, Mississippi as of and for the year ended September 30, 2022, and have issued our report dated December 15, 2022. 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 those procedures and our audit of the financial statement disclosed the following material instances of noncompliance with state laws and regulations. Our finding and recommendation and your responses is as follows:

1. Finding: \$20,573 was used as the budget for Fire Contractual Services using the Department Services worksheet and used each month for comparing budget to actual expenditures. A mistake caused the figure of \$7,600 to be published in the newspaper causing the actual expenditures of \$15,654 to exceed by \$8,054 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

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 15, 2022