

## 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, 2023**

**TOWN OF DECATUR, MISSISSIPPI  
AUDITED FINANCIAL STATEMENT  
Year Ended September 30, 2023**

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# PRICE & Co.

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**William Newman Price, CPA**

**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, 2023, 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, 2023, 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 January 2, 2024, 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

January 2, 2024

**TOWN OF DECATUR, MISSISSIPPI**  
**COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS - GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES**  
**Year Ended September 30, 2023**

	<u>Governmental Activities</u>			<u>Business-Type Activities</u>		<u>Totals</u> (Memorandum Only)	
	<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>2023</u>	<u>2022</u>
<b>RECEIPTS</b>							
Taxes							
General Property Taxes	\$ 300,462	\$ -	\$ -	\$ 24,683	\$ -	\$ 325,145	\$ 313,729
In Lieu of Taxes	4,202	-	-	-	-	4,202	4,294
Licenses and Permits							
Franchise charges - Utilities	97,876	-	-	-	-	97,876	98,089
Other	3,416	-	-	-	-	3,416	6,907
Intergovernmental Revenues:							
Federal Receipts							
Grants	8,175	-	-	411,984	-	420,159	214,083
General Municipal Aid (From State)	972	-	-	-	-	972	917
State Shared Revenues:							
Sales Taxes	229,943	-	-	-	-	229,943	200,132
Gasoline Tax	5,957	-	-	-	-	5,957	5,924
Fire Insurance Premium Distribution	-	16,885	-	-	-	16,885	24,583
Use Tax	-	-	-	86,859	-	86,859	64,756
Firewise Grant	-	-	-	-	-	-	5,000
Small Municipality Grants	-	-	-	-	-	-	197,919
HB 603 Funds	-	-	-	125,000	-	125,000	-
2022 Local Improvement Projects	-	-	-	-	-	-	60,000
County Grants and Shared Receipts							
Road Taxes	33,845	-	-	4,108	-	37,953	33,329
Fire Calls	-	18,548	-	-	-	18,548	16,382
Interest income	3,549	204	136	1,621	3,890	9,400	8,204
Cemetery Charges	-	-	8,800	-	-	8,800	4,400
Sale of Assets	-	6,100	-	-	-	6,100	-
Contributions from Businesses and Individuals	-	160	175	-	-	335	714
Charges For Services:							
Water Utility	-	-	-	-	542,471	542,471	520,135
Sanitation	103,320	-	-	43,099	-	146,419	163,945
Fines and Forfeits	28,388	-	-	-	-	28,388	39,370
Miscellaneous Receipts	505	-	-	-	1,051	1,556	2,095
<b>Total Receipts</b>	<b>\$ 820,610</b>	<b>\$ 41,897</b>	<b>\$ 9,111</b>	<b>\$ 697,354</b>	<b>\$ 547,412</b>	<b>\$ 2,116,384</b>	<b>\$ 1,984,907</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, 2023**

	<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>2023</u>	<u>2022</u>
<b>DISBURSEMENTS</b>							
General Government (Executive and Financial)	\$ 154,770	\$ -	\$ -	\$ -	\$ -	\$ 154,770	\$ 150,710
Public Safety							
Police	368,000	-	-	869	-	368,869	399,321
Fire	-	39,626	-	-	-	39,626	21,338
Streets and Sanitation	206,650	-	-	1,836	-	208,486	214,175
Culture and Recreation	-	-	7,555	-	-	7,555	7,465
Enterprise:							
Water Utility	-	-	-	15,431	320,816	336,247	278,499
Bond and Notes Repaid	<u>34,552</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,075</u>	<u>77,627</u>	<u>94,567</u>
<b>Total Disbursements</b>	<u>763,972</u>	<u>39,626</u>	<u>7,555</u>	<u>18,136</u>	<u>363,891</u>	<u>1,193,180</u>	<u>1,166,075</u>
<b>Excess (Deficiency) of receipts over disbursements</b>	<u>56,638</u>	<u>2,271</u>	<u>1,556</u>	<u>679,218</u>	<u>183,521</u>	<u>923,204</u>	<u>818,832</u>
<b>OTHER CASH SOURCES (USES)</b>							
Debt Proceeds	-	-	-	107,900	-	107,900	58,321
Transfers	(14,100)	14,100	-	-	-	-	-
Capital Outlay	<u>(50,780)</u>	<u>(10,445)</u>	<u>-</u>	<u>(709,603)</u>	<u>(57,553)</u>	<u>(828,381)</u>	<u>(451,388)</u>
<b>Total other cash sources (uses)</b>	<u>(64,880)</u>	<u>3,655</u>	<u>-</u>	<u>(601,703)</u>	<u>(57,553)</u>	<u>(720,481)</u>	<u>(393,067)</u>
<b>Net Changes in Cash</b>	(8,242)	5,926	1,556	77,515	125,968	202,723	425,765
<b>CASH - BEGINNING</b>	<u>715,272</u>	<u>49,926</u>	<u>30,923</u>	<u>705,003</u>	<u>973,787</u>	<u>2,474,911</u>	<u>2,049,146</u>
<b>CASH - ENDING</b>	<u>\$ 707,030</u>	<u>\$ 55,852</u>	<u>\$ 32,479</u>	<u>\$ 782,518</u>	<u>\$ 1,099,755</u>	<u>\$ 2,677,634</u>	<u>\$ 2,474,911</u>

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



**TOWN OF DECATUR, MISSISSIPPI  
NOTES TO THE FINANCIAL STATEMENT  
September 30, 2023**

**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 18.99% 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 2, 2024, which is the date the financial statement was available to the issued.

**TOWN OF DECATUR, MISSISSIPPI  
SCHEDULE OF INVESTMENTS - ALL FUNDS  
September 30, 2023**

Schedule 1

<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	.50%	10/9/2022	10/9/2023	\$ 25,488
<b>TOTAL INVESTMENTS</b>					<u><u>\$ 25,488</u></u>

See accompanying notes and accountant's report.

**TOWN OF DECATUR, MISSISSIPPI**  
**SCHEDULE OF CAPITAL ASSETS**  
**Year Ended September 30, 2023**

	<u>Balance</u> <u>October 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>September 30, 2023</u>
<b>Governmental activities:</b>				
Capital Assets:				
Land	\$ 50,707	\$ -	\$ -	\$ 50,707
Buildings	278,853	53,610	425	332,038
Machinery and Equipment	1,130,166	191,983	16,709	1,305,440
Infrastructure	2,489,594	122,810	554	2,611,850
Construction in Progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Governmental Activities Capital Assets</b>	<u><u>\$ 3,949,320</u></u>	<u><u>\$ 368,403</u></u>	<u><u>\$ 17,688</u></u>	<u><u>\$ 4,300,035</u></u>
<b>Business-type activities:</b>				
Capital Assets:				
Land	\$ 7,745	\$ -	\$ -	\$ 7,745
Buildings	64,843	2,450	-	67,293
Machinery and Equipment	306,222	35,988	5,819	336,391
Infrastructure	6,993,233	362,459	170,418	7,185,274
Construction in Progress	<u>58,500</u>	<u>79,400</u>	<u>-</u>	<u>137,900</u>
<b>Total Business-Type Activities Capital Assets</b>	<u><u>\$ 7,430,543</u></u>	<u><u>\$ 480,297</u></u>	<u><u>\$ 176,237</u></u>	<u><u>\$ 7,734,603</u></u>

See accompanying notes and accountant's report.

**TOWN OF DECATUR, MISSISSIPPI  
SCHEDULE OF LONG TERM DEBT  
Year Ended September 30, 2023**

	<u>Balance Outstanding October 1, 2022</u>	<u>Transactions During Fiscal Year</u>		<u>Balance Outstanding September 30, 2023</u>
		<u>Increases</u>	<u>Decreases</u>	
DEFINITION AND PURPOSE:				
Other Long-Term Debt:				
Mississippi Development Authority	\$ 173,681	\$ -	\$ 19,381	\$ 154,300
2017 Water and Sewer Refunding	306,667	-	30,667	276,000
Axon Enterprises - Tasers	47,313	-	11,828	35,485
MDEQ/WPCRLF	<u>-</u>	<u>26,975</u>	<u>-</u>	<u>26,975</u>
TOTAL	<u>\$ 527,661</u>	<u>\$ 26,975</u>	<u>\$ 61,876</u>	<u>\$ 492,760</u>

See accompanying notes and accountant's report.

TOWN OF DECATUR, MISSISSIPPI  
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS  
September 30, 2023

Schedule 4

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Bond Amount</u>
James Max Anderson	Mayor	Travelers	\$ 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
Ryan Oakley	Assistant Police Chief	Travelers	\$ 50,000
	Aldermen	Travelers	\$ 50,000
	Police Officers	Travelers	\$ 50,000
	Part-time Police Officers	Travelers	\$ 25,000

**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 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, 2023, 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 2, 2024. 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 findings and recommendations and your responses are as follows:

1. Finding: Quotes were not obtained for an expenditure of \$53,112 for equipment for the fire department.

Recommendation: Quotes should be obtained for capital expenditures \$5,000 and over.

Response: The purchase was from a sole source provider, and was approved in the January 2, 2024 board meeting, and noted in those board minutes.

2. Finding: The published budget had a line item for Cap Loan, which was exceeded by \$2,722.

Recommendation: The published budget should not be exceeded.

Response: Cap Loan was included with capital outlay on the budget worksheet, and capital outlay was not exceeded. The published budget will not be exceeded in future years. The budget was amended at the January 2, 2024 board meeting.

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.

A handwritten signature in blue ink that reads "Price & Co." with a stylized flourish at the end.

Price & Co.  
Forest, Mississippi

January 2, 2024