Town of Ashland

P. O. Box 246
Ashland, Mississippi 38603
Phone (662) 224-6282

Office of the State Auditor
P.O. Box 956
Jackson, Mississippi 39205

Re: Annual Audit

Accompanying this letter is a copy of the financial report of The Town of Ashland, Mississippi, for the fiscal year ended September 30, 2015. A separate management letter was not written to the town in connection with this audit.

Sincerely,

Mitch Carroll

Mayor

TOWN OF ASHLAND

FINANCIAL STATEMENT

ASHLAND, MISSISSIPPI

YEAR ENDED SEPTEMBER 30, 2015

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LINDSEY, DAVIS AND ASSOCIATES

CHARLES L. DAVIS, JR.
CERTIFIED PUBLIC ACCOUNTANT
STOCKHOLDER

DEAN CAVINESS
CERTIFIED PUBLIC ACCOUNTANT
STOCKHOLDER

MEMBER:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

CERTIFIED PUBLIC ACCOUNTANTS
POST OFFICE BOX 146
1122 CITY AVE. NORTH
RIPLEY, MS 38663

TELEPHONE 662-837-3295
FAX # 662-837-0174

STEPHANIE CLIFTON
CERTIFIED PUBLIC ACCOUNTANT
STOCKHOLDER

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CERTIFIED PUBLIC ACCOUNTANT

MEMBER:
MISSISSIPPI SOCIETY OF
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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Board of Aldermen
Town of Ashland
Ashland, Mississippi 38603

We have audited the accompanying statement of cash receipts and disbursements of the governmental activities, the business-type activities, and each major fund of the Town of Ashland, Mississippi, as of and for the year ended September 30, 2015, and the related notes to the financial statements, 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 A; 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 in the first paragraph presents fairly, in all material respects, the statement of cash receipts and disbursements of the governmental activities, the business-type activities, and each major fund of the

Town of Ashland, Mississippi, as of September 30, 2015, 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 A.

Basis of Accounting

We draw attention to Note A of the financial statement, which describes the basis of accounting. This 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 that matter.

Other Matters

Omission of Required Supplementary Information

The Town of Ashland, Mississippi 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

The schedules of long-term debt, surety bonds and investments are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected tot he auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or tot he basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of long-term debt, surety bonds, and investments are fairly stated in all material respects in relation to the basic financial statements as a whole.

Lindsey, Davis + Associates

Lindsey, Davis and Associates
Certified Public Accountants

Ripley, Mississippi
January 8, 2016

TOWN OF ASHLAND

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS) - CASH BASIS

YEAR ENDED SEPTEMBER 30, 2015

	GOVERNMENTAL FUND TYPES		PROPRIETARY FUND TYPE
	GENERAL	SPECIAL REVENUE	ENTERPRISE
REVENUE RECEIPTS			
General Property Taxes	$ 40,905	$ 19,543	$
Privilege Taxes	2,359		
Intergovernmental Revenues:			
State Shared Revenue:			
Sales Tax	160,821		
Gasoline Tax	1,743		
Fire Protection		3,096	
Fire Premium Rebate		6,656	
Homestead Exemption	6,443	2,991	
TVA in Lieu of Taxes	12,585		
General Municipal Aid	284		
County Shared Revenue:			
Road Taxes		10,070	
Fire Protection		6,667	
Charges for Services:			
Water Utilities			214,023
Sewer Utilities			57,078
Gas Utilities			624,814
Sanitation Collection Fees			35,345
Fines	7,336		
Interest	382	259	1,657
Gross Receipts Tax	532		
Miscellaneous	8,994	345	1,069
TOTAL REVENUE RECEIPTS	242,384	49,627	933,986
OTHER RECEIPTS			
Grant Income	3,500		
Debt Proceeds	24,091		
Transfers In	38,532		
TOTAL OTHER RECEIPTS	66,123	0	0
TOTAL RECEIPTS	308,507	49,627	933,986
Cash Balance - Beginning of Year	133,470	114,046	449,223
TOTAL AMOUNT TO ACCOUNT FOR	$ 441,977	$ 163,673	$ 1,383,209

The notes to financial statements are an integral part of this statement.

TOTALS (MEMORANDUM ONLY)	
2015	2014
$ 60,448	$ 63,891
2,359	2,804
160,821	152,980
1,743	1,591
3,096	3,101
6,656	6,651
9,434	8,588
12,585	13,804
284	284
10,070	10,671
6,667	6,667
214,023	202,029
57,078	60,161
624,814	537,334
35,345	38,430
7,336	7,925
2,298	1,898
532	598
10,408	16,599
1,225,997	1,136,006
3,500	127,957
24,091	34,424
38,532	5,456
66,123	167,837
1,292,120	1,303,843
696,739	611,086
$ 1,988,859	$ 1,914,929

TOWN OF ASHLAND

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS) - CASH BASIS - CONT.

YEAR ENDED SEPTEMBER 30, 2015

	GOVERNMENTAL FUND TYPES		PROPRIETARY FUND TYPE
	GENERAL	SPECIAL REVENUE	ENTERPRISE
OPERATING DISBURSEMENTS			
General Government	$ 142,571	$	$
Public Safety:			
Police	59,051		
Fire		22,535	
Highways and Streets		24,811	
Enterprise:			
Water Utilities			206,091
Sewer Utilities			32,630
Gas Utilities			387,334
Sanitation			35,380
TOTAL OPERATING DISBURSEMENTS	201,622	47,346	661,435
OTHER DISBURSEMENTS			
Interest on Bonds, Notes & Leases			19,461
Principal Payments			30,387
(Increase)/Decrease in Meter Deposits			75
Investment in Fixed Assets	47,503	21,920	68,043
Grant Expense	3,500		
Transfers Out	12,000		26,532
TOTAL OTHER DISBURSEMENTS	63,003	21,920	144,498
Cash Balance - End of Year	177,352	94,407	577,276
TOTAL AMOUNT ACCOUNTED FOR	$ 441,977	$ 163,673	$ 1,383,209

The notes to financial statements are an integral part of this statement.

TOTALS (MEMORANDUM ONLY)	
2015	2014
$ 142,571	$ 164,904
59,051	71,168
22,535	10,770
24,811	15,282
206,091	194,044
32,630	26,260
387,334	492,404
35,380	38,107
910,403	1,012,939
19,461	10,641
30,387	27,312
75	701
137,466	23,759
3,500	137,382
38,532	5,456
229,421	205,251
849,035	696,739
$ 1,988,859	$ 1,914,929

TOWN OF ASHLAND
NOTES TO THE FINANCIAL STATEMENT
YEAR ENDED SEPTEMBER 30, 2015

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Information

The town operates under the Mayor - Board of Aldermen 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 earned, and certain expenses are recognized when paid rather than when the obligation is incurred.

NOTE 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.

TOWN OF ASHLAND
SCHEDULE OF LONG-TERM DEBT
SEPTEMBER 30, 2015

	Balance Outstanding Oct. 1, 2014	Transactions During Fiscal Year Additions	Transactions During Fiscal Year Reductions	Balance Outstanding Sept. 30, 2015
Rural Development	$ 273,194	$	$ 11,074	$ 262,120
State of Mississippi - SRF	326,453		14,317	312,136
MS Decelopment Authority	0	24,091		24,091
Trustmark National Bank	11,410		4,996	6,414
Total	$ 611,057	$ 24,091	$ 30,387	$ 604,761

TOWN OF ASHLAND
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS
SEPTEMBER 30, 2015

Name	Position	Surety	Bond Amount
Mitchell Carroll	Mayor	USF&G	$ 50,000
Trina Thompson	Town Clerk	USF&G	50,000
Margaret Faulkenbery	Deputy Clerk	USF&G	50,000
Sandra Gresham	Alderwoman	USF&G	25,000
Mike Carroll	Alderman	USF&G	25,000
Greg Thompson	Alderman	USF&G	25,000
Shannon Wilburn	Alderman	USF&G	25,000
Don Daniel	Alderman	USF&G	25,000
Randy Hobson	Police Chief	USF&G	50,000
David Matlock	Police Officer	USF&G	25,000
Caleb Austin	Police Officer	USF&G	25,000
David Murphy	Police Officer	USF&G	25,000
Stephen Poff	Police Officer	USF&G	25,000

TOWN OF ASHLAND
SCHEDULE OF INVESTMENTS (ALL FUNDS) - CASH BASIS
SEPTEMBER 30, 2015

PROPRIETARY FUNDS:	
Water and Sewer Revenue Fund .80% Certificate of Deposit, dated December 11, 2014, maturing on December 11, 2015	$ 38,523
TOTAL INVESTMENTS	$ 38,523

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

Honorable Mayor and Board of Aldermen
Town of Ashland
Ashland, Mississippi 38603

We have audited the statement of cash receipts and disbursements - (all funds) cash basis of the Town of Ashland as of and for the year ended September 30, 2015 and have issued our report dated January 8, 2016. We have conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards.*

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 cash receipts and disbursements - (all funds) cash basis disclosed no material instances of noncompliance with state laws and regulations.

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.

Lindsey, Davis + Associates

Lindsey, Davis and Associates
Certified Public Accountants

Ripley, Mississippi
January 8, 2016

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor and Board of Aldermen
Town of Ashland
Ashland, Mississippi 38603

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the statement of cash receipts and disbursements of the governmental activities, the business-type activities, and each major fund of the Town of Ashland, Mississippi, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Town of Ashland, Mississippi's basic financial statements, and have issued our report thereon dated January 8, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Ashland's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the statement of cash receipts and disbursements of the governmental activities, the business-type activities, and each major fund, but not for the purpose of expressing an opinion on the effectiveness of the Town of Ashland's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Ashland's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Ashland's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is intended solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lindsey, Davis & Associates

Lindsey, Davis and Associates
Certified Public Accountants

Ripley, Mississippi
January 8, 2016