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# 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, 2017. A separate management letter was not written to the town in connection with this audit.

Sincerely,

  
Mayor

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MAR 06 2018



TOWN OF ASHLAND

FINANCIAL STATEMENT

ASHLAND, MISSISSIPPI

YEAR ENDED SEPTEMBER 30, 2017

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CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT .....	3-4
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS)-CASH BASIS .....	5-6
NOTES TO THE FINANCIAL STATEMENT .....	7
SCHEDULE OF LONG-TERM DEBT .....	8
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS .....	9
SCHEDULE OF INVESTMENTS (ALL FUNDS) - CASH BASIS .....	10
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE LAW AND REGULATIONS .....	11
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 STANDARDS .....	12-13

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DEAN CAVINESS, CPA

STEPHANIE CLIFTON, CPA

B.J. HORTON, CPA

SHONDA DAVIS

## 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, 2017, 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.

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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, 2017, 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 to the 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 to the 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 17, 2018

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TOWN OF ASHLAND  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS) - CASH BASIS  
 YEAR ENDED SEPTEMBER 30, 2017

	<u>GOVERNMENTAL ACTIVITIES</u>		<u>BUSINESS-TYPE ACTIVITIES</u>
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>WATER, SEWER, GAS AND SANITATION</u>
REVENUE RECEIPTS			
General Property Taxes	\$ 47,952	\$ 21,337	\$
Privilege Taxes	1,705		
Intergovernmental Revenues:			
State Shared Revenue:			
Sales Tax	166,269		
Gasoline Tax	1,743		
Fire Protection		3,186	
Fire Premium Rebate		6,851	
Homestead Exemption	5,766	2,677	
TVA in Lieu of Taxes	12,817		
General Municipal Aid	284		
County Shared Revenue:			
Road Taxes		13,465	
Fire Protection		6,667	
Charges for Services:			
Water Utilities			217,486
Sewer Utilities			57,588
Gas Utilities			308,555
Sanitation Collection Fees			36,300
Fines	4,054		
Interest	504	199	1,341
Gross Receipts Tax	848		
Miscellaneous	30,199	8,855	2,856
TOTAL REVENUE RECEIPTS	<u>272,141</u>	<u>63,237</u>	<u>624,126</u>
OTHER RECEIPTS			
Grant Income			
Debt Proceeds			
Transfers In	40,848	173	
TOTAL OTHER RECEIPTS	<u>40,848</u>	<u>173</u>	
TOTAL RECEIPTS	312,989	63,410	624,126
Cash Balance - Beginning of Year	<u>196,861</u>	<u>84,372</u>	<u>500,355</u>
TOTAL AMOUNT TO ACCOUNT FOR	<u>\$ 509,850</u>	<u>\$ 147,782</u>	<u>\$ 1,124,481</u>

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



TOTALS  
(MEMORANDUM ONLY)

2017	2016
\$ 69,289	\$ 61,159
1,705	2,067
166,269	164,435
1,743	1,743
3,186	3,649
6,851	7,869
8,443	9,070
12,817	7,136
284	284
13,465	11,880
6,667	6,667
217,486	212,492
57,588	56,081
308,555	308,374
36,300	35,696
4,054	7,061
2,044	2,284
848	811
41,910	3,757
<u>959,504</u>	<u>902,515</u>
	7,200
	71,933
41,021	40,560
<u>41,021</u>	<u>119,693</u>
1,000,525	1,022,208
<u>781,588</u>	<u>849,035</u>
<u>\$ 1,782,113</u>	<u>\$ 1,871,243</u>

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TOWN OF ASHLAND  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS) - CASH BASIS - CONT.  
YEAR ENDED SEPTEMBER 30, 2017

	<u>GOVERNMENTAL ACTIVITIES</u>		<u>BUSINESS-TYPE ACTIVITIES</u>
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>WATER, SEWER, GAS AND SANITATION</u>
<b>OPERATING DISBURSEMENTS</b>			
General Government	\$ 157,476	\$	\$
Public Safety:			
Police	62,472		
Fire		16,906	
Highways and Streets		27,588	
Enterprise:			
Water Utilities			202,649
Sewer Utilities			20,020
Gas Utilities			342,880
Sanitation			35,651
<b>TOTAL OPERATING DISBURSEMENTS</b>	<u>219,948</u>	<u>44,494</u>	<u>601,200</u>
<b>OTHER DISBURSEMENTS</b>			
Interest on Bonds, Notes & Leases	2,102		16,800
Principal Payments	10,537		28,368
(Increase)/Decrease in Meter Deposits			462
Investment in Fixed Assets	12,099	15,067	16,597
Grant Expense			
Transfers Out	12,000	2,489	26,532
<b>TOTAL OTHER DISBURSEMENTS</b>	<u>36,738</u>	<u>17,556</u>	<u>88,759</u>
<b>TOTAL DISBURSEMENTS</b>	256,686	62,050	689,959
Cash Balance - End of Year	<u>253,164</u>	<u>85,732</u>	<u>434,522</u>
<b>TOTAL AMOUNT ACCOUNTED FOR</b>	<u>\$ 509,850</u>	<u>\$ 147,782</u>	<u>\$ 1,124,481</u>

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



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TOTALS  
(MEMORANDUM ONLY)

2017	2016
\$ 157,476	\$ 157,734
62,472	59,345
16,906	14,039
27,588	27,356
202,649	231,531
20,020	26,397
342,880	300,453
35,651	35,510
<u>865,642</u>	<u>852,365</u>
18,902	21,119
38,905	36,785
462	200
43,763	131,426
41,021	7,200
40,560	40,560
<u>143,053</u>	<u>237,290</u>
1,008,695	1,089,655
773,418	781,588
<u>\$ 1,782,113</u>	<u>\$ 1,871,243</u>

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TOWN OF ASHLAND  
NOTES TO THE FINANCIAL STATEMENT  
YEAR ENDED SEPTEMBER 30, 2017

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, 2017

	Balance	Transactions		Balance
	Outstanding <u>Oct. 1, 2016</u>	During Fiscal Year		Outstanding <u>Sept. 30, 2017</u>
		<u>Additions</u>	<u>Reductions</u>	
Rural Development	\$ 250,465	\$	\$ 12,267	\$ 238,198
State of Mississippi - SRF	297,567		14,826	282,741
MS Development Authority	69,025		4,064	64,961
Trustmark National Bank	1,275		1,275	
Merchant & Farmers Bank	21,577		6,473	15,104
Total	<u>\$ 639,909</u>	<u>\$</u>	<u>\$ 38,905</u>	<u>\$ 601,004</u>

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TOWN OF ASHLAND  
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS  
 SEPTEMBER 30, 2017

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Bond Amount</u>
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
Mark Ehrie	Alderman	USF&G	25,000
Greg Thompson	Alderman	USF&G	25,000
Brian Jeanes	Alderman	USF&G	25,000
Rocky Miller	Alderman	USF&G	25,000
Randy Hobson	Police Chief	USF&G	50,000
Steven Goolsby	Police Officer	USF&G	25,000
Michael Anglin	Police Officer	USF&G	25,000
Stephen Poff	Police Officer	USF&G	25,000
Riley Jeter	Police Officer	USF&G	25,000



TOWN OF ASHLAND  
SCHEDULE OF INVESTMENTS (ALL FUNDS) - CASH BASIS  
SEPTEMBER 30, 2017

PROPRIETARY FUNDS:

Water and Sewer Revenue Fund .80% Certificate of Deposit, dated  
December 11, 2016, maturing on December 11, 2017

\$ 39,025

TOTAL INVESTMENTS

\$ 39,025

TOWN OF ASHLAND  
SEP 30 2017



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SHONDA DAVIS

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, 2017 and have issued our report dated January 17, 2018. 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 17, 2018

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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

FILED  
JAN 18 2018

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, 2017, 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 17, 2018.

### 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 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 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 17, 2018

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retained - incl. exhibits