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TOWN OF ASHLAND

FINANCIAL STATEMENT

ASHLAND, MISSISSIPPI

YEAR ENDED SEPTEMBER 30, 2019

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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, 2019, 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, 2019, 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 and Associates
Certified Public Accountants

Ripley, Mississippi
January 27, 2020

TOWN OF ASHLAND
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS) - CASH BASIS
YEAR ENDED SEPTEMBER 30, 2019

	<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	\$ 37,578	\$ 20,271	\$
Privilege Taxes	2,299		
Intergovernmental Revenues:			
State Shared Revenue:			
Sales Tax	150,583		
Gasoline Tax	1,743		
Fire Protection		3,358	
Fire Premium Rebate			
Homestead Exemption	6,022	2,796	
TVA in Lieu of Taxes	11,405		
General Municipal Aid	284		
County Shared Revenue:			
Road Taxes		13,365	
Fire Protection		6,667	
Charges for Services:			
Water Utilities			239,778
Sewer Utilities			49,877
Gas Utilities			507,444
Sanitation Collection Fees			38,199
Fines	2,482		
Interest	291	346	3,100
Gross Receipts Tax	775		
Miscellaneous	1,681	2,802	21,765
TOTAL REVENUE RECEIPTS	<u>215,143</u>	<u>49,605</u>	<u>860,163</u>
OTHER RECEIPTS			
Grant Income	120,000		
Transfers In	75,435		86,407
TOTAL OTHER RECEIPTS	<u>195,435</u>		<u>86,407</u>
TOTAL RECEIPTS	410,578	49,605	946,570
Cash Balance - Beginning of Year	<u>70,753</u>	<u>88,736</u>	<u>583,480</u>
TOTAL AMOUNT TO ACCOUNT FOR	<u><u>\$ 481,331</u></u>	<u><u>\$ 138,341</u></u>	<u><u>\$ 1,530,050</u></u>

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

TOTALS
(MEMORANDUM ONLY)

2019	2018
\$ 57,849	\$ 61,988
2,299	1,864
150,583	149,037
1,743	1,743
3,358	3,248
	6,977
8,818	9,517
11,405	11,050
284	284
13,365	11,882
6,667	6,667
239,778	223,864
49,877	53,754
507,444	448,192
38,199	35,813
2,482	4,403
3,737	3,216
775	924
26,248	22,302
<u>1,124,911</u>	<u>1,056,725</u>
120,000	
<u>161,842</u>	<u>165,308</u>
<u>281,842</u>	<u>165,308</u>
1,406,753	1,222,033
<u>742,969</u>	<u>777,167</u>
<u><u>\$ 2,149,722</u></u>	<u><u>\$ 1,999,200</u></u>

TOWN OF ASHLAND
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS) - CASH BASIS - CONT.
YEAR ENDED SEPTEMBER 30, 2019

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES
	GENERAL	SPECIAL REVENUE	WATER, SEWER, GAS AND SANITATION
OPERATING DISBURSEMENTS			
General Government	\$ 195,999	\$	\$
Public Safety:			
Police	45,943		
Fire		16,233	
Highways and Streets		37,470	
Enterprise:			
Water Utilities			233,828
Sewer Utilities			33,737
Gas Utilities			415,486
Sanitation			33,220
TOTAL OPERATING DISBURSEMENTS	<u>241,942</u>	<u>53,703</u>	<u>716,271</u>
OTHER DISBURSEMENTS			
Interest on Bonds, Notes & Leases	1,322		14,613
Principal Payments	10,408		30,118
(Increase)/Decrease in Meter Deposits			250
Investment in Fixed Assets	19,665	14,568	92,540
Transfers Out	132,000	3,310	26,532
TOTAL OTHER DISBURSEMENTS	<u>163,395</u>	<u>17,878</u>	<u>164,053</u>
TOTAL DISBURSEMENTS	405,337	71,581	880,324
Cash Balance - End of Year	<u>75,994</u>	<u>66,760</u>	<u>649,726</u>
TOTAL AMOUNT ACCOUNTED FOR	<u>\$ 481,331</u>	<u>\$ 138,341</u>	<u>\$ 1,530,050</u>

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

TOTALS
(MEMORANDUM ONLY)

2019	2018
\$ 195,999	\$ 228,043
45,943	48,738
16,233	14,970
37,470	19,179
233,828	174,744
33,737	27,027
415,486	297,230
33,220	33,000
<u>1,011,916</u>	<u>842,931</u>
15,935	18,330
40,526	38,709
250	85
126,773	190,868
161,842	165,308
<u>345,326</u>	<u>413,300</u>
1,357,242	1,256,231
<u>792,480</u>	<u>742,969</u>
<u><u>\$ 2,149,722</u></u>	<u><u>\$ 1,999,200</u></u>

TOWN OF ASHLAND
NOTES TO THE FINANCIAL STATEMENT
YEAR ENDED SEPTEMBER 30, 2019

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, 2019

	Balance Outstanding <u>Oct. 1, 2018</u>	Transactions During Fiscal Year		Balance Outstanding <u>Sept. 30, 2019</u>
		<u>Additions</u>	<u>Reductions</u>	
Rural Development	\$ 225,288	\$	\$ 15,354	\$ 209,934
State of Mississippi - SRF	267,653		14,764	252,889
MS Development Authority	60,859		4,199	56,660
Merchant & Farmers Bank	8,495		6,209	2,286
Total	<u>\$ 562,295</u>	<u>\$</u>	<u>\$ 40,526</u>	<u>\$ 521,769</u>

TOWN OF ASHLAND
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS
 SEPTEMBER 30, 2019

<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
Michael Anglin	Police Officer	USF&G	25,000
Derek Hobson	Police Officer	USF&G	25,000

TOWN OF ASHLAND
SCHEDULE OF INVESTMENTS (ALL FUNDS) - CASH BASIS
SEPTEMBER 30, 2019

PROPRIETARY FUNDS:

Water and Sewer Revenue Fund .90% Certificate of Deposit, dated
December 14, 2018, maturing on December 14, 2019

\$ 39,632

TOTAL INVESTMENTS

\$ 39,632

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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, 2019 and have issued our report dated January 27, 2020. 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 and Associates
Certified Public Accountants

Ripley, Mississippi
January 27, 2020

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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, 2019, 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 27, 2020.

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 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 and Associates
Certified Public Accountants

Ripley, Mississippi
January 27, 2020