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TOWN OF ASHLAND

FINANCIAL STATEMENT

ASHLAND, MISSISSIPPI

YEAR ENDED SEPTEMBER 30, 2020

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# LINDSEY, DAVIS AND ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

POST OFFICE BOX 146

1122 CITY AVE. NORTH

RIPLEY, MS 38663

TELEPHONE 662-837-3295

FAX # 662-837-0174

STOCKHOLDERS

CHARLES L. DAVIS, JR., CPA

DEAN CAVINESS, CPA

STEPHANIE CLIFTON, CPA

B.J. HORTON, CPA

SHONDA DAVIS

MEMBER

AMERICAN INSTITUTE OF

CERTIFIED PUBLIC ACCOUNTANTS

MISSISSIPPI SOCIETY OF

CERTIFIED PUBLIC ACCOUNTANTS

## 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, 2020, 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 and the standard applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are 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, 2020, 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  
April 1, 2021

TOWN OF ASHLAND  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS) - CASH BASIS  
YEAR ENDED SEPTEMBER 30, 2020

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS (MEMORANDUM ONLY)	
	GENERAL	WATER, SEWER, GAS AND SANITATION	2020	2019
REVENUE RECEIPTS				
General Property Taxes	\$ 58,813	\$	\$ 58,813	\$ 57,849
Privilege Taxes	1,952		1,952	2,299
Intergovernmental Revenues:				
State Shared Revenue:				
Sales Tax	155,995		155,995	150,583
Gasoline Tax	1,743		1,743	1,743
Fire Protection	3,433		3,433	3,358
Fire Premium Rebate	7,448		7,448	
Homestead Exemption	9,290		9,290	8,818
TVA in Lieu of Taxes	12,489		12,489	11,405
General Municipal Aid	284		284	284
Modernization Use Tax	25,396		25,396	
County Shared Revenue:				
Road Taxes	16,594		16,594	13,365
Fire Protection	6,667		6,667	6,667
Charges for Services:				
Water Utilities		233,915	233,915	239,778
Sewer Utilities		49,503	49,503	49,877
Gas Utilities		423,382	423,382	507,444
Sanitation Collection Fees		37,935	37,935	38,199
Fines	3,061		3,061	2,482
Interest	571	2,836	3,407	3,737
Gross Receipts Tax	596		596	775
Miscellaneous	4,544	3,494	8,038	26,248
TOTAL REVENUE RECEIPTS	308,876	751,065	1,059,941	1,124,911
OTHER RECEIPTS				
Grant Income		442,500	442,500	120,000
Transfers In	24,000		24,000	161,842
TOTAL OTHER RECEIPTS	24,000	442,500	466,500	281,842
TOTAL RECEIPTS	332,876	1,193,565	1,526,441	1,406,753
Cash Balance - Beginning of Year	142,754	649,726	792,480	742,969
TOTAL AMOUNT TO ACCOUNT FOR	\$ 475,630	\$ 1,843,291	\$ 2,318,921	\$ 2,149,722

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

TOWN OF ASHLAND  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS) - CASH BASIS - CONT.  
YEAR ENDED SEPTEMBER 30, 2020

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS (MEMORANDUM ONLY)	
	GENERAL	WATER, SEWER, GAS AND SANITATION	2020	2019
OPERATING DISBURSEMENTS				
General Government	\$ 168,920	\$	\$ 168,920	\$ 195,999
Public Safety:				
Police	45,977		45,977	45,943
Fire	16,858		16,858	16,233
Highways and Streets	54,744		54,744	37,470
Enterprise:				
Water Utilities		220,207	220,207	233,828
Sewer Utilities		31,377	31,377	33,737
Gas Utilities		365,878	365,878	415,486
Sanitation		30,250	30,250	33,220
TOTAL OPERATING DISBURSEMENTS	286,499	647,712	934,211	1,011,916
OTHER DISBURSEMENTS				
Interest on Bonds, Notes & Leases	1,024	15,985	17,009	15,935
Principal Payments	6,646	28,744	35,390	40,526
(Increase)/Decrease in Meter Deposits		205	205	250
Investment in Fixed Assets	1,167	465,801	466,968	126,773
Transfers Out		24,000	24,000	161,842
TOTAL OTHER DISBURSEMENTS	8,837	534,735	543,572	345,326
TOTAL DISBURSEMENTS	295,336	1,182,447	1,477,783	1,357,242
Cash Balance - End of Year	180,294	660,844	841,138	792,480
TOTAL AMOUNT ACCOUNTED FOR	\$ 475,630	\$ 1,843,291	\$ 2,318,921	\$ 2,149,722

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



TOWN OF ASHLAND  
NOTES TO THE FINANCIAL STATEMENT  
YEAR ENDED SEPTEMBER 30, 2020

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, 2020

	Balance Outstanding Oct. 1, 2019	Transactions During Fiscal Year		Balance Outstanding Sept. 30, 2020
		<u>Additions</u>	<u>Reductions</u>	
Rural Development	\$ 209,934	\$	\$ 12,531	\$ 197,403
State of Mississippi - SRF	252,889		16,213	236,676
MS Development Authority	56,660		4,360	52,300
Merchant & Farmers Bank	2,286		2,286	
Total	<u>\$ 521,769</u>	<u>\$</u>	<u>\$ 35,390</u>	<u>\$ 486,379</u>

TOWN OF ASHLAND  
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS  
 SEPTEMBER 30, 2020

<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, 2020

PROPRIETARY FUNDS:

Water and Sewer Revenue Fund .90% Certificate of Deposit, dated  
December 11, 2019, maturing on December 11, 2020

\$ 40,246

TOTAL INVESTMENTS

\$ 40,246

# LINDSEY, DAVIS AND ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

POST OFFICE BOX 146

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RIPLEY, MS 38663

TELEPHONE 662-837-3295

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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, 2020 and have issued our report dated April 1, 2021. 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

April 1, 2021

# LINDSEY, DAVIS AND ASSOCIATES

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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, 2020, 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 April 1, 2021.

## **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  
April 1, 2021