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TOWN OF ASHLAND

FINANCIAL REPORT

ASHLAND, MISSISSIPPI

YEAR ENDED SEPTEMBER 30, 2003

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INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below, which were agreed to by the Office of the State Auditor, to the accounting records of the Town of Ashland, Mississippi, solely to assist the Office of the State Auditor evaluate the Town of Ashland's compliance with certain laws and regulations as of September 30, 2003, and for the year then ended. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Office of the State Auditor, State of Mississippi. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

- A. We reconciled cash on deposit with the following bank to balances in the respective general ledger accounts and obtained confirmation of the related balances from the bank:

<u>Bank</u>	<u>Fund</u>	<u>Balance per General Ledger</u>
Merchants and Farmers Bank	Cemetery	\$ 1,185
Merchants and Farmers Bank	Cemetery	<u>3,098</u>
	Total Cemetery Fund	<u>\$ 4,283</u>
Merchants and Farmers Bank	Fire Station and Equipment	\$ 5,884
Merchants and Farmers Bank	Fire Station and Equipment	<u>4,605</u>
	Total Fire Station and Equipment Fund	<u>\$ 10,489</u>
Merchants and Farmers Bank	Gas Bond Contingency	<u>\$ 4,640</u>
Merchants and Farmers Bank	Gas Bond Cushion	<u>\$ 16,792</u>
Merchants and Farmers Bank	Gas Bond Depreciation	<u>\$ 4,640</u>
Merchants and Farmers Bank	Gas Operation and Maintenance	<u>\$ 221,795</u>
Merchants and Farmers Bank	General Maintenance	\$ 19

Merchants and Farmers Bank	General Maintenance	<u>72,097</u>
	Total General Maintenance Fund	<u>\$ 72,097</u>
Merchants and Farmers Bank	Sanitation	<u>\$ 8,442</u>
Merchants and Farmers Bank	Street Maintenance	<u>\$ 29,625</u>
Merchants and Farmers Bank	2002 Street Bond Fund	<u>\$ 12,348</u>
Merchants and Farmers Bank	Water & Sewer Bond Sinking	<u>\$ 32,305</u>
Merchants and Farmers Bank	Water & Sewer Depreciation	<u>\$ 16,596</u>
Merchants and Farmers Bank	Water & Sewer Revenue	<u>\$ 78,634</u>
Merchants and Farmers Bank	Water & Sewer Contingency	<u>\$ 16,792</u>

- B. We physically examined securities held for investment. Securities held in trust were confirmed directly with respective trustees. All investment transactions during the year were examined for compliance with investments authorized by Section 21-33-323, Miss. Code Ann. (1972).

The Town of Ashland owned no securities held for investment at September 30, 2003.

- C. We performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:
1. Verified use of certified county assessment rolls and traced levies to governing body minutes;
 2. Examined uncollected taxes for proper handling, including tax sales;
 3. Traced distribution of taxes collected to proper funds; and
 4. Analyzed increase in taxes for most recent period for compliance with increase limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

The distribution of taxes to funds was found to be in accordance with prescribed tax levies, and uncollected taxes were determined to be properly handled.

Ad valorem tax collections were found to be within the limitations of Sections 27-39-320 to 27-39-323, Miss. Code Ann. (1972).

Ad valorem tax collections for retirement of general obligation debt was found to be sufficient for payment of current principal and interest in accordance with limitations imposed by Sections 21-33-87 and 21-33-303, Miss. Code Ann. (1972).

- D. We obtained a statement of payments made by the Department of Finance and Administration to the municipality. Payments indicated were traced to deposits in the respective bank accounts and recorded in the general ledger without exception. Payments traced were as follows:

<u>Payment Purpose</u>	<u>Receiving Funds</u>	<u>General Ledger Amount</u>
Sales Tax Allocation	General	\$ 137,185
Fire Protection Allocation	General	2,608
Gasoline Tax	General	1,536
Homestead Exemption	General	7,307
TVA in Lieu of Taxes	General	10,722
Municipal Aid	General	301

- E. We selected a sample of purchases made by the municipality during the fiscal year. Each sample item was evaluated for compliance with purchasing requirements set forth in Sections 31-7-1, 31-7-13, 31-7-49 and 31-7-57, Miss. Code Ann. (1972), as applicable.

The sample consisted of the following:

Number of sample items	31
Dollar value of sample	\$ 79,839

We found the municipality's purchasing procedures to be in agreement with the requirements of the above-mentioned sections.

- F. We have read the Municipal Compliance Questionnaire completed by the municipality. The completed survey indicated no instances of non compliance with state requirements.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's compliance with laws and regulations. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the Office of the State Auditor, State of Mississippi, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

Lindsey and Davis
Certified Public Accountants

Ripley, Mississippi
February 6, 2004

INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

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

We have compiled the accompanying statement of cash receipts and disbursements (all funds)-cash basis of the Town of Ashland, Mississippi, for the year ended September 30, 2003, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying statement of cash receipts and disbursements (all funds)-cash basis and, accordingly, do not express an opinion or any other form of assurance on it.

The Town's policy is to prepare its financial statement on the basis of cash receipts and disbursements; consequently, certain revenue is recognized when received rather than when measurable and available, and certain expenditures are recognized when paid rather than when the obligation is incurred. Accordingly, the statement of cash receipts and disbursements (all funds)-cash basis is not intended to present results of operations, in conformity with accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all of the disclosures ordinarily included in financial statements. If the omitted disclosures were included, they might influence the user's conclusions about the Town's cash receipts and disbursements. Accordingly, the financial statement is not designed for those who are not informed about such matters.

The supplementary information contained on pages 9, 10 and 11 is presented for purposes of additional analysis and has been compiled by us from information that is the representation of management of the Town of Ashland, Mississippi, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on such supplementary information.

Lindsey and Davis
Certified Public Accountants

Ripley, Mississippi
February 6, 2004

TOWN OF ASHLAND
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS) - CASH BASIS
YEAR ENDED SEPTEMBER 30, 2003

	GOVERNMENTAL FUND TYPES			PROPRIETARY FUND TYPE	TOTALS (MEMORANDUM ONLY)	
	GENERAL	DEBT SERVICE	SPECIAL REVENUE	ENTERPRISE	2003	2002
REVENUE RECEIPTS						
General Property Taxes	\$ 36,788	\$	\$ 30,568	\$	\$ 67,356	\$ 61,698
Privilege Taxes	3,002				3,002	2,085
Intergovernmental Revenues:						
State Shared Revenue:						
Sales Tax	137,185				137,185	138,763
Gasoline Tax	1,536				1,536	1,450
Fire Protection			2,608		2,608	2,458
Fire Premium Rebate			5,108		5,108	4,780
Homestead Exemption	4,016		3,291		7,307	6,893
TVA in Lieu of Taxes	10,722				10,722	7,726
General Municipal Aid	301				301	301
County Shared Revenue:						
Road Taxes			12,545		12,545	11,325
Fire Protection			5,000		5,000	4,000
Charges for Services:						
Water Utilities				143,088	143,088	156,364
Gas Utilities				500,410	500,410	486,830
Sanitation Collection Fees				33,471	33,471	33,839
Fines	17,928				17,928	15,670
Interest	765	89	458	5,526	6,838	7,532
Gross Receipts Tax	1,619				1,619	1,629
Sale of Cemetery Lots	50				50	720
Miscellaneous	3,180		7,031	6,298	16,509	4,264
TOTAL REVENUE RECIEPTS	<u>217,092</u>	<u>89</u>	<u>66,609</u>	<u>688,793</u>	<u>972,583</u>	<u>948,327</u>
OTHER RECEIPTS						
MDOT Reimbursement						46,064
Grant Income (CDBG)						181,039
Bond Proceeds						230,000
Loan Proceeds				54,188	54,188	26,598
Transfers In		43,147		2,532	45,679	4,348
TOTAL OTHER RECEIPTS	<u></u>	<u>43,147</u>	<u></u>	<u>56,720</u>	<u>99,867</u>	<u>488,049</u>
TOTAL RECEIPTS	217,092	43,236	66,609	745,513	1,072,450	1,436,376
Cash Balance - Beginning of Year	65,316		33,047	386,845	485,208	392,395
TOTAL AMOUNT TO ACCOUNT FOR	<u>\$ 282,408</u>	<u>\$ 43,236</u>	<u>\$ 99,656</u>	<u>\$ 1,132,358</u>	<u>\$ 1,557,658</u>	<u>\$ 1,828,771</u>

See Accountant's Report

TOWN OF ASHLAND
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS) - CASH BASIS
 YEAR ENDED SEPTEMBER 30, 2003

	GOVERNMENTAL FUND TYPES			PROPRIETARY FUND TYPE	TOTALS (MEMORANDUM ONLY)	
	GENERAL	DEBT SERVICE	SPECIAL REVENUE	ENTERPRISE	2003	2002
OPERATING DISBURSEMENTS						
General Government	\$ 141,946	\$	\$	\$	\$ 141,946	\$ 167,694
Public Safety:						
Police	59,166				59,166	61,395
Fire			9,869		9,869	9,781
Highways and Streets			7,450		7,450	286,981
Enterprise:						
Water Utilities				134,184	134,184	124,723
Gas Utilities				371,114	371,114	338,170
Sanitation				32,909	32,909	33,131
TOTAL OPERATING DISBURSEMENTS	<u>201,112</u>	<u></u>	<u>17,319</u>	<u>538,207</u>	<u>756,638</u>	<u>1,021,875</u>
OTHER DISBURSEMENTS:						
Interest on Bonds, Notes & Leases		9,742		23,267	33,009	22,139
Principal Payments		21,146		21,944	43,090	25,874
(Increase)/Decrease in Meter Deposits				(1,388)	(1,388)	(1,563)
Investment in Fixed Assets	449		3,424	116,140	120,013	89,851
Grant Expense						181,039
Transfers Out	4,348		38,799	2,532	45,679	4,348
TOTAL OTHER DISBURSEMENTS	<u>4,797</u>	<u>30,888</u>	<u>42,223</u>	<u>162,495</u>	<u>240,403</u>	<u>321,688</u>
TOTAL DISBURSEMENTS	205,909	30,888	59,542	700,702	997,041	1,343,563
Cash Balance - End of Year	<u>76,499</u>	<u>12,348</u>	<u>40,114</u>	<u>431,656</u>	<u>560,617</u>	<u>485,208</u>
TOTAL AMOUNT ACCOUNTED FOR	<u>\$ 282,408</u>	<u>\$ 43,236</u>	<u>\$ 99,656</u>	<u>\$ 1,132,358</u>	<u>\$ 1,557,658</u>	<u>\$ 1,828,771</u>

See Accountant's Report

TOWN OF ASHLAND
SCHEDULE OF LONG-TERM DEBT
SEPTEMBER 30, 2003

	Balance Outstanding Oct. 1, 2002	Transactions During Fiscal Year		Balance Outstanding Sept. 30, 2003
		Additions	Reductions	
MS Development Authority	\$ 34,279	\$	\$ 3,146	\$ 31,133
The Peoples Bank	230,000		18,000	212,000
Trustmark National Bank	21,682		7,970	13,712
Rural Development	370,028		4,813	365,215
Trustmark National Bank		54,188	9,161	45,027
Total	<u>\$ 655,989</u>	<u>\$ 54,188</u>	<u>\$ 43,090</u>	<u>\$ 667,087</u>

TOWN OF ASHLAND
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS
 SEPTEMBER 30, 2003

<u>Name</u>	<u>Position</u>	<u>Surety</u>	<u>Bond Amount</u>
William Stone	Mayor/Chief of Police	USF&G	\$ 100,000
Leigh Norris	Town Clerk	USF&G	50,000
Johnnie Roberson	Utility Clerk	USF&G	10,000
David Matlock	Policeman	USF&G	25,000
Bobby Huddleston	Alderman	USF&G	5,000
Brian Jeanes	Alderman	USF&G	5,000
Fort Knighton	Alderman	USF&G	5,000
Billy Taylor	Alderman	USF&G	5,000
Shannon Wilburn	Alderman	USF&G	5,000
Charles Fortner	Part-Time Policeman	USF&G	25,000
Barry Hobson	Part-Time Policeman	USF&G	25,000
Eddie Thompson	Part-Time Policeman	USF&G	25,000

TOWN OF ASHLAND
SCHEDULE OF INVESTMENTS (ALL FUNDS) - CASH BASIS
SEPTEMBER 30, 2003

PROPRIETARY FUNDS:

Water and Sewer Revenue fund 3.10% Certificate of Deposit, dated
December 11, 2002, maturing on October 25, 2003

\$ 29,075

TOTAL INVESTMENTS

\$ 29,075