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TOWN OF ASHLAND
FINANCIAL REPORT
ASHLAND, MISSISSIPPI
YEAR ENDED SEPTEMBER 30, 2014

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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 to evaluate the Town of Ashland's compliance with certain laws and regulations as of September 30, 2014, 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 | Fire Station and Equipment | \$ 6,143 |
| Merchants and Farmers Bank | Fire Station and Equipment | <u>25,589</u> |
| | Total Fire Station and Equipment Fund | <u>\$ 31,732</u> |
| Merchants and Farmers Bank | Gas Bond Contingency | <u>\$ 12,169</u> |
| Merchants and Farmers Bank | Gas Bond Cushion | <u>\$ 12,169</u> |
| Merchants and Farmers Bank | Gas Bond Depreciation | <u>\$ 29,879</u> |
| Merchants and Farmers Bank | Gas Operation and Maintenance | <u>\$ 112,688</u> |
| Merchants and Farmers Bank | General Maintenance | \$ 51,310 |
| Merchants and Farmers Bank | General Maintenance | <u>498</u> |
| | Total General Maintenance Fund | <u>\$ 51,808</u> |
| Merchants and Farmers Bank | Park Fund | <u>\$ 27,445</u> |

| | | |
|----------------------------|--------------------|------------|
| Merchants and Farmers Bank | Sanitation | \$ 23,141 |
| Merchants and Farmers Bank | Street Maintenance | \$ 82,314 |
| Merchants and Farmers Bank | Water Fund | \$ 149,935 |
| Merchants and Farmers Bank | Sewer Fund | \$ 163,459 |

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).

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).

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 | \$ 152,980 |
| Fire Protection Allocation | General | 3,101 |
| Gasoline Tax | General | 1,591 |
| Homestead Exemption | General | 8,588 |
| TVA in Lieu of Taxes | General | 13,804 |
| Municipal Aid | General | 284 |
| Other Aid to Municipalities | Sewer | 101,957 |

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 | \$ 58,091 |

We found the municipality's purchasing procedures to be in agreement with the requirements of the above-mentioned sections. With the exception of the purchase of a Bucket Boom Truck in the amount of \$9,500. The municipality did not follow bid/quote requirements on this purchase.

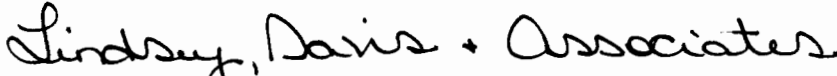
F. We selected a sample of collection of fines and forfeitures and verified that the municipal court clerk had settled daily with the municipal clerk. We also selected a sample of state imposed court assessments collected and determined that the municipal clerk had settled monthly with the Department of Finance and Administration.

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

G. 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, Davis and Associates
Certified Public Accountants

Ripley, Mississippi
February 20, 2015

LINDSEY, DAVIS AND ASSOCIATES

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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, 2014, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

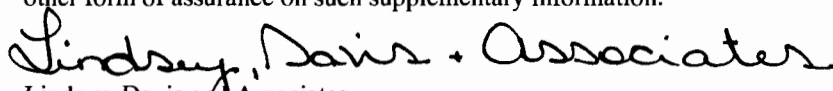
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

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, Davis and Associates
Certified Public Accountants

Ripley, Mississippi
February 20, 2015

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TOWN OF ASHLAND
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS) - CASH BASIS
 YEAR ENDED SEPTEMBER 30, 2014

| | <u>GOVERNMENTAL FUND TYPES</u> | | <u>PROPRIETARY FUND</u> |
|------------------------------------|--------------------------------|----------------------------|-------------------------|
| | <u>GENERAL</u> | <u>SPECIAL REVENUE</u> | <u>TYPE</u> |
| | | | <u>ENTERPRISE</u> |
| REVENUE RECEIPTS | | | |
| General Property Taxes | \$ 35,127 | \$ 28,764 | \$ |
| Privilege Taxes | 2,804 | | |
| Intergovernmental Revenues: | | | |
| State Shared Revenue: | | | |
| Sales Tax | 152,980 | | |
| Gasoline Tax | 1,591 | | |
| Fire Protection | | 3,101 | |
| Fire Premium Rebate | | 6,651 | |
| Homestead Exemption | 4,239 | 4,349 | |
| TVA in Lieu of Taxes | 13,804 | | |
| General Municipal Aid | 284 | | |
| County Shared Revenue: | | | |
| Road Taxes | | 10,671 | |
| Fire Protection | | 6,667 | |
| Charges for Services: | | | |
| Water Utilities | | | 202,029 |
| Sewer Utilities | | | 60,161 |
| Gas Utilities | | | 537,334 |
| Sanitation Collection Fees | | | 38,430 |
| Fines | 7,925 | | |
| Interest | 280 | 262 | 1,356 |
| Gross Receipts Tax | 598 | | |
| Miscellaneous | 14,672 | 1,500 | 427 |
| TOTAL REVENUE RECEIPTS | <u>234,304</u> | <u>61,965</u> | <u>839,737</u> |
| OTHER RECEIPTS | | | |
| Grant Income | 26,000 | | 101,957 |
| Debt Proceeds | | | 34,424 |
| Transfers In | 5,456 | | |
| TOTAL OTHER RECEIPTS | <u>31,456</u> | <u>0</u> | <u>136,381</u> |
| TOTAL RECEIPTS | 265,760 | 61,965 | 976,118 |
| Cash Balance - Beginning of Year | <u>108,772</u> | <u>92,133</u> | <u>410,181</u> |
| TOTAL AMOUNT TO ACCOUNT FOR | <u>\$ 374,532</u> | <u>\$ 154,098</u> | <u>\$ 1,386,299</u> |

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

TOTALS
(MEMORANDUM ONLY)

| 2014 | 2013 |
|---------------------|---------------------|
| \$ 63,891 | \$ 53,193 |
| 2,804 | 2,411 |
| 152,980 | 144,154 |
| 1,591 | 1,591 |
| 3,101 | 3,033 |
| 6,651 | 6,849 |
| 8,588 | 8,681 |
| 13,804 | 17,150 |
| 284 | 284 |
| 10,671 | 11,700 |
| 6,667 | 6,667 |
| 202,029 | 199,964 |
| 60,161 | 55,373 |
| 537,334 | 416,820 |
| 38,430 | 37,124 |
| 7,925 | 6,402 |
| 1,898 | 1,749 |
| 598 | 544 |
| 16,599 | 13,000 |
| <u>1,136,006</u> | <u>986,689</u> |
| 127,957 | 842,812 |
| 34,424 | 315,425 |
| 5,456 | 4,652 |
| <u>167,837</u> | <u>1,162,889</u> |
| 1,303,843 | 2,149,578 |
| 611,086 | 609,835 |
| <u>\$ 1,914,929</u> | <u>\$ 2,759,413</u> |

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TOWN OF ASHLAND
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (ALL FUNDS) - CASH BASIS - CONT.
YEAR ENDED SEPTEMBER 30, 2014

| | <u>GOVERNMENTAL FUND TYPES</u> | | <u>PROPRIETARY FUND</u> |
|---------------------------------------|--------------------------------|----------------------------|-------------------------|
| | <u>GENERAL</u> | <u>SPECIAL REVENUE</u> | <u>TYPE</u> |
| | | | <u>ENTERPRISE</u> |
| OPERATING DISBURSEMENTS | | | |
| General Government | \$ 164,904 | \$ | \$ |
| Public Safety: | | | |
| Police | 71,168 | | |
| Fire | | 10,770 | |
| Highways and Streets | | 15,282 | |
| Enterprise: | | | |
| Water Utilities | | | 194,044 |
| Sewer Utilities | | | 26,260 |
| Gas Utilities | | | 492,404 |
| Sanitation | | | 38,107 |
| TOTAL OPERATING DISBURSEMENTS | <u>236,072</u> | <u>26,052</u> | <u>750,815</u> |
| OTHER DISBURSEMENTS | | | |
| Interest on Bonds, Notes & Leases | | | 10,641 |
| Principal Payments | | | 27,312 |
| (Increase)/Decrease in Meter Deposits | | | 701 |
| Investment in Fixed Assets | 3,990 | 14,000 | 5,769 |
| Grant Expense | 1,000 | | 136,382 |
| Transfers Out | | | 5,456 |
| TOTAL OTHER DISBURSEMENTS | <u>4,990</u> | <u>14,000</u> | <u>186,261</u> |
| | | | |
| Cash Balance - End of Year | <u>133,470</u> | <u>114,046</u> | <u>449,223</u> |
| TOTAL AMOUNT ACCOUNTED FOR | <u>\$ 374,532</u> | <u>\$ 154,098</u> | <u>\$ 1,386,299</u> |

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

TOTALS
(MEMORANDUM ONLY)

| 2014 | 2013 |
|--------------|--------------|
| \$ 164,904 | \$ 158,929 |
| 71,168 | 39,217 |
| 10,770 | 14,583 |
| 15,282 | 10,570 |
| 194,044 | 210,532 |
| 26,260 | 11,860 |
| 492,404 | 374,578 |
| 38,107 | 35,102 |
| 1,012,939 | 855,371 |
| 10,641 | 16,091 |
| 27,312 | 13,527 |
| 701 | 1,325 |
| 23,759 | 416,669 |
| 137,382 | 842,812 |
| 5,456 | 2,532 |
| 205,251 | 1,292,956 |
| 696,739 | 611,086 |
| \$ 1,914,929 | \$ 2,759,413 |

TOWN OF ASHLAND
SCHEDULE OF LONG-TERM DEBT
 SEPTEMBER 30, 2014

| | Balance Outstanding Oct. 1, 2013 | Transactions During Fiscal Year | | Balance Outstanding Sept. 30, 2014 |
|----------------------------|--|------------------------------------|-------------------|--|
| | | <u>Additions</u> | <u>Reductions</u> | |
| Rural Development | \$ 283,717 | \$ | \$ 10,523 | \$ 273,194 |
| State of Mississippi - SRF | 295,569 | 34,424 | 3,540 | 326,453 |
| Trustmark National Bank | 15,494 | | 4,084 | 11,410 |
| Total | <u>\$ 594,780</u> | <u>\$ 34,424</u> | <u>\$ 18,147</u> | <u>\$ 611,057</u> |

TOWN OF ASHLAND
SCHEDULE OF SURETY BONDS FOR TOWN OFFICIALS
SEPTEMBER 30, 2014

| <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 |
| 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 |
| Joe McDonald | Police Chief | USF&G | 50,000 |
| David Matlock | Police Officer | USF&G | 25,000 |
| Caleb Austin | Police Officer | USF&G | 25,000 |
| Randy Hobson | 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, 2014

PROPRIETARY FUNDS:

Water and Sewer Revenue Fund .80% Certificate of Deposit, dated
December 11, 2013, maturing on December 11, 2014

\$ 38,217

TOTAL INVESTMENTS

\$ 38,217

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, 2014. A separate management letter was not written to the town in connection with this audit.

Sincerely,


Mayor

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