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WILLIAM H. POLK & CO.
CERTIFIED PUBLIC ACCOUNTANTS

A Professional Association

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INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES

Governing Authority
Town of Courtland
Courtland, Mississippi

We have performed the procedures enumerated below, which were agreed to by the Office of the State Auditor, to the accounting records of Town of Courtland, Mississippi, solely to assist the Office of the State Auditor in evaluating the Town of Courtland, Mississippi's compliance with certain laws and regulations as of September 30, 2019, and for the year then ended. This agreed-upon procedures engagement was conducted 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:

1. We verified that all investment transactions were in compliance with Section 21-33-323 Miss. Code Ann. (1972), and 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 or otherwise proved those bank balances. No exceptions were noted.

<u>Bank</u>	<u>Fund</u>	<u>General Ledger</u>
First Security Bank	General	\$ 9,953
First Security Bank	General	5,417
First Security Bank	General	11,528
First Security Bank	General	<u>21,635</u>
Total confirmed or proved		48,533
Cash on hand		<u>100</u>
Total General Fund Cash		<u>\$ 48,633</u>

2. We performed the following procedures with respect to taxes on real and personal property (including motor vehicles) levied during the fiscal year:
 - a. Traced levies to governing body minutes. No exceptions were noted.
 - b. Traced distribution of taxes collected to proper funds. No exceptions were noted.
 - c. Analyzed increase in taxes for most recent period for compliance with increase limitations of Sections 27-39-320 through 27-39-323, Miss. Code Ann. (1972). No exceptions were noted.
3. We obtained a statement of payments made by the Department of Finance and Administration to the municipality. The payments indicated were traced to deposit in the respective bank accounts and recorded in the general ledger without exception. Payments traced were as follows:

<u>Payment Purpose</u>	<u>Receiving Fund</u>	<u>Ledger Amount</u>
Homestead reimbursement	General	\$ 2,366
Fire protection	General	3,016
Gasoline tax	General	1,533
Sales tax	General	14,633
General municipal aid	General	255
Nuclear plant payments in lieu of taxes	General	2,782
TVA payments in lieu of taxes	General	36

4. Even though the town had a very limited amount of expenditures subject to the state purchase law, 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 Title 31, Chapter 7, Miss. Code Ann. (1972), as applicable.

The sample consisted of the following:

Number of Sample Items	8
Total Dollar Value of Sample	\$9,101

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

5. We selected a sample of collection of fines and forfeitures to verify that the municipal court clerk had settled daily with the municipal clerk in accordance with Section 21-15-21, Miss. Code Ann. (1972). We also selected a sample of state-imposed court assessments collected to determine that the municipal clerk had settled monthly with the Department of Finance and Administration in accordance with Sections 99-19-73 and 83-39-31, Miss. Code Ann. (1972).

We found that the court clerk failed to remit collected fines and forfeitures for ten of the months to the municipal clerk on a daily basis. There were no fines collected for two months.

Also, the court clerk did not report two fines collected of \$1,079 and settle with the Department of Finance and Administration. Five monthly settlement forms were not settled within the following month. The Town had advised that appropriate action will be taken to determine that assessments collected are settled with the state on a timely basis.

6. We have read the Municipal Compliance Questionnaire that was completed, signed, and recorded in the Town board's minutes. The completed survey indicated no instances of noncompliance with state requirements. However, there are four items that exceeded the budgeted amount by a total of \$1,586, and the court clerk did not remit fines to the municipal court or settle state court assessments on a timely basis as noted above. The Town has advised that greater care will be taken in the future when reviewing for accounts in excess of budgeted amounts.

We were not engaged to and did not conduct 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 information and use of the Office of the State Auditor, State of Mississippi, and is not intended to be, and should not be, used by those who have not agreed to the

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.

William H. Polk & Co.

William H. Polk & Co.
Batesville, Mississippi
January 8, 2020

TOWN OF COURTLAND

FINANCIAL REPORT

September 30, 2019

**William H. Polk & Co.
Certified Public Accountants
A Professional Association
105 Public Square
Batesville, Mississippi 38606**

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT ACCOUNTANTS' COMPILATION REPORT	1
FINANCIAL STATEMENTS	
Combined statement of cash receipts and disbursements (governmental and business-type activities)	3
SUPPLEMENTAL INFORMATION:	
Schedule of investments	6
Schedule of surety bonds for municipal officials	7
INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS	8

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Honorable Mayor and Board of Alderpersons
Town of Courtland
Courtland, Mississippi

Management is responsible for the accompanying statement of cash receipts and disbursements - government and business-type activities of the Town of Courtland for the year ended September 30, 2019, in accordance with the cash basis of accounting, and for determining that the cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the statement of cash receipts and disbursements-cash basis, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the statement or cash receipts and disbursements-cash basis.

The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has not presented government-wide financial statements to display the cash basis financial position and changes in cash basis financial position of its governmental activities and business-type activities. Accounting principles generally accepted in the United States of America, as applied to the Town's cash basis of accounting, require the presentation of government-wide financial statements. The amounts that would be reported in government-wide financial statements resulting from the cash basis transactions for the Town's governmental activities and business type activities are not reasonably determinable.

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

The supplementary information listed in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the representation of management. The information was subject to our compilation engagement; however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

Management also has not presented management's discussion and analysis and other required supplemental information the Governmental Accounting Standards Board has determined is required to supplement, although not required to be a part of the basic financial statements.

In accordance with the provisions of Section 21-35-31, Mississippi Code Annotated (1972), we have issued a report dated January 8, 2020, on the results of our agreed-upon procedures.

William H. Polk & Co.

William H. Polk & Co.
Batesville, Mississippi
January 8, 2020

Town of Courtland, Mississippi
Combined Statement of Cash Receipts and Disbursements
Governmental and Business-type Activities
For the year ended September 30, 2019

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
	<u>General Fund</u>	<u>None</u>
RECEIPTS		
Taxes:		
General property taxes	\$ 11,838	
Penalties and interest on delinquent taxes	115	
Franchise charges-utilities	8,665	
Intergovernmental revenues:		
General municipal aid	255	
State shared revenues:		
Sales taxes	14,633	
Gasoline tax	1,533	
Nuclear plant payments in lieu of taxes	2,782	
Homestead reimbursement	2,366	
Fire protection	3,016	
TVA payments in lieu of taxes	36	
County fire calls	8,812	
County railroad tax	1,458	
Privilege tax	25	
Interest income	374	
Fines and forfeits	5,646	
Donations	<u>1,020</u>	<u>\$ -</u>
Total Receipts	<u>62,574</u>	<u>-</u>

Continued
See accountants' report.

Town of Courtland, Mississippi
Combined Statement of Cash Receipts and Disbursements
Governmental and Business-type Activities - continued
For the year ended September 30, 2019

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
	<u>General Fund</u>	<u>None</u>
DISBURSEMENTS		
General government		
Civil defense	\$ 350	
Utilities and telephone	1,690	
Insurance	12,383	
Legal and accounting	5,327	
Maintenance and repairs	457	
Office and postage expense	1,253	
Salaries and payroll taxes	3,806	
Miscellaneous	<u>2,649</u>	
	27,915	
Fire department		
Insurance	3,144	
Maintenance and repairs	4,468	
Fuel	987	
Miscellaneous	418	
Capital outlay	3,592	
Radio and communication	2,075	
Supplies	157	
Training	<u>113</u>	
	14,954	
Police department		
Insurance	1,395	
Supplies	126	
Fuel	595	
Salaries and payroll taxes	13,093	
Police fines paid to state	1,951	
Miscellaneous	1,461	
Inmate housing	90	
Utilities	3,544	
Maintenance and repairs	<u>1,041</u>	
	23,296	
Total Disbursements	<u>66,165</u>	\$ -
Excess (Deficiency) of receipts over disbursements	(3,591)	-

Continued
See accountants' report.

Town of Courtland, Mississippi
Combined Statement of Cash Receipts and Disbursements
Governmental and Business-type Activities - continued
For the year ended September 30, 2019

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
	<u>General Fund</u>	<u>None</u>
OTHER FINANCING SOURCES (USES)		
Debt retirement – principal	\$ -	\$ -
Debt interest	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>
 Excess (Deficiency) of receipts and other financing sources over disbursements and other financing uses	 <u>(3,591)</u>	 <u>-</u>
 CASH BASIS FUND BALANCE –		
BEGINNING OF YEAR	 <u>52,224</u>	 <u>-</u>
 CASH BASIS FUND BALANCE –		
END OF YEAR	 <u><u>\$ 48,633</u></u>	 <u><u>\$ -</u></u>

See accountants' report.

TOWN OF COURTLAND, MISSISSIPPI

SCHEDULE OF INVESTMENTS

SEPTEMBER 30, 2019

.85% Certificate of deposit
matures July 10, 2020

\$ 21,635

All certificates of deposit are included in the cash balance-end of year. The fair value of the certificate of deposit is approximately the same as the carrying value.

See accountants' report.

TOWN OF COURTLAND, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS
SEPTEMBER 30, 2019

<u>Name</u>	<u>Position</u>	<u>Company</u>	<u>Bond</u>
Deborah R. Aven	Mayor	Old Republic Surety Company	\$50,000
Gerald M. Aven, Jr.	Alderman	Old Republic Surety Company	\$50,000
Carolyn Kilgore	Alderwoman	Old Republic Surety Company	\$50,000
Mary K. Baglan	Alderwoman	Old Republic Surety Company	\$50,000
Chase Baglan	Alderman	Old Republic Surety Company	\$50,000
Clifford Olson	Alderman	Old Republic Surety Company	\$50,000
Carolyn Roberts	Town Clerk	Liberty Mutual Company	\$50,000
Jeremy Hailey	Chief of Police	Old Republic Surety Company	\$50,000
John Hubbard	Fire Chief	Old Republic Surety Company	\$10,000

See accountants' report.

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**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE
WITH STATE LAWS AND REGULATIONS**

Honorable Mayor and Board of Alderpersons
Town of Courtland
Courtland, Mississippi

We have compiled the accompanying statement of cash receipts and disbursements—governmental and business-type activities of the Town of Courtland, Mississippi, for the year ended September 30, 2019, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants, and have issued our report dated January 8, 2020.

We have performed procedures to test compliance with certain state laws and regulations as described in the Municipal Compliance questionnaire that is prescribed by the Office of the State Auditor. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Town's compliance with these requirements. Accordingly, we do not express such an opinion.

The results of those procedures and our compilation of the accompanying statement of cash receipts and disbursements—governmental and business-type activities of the Town of Courtland, Mississippi, for the year ended September 30, 2019, disclosed the following instances of noncompliance with state laws and regulations, which are also addressed as items 5 and 6 in the Independent Accountants' Report on Applying Agreed-Upon Procedures.

Municipal Court Fines Receipts

We noted that in all ten months tested, the court clerk failed to remit collected fines and forfeitures to the Town Clerk on a daily basis. It was noted that the court clerk did not submit the September 2018 monthly settlement for a fine collected of \$506 and did not include a fine of \$573 on the August 2019 monthly settlement form. Five monthly settlement forms were not settled within the following month.

We recommend that the court clerk be more diligent in remitting and reporting such collections on the required daily basis. Also, the court clerk should settle assessments collected monthly with the state.

Municipal Budget

There were four items that exceeded the budgeted amount by a total of \$1,586.

We recommend that greater care be taken in containing expenditures to the budgeted amounts and amending the budget if necessary.

This report is intended solely for the information and use of the Town's management and the Office of the State Auditor, State of Mississippi, 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.

William H. Polk & Co.

William H. Polk & Co.
Batesville, Mississippi
January 8, 2020