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TOWN OF COURTLAND, MISSISSIPPI
COMPILATION REPORT
AND
REPORT ON AGREED-UPON PROCEDURES
September 30, 2020

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

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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

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

Management is responsible for 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, 2020, 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-governmental and business-type activities, 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-governmental and business-type activities.

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 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.

Other Matters

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial

statements, is required by the *Governmental Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

The supplementary information listed in the Table of Contents is presented in compliance with the requirements of the Mississippi Office of the State Auditor and has been compiled from information that is the representation of management. This information was subject to our compilation engagement; however, we have not audited or reviewed the required supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such information.

Other Information

The statement of cash receipts and disbursements-governmental and business-type activities is intended to comply with the requirements of the Mississippi Office of the State Auditor, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

In accordance with the provisions of §21-35-31, Miss. Code Ann. (1972), we have issued a report dated December 29, 2020, on the results of our agreed-upon procedures.

William H. Polk & Co.

Batesville, Mississippi
December 29, 2020

TOWN OF COURTLAND, MISSISSIPPI
 COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
 GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
	<u>General Fund</u>	<u>None</u>
RECEIPTS		
Taxes:		
General property taxes	\$ 12,049	
Penalties and interest on delinquent taxes	111	
Franchise charges-utilities	8,928	
State shared revenues:		
General municipal aid	255	
Sales taxes	12,727	
Gasoline tax	1,533	
Nuclear plant payments in lieu of taxes	2,934	
Homestead reimbursement	2,492	
Fire protection	3,083	
TVA payments in lieu of taxes	39	
County railroad tax	1,464	
Interest income	235	
Fines and forfeits	1,721	
Donations	300	\$ -
Total Receipts	<u>47,871</u>	<u>-</u>

Continued

See independent accountants' compilation report.

TOWN OF COURTLAND, MISSISSIPPI
 COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
 GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES - continued
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Governmental Activities	Business-type Activities
	General Fund	None
DISBURSEMENTS		
General government		
Civil defense	\$ 420	
Utilities and telephone	1,915	
Insurance	12,783	
Legal and accounting	5,485	
Maintenance and repairs	265	
Pest control	434	
Office and postage expense	895	
Salaries and payroll taxes	4,518	
Miscellaneous	1,122	
	<u>27,837</u>	
Fire department		
Insurance	2,777	
Maintenance and repairs	53	
Fuel	975	
Miscellaneous	89	
Capital outlay	1,836	
Supplies	43	
Training	150	
	<u>5,923</u>	
Police department		
Insurance	470	
Fuel	402	
Salaries and payroll taxes	16,161	
Police fines paid to state	596	
Inmate housing	120	
Telephone and utilities	4,625	
Maintenance and repairs	133	
	<u>22,507</u>	
Total Disbursements	<u>56,267</u>	\$ -
Excess (Deficiency) of receipts over disbursements	(8,396)	-

Continued

See independent accountants' compilation report.

TOWN OF COURTLAND, MISSISSIPPI
 COMBINED STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
 GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES - continued
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Governmental Activities	Business-type Activities
	General Fund	None
OTHER FINANCING SOURCES (USES)		
Debt retirement – principal	\$ -	\$ -
Debt interest	-	-
Total other financing sources (uses)	-	-
Excess (Deficiency) of receipts and other financing sources over disbursements and other financing uses	(8,396)	-
CASH BASIS FUND BALANCE – BEGINNING OF YEAR	48,633	-
CASH BASIS FUND BALANCE – END OF YEAR	\$ 40,237	\$ -

See independent accountants' compilation report.

TOWN OF COURTLAND, MISSISSIPPI
SCHEDULE OF INVESTMENTS
SEPTEMBER 30, 2020

.20% Certificate of deposit matures July 10, 2021	\$ <u>21,835</u>
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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 independent accountants' compilation report.

TOWN OF COURTLAND, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS
SEPTEMBER 30, 2020

Name	Position	Company	Bond
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

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**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, 2020, 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 December 29, 2020. This financial statement has been prepared on the cash basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles in the United States of America.

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, 2020, 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 seven months tested, the court clerk failed to remit collected fines and forfeitures to the town clerk on a daily basis. Also, it was noted that the town clerk did not submit the October and December 31, 2019, fine assessment forms and remit fines to the

Department of Finance and Administration for a total of \$304. One monthly settlement was not settled within the following month, for a total of \$100.

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

Municipal Budget

There were two items that exceeded the budgeted amount by a total of \$1,405.

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.

Batesville, Mississippi
December 29, 2020

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**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES**

Honorable Mayor and Board of Alderpersons
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, 2020, 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 §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	\$ 3,875
First Security Bank	General	5,424
First Security Bank	General	9,003
First Security Bank	General	<u>21,835</u>
Total confirmed or proved		40,137
Cash on hand		<u>100</u>
Total General Fund Cash		<u>\$ 40,237</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 §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	\$ 2,492
Fire protection	General	3,083
Gasoline tax	General	1,533
Sales tax	General	12,727
General municipal aid	General	255
Nuclear plant payments in lieu of taxes	General	2,934
TVA payments in lieu of taxes	General	<u>39</u>
TOTAL		<u>\$ 23,063</u>

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	\$8,708

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 §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 §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 seven of the months to the municipal clerk on a daily basis. There were no fines collected for five months.

One monthly settlement form was not settled within the following month, and two were never submitted, for a total of \$304. 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 were two items that exceeded the budgeted amount by a total of \$1,405, 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 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 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 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.

Batesville, Mississippi
December 29, 2020