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TOWN OF COURTLAND

FINANCIAL REPORT

SEPTEMBER 30, 2010

William H. Polk & Co.

Certified Public Accountants
A Professional Association
105 Public Square
Batesville, Mississippi 38606

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WILLIAM H. POLK & CO.

CERTIFIED PUBLIC ACCOUNTANTS

A Professional Association

WILLIAM H. POLK, C.P.A. (Retired)

Principals

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ROBERT E. CRAWFORD, C.P.A.
AMY D. BYARS, C.P.A.

Associates

FRANCES LIVINGSTON, C.P.A.
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MEMBERS:
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
MISSISSIPPI SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
DIVISION FOR CPA FIRMS PRIVATE COMPANIES PRACTICE SECTION

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 funds and the accompanying supplementary information as listed in the Table of Contents, which are presented only for supplementary analysis purposes, of the Town of Courtland, Mississippi for the year ended September 30, 2010, in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. The financial statements have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

A compilation is limited to presenting in the form of financial statements and supplementary schedules information that is the representation of management. We have not audited or reviewed the accompanying statement of cash receipts and disbursements and supplementary information and, accordingly, do not express an opinion or any other form of assurance on them.

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.

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.

Wm. H. Polk & Co.

January 6, 2011

Town of Courtland, Mississippi
 Combined Statement of Cash Receipts and Disbursements
 Governmental and Business-type Funds
 For the year ended September 30, 2010

	Governmental Funds	Business Type Funds
	General Fund	None
RECEIPTS		
Taxes		
General property taxes	\$ 9,715	
Penalties and interest on delinquent taxes	104	
Licenses and permits		
Privilege licenses	35	
Franchise charges - utilities	13,092	
Intergovernmental revenues:		
Federal receipts		
Federal grants	157,050	
General municipal aid	239	
State shared revenues:		
Sales taxes	16,093	
Gasoline tax	1,265	
Grand Gulf distribution	3,807	
Homestead reimbursement	1,419	
Fire insurance premium distribution	2,505	
Emergency management grant	18,297	
County fire calls	7,567	
County railroad tax	678	
Fines and forfeits	20,258	
Miscellaneous receipts	6,055	\$ -
Total Receipts	258,179	-

Continued

See accountants' report.

	Governmental Funds	Business Type Funds
	General Fund	None
DISBURSEMENTS		
General government		
Civil defense	\$ 420	
Utilities	2,668	
Insurance	6,384	
Legal and accounting	4,835	
Maintenance and repairs	2,484	
Office and postage expense	536	
Salaries and payroll taxes	3,641	
HOME grant	127,567	
Miscellaneous	897	
Capital Outlay	4,992	
	<u>154,424</u>	
Fire department:		
Insurance	3,294	
Maintenance and repairs	659	
Supplies	458	
Fuel	778	
Miscellaneous	1,212	
Capital outlay	39,255	
	<u>45,656</u>	
Police department:		
Utilities	3,745	
Insurance	100	
Maintenance and repairs	3,608	
Supplies	2,558	
Fuel	2,244	
Salaries and payroll taxes	29,611	
Police fines paid to state	6,701	
Miscellaneous	2,572	
Capital outlay	10,841	
	<u>61,980</u>	
Total Disbursements	<u>262,060</u>	\$ -
Excess (Deficiency) of receipts over disbursements	(3,881)	-
CASH BASIS FUND BALANCE- BEGINNING OF YEAR	<u>79,342</u>	-
CASH BASIS FUND BALANCE- END OF YEAR	<u>\$ 75,461</u>	\$ -

See accountants' report.

TOWN OF COURTLAND, MISSISSIPPI

SCHEDULE OF INVESTMENTS

SEPTEMBER 30, 2010

0.05%	Certificate of deposit, matures February 11, 2011	\$ <u>34,202</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.

TOWN OF COURTLAND, MISSISSIPPI
SCHEDULE OF LONG-TERM DEBT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010

No long-term debt to report.

TOWN OF COURTLAND, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR MUNICIPAL OFFICIALS
SEPTEMBER 30, 2010

<u>Name</u>	<u>Position</u>	<u>Company</u>	<u>Bond</u>
Deborah R. Aven	Mayor	USF & G	\$50,000
Gerald M. Aven, Jr.	Alderman	USF & G	\$50,000
Carolyn Kilgore	Alderwoman	USF & G	\$50,000
Mary K. Baglan	Alderwoman	USF & G	\$50,000
Keith Payne	Alderman	USF & G	\$50,000
Clifford Olson	Alderman	USF & G	\$50,000
Carolyn Roberts	Town Clerk	USF & G	\$50,000
Tyler Mills	Chief of Police		None

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Governing Authority
Town of 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 evaluate the Town of Courtland, Mississippi's compliance with certain laws and regulations as of September 30, 2010 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. No exceptions were noted.

<u>Bank</u>	<u>Fund</u>	<u>General Ledger</u>
First Security Bank	General	\$ 28,489
First Security Bank	General	5,372
First Security Bank	General	7,298
Regions Bank	General	<u>34,202</u>
Total confirmed		75,361
Cash on hand		<u>100</u>
Total General Fund cash		<u>\$ 75,461</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	\$ 1,419
Fire protection allocation	General	2,505
Gasoline tax	General	1,265
Sales tax allocation	General	16,093
General municipal aid	General	239
Grand Gulf remittance	General	3,807
HOME grant	General	127,567
Public safety	General	4,783

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	\$ 70,061

We found the municipality's purchasing procedures to be in 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 & 83-39-31 Miss Code Ann. (1972).

We found that the court clerk only remits collected fines and forfeitures to the municipal clerk on a monthly basis rather than daily.

The reported remittances to the municipal clerk were not always in exact agreement with the amounts deposited. However, with the exception of one of the sampled months, we were able to satisfy ourselves that the detailed collections were being deposited timely. One of the month's collections could not readily be traced to a deposit.

While all of the sampled months were settled with the state monthly, it was noted that one of the sampled required settlements to the state differed from what was actually remitted. This was the result of the court clerk providing an erroneous report to the municipal clerk. The court clerk will provide corrected forms so that the shortage can be remitted to the state in January, 2011.

The municipal clerk has advised that they will immediately begin matching receipt copies with the reports from the court clerk, and will also begin attaching these to the validated deposit slips to insure that all are deposited intact in a timely manner.

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, we noted that the Town replaced its police chief during 2010 but failed to properly bond him in accordance with Section 21-21-1 Miss. Code Ann. (1972) until January, 2011. Also, while it was apparent that the Town's budget was amended, there was one item that exceeded the budgeted amount by \$211. The Town has advised that greater care will be taken in the future when amending the budget.

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 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.

Wm. H. Polk & Co.

January 6, 2011