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WILKINSON COUNTY

Audited Financial Statements and Special Reports
For the Year Ended September 30, 2013

SHOEMAKER
— & CO. —

CERTIFIED PUBLIC ACCOUNTANTS, PLLC

Members of the Board of Supervisors
Wilkinson County, Mississippi

Dear Board Members:

I am pleased to submit to you the 2013 financial and compliance audit report for Wilkinson County. This audit was performed pursuant to Section 7-7-211(e), Mississippi Code Ann. (1972). The audit was performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

I appreciate the cooperation and courtesy extended by the officials and employees of Wilkinson County throughout the audit. Thank you for working to move Mississippi forward by serving as a supervisor for Wilkinson County. If I can be of any further assistance, please contact me at (601) 951-8318.

Respectfully submitted,

Administrative

SHOEMAKER & COMPANY, CPA PLLC
March 31, 2016

POST OFFICE BOX 2201 CLINTON, MISSISSIPPI 39060

T. 601 951 8318

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WILKINSON COUNTY

TABLE OF CONTENTS

FINANCIAL SECTION	1
INDEPENDENT AUDITOR'S REPORT	3
FINANCIAL STATEMENTS	7
Statement of Net Position	9
Statement of Activities	10
Balance Sheet - Governmental Funds	11
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	12
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	14
Statement of Net Position – Proprietary Funds	15
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	16
Statement of Cash Flows – Proprietary Funds	17
Statement of Fiduciary Assets and Liabilities	18
Notes to Financial Statements	19
REQUIRED SUPPLEMENTARY INFORMATION	38
Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis) – General Fund	40
Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis) – Lake Mary Project Fund	41
Notes to the Required Supplementary Information	43
SUPPLEMENTARY INFORMATION	45
Schedule of Expenditures of Federal Awards	47
OTHER INFORMATION	49
Schedule of Surety Bonds for County Officials	51
SPECIAL REPORTS	53
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	55
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by OMB Circular A-133	58
Independent Accountant's Report on Central Purchasing System, Inventory Control System and Purchase Clerk Schedules (Required By Section 31-7-115, Miss. Code Ann. (1972))	61
Limited Internal Control and Compliance Review Management Report	69
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	74

WILKINSON COUNTY

FINANCIAL SECTION

WILKINSON COUNTY

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CERTIFIED PUBLIC ACCOUNTANTS PLLC

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors
Wilkinson County, Mississippi

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the discretely presented component unit and the aggregate remaining fund information of Wilkinson County, Mississippi, (the County) as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the basic financial statements of the County's primary government as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Wilkinson County Industrial Development Authority component unit, which represent 100 percent of the assets, net position, and revenues of the component unit column. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aforementioned component unit, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Basis for Qualified Opinion on Governmental Activities

As discussed in Note 7 to the financial statements, the county has not recorded depreciation expense on certain general infrastructure assets in governmental activities. Accounting principles generally accepted in the United States of America require that those general infrastructure assets be capitalized and depreciated. If these assets were properly recorded and depreciated, an adjustment to the assets, net position, and expenses of the governmental activities may be necessary. The amounts recorded in Note 7 and in the Statement of Net position were estimates provided by the county, and we were not able to determine the accuracy of these estimates.

Qualified Opinion

In our opinion, except for the effects of the matters described in the "Basis for Qualified Opinions on Governmental Activities" paragraph, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities of Wilkinson County, Mississippi, as of September 30, 2013, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, except for the effects of the matters discussed in the previous paragraph, based on our audit and the reports of other auditors, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Wilkinson County, Mississippi, as of September 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the Budgetary Comparison Schedules and corresponding notes be presented to supplement the basic financial statements. Such 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Omitted Required Supplementary Information

Wilkinson County has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require 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 (GASB) who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operations, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Wilkinson County, Mississippi's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The Schedule of Expenditures of Federal Awards has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Schedule of Surety Bonds for County Officials has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2016, on our consideration of Wilkinson County, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Wilkinson County, Mississippi's internal control over financial reporting and compliance.

Shoemaker & Company, PLLC

SHOEMAKER & COMPANY, CPA PLLC
March 31, 2016

WILKINSON COUNTY

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WILKINSON COUNTY

FINANCIAL STATEMENTS

WILKINSON COUNTY

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WILKINSON COUNTY
Statement of Net Position
September 30, 2013

Exhibit 1

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Wilkinson County Industrial Development Authority
ASSETS				
Cash	\$ 1,305,121		1,305,121	436,982
Accrued interest receivable				263,201
Property tax receivable	3,292,000		3,292,000	
Accounts receivable (net of allowance for uncollectibles of \$375,537)		168,719	168,719	4,530,276
Fines receivable (net of allowance for uncollectibles of \$2,250,082)	653,249		653,249	
Loans receivable	410,000		410,000	
Lease receivable				20,100,000
Intergovernmental receivables	124,071		124,071	
Other receivables	9,230		9,230	
Internal balances	78,994	(78,994)	-	
Capital assets:				
Land and construction in progress	1,599,828		1,599,828	
Other capital assets, net	19,124,755	78,959	19,203,714	
Total Assets	26,597,248	168,684	26,765,932	25,330,459
LIABILITIES				
Bank overdraft	817,153	226,414	1,043,567	
Claims payable	256,830	1,081	257,911	4,536,905
Intergovernmental payables	291,195		291,195	
Accrued interest payable	2,711		2,711	263,201
Unearned revenue	3,292,000		3,292,000	
Other payables	226,845		226,845	
Amounts held in custody for others		46,844	46,844	
Short-term debt	91,459		91,459	
Certificates of participation				20,100,000
Long-term liabilities				
Due within one year:				
Capital debt	567,109		567,109	
Non-capital debt	1,373	124	1,497	
Due in more than one year:				
Capital debt	2,844,383		2,844,383	
Non-capital debt	44,391	3,541	47,932	
Total Liabilities	8,435,449	278,004	8,713,453	24,900,106
NET POSITION				
Net investment in capital assets	17,313,091	78,959	17,392,050	-
Restricted for:				
Loan receivable	410,000		410,000	
Expendable:				
General government	(3,990)		(3,990)	
Debt service	(18,673)		(18,673)	
Public safety	(192,369)		(192,369)	
Public works	(1,502,748)		(1,502,748)	
Unrestricted	2,156,488	(188,279)	1,968,209	430,353
Total Net Position	\$ 18,161,799	(109,320)	18,052,479	430,353

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

WILKINSON COUNTY
Statement of Activities
For the Year Ended September 30, 2013

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit Wilkinson County Industrial Development Authority	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities			Total
						Governmental Activities	Business-type Activities		
Primary government									
Governmental activities									
General government	\$ 2,937,806	1,453,944	4,877		(1,478,985)		(1,478,985)		
Public safety	1,681,006	111,819	78,800	90,991	(1,490,387)		(1,490,387)		
Public works	2,204,930		742,422		(1,371,517)		(1,371,517)		
Health and welfare	209,428		31,834		(177,594)		(177,594)		
Culture and recreation	101,059			904,103	803,044		803,044		
Conservation of natural resources	63,183				(63,183)		(63,183)		
Economic development and assistance	458,218				(458,218)		(458,218)		
Interest on long-term debt	151,616				(151,616)		(151,616)		
Total Governmental Activities	7,807,246	1,565,763	857,933	995,094	(4,388,456)	-	(4,388,456)		
Business-type activities:									
Solid Waste Services	445,818	531,077				85,259	85,259		
Total Primary Government	\$ 8,253,064	2,096,840	857,933	995,094	(4,388,456)	85,259	(4,303,197)		
Component unit								(648,258)	
Wilkinson County Industrial Development Authority	\$ 15,008,150	14,359,892							
General revenues									
Property taxes					\$ 3,224,754		3,224,754		
Road & bridge privilege taxes					120,729		120,729		
Grants and contributions not restricted to specific programs					594,625		594,625		
Unrestricted interest income					12,317		12,317	1,052,840	
Miscellaneous					381,279		381,279		
Total General Revenues					4,333,704		4,333,704	1,052,840	
Changes in Net Position					(54,752)	85,259	30,507	404,582	
Net Position - Beginning					18,290,838	(194,579)	18,096,259	25,771	
Prior period adjustments					(74,287)		(74,287)		
Net Position - Beginning, as restated					18,216,551	(194,579)	18,021,972	25,771	
Net Position - Ending					\$ 18,161,799	(109,320)	18,052,479	430,353	

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

WILKINSON COUNTY
 Balance Sheet - Governmental Funds
 September 30, 2013

Exhibit 3

	Major Funds			Total Governmental Funds
	General Fund	Lake Mary Spillway Fund	Other Governmental Funds	
ASSETS				
Cash	\$ 576,330		394,263	970,593
Property tax receivable	2,880,000		412,000	3,292,000
Fines receivable (net of allowance for uncollectibles of \$2,250,082)	653,249			653,249
Loans receivable			410,000	410,000
Intergovernmental receivables	78,145		45,926	124,071
Other receivables	3,825		5,405	9,230
Due from other funds			451,739	451,739
Advances to other funds	1,202,661		1,200,503	2,403,164
Total Assets	\$ 5,394,210	-	2,919,836	8,314,046
LIABILITIES AND FUND BALANCES				
Liabilities:				
Bank overdraft	\$ 39,639		777,514	817,153
Claims payable	66,068		164,104	230,172
Intergovernmental payables	74,770		216,425	291,195
Due to other funds	70,808		380,931	451,739
Advances from other funds	1,252,815		1,073,428	2,326,243
Unearned revenue	3,533,249		412,000	3,945,249
Other payables	20,795			20,795
Tax note payable	91,459			91,459
Total Liabilities	\$ 5,149,603	-	3,024,402	8,174,005
Fund balances:				
Nonspendable:				
Loan receivable			410,000	410,000
Advances	1,202,661		1,200,503	2,403,164
Assigned to:				
General government			(3,990)	(3,990)
Public Safety			(192,369)	(192,369)
Public Works			(1,502,748)	(1,502,748)
Debt Service			(15,962)	(15,962)
Unassigned	(958,054)			(958,054)
Total Fund Balances	\$ 244,607	-	(104,566)	140,041
Total Liabilities and Fund Balances	\$ 5,394,210	-	2,919,836	8,314,046

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

WILKINSON COUNTY

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
September 30, 2013

Exhibit 3-1

	<u>Amount</u>
Total Fund Balance - Governmental Funds	\$ 140,041
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets are used in governmental activities and are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$21,024,780.	20,724,583
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	
Fines Receivable	653,249
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(3,457,256)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(2,711)
Internal Service Funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the Internal Service Funds are included in the governmental activities in the Statements of Net Position.	<u>103,893</u>
Total Net Position - Governmental Activities	<u>\$ 18,161,799</u>

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

WILKINSON COUNTY

Exhibit 4

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Year Ended September 30, 2013

	Major Funds			Total Governmental Funds
	General Fund	Lake Mary Spillway Fund	Other Governmental Funds	
REVENUES				
Property taxes	\$ 2,945,571		279,183	3,224,754
Road and bridge privilege taxes			120,729	120,729
Licenses, commissions and other revenue	244,595		3,418	248,013
Fines and forfeitures	163,887		(16,562)	147,325
Intergovernmental revenues	587,006	904,103	925,660	2,416,769
Charges for services	17,041		97,736	114,777
Interest income	12,245			12,245
Miscellaneous revenues	79,260		216,745	296,005
Total Revenues	<u>4,049,605</u>	<u>904,103</u>	<u>1,626,909</u>	<u>6,580,617</u>
EXPENDITURES				
Current:				
General government	2,109,414		7,240	2,116,654
Public safety	1,542,405		143,893	1,686,298
Public works		673,342	961,488	1,634,830
Health and welfare	199,737		4,474	204,211
Culture and recreation	101,059			101,059
Conservation of natural resources	63,183			63,183
Economic development and assistance	41,291		407,820	449,111
Debt service:				
Principal			466,453	466,453
Interest			151,715	151,715
Total Expenditures	<u>4,057,089</u>	<u>673,342</u>	<u>2,143,083</u>	<u>6,873,514</u>
Excess of Revenues over (under) Expenditures	<u>(7,484)</u>	<u>230,761</u>	<u>(516,174)</u>	<u>(292,897)</u>
OTHER FINANCING SOURCES (USES)				
Long-term capital debt issued			397,957	397,957
Transfers in			700,000	700,000
Transfers out			(700,000)	(700,000)
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>397,957</u>	<u>397,957</u>
Net Changes in Fund Balances	<u>(7,484)</u>	<u>230,761</u>	<u>(118,217)</u>	<u>105,060</u>
Fund Balances - Beginning	<u>252,091</u>	<u>(230,761)</u>	<u>13,651</u>	<u>34,981</u>
Fund Balances - Ending	<u>\$ 244,607</u>	<u>-</u>	<u>(104,566)</u>	<u>140,041</u>

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

WILKINSON COUNTY

Exhibit 4-1

Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2013

	<u>Amount</u>
Net Changes in Fund Balances - Governmental Funds	\$ 105,060
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Thus, the change in net position differs from the change in fund balances by the amount that depreciation of \$986,647 exceeded capital outlays of \$403,232 in the current period.	(583,415)
In the Statement of Activities, only gains and losses from the sale of capital assets are reported, whereas in the Governmental Funds, proceeds from the sale of capital assets increase financial resources. Thus, the change in net position differs from the change in fund balances by the amount of the net loss of \$4,514 in the current period	(4,514)
Fine revenue recognized on the modified accrual basis in the funds during the current year is reduced because prior year recognition would have been required on the Statement of Activities using the full-accrual basis of accounting.	34,224
Debt proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Thus, the change in net position differs from the change in fund balances by the amount that debt repayments of \$466,453 exceeded debt proceeds of \$397,957.	68,496
Under the modified accrual basis of accounting used in the Governmental Funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However, in the Statement of Activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is recognized under the modified accrual basis of accounting when due, rather than as it accrues. Thus, the change in net position differs from the change in fund balances by a combination of the following items:	
Increase in compensated absences	(1,014)
Decrease in accrued interest payable	99
An Internal Service Fund is used by management to charge the cost of insurance to individual funds. The net revenue (expense) is reported within governmental activities.	<u>326,312</u>
Change in Net Position of Governmental Activities	\$ <u>(54,752)</u>

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

WILKINSON COUNTY
Statement of Net Position - Proprietary Fund
September 30, 2013

Exhibit 5

	Business-type Activites Enterprise Fund Solid Waste Services Fund	Governmental Activities Internal Service Fund
ASSETS		
Current assets:		
Cash	\$	334,528
Accounts receivable (net of allowance for uncollectibles of \$375,537)	168,719	
Total Current Assets	<u>168,719</u>	<u>334,528</u>
Noncurrent assets:		
Bank overdraft		
Advances to other funds	3,038	440,178
Capital assets:		
Other capital assets, net	78,959	
Total Noncurrent Assets	<u>81,997</u>	<u>440,178</u>
Total Assets	<u>250,716</u>	<u>774,706</u>
LIABILITIES		
Current liabilities:		
Bank overdraft	226,414	
Claims payable	1,081	8,217
Refundable deposits	46,844	
Non-capital debt:		
Compensated absences payable	124	
Total Current Liabilities	<u>274,463</u>	<u>8,217</u>
Noncurrent liabilities:		
Non-capital debt:		
Compensated absences payable	3,541	
Advances from other funds	82,032	662,596
Total Noncurrent Liabilities	<u>85,573</u>	<u>662,596</u>
NET POSITION		
Net investment in capital assets	78,959	-
Unrestricted	(188,279)	103,893
Total Net Position	<u>\$ (109,320)</u>	<u>103,893</u>

WILKINSON COUNTY

Exhibit 6

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund
For the Year Ended September 30, 2013

	Business-type Activities Enterprise Fund Solid Waste Services Fund	Governmental Activities Internal Service Fund
Operating Revenues		
Charges for services	\$ 531,077	
Premiums		1,033,846
Miscellaneous		89,788
Total Operating Revenues	<u>531,077</u>	<u>1,123,634</u>
Operating Expenses		
Cost of sales		
Personal services	57,709	
Contractual services	373,803	
Materials and supplies	3,605	
Depreciation expense	9,948	
Administrative		32,597
Insurance premiums		764,797
Total Operating Expenses	<u>445,065</u>	<u>797,394</u>
Operating Income (Loss)	<u>86,012</u>	<u>326,240</u>
Nonoperating Revenues (Expenses)		
Interest income		72
Interest expense	(753)	
Net Nonoperating Revenue (Expenses)	<u>(753)</u>	<u>72</u>
Net Income (Loss) Before Capital Contributions, Special and Extraordinary Items and Transfers	85,259	326,312
Transfers out		
Changes in Net Position	<u>85,259</u>	<u>326,312</u>
Net Position - Beginning, as previously reported	(194,579)	(148,132)
Prior period adjustment		(74,287)
Net Position - Beginning	<u>(194,579)</u>	<u>(222,419)</u>
Net Position - Ending	<u>\$ (109,320)</u>	<u>103,893</u>

WILKINSON COUNTY
Statement of Cash Flows - Proprietary Fund
For the Year Ended September 30, 2013

Exhibit 7

	Business-type Activities Enterprise Fund Solid Waste Services Fund	Governmental Activities Internal Service Fund
Cash Flows From Operating Activities		
Receipts from customers	\$ 505,520	
Receipts for premiums		1,033,846
Payments to suppliers	(366,728)	
Payments to employees	(56,714)	
Payments to administrator for services		(32,597)
Payments for insurance premiums		(808,900)
Other operating cash receipts		89,788
Net Cash Provided (Used) by Operating Activities	<u>82,078</u>	<u>282,137</u>
Cash Flows From Noncapital Financing Activities		
Principal paid on long-term debt	(25,948)	
Bank overdraft	(55,377)	
Interest expense	(753)	
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(82,078)</u>	<u>-</u>
Cash Flows From Investing Activities		
Interest on deposits		71
Net Cash Provided (Used) by Investing Activities	<u>-</u>	<u>71</u>
Net Increase (Decrease) in Cash and Cash Equivalents	-	282,208
Cash and Cash Equivalents at Beginning of Year	<u>-</u>	<u>126,607</u>
Adjustments to Beginning of Year Cash Due to Fund Reclassification		(74,287)
Cash and Cash Equivalents at End of Year	<u>\$ -</u>	<u>\$ 334,528</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$ 86,012	\$ 326,240
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense	9,948	
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(25,557)	
Increase (decrease) in claims payable	(264)	(44,103)
Increase (decrease) in accrued interest	(64)	
Increase (decrease) in compensated absences liability	995	
Increase (decrease) in refundable deposits	11,008	
Total Adjustments	<u>(3,934)</u>	<u>(44,103)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 82,078</u>	<u>\$ 282,137</u>

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

WILKINSON COUNTY
Statement of Fiduciary Assets and Liabilities
September 30, 2013

Exhibit 8

	<u>Agency Funds</u>
ASSETS	
Advances to other funds	\$ 471,157
Total Assets	<u>\$ 471,157</u>
LIABILITIES	
Bank overdraft	7,822
Intergovernmental payables	216,669
Advances from other funds	246,666
Total Liabilities	<u>\$ 471,157</u>

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

WILKINSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2013

(1) Summary of Significant Accounting Policies

A. Financial Reporting Entity

Wilkinson County is a political subdivision of the State of Mississippi. The County is governed by an elected five-member Board of Supervisors. Accounting principles generally accepted in the United States of America require Wilkinson County to present these financial statements on the primary government and its component units which have significant operational or financial relationships with the County.

State law pertaining to County government provides for the independent election of County officials. The following elected and appointed officials are all part of the County legal entity and therefore are reported as part of the primary government financial statements.

- Board of Supervisors
- Chancery Clerk
- Circuit Clerk
- Justice Court Clerk
- Purchase Clerk
- Tax Assessor
- Tax Collector
- Sheriff

B. Individual Component Unit Disclosures

Discretely Presented Component Unit

The component unit column in the financial statements includes the financial data of the following component unit of the County. It is reported in a separate column to emphasize that it is legally separate from the County. A majority of the members of the governing body of this component unit are appointed by the County Board of Supervisors.

The Wilkinson County Industrial Development Authority is a legally separate entity organized under 19-5-99, Miss Code Ann. (1972). The Wilkinson County Industrial Development Authority was created to promote industrial development in Wilkinson County by whatever means necessary, including, but not limited to the development of an industrial park. The entity is governed by a five member board of directors, all appointed by the county Board of Supervisors. The county funds the entity's operations.

The discretely presented component unit is audited by an independent auditor, and its financial statements are issued under separate cover. The audited financial statements are available from Wilkinson County Industrial Development Authority.

C. Basis of Presentation.

The County's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, fund financial statements and accompanying note disclosures which provide a detailed level of financial information. Government-wide Financial Statements:

The Statement of Net Position and Statement of Activities display information concerning the County as a whole. The statements include all nonfiduciary activities of the primary government

WILKINSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2013

and its component unit. For the most part, the effect of interfund activity has been removed from these statements.

Governmental activities are generally financed through taxes, intergovernmental revenues and other nonexchange revenues. The primary government is reported separately from its legally separate component unit for which the primary government is financially accountable.

The Statement of Net Position presents the financial condition of the governmental activities of the County at year-end. The Government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function or program of the County's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other revenues not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the County.

Fund Financial Statements:

Fund financial statements of the County are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund balances, revenues and expenditures. Funds are organized into governmental and fiduciary. Major individual Governmental Funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column.

D. Measurement Focus and Basis of Accounting.

The Government-wide and Fiduciary Funds (excluding agency funds) financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year for which they are levied. Shared revenues are recognized when the provider government recognizes the liability to the County. Grants are recognized as revenues as soon as all eligibility requirements have been satisfied. Agency funds have no measurement focus, but use the accrual basis of accounting.

The county's Proprietary Funds apply all applicable Governmental Accounting Standards Board (GASB) pronouncements and only the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

The revenues and expenses of Proprietary Funds are classified as operating or nonoperating. Operating revenues and expenses generally result from providing services in connection with a Proprietary Fund's primary operations. All other revenues and expenses are reported as nonoperating.

Governmental financial statements are presented using a current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting

WILKINSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2013

period when they are both measurable and available to finance operations during the year or to liquidate 2013 liabilities existing at the end of the year. Available means collected in the current period or within 60 days after year end to liquidate 2013 liabilities existing at the end of the year. Measurable means knowing or being able to reasonably estimate the amount. Expenditures are recognized in the accounting period when the related fund liabilities are incurred. Debt service expenditures and expenditures related to compensated absences and claims and judgments, are recognized only when payment is due. Property taxes, state appropriations and federal awards are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period.

The County reports the following major Governmental Funds:

General Fund - This fund is used to account for all activities of the general government for which a separate fund has not been established.

Lake Mary Spillway Project Fund - This fund is used to account for monies from specific revenue sources that are restricted for the Lake Mary spillway replacement in the county.

The county reports the following major Proprietary Fund:

Solid Waste Fund – This fund is used to account for the County’s activities of disposal of solid waste within the county.

Additionally, the County reports the following fund types:

GOVERNMENTAL FUND TYPES

Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Special Revenue Funds account for, among others, certain federal grant programs, taxes levied with statutorily defined distributions and other resources restricted as to purpose.

Debt Service Funds - These funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

PROPRIETARY FUND TYPES

Enterprise Fund – These funds are used to account for those operations that are financed and operated in a manner similar to private business enterprises or where the county has decided that periodic determination of revenues earned, expenses incurred and/or net income is necessary for management accountability.

Internal Service Funds – These funds are used to account for those operations that provide services to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis. The county’s internal service fund reports on self-insurance programs for employee medical benefits.

FIDUCIARY FUND TYPE

Agency Funds - These funds account for various taxes, deposits and other monies collected or held by the County, acting in the capacity of an agent, for distribution to other governmental units or designated beneficiaries.

WILKINSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2013

E. Account Classifications.

The account classifications used in the financial statements conform to the broad classifications recommended in Governmental Accounting, Auditing and Financial Reporting as issued in 2005 by the Government Finance Officers Association.

F. Deposits and Investments.

State law authorizes the County to invest in interest bearing time certificates of deposit for periods of fourteen days to one year with depositories and in obligations of the U.S. Treasury, State of Mississippi, or any County, municipality or school district of this state. Further, the County may invest in certain repurchase agreements.

Cash includes cash on hand, demand deposits, all certificates of deposit and cash equivalents, which are short-term highly liquid investments that are readily convertible to cash (generally three months or less). Investments in governmental securities are stated at fair value. However, the County did not invest in any governmental securities during the fiscal year.

G. Receivables.

Receivables are reported net of allowances for uncollectible accounts, where applicable.

H. Interfund Transactions and Balances.

Transactions between funds that are representative of short-term lending/borrowing arrangements and transactions that have not resulted in the actual transfer of cash at the end of the fiscal year are referred to as "due to/from other funds." Noncurrent portions of interfund receivables and payables are reported as "advances to/from other funds." Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance reserve account in applicable Governmental Funds to indicate that they are not available for appropriation and are not expendable available financial resources. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

I. Prepaid Items.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

J. Capital Assets.

Capital acquisition and construction are reflected as expenditures in Governmental Fund statements and the related assets are reported as capital assets in the governmental activities column in the government-wide financial statements. All purchased capital assets are stated at historical cost where records are available and at an estimated historical cost where no records exist. Capital assets include significant amounts of infrastructure which have been valued at estimated historical cost. The estimated historical cost was based on replacement cost multiplied by the consumer price index implicit price deflator for the year of acquisition. The extent to which capital assets, other than infrastructure, costs have been estimated and the methods of estimation are not readily available. Donated capital assets are recorded at estimated fair market value at the time of donation. The costs of normal maintenance and repairs that do not add to the value of assets or materially extend their respective lives are not capitalized; however, improvements are capitalized. Interest expenditures are not capitalized on capital assets.

WILKINSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2013

Capitalization thresholds (dollar value above which asset acquisitions are added to the capital asset accounts) and estimated useful lives are used to report capital assets in the government-wide statements. Depreciation is calculated on the straight-line basis for all assets, except land. A full year's depreciation expense is taken for all purchases and sales of capital assets during the year. The following schedule details those thresholds and estimated useful lives:

	Capitalization Thresholds	Estimated Useful Life
Land	-	N/A
Infrastructure	-	20-50 years
Buildings	50,000	40 years
Improvement other than buildings	25,000	20 years
Mobile equipment	5,000	5-10 years
Furniture and equipment	5,000	3-7 years
Leased property under capital leases	*	*

* Leased property capitalization policy and estimated useful life will correspond with the amounts for the asset classification, as listed above.

K. Long-term Liabilities.

Long-term liabilities are the unmatured principal of bonds, loans, notes or other forms of noncurrent or long-term general obligation indebtedness. Long-term liabilities are not limited to liabilities from debt issuances, but may also include liabilities on lease-purchase agreements and other commitments.

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Position.

In the fund financial statements, Governmental Fund Types recognize bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

L. Equity Classifications.

Government-wide Financial Statements:

Equity is classified as net position and displayed in three components:

Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings attributable to the acquisition, construction or improvement of those assets.

Restricted net position - Consists of net position with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or law through constitutional provisions or enabling legislation.

Unrestricted net position - All other net position not meeting the definition of "restricted" or

WILKINSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2013

“invested in capital assets, net of related debt.”

Fund Financial Statements:

Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Government fund balance is classified as nonspendable, restricted, committed, assigned or unassigned. The following are descriptions of fund classifications used by the County:

Nonspendable fund balance includes amounts that cannot be spent. This includes amounts that are either not in a spendable form (inventories, prepaid amounts, long-term portion of loans/notes receivable, or property held for resale unless the proceeds from the collection of those receivables or from the sale of those properties are restricted, committed or assigned) or amounts that are legally or contractually required to be maintained intact, such as a principal balance of a permanent fund.

Assigned fund balance includes the amounts that are constrained by the County's intent to be used for a specific purpose, but are neither restricted nor committed. For governmental funds, other than the General Fund, this is the residual amount within the fund that is not classified as nonspendable and is neither restricted nor committed. Assignments of fund balance are created by the Board of Supervisors pursuant to authorization established by a board order established in the minutes of the Board of Supervisors meetings.

Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds if expenditures incurred for specific purposes exceeded the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) resources are available, it is the County's general policy to use restricted resources first. When expenditures are incurred for purposes for which unrestricted (committed, assigned and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the County's general policy to spend committed resources first, followed by assigned amounts, and then unassigned amounts.

M. Property Tax Revenues.

Numerous statutes exist under which the Board of Supervisors may levy property taxes. The selection of authorities is made based on the objectives and responsibilities of the County. Restrictions associated with property tax levies vary with the statutory authority. The amount of increase in certain property taxes is limited by state law. Generally, this restriction provides that these tax levies shall produce no more than 110 percent of the amount which resulted from the assessments of the previous year.

The Board of Supervisors, each year at a meeting in September, levies property taxes for the ensuing fiscal year which begins on October 1. Real property taxes become a lien on January 1 of the current year, and personal property taxes become a lien on March 1 of the current year. Taxes on both real and personal property, however, are due on or before February 1 of the next

WILKINSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2013

succeeding year. Taxes on motor vehicles and mobile homes become a lien and are due in the month that coincides with the month of original purchase.

Accounting principles generally accepted in the United States of America require property taxes to be recognized at the levy date if measurable and available. All property taxes are recognized as revenue in the year for which they are levied. Motor vehicle and mobile home taxes do not meet the measurability and collectibility criteria for property tax recognition because the lien and due date cannot be established until the date of original purchase occurs.

N. Intergovernmental Revenues in Governmental Funds.

Intergovernmental revenues, consisting of grants, entitlements and shared revenues, are usually recorded in Governmental Funds when measurable and available. However, the "available" criterion applies for certain federal grants and shared revenues when the expenditure is made because expenditure is the prime factor for determining eligibility. Similarly, if cost sharing or matching requirements exist, revenue recognition depends on compliance with these requirements.

O. Compensated Absences.

The County has adopted a policy of compensation for accumulated unpaid employee personal leave. No payment is authorized for accrued major medical leave. Accounting principles generally accepted in the United States of America require accrual of accumulated unpaid employee benefits as long-term liabilities in the government-wide financial statements. In fund financial statements, Governmental Funds report the compensated absence liability payable only if the payable has matured, for example an employee resigns or retires.

(2) Prior Period Adjustments.

A summary of significant fund equity adjustments is as follows:

Exhibit 2 - Statement of Activities.

Explanation	Amount
Governmental Activities – Internal Service Fund:	
An adjustment to correct an error recording a prior year revenue or expenditure in the Internal Service Fund	\$ (74,287)
Total	\$ <u>(74,287)</u>

Exhibit 6 - Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds.

Explanation	Amount
Governmental Activities – Internal Service Fund:	
An adjustment to correct an error recording a prior year revenue or expenditure in the Internal Service Fund	\$ (74,287)
Total	\$ <u>(74,287)</u>

(3) Deposits and Investments.

Primary Government:

WILKINSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2013

Deposits:

The carrying amount of the County's total deposits with financial institutions at September 30, 2013, was \$ (balance of \$1,305,121 less overdrafts of \$817,153), and the bank balance was \$825,766. The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC).

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of the failure of a financial institution, the County will not be able to recover deposits or collateral securities that are in the possession of an outside party. The County does not have a formal policy for custodial credit risk. However, the Mississippi State Treasurer manages that risk on behalf of the County. Deposits above FDIC coverage are collateralized by the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on behalf of the County.

(4) Interfund Transactions and Balances.

The following is a summary of interfund balances at September 30, 2013:

A. Due From/to Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Other Governmental Funds	General Fund	\$ 70,808
Other Governmental Funds	Other Governmental Funds	380,931
Total		<u>\$ 451,739</u>

The receivables represent the tax revenue collected but not settled until October, 2013. All current interfund balances are expected to be repaid within one year from the date of the financial statements.

B. Advances from/to Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 506,925
Other Governmental Funds	General Fund	964,175
Other Governmental Funds	Other Governmental Funds	236,328
General Fund	Enterprise Fund	31,015
Enterprise Fund	General Fund	3,038
General Fund	Agency Fund	2,125
Agency Fund	General Fund	175,933
Agency Fund	Other Governmental Funds	243,811
Agency Fund	Agency Fund	22,937
Agency Funds	Enterprise Fund	28,476
General Fund	Internal Service Fund	662,596

WILKINSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2013

Internal Service Fund	General Fund	109,669
Internal Service Fund	Other Governmental Funds	86,364
Internal Service Fund	Enterprise Fund	22,541
Internal Service Fund	Agency Funds	<u>221,604</u>
Total		\$ <u>3,317,537</u>

Advances to other funds have generally been made to provide cash to funds to help fund operations.

C. Transfers In/Out:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Other Governmental Funds	Other Governmental Funds	\$ <u>700,000</u>
Total		\$ <u>700,000</u>

The purpose of interfund transfers were to transfer revenues from other governmental funds to individual district road funds.

(5) Intergovernmental Receivables

Intergovernmental receivables at September 30, 2013, consisted of the following:

<u>Description</u>	<u>Amount</u>
Governmental Activities:	
Legislative Tag Credit	\$ 45,160
Mississippi Emergency Management	6,241
Motor Vehicle Fuel Tax	18,462
Motor Vehicle Licenses	8,058
Oil and Gas Severance	23,649
Timber Severance	2,616
Trial Grant	4,500
Waste Tire Grant	15,385
Total Governmental Activities	\$ <u>124,071</u>

(6) Loans Receivable.

Loans receivable balances at September 30, 2013, are as follows:

<u>Description</u>	<u>Date of Loan</u>	<u>Interest Rate</u>	<u>Maturity Date</u>		<u>Balance</u>
Low Income Housing Loan	12/01/2000	1%	12/01/2050	\$	<u>410,000</u>
Total				\$	<u>410,000</u>

WILKINSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2013

(7) Capital Assets.

The following is a summary of capital assets activity for the year ended September 30, 2013:

Governmental activities:

	Oct. 1, 2012	Additions	Deletions	Sept. 30, 2013
Non-depreciable capital assets:				
Land	131,435		4,514	126,921
Construction in progress	1,472,907			1,472,907
Total non-depreciable capital assets	1,604,342	-	-	1,599,828
Depreciable capital assets				
Infrastructure	29,659,272			29,659,272
Buildings	5,981,909			5,981,909
Improvements other than buildings	145,420			145,420
Mobile equipment	2,727,054	116,691		2,843,745
Furniture and equipment	384,556	5,084		389,640
Leased property under capital leases	848,092	281,457		1,129,549
Total depreciable capital assets	39,746,303	403,232	-	40,149,535
Less accumulated depreciation for:				
Infrastructure	15,237,949	576,742		15,814,691
Buildings	2,066,385	104,910		2,171,295
Improvements other than buildings	39,421	8,471		47,892
Mobile equipment	2,114,803	156,137		2,270,940
Furniture and equipment	250,100	44,708		294,808
Leased property under capital leases	329,475	95,679		425,154
Total accumulated depreciation	20,038,133	986,647	-	21,024,780
Total depreciable capital assets, net	19,708,170	(583,415)	-	19,124,755
Governmental activities capital assets, net	21,312,512	(583,415)	4,514	20,724,583

Business-type activities:

	Oct. 1, 2012	Additions	Deletions	Sept. 30, 2013
Depreciable capital assets:				
Mobile equipment	257,809			257,809
Leased property under capital leases	98,637			98,637
Total depreciable capital assets	356,446	-	-	356,446
Less accumulated depreciation for:				
Mobile equipment	232,028			232,028
Leased property under capital leases	35,511	9,948		45,459
Total accumulated depreciation	237,539	9,948	-	277,487
Enterprise activities capital assets, net	88,907	(9,948)	-	78,959

WILKINSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2013

Depreciation expense was charged to the following functions:

Governmental Activities:

General government	\$	22,744
Public safety		93,644
Public works		855,935
Health and welfare		5,217
Economic development and assistance		9,107
Total governmental activities depreciation expense		\$ 986,647

Business-type Activities:

Solid Waste	\$	9,948
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(8) Claims and Judgments.

Risk Financing.

The County finances its exposure to risk of loss related to workers' compensation for injuries to its employees through the Mississippi Public Entity Workers' Compensation Trust, a public entity risk pool. The County pays premiums to the pool for its workers' compensation insurance coverage, and the participation agreement provides that the pool will be self-sustaining through member premiums. The retention for the pool is \$1,000,000 for each accident and completely covers statutory limits set by the Workers' Compensation Commission. Risk of loss is remote for claims exceeding the pool's retention liability. However, the pool also has catastrophic reinsurance coverage for statutory limits above the pool's retention, provided by Safety National Casualty Corporation, effective from January 1, 2013, to January 1, 2014. The pool may make an overall supplemental assessment or declare a refund depending on the loss experience of all the entities it insures.

The county finances its exposure to risk of loss relating to employee health and accident coverage through the Mississippi Public Entity Employee Benefit Trust, a public entity risk pool. The pool is a claims-serving organization with the county retaining the risk of loss on all claims to which the county is exposed. Premium payments to the pool are determined on an actuarial basis. The county has reinsurance which functions on two separate stop loss coverages; specific and aggregate. These coverages are purchased from an outside commercial carrier. For the current fiscal year, the specific coverage begins when an individual participant's claim exceeds \$20,000, and the aggregate policy covers all submitted claims in excess of \$55,000. The reinsurance coverage limit is \$1,000,000. Claims expenses and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The following table provides changes in the balances of claims liabilities for fiscal years 2012 and 2013:

	2012	2013
Unpaid claims, beginning of the year	\$ 76,592	47,995
Adjustment	-	-
Est'd incurred but not reported	300,527	320,100
Plus incurred claims (including IBNR's)	116,740	86,763
Less claims payments	(445,864)	(412,732)
Unpaid claims, end or year	\$ 47,995	42,126

WILKINSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2013

(9) Operating Leases.

As Lessee:

The county has entered into certain operating leases which do not give rise to property rights. Total costs for such leases were \$5,808 for the year ended September 30, 2013. The future minimum lease payments for these leases are as follows:

Year ended September 30,	Principal
2014	\$ 5,225
2015	510
Total	\$ 5,735

(10) Capital Leases.

As Lessee:

The County is obligated for the following capital assets acquired through capital leases as of September 30, 2013:

Classes of Property	Governmental Activities
Mobile Equipment	\$ 1,129,549
Less: Accumulated Depreciation	(425,154)
Lease Property under Capital Lease	\$ 704,395
Classes of Property	Business-type Activities
Mobile Equipment	\$ 98,637
Less: Accumulated Depreciation	(45,459)
Lease Property under Capital Lease	\$ 53,178

The following is a schedule by years of the total payments due as of September 30, 2013:

Year ended September 30,	Principal	Interest
2014	\$ 437,109	\$ 18,204
2015	74,416	8,381
2016	63,924	3,864
2017	31,319	642
2018	14,725	442
Total	\$ 621,493	\$ 31,533

WILKINSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2013

(11) Short-term debt.

The following is a summary of short-term debt activity for the year ended September 30, 2013:

Description of Debt	Balance			Balance Sept. 30, 2013
	Oct. 1, 2012	Additions	Reductions	
Tax Anticipation	\$ 52,056	182,000	142,597	91,459
	<u>\$ 52,056</u>	<u>182,000</u>	<u>142,597</u>	<u>91,459</u>

During the month of March, 2013, the county issued an \$182,000 tax anticipation note with an interest rate of 3.5% payable in 12 monthly installments in order to alleviate a temporary operating cash flow deficiency.

(12) Long-term Debt.

Debt outstanding as of September 30, 2013 consisted of the following:

Description	Amount Outstanding	Interest Rate	Final Maturity
Governmental Activities:			
A. General Obligation Bonds:			
Certificates of Participation, Series 2009 (Jail)	\$ 2,790,000	3 - 5.25%	12/20/2029
	<u>\$ 2,790,000</u>		
B. Capital Leases:			
District Two Kubota Tractor	\$ 37,167	9.90%	06/01/2016
District Three Motor Grader	112,302	3.25%	06/13/2014
District Three Tractor	70,000	4.50%	09/24/2018
District Three CAT Motor Grader	69,809	3.84%	05/25/2013
District Four Truck	24,957	3.50%	03/24/2015
District Four Kubota Tractor	55,147	5.00%	08/25/2016
District Five Motor Grader	112,302	3.25%	06/13/2014
District Five Tractor	70,000	4.50%	09/24/2018
District Five Cat Motor Grader	69,809	3.84%	05/25/2013
	<u>\$ 621,493</u>		

WILKINSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2013

Annual debt service requirements to maturity for the following debt reported in the Statement of Net Position are as follows:
Governmental Activities:

Year Ending September 30,	General Obligation Bonds	
	Principal	Interest
2014	\$ 130,000	139,500
2015	130,000	133,000
2016	135,000	126,500
2017	140,000	119,750
2018	145,000	112,750
2019-2023	815,000	449,250
2024-2028	1,060,000	225,500
2029-2033	235,000	11,750
	<u>\$ 2,790,000</u>	<u>1,318,000</u>

Legal Debt Margin - The amount of debt, excluding specific exempted debt that can be incurred by the County is limited by state statute. Total outstanding debt during a year can be no greater than 15% of assessed value of the taxable property within the County, according to the then last completed assessment for taxation. However, the limitation is increased to 20% whenever a County issues bonds to repair or replace washed out or collapsed bridges on the public roads of the County. As of September 30, 2013, the amount of outstanding debt was equal to 3.38% of the latest property assessments.

The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2013:

Governmental Activities:	Balance	Additions	Reductions	Balance	Amount due Within one year
	Oct. 1, 2012			Sept. 30, 2013	
Compensated absences	\$ 44,750	1,014		45,764	1,373
Certificate of Participation	2,915,000		125,000	2,790,000	130,000
Capital leases	564,988	397,957	341,453	621,492	437,109
Total	\$ 3,524,738	398,971	466,453	3,457,256	568,482

Business-type Activities:	Balance	Additions	Reductions	Balance	Amount due Within one year
	Oct. 1, 2012			Sept. 30, 2013	
Compensated absences	\$ 2,670	995		3,665	124
Capital leases	25,948		25,948	-	
Total	\$ 28,618	995	25,948	3,665	124

Compensated absences will be paid from the fund from which the employees' salaries were paid, which are generally the General Fund, District Funds, Road Maintenance Fund and Enterprise Fund.

WILKINSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2013

(13) Deficit Fund Balances of Individual Funds

The following individual funds reported deficits in fund balances at September 30, 2013:

Fund	Deficit Amount
General Fund:	
Reappraisal Maintenance Fund	\$ 51,060
Special Revenue Funds:	
Fire Grant Fund	70,471
Hurricane Isaac	22,142
Tire Waste Disposal	99,444
Law Library	3,990
Flood Plain	312
District One Road	253,349
District Two Road	551,775
District Three Road	229,360
District Four Road	451,284
District Five Road	386,726
County Wide Bridge	295,160
Jail Construction Fund	258,051
Business-type Activities Fund:	
Solid Waste Fund	109,320

(14) Contingencies

Federal Grants - The County has received federal grants for specific purposes that are subject to audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes.

Any disallowance resulting from a grantor audit may become a liability of the County. No provision for any liability that may result has been recognized in the County's financial statements.

Litigation - The County is party to legal proceedings, many of which occur in the normal course of governmental operations. It is not possible at the present time to estimate ultimate outcome or liability, if any, of the County with respect to the various proceedings. However, the County's legal counsel believes that ultimate liability resulting from these lawsuits will not have a material adverse effect on the financial condition of the County.

Other Contingencies - The County has qualified for a Federal Emergency Management Administration (FEMA) Disaster Loan for \$1.12 million dollars. As of September 30, 2013, the county had not received any proceeds from the loan.

WILKINSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2013

(15) Joint Ventures.

The County participates in the following joint ventures:

Wilkinson County is a participant with Amite County in a joint venture, authorized by a Section 41-13-15, Miss. Code Ann. (1972), to operate the Field Memorial Community Hospital. The joint venture was created to provide medical services for the residents of the local area and is governed by five board members. Wilkinson County appoints three board members, while Amite County appoints two members. The hospital is basically self-supporting. However, the counties have the power to approve or disapprove the hospital's budget and are authorized to levy taxes for the maintenance and operation of the hospital. Complete financial statements for the Field Memorial Community Hospital can be obtained from 270 West Main Street, Centerville, MS 39631. In July 2012, the Wilkinson County Board of Supervisors approved the Field Memorial Community Hospital to purchase land and build a medical clinic in Liberty, MS.

(16) Jointly Governed Organizations.

The County participates in the following jointly governed organizations:

Southwest Mississippi Planning and Development District operates in a district composed of the Counties of Adams, Wilkinson, Claiborne, Franklin, Jefferson, Lawrence, Lincoln, Pike, Walthall and Wilkinson. The Wilkinson County Board of Supervisors appoints four of the 40 members of the board of directors. The county contributes a small percentage of the district's total revenue. The county appropriated \$59,819 support of the district in fiscal year 2013.

Southwest Mississippi Mental Health Complex operates in a district composed of the Counties of Adams, Wilkinson, Claiborne, Franklin, Jefferson, Lawrence, Lincoln, Pike, Walthall and Wilkinson. The Wilkinson County Board of Supervisors appoints one of the ten members of the board of commissioners. The county appropriated \$16,875 for its support in fiscal year 2013.

Southwest Mississippi Community College operates in a district composed of the Counties of Wilkinson, Pike, Walthall and Wilkinson. The Wilkinson County Board of Supervisors appoints two of the 14 members of the college board of trustees. The county appropriated \$172,969 for the operation and maintenance of the college in fiscal year 2013.

Southwest Mississippi Partnership operates in a district composed of the Counties of Adams, Amite, Claiborne, Franklin, Jefferson, Lawrence, Lincoln, Pike, Walthall and Wilkinson. The entity is governed by ten members, appointed by each county's lead industrial foundation or chamber of commerce. If no industrial foundation or chamber of commerce is present, the member is appointed by the county's Board of Supervisors. The member counties provided only modest financial support for the entity.

(17) Defined Benefit Pension Plan.

Plan Description. Wilkinson County, Mississippi, contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing, multiple-employer, defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Benefit provisions are established by state law and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to Public Employees' Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling 1-800-444-PERS.

Funding Policy. At September 30, 2013, PERS members were required to contribute 9% of their annual covered salary, and the County is required to contribute at an actuarially determined rate. The rate at September 30, 2013 was 15.75% of annual covered payroll. The contribution requirements of PERS

WILKINSON COUNTY

Notes to Financial Statements For the Year Ended September 30, 2013

members are established and may be amended only by the State of Mississippi Legislature. The County's contributions (employer share only) to PERS for the years ending September 30, 2013, 2012 and 2011 were \$318,467, \$255,651, and \$233,999, respectively, equal to the required contributions for each year.

(18) Subsequent Events

Events that occur after the Statement of Net Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management of Wilkinson County evaluated the activity of the County through March 31, 2016, the date the financial statements were available to be issued, and determined that the following subsequent events have occurred requiring disclosure in the notes to the financial statements:

On October 7, 2013, the board entered into an agreement with Field Memorial Hospital and approved the issuance of \$12,000,000 in revenue bonds from Trustmark National Bank, at 5.5% interest rate to finance a new hospital facility.

On November 4, 2013, the board approved short-term financing of \$700,000 with United MS Bank, at 3.25% interest, to meet financial obligations of the county.

On February 3, 2014, the board approved to enter into a lease purchase agreement for a District 2 dozer.

On March 3, 2014, the board approved to refinance a District 4 Caterpillar backhoe with Concordia Bank and Trust, at 4.5% interest. The board accepted a \$94,788 bid from Truckworth for a dump truck; the board approved financing of the dump truck by United MS Bank, at 3.25% interest rate, for (60) installments. The board also accepted a \$246,783 bid from Puckett Machinery for a motor grader for District 2, for (60) months at \$2,067 per month.

On June 23, 2014, the board accepted a donated asset, a Dura Patcher machine, valued at \$62,000 from the Wilkinson County Industrial Development Authority.

On July 28, 2014, the board accepted a \$100,000 Community Heritage Preservation grant to repair the courthouse roof.

On August 25, 2014, the board approved to repair or replace the air-conditioner at the courthouse and the Sheriff's office. The board also accepted a \$84,224 bid from Dickerson & Bowen for the Rolling Hills Subdivision Road and drainage project.

On September 2, 2014, the board approved a short-term tax anticipation loan of \$750,000 from United MS Bank, with 3.25% interest rate.

On November 24, 2014, the board approved to purchase the Fort Adams Fire Department building and land for \$38,765.

On January 5, 2015, the board accepted an \$865,781 bid from W. E. Blain & Sons, Inc. for the State Aid Road project 79(6) for the maintenance on sixty-three miles of county roads.

On March 2, 2015, the board accepted the low bid of \$100,246 from W. E. Blain & Sons, Inc. for repair work on Macedonia Road.

On April 6, 2015, the board approved to borrow \$100,070 for a Countywide emulsion truck and trailer with financing through Concordia Bank at 3.25% interest, and (5) five annual installments.

WILKINSON COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2013

On July 6, 2015, the board approved to refinance \$183,890.45 in debt related to road equipment for District 3 and District 5 at 2.89% interest.

On October 10, 2015, the board approved a short-term tax anticipation loan of \$375,000 with 2.79% interest rate.

On December 9, 2015, the board approved a short-term tax anticipation loan of \$375,000 with 2.79% interest rate.

On February 24, 2016, the board approved to borrow \$215,968 for a John Deere Motor Grader for District One at 3.25% interest.

WILKINSON COUNTY

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WILKINSON COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

WILKINSON COUNTY

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WILKINSON COUNTY
 Budgetary Comparison Schedule -
 Budget and Actual (Non-GAAP Basis)
 General Fund
 For the Year Ended September 30, 2013

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 2,979,500	2,979,500	2,788,653	(190,847)
Licenses, commissions and other revenue	95,300	95,300	96,551	1,251
Fines and forfeitures	190,000	190,000	170,674	(19,326)
Intergovernmental revenues	710,500	710,500	669,932	(40,568)
Charges for services	6,500	6,500	4,209	(2,291)
Interest income	15,000	15,000	4,189	(10,811)
Miscellaneous revenues	67,700	67,700	107,472	39,772
Total Revenues	<u>4,064,500</u>	<u>4,064,500</u>	<u>3,841,680</u>	<u>(222,820)</u>
EXPENDITURES				
Current:				
General government	2,369,138	2,369,138	2,653,783	(284,645)
Public safety	1,022,500	1,022,500	1,106,691	(84,191)
Health and welfare	169,875	169,875	169,531	344
Culture and recreation	100,000	100,000	81,623	18,377
Conservation of natural resources	72,500	72,500	55,720	16,780
Economic development and assistance	41,230	41,230	38,348	2,882
Total Expenditures	<u>3,775,243</u>	<u>3,775,243</u>	<u>4,105,696</u>	<u>(330,453)</u>
Excess of Revenues over (under) Expenditures	<u>289,257</u>	<u>289,257</u>	<u>(264,016)</u>	<u>(553,273)</u>
Net Change in Fund Balance	289,257	289,257	(264,016)	(553,273)
Fund Balances - Beginning	<u>1,639,008</u>	<u>(962,364)</u>	<u>207,680</u>	<u>1,170,044</u>
Fund Balances - Ending	<u>\$ 1,928,265</u>	<u>(673,107)</u>	<u>(56,336)</u>	<u>616,771</u>

The accompanying notes to the Required Supplementary Information are an integral part of this schedule.

WILKINSON COUNTY
 Budgetary Comparison Schedule -
 Budget and Actual (Non-GAAP Basis)
 Lake Mary Spillway Project
 For the Year Ended September 30, 2013

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental revenues	\$ 316,684	316,684	316,684	-
Total Revenues	<u>316,684</u>	<u>316,684</u>	<u>316,684</u>	-
EXPENDITURES				
Current:				
Public works	316,684	316,684	316,684	-
Total Expenditures	<u>316,684</u>	<u>316,684</u>	<u>316,684</u>	-
Excess of Revenues over (under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund Balances - Beginning	<u>29,688</u>	<u>542,341</u>	<u>44,358</u>	<u>(497,983)</u>
Fund Balances - Ending	<u>\$ 29,688</u>	<u>542,341</u>	<u>44,358</u>	<u>(497,983)</u>

The accompanying notes to the Required Supplementary Information are an integral part of this schedule.

WILKINSON COUNTY

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WILKINSON COUNTY

Notes to the Required Supplementary Information
For the Year Ended September 30, 2013

A. Budgetary Information.

Statutory requirements dictate how and when the county's budget is to be prepared. Generally, in the month of August, prior to the ensuing fiscal year beginning each October 1, the Board of Supervisors of the county, using historical and anticipated fiscal data and proposed budgets submitted by the Sheriff, the Tax Assessor and the Tax Collector for his or her respective department, prepares an original budget for each of the Governmental Funds for said fiscal year. The completed budget for the fiscal year includes for each fund every source of revenue, each general item of expenditure, and the unencumbered cash and investment balances. When during the fiscal year it appears to the Board of Supervisors that budgetary estimates will not be met, it may make revisions to the budget.

The county's budget is prepared principally on the cash basis of accounting. All appropriations lapse at year end, and there are no encumbrances to budget because state law does not require that funds be available when goods or services are ordered, only when payment is made.

B. Basis of Presentation.

The Budgetary Comparison Schedule - Budget and Actual (Non-GAAP Basis) presents the original legally adopted budget, the final legally adopted budget, actual amounts on a budgetary (Non-GAAP Basis) and variances between the final budget and the actual amounts. The schedule is presented for the General Fund and each major Special Revenue Fund. The Budgetary Comparison Schedule - Budget and Actual (Non- GAAP Basis) is a part of required supplementary information.

C. Budget/GAAP Reconciliation.

The major differences between the budgetary basis and the GAAP basis are:

1. Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

The following Schedule reconciles the budgetary basis schedule to the GAAP basis financial statements for the General Fund and each major Special Revenue Fund.

	Governmental Fund Types	
	General Fund	Lake Mary Spillway Project
Budget (Cash Basis)	\$ (264,016)	-
Increase (Decrease)		
Net adjustments for revenue accruals	207,925	587,419
Net adjustments for expenditure accruals	48,607	(356,658)
GAAP Basis	\$ (7,484)	230,761

WILKINSON COUNTY

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WILKINSON COUNTY

SUPPLEMENTARY INFORMATION

WILKINSON COUNTY

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WILKINSON COUNTY
 Schedule of Expenditures of Federal Awards
 For the Year Ended September 30, 2013

Federal Grantor/ Pass-through Grantor/ Program Title of Cluster	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Housing and Urban Development (Passed-through the Mississippi Development Authority)			
Community Development Block Grant - States Program*	14.228	GV-350-079-02	78,316
Community Development Block Grant - States Program*	14.228	GV-350-079-03	29,504
Community Development Block Grant - States Program*	14.228	LM-282	<u>595,802</u>
Total U.S. Department of Housing and Urban Development			<u>703,622</u>
U.S. Department of the Interior/Fish and Wildlife Service (Passed-through the Mississippi Department of Wildlife, Fisheries and Parks)			
Fish and Wildlife Management Assistance	15.608		<u>77,540</u>
Total U.S. Department of Housing and Urban Development			<u>77,540</u>
U.S. Department of Justice			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Triad	<u>4,500</u>
Total U.S. Department of Justice			<u>4,500</u>
U.S. Department of Transportation/Federal Highway Administration (Passed-through the Mississippi Department of Transportation)			
Highway Planning and Construction	20.205	BR NBIS 079 B	117,714
Highway Planning and Construction	20.205	BR NBIS 078 B	<u>25,330</u>
Total U.S. Department of Transportation			<u>143,044</u>
U.S. Department of Homeland Security (Passed-through the Mississippi Emergency Management Agency)			
Disaster Grant - Public Assistance (Presidentially Declared Disasters)	97.036	10EMP	<u>50,712</u>
Total U.S. Department of Homeland Security			<u>50,712</u>
Total Expenditures of Federal Awards			<u><u>979,418</u></u>

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note A - Significant Accounting Policies

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Wilkinson County, Mississippi under programs of the federal government for the year ended June 30, 2013. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Because the Schedule presents only a selected portion of the operations of Wilkinson County, Mississippi, it is not intended to and does not present the financial position, changes in net position, or cash flows of Wilkinson County, Mississippi.

Note B - Significant Accounting Policies

(1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(2) Pass-through entity identifying numbers are presented where available.

* Denotes major federal award program.

WILKINSON COUNTY

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WILKINSON COUNTY

OTHER INFORMATION

WILKINSON COUNTY

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WILKINSON COUNTY
 Schedule of Surety Bonds of County Officials
 For the Year Ended September 30, 2013
 UNAUDITED

Name	Position	Company	Bond
William Seal	Supervisor District One	Old Republic	100,000
Richard Hollins	Supervisor District Two	Western Surety	100,000
William Bankston	Supervisor District Three	Old Republic	100,000
Kenyon Jackson	Supervisor District Four	Western Surety	100,000
Jennings Nettles	Supervisor District Five	Old Republic	100,000
Thomas Tolliver	Chancery Clerk	Western Surety	100,000
Bruce Lewis	County Administrator		No bond
Reginald Jackson	Sheriff		No bond
Consandra Christmas	Purchase Clerk	Old Republic	75,000
Mona Whitaker	Assistant Purchase Clerk		No bond
Hazel Arbutnot	Receiving Clerk		No bond
Thomas Tolliver	Inventory Control Clerk		No bond
Shirley Smith	Assistant Inventory Control Clerk		No bond
Jeanette Lynn Delaney	Circuit Clerk	Western Surety	100,000
Erica Johnson	Justice Court Clerk	Western Surety	100,000
Davasha Nelson	Deputy Justice Court Clerk		No bond
Robert Ward	Justice Court Judge	Western Surety	10,000
Ernest Smith	Justice Court Judge	Western Surety	10,000
Carlos Lee	Constable	Western Surety	25,000
Willie Thompson	Constable	Western Surety	25,000
Jeremy Ephion	Tax Assessor-Collector	Western Surety	100,000
Domonique Anthony	Deputy Tax Collector		No bond
Kenodrio Brown	Deputy Tax Collector		No bond
Kelly Davis	Deputy Tax Collector		No bond
Tamekia Miles	Deputy Tax Collector	Western Surety	60,000
Debra Nettles	Deputy Tax Collector		No bond
Barbara Thomas	Deputy Tax Collector		No bond
Aleshia Palmer	Deputy Tax Collector	Western Surety	60,000

WILKINSON COUNTY

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WILKINSON COUNTY

SPECIAL REPORTS

WILKINSON COUNTY

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SHOEMAKER & CO.

CERTIFIED PUBLIC ACCOUNTANTS, PLLC

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Members of the Board of Supervisors
Wilkinson County, Mississippi

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Wilkinson County, Mississippi, as of and for the year ended September 30, 2013, which collectively comprise the county's basic financial statements and have issued our report thereon dated March 31, 2016. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

The auditor's report is qualified on the governmental activities because the county did not report depreciation on certain general infrastructure assets in the governmental activities as required by accounting principles generally accepted in the United States of America.

Our report includes a reference to another auditor. Another auditor audited the financial statements of the Wilkinson County Industrial Development Authority, as described in our report on Wilkinson County, Mississippi's financial statements. This report does not include the results of the other auditor's testing of internal control and on compliance and other matters that are reported separately by the other auditor.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Wilkinson County, Mississippi's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as 2013-1, 2013-2, 2013-3, 2013-4, and 2013-5.

Management of the county is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Wilkinson County, Mississippi's internal control over financial reporting

as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the county's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the county's internal control over financial reporting.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Wilkinson County, Mississippi's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Governmental Auditing Standards and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2013-1, 2013-2, and 2013-5.

We also noted certain matters which we have reported to the management of Wilkinson County, Mississippi, in the Independent Accountant's Report on Central Purchasing System, Inventory Control System and Purchase Clerk Schedules and the Limited Internal Control and Compliance Review Management Report dated March 31, 2016, include within this document.

Wilkinson County's Response to Findings

Wilkinson County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. We did not audit Wilkinson County's responses, and accordingly, we express no opinion on them.

Purpose of this Report

This report is intended solely for the information and use of management, the Board of Supervisors, others within the entity, and federal awarding agencies and pass-through entities 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.

Shoemaker & Company

SHOEMAKER & COMPANY, CPA PLLC
March 31, 2016

WILKINSON COUNTY

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SHOEMAKER & CO. —

CERTIFIED PUBLIC ACCOUNTANTS, PLLC

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Members of the Board of Supervisors
Wilkinson County, Mississippi

Report on Compliance for Each Major Federal Program

We have audited the compliance of Wilkinson County, Mississippi with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2013. Wilkinson County, Mississippi's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Wilkinson County, Mississippi's major federal program(s) based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Wilkinson County, Mississippi's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Wilkinson County, Mississippi's compliance.

Opinion on Each Major Federal Program

In our opinion, Wilkinson County, Mississippi, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2013.

Report on Internal Control Over Compliance

Management of Wilkinson County, Mississippi, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Wilkinson County, Mississippi's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of

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expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly this report is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.

Shoemaker & Company

SHOEMAKER & COMPANY, CPA PLLC
March 31, 2016

WILKINSON COUNTY

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SHOEMAKER & CO.

CERTIFIED PUBLIC ACCOUNTANTS PLLC

INDEPENDENT ACCOUNTANT'S REPORT ON CENTRAL PURCHASING SYSTEM, INVENTORY CONTROL SYSTEM AND PURCHASE CLERK SCHEDULES (REQUIRED BY SECTION 31-7-115, MISS. CODE ANN. (1972))

Members of the Board of Supervisors
Wilkinson County, Mississippi

We have examined Wilkinson County, Mississippi's (the County) compliance with establishing and maintaining a central purchasing system and inventory control system in accordance with Sections 31-7-101 through 31-7-127, Miss. Code Ann. (1972) and compliance with the purchasing requirements in accordance with the bid requirements of Section 31-7-13, Miss. Code Ann. (1972) during the year ended September 30, 2013. The Board of Supervisors of Wilkinson County, Mississippi is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the County's compliance with those requirements and performing other procedures as considered necessary in the circumstances. We believe our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the County's compliance with specified requirements. The Board of Supervisors of Wilkinson County, Mississippi, has established centralized purchasing for all funds of the county and has established an inventory control system. The objective of the central purchasing system is to provide reasonable, but not absolute, assurance that purchases are executed in accordance with state law.

Because of inherent limitations in any central purchasing system and inventory control system, errors or irregularities may occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

The results of our audit procedures disclosed certain instances of noncompliance with the aforementioned code sections. Those instances of noncompliance were considered in forming our opinion of compliance. Our findings and recommendations and your responses are disclosed below:

1. Finding - Inventory Control Clerk:

- The county has not recorded depreciation expense on certain general infrastructure assets in governmental activities. Accounting principles generally accepted in the United States of America require that those general infrastructure assets be capitalized and depreciated. If these assets were properly recorded and depreciated, an adjustment to the assets, net assets, and expenses of the governmental activity may be necessary.

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- During our test of fixed assets, we found seven (7) capital asset items not properly tagged with an identifying asset number. In addition, numerous capital asset items did not have asset tags assigned to them in the inventory system.
- As reported in prior years' audit reports, donated assets should be listed on the county's inventory at fair market value. In our review of the county's inventory, we noted several donated items listed with a value of \$1 and some assets do not have a date of acquisition or a cost assigned.
- As reported in the prior years' audit reports and per above stated code section, the inventory clerk must make a physical inventory of assets of the county on or before October 1 of each year. During our review of fixed assets, a copy of the annual physical inventory was not provided or approved by the board of supervisors.

Recommendation:

- The county should compute depreciation expenses, accumulated depreciation and net value of all assets, including general infrastructure assets.
- We recommend that all fixed asset items be marked with an asset number, that any errors in the asset listing be corrected and that all of the county's fixed assets be account for on the fixed asset listing.
- The board should set the value of donated items at the time they accept the donation and spread that value in the board minutes. The county may use whatever method it deems best to estimate the fair market value such as consulting an appraiser or person knowledgeable in the area, using computer-generated data such as Blue Book or other accepted methods of establishing fair market value. We recommend that the county implement policies and procedures for inventory control that would include complete recording of all necessary fixed asset information, including the acquisition date and cost.
- We recommend that all items be marked with an asset number, that any errors in the asset listing be corrected and that all of the county's assets be accounted for on the fixed asset listing. By conducting an annual physical audit, many of these problems could be identified and corrected.

Inventory Control Clerk's Response:

We will follow the recommendations.

2. Finding - Board of Supervisors

During our audit and as reported in the prior year's audit report, we noted that the county had deficit cash and the county held checks for the certain claims approved by the board due to lack of cash. Purchase requisitions and purchase orders were being approved without consulting cash and budget balances.

Recommendation:

We recommend that the purchase clerk sign off on a purchase order only after confirming that the cash balance and the budget balance to make sure there is sufficient cash in the bank and that the budget will not be overspent. We recommend that the board put procedures in place to ensure that purchase orders will not

be issued without funding being available while remaining within budgeted amounts.

Board of Supervisors' Response:

We will follow the recommendations.

In our opinion, except for the noncompliance referred to in the preceding paragraphs, Wilkinson County, Mississippi, complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements for the year ended September 30, 2013.

The accompanying schedules of (1) Purchases Not Made from the Lowest Bidder, (2) Emergency Purchases and (3) Purchases Made Noncompetitively from a Sole Source are presented in accordance with Section 31-7-115, Miss. Code Ann. (1972). The information contained on these schedules has been subjected to procedures performed in connection with our aforementioned examination of the purchasing system and, in our opinion, is fairly presented when considered in relation to that examination.

This report is intended for use in evaluating the central purchasing system and inventory control system of Wilkinson County, Mississippi, and is not intended to be and should not be relied upon for any other purpose. However, this report is a matter of public record and its distribution is not limited.

Shoemaker & Company, CPA PLLC

SHOEMAKER & COMPANY, CPA PLLC
March 31, 2016

WILKINSON COUNTY

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WILKINSON COUNTY
Schedule of Purchases Not Made From the Lowest Bidder
For the Year Ended September 30, 2013

Schedule 1

Our test results did not identify any purchases from other than the lowest bidder.

WILKINSON COUNTY
Schedule of Emergency Purchases
For the Year Ended September 30, 2013

Schedule 2

Our test results did not identify any emergency purchases.

WILKINSON COUNTY
Schedule of Purchases Made Noncompetitively From a Sole Source
For the Year Ended September 30, 2013

Schedule 3

Our test results did not identify any purchases made noncompetitively from a sole source.

WILKINSON COUNTY

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SHOEMAKER — & CO. —

CERTIFIED PUBLIC ACCOUNTANTS, PLLC

LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors
Wilkinson County, Mississippi

In planning and performing our audit of the financial statements of Wilkinson County, Mississippi for the year ended September 30, 2013, we considered Wilkinson County, Mississippi's internal control to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on internal control.

In addition, for areas not considered material to Wilkinson County, Mississippi's financial reporting, we have performed some additional limited internal control and state legal compliance review procedures as identified in the state legal compliance audit program issued 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 county's compliance with these requirements. Accordingly, we do not express such an opinion. This report does not affect our report dated March 31, 2016, on the financial statements of Wilkinson County, Mississippi.

Due to the reduced scope, these procedures and tests cannot and do not provide absolute assurance that all state legal requirements have been complied with. Also, our consideration of internal control would not necessarily disclose all matters within the internal control that might be weaknesses. In accordance with Section 7-7-211, Miss. Code Ann. (1972), the Office of the State Auditor, when deemed necessary, may conduct additional procedures and tests of transactions for this or other fiscal years to ensure compliance with legal requirements.

The results of our review of procedures and compliance tests identified certain immaterial instances of noncompliance with state laws and regulations that are opportunities for strengthening internal controls and operating efficiency. Our findings and recommendations and your responses are disclosed below:

1. Finding - Board of Supervisors

As reported in prior years' audit reports, the County has operated several of its funds at substantial cash deficits and has not raised sufficient revenues or other sources of cash to fund its expenditures in some funds, particularly the general fund. This situation has caused an illegal diversion of money from some special revenue funds into the general fund and into other special revenue funds.

Recommendation

We recommend the board of supervisors should take the necessary action to comply with laws regarding diversion of money and fund deficits.

Board of Supervisors' Response

We will follow the recommendation.

2. Finding - Board of Supervisors

As reported in the previous audit report, in all departments, the bank statements were not being reviewed and approved by someone other than the reconciler. In most cases, the bank statements were not reconciled in a timely manner. This is an indication of the lack of internal control.

Recommendation

The county should ensure that all bank statements are reconciled timely, reviewed and approved by someone other than the person reconciling the bank statement and someone who is in a managerial or supervisory position.

Board of Supervisor's Response

We will follow the recommendation.

3. Finding - Board of Supervisors

During our examination of surety bonds, we noted there were several positions that were either not bonded or bond was insufficient as listed below:

Employees not bonded:

Position	Name	Amount	Code Section
County Administrator	Bruce Lewis	\$ 100,000	19-4-9
Sheriff	Reginald Jackson	\$ 100,000	19-25-5
Assistant Purchase Clerk	Mona Whitaker	\$ 50,000	31-7-124
Receiving Clerk	Hazel Arbuthnot	\$ 75,000	31-7-124
Inventory Control Clerk	Thomas Tolliver	\$ 75,000	31-7-124
Assistant Inventory Control Clerk	Shirley Smith	\$ 50,000	31-7-124
Deputy Justice Court Clerk	Oerk Davasha Nelson	\$ 50,000	19-11-29(2)
Deputy Tax Collector	Dominique Anthony	\$ 50,000	27-1-9
Deputy Tax Collector	Kelly Davis	\$ 50,000	27-1-9
Deputy Tax Collector	Barbara Thomas	\$ 50,000	27-1-9
Deputy Tax Collector	Aleshia Palrrer	\$ 50,000	27-1-9
Deputy Tax Collector	Kenodrio Brown	\$ 50,000	27-1-9

Employees with insufficient bonds:

Position	Name	Amount	Code Section
Constable	Carlos Lee	\$ 50,000 ¹	19-19-3
Constable	Willie Thompson	\$ 50,000 ¹	19-19-3
Justice Court Judge	Robert Ward	\$ 50,000 ²	9-11-7
Justice Court Judge	Eames Smith	\$ 50,000 ²	9-11-7

¹ Bonded for \$25,000

² Bonded for \$10,000

Recommendation

We recommend that the county purchase the required bond on each position as is required by state laws. The failure to bond employees for the required amount would limit the amount available for recovery if a loss occurred.

Board of Supervisor's Response

We will follow the recommendation.

4. Finding - Board of Supervisors

During our review of the prisoner meal logs and the board minutes, we did not see where the monthly Prisoner Meal Log Reports were file with the Board of Supervisors and spread in the minutes per Section 19-25-74, Miss. Code Ann. (1972).

Recommendation

We recommend that the board review and approve the monthly prisoner meal log report and spread the report in the minutes.

Board of Supervisors' Response

We will follow the recommendation.

The Mississippi Office of the State Auditor has taken exception to certain costs. The details of the exceptions and their disposition are as follows:

Exception Issued On:	Wevelyn James, Tax Assessor –Collector
Nature of Exception:	Salary
Amount of Exception:	\$34,045.11
Disposition of Exception:	\$5,210.23 was repaid by the Tax Assessor-Collector's bond on May 12, 2008. The balance is unpaid. The current balance is \$40,730.13, including interest and investigative cost. This matter has been turned over to the Investigative Division of the Office of the State Auditor.

Wilkinson County's responses to the findings included in this report were not audited, and accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the Board of Supervisors, and others within the entity and is not intended to be and should not be used by anyone other than these parties.

However, this report is a matter of public record and its distribution is not limited.

SHOEMAKER & COMPANY, CPA PLLC
March 31, 2016

WILKINSON COUNTY

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WILKINSON COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

WILKINSON COUNTY

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WILKINSON COUNTY

Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2013

Section 1: Summary of Auditor's Results

Financial Statements:

- | | |
|-------------------------------------------------------------------------------------------|---------------|
| 1. Type of auditor's report issued on the financial statements | |
| Governmental Activities | Qualified |
| Discretely presented component unit | Unmodified |
| General Fund | Unmodified |
| Lake Mary Spillway Project Fund | Unmodified |
| Business-type Activities | Unmodified |
| Aggregate remaining fund information | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | Yes |
| b. Significant deficiencies identified that are not considered to be material weaknesses? | None Reported |
| 3. Noncompliance material to the financial statements noted? | No |

Federal Awards:

- | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified that are not considered to be material weaknesses? | None Reported |
| 2. Type of auditor's report issued on compliance for major federal programs: | Unmodified |
| 3. Any audit findings disclosed that are required to be reported in accordance with Section _____.510(a) of OMB Circular A-133? | No |
| 4. Federal programs identified as major programs: | |
| a. Community Development Block Grants – States Program, CFDA # 14.228 | |
| 5. The dollar threshold used to distinguish between type A and type B programs: | \$300,000 |
| 6. Auditee qualified as low-risk auditee: | No |
| 7. Prior fiscal year audit findings and questioned cost relative to federal awards which would require the auditee to prepare a summary schedule of prior audit findings as discussed in Section _____.315(b) of OMB Circular A-133? | No |

WILKINSON COUNTY

Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2013

Section 2: Financial Statement Findings

Board of Supervisors

Material Weakness

2013-1 State laws should be followed for establishing interfund loans.

As reported in prior years' audit reports, the County has, in the past, made interfund loans. These loans were made when the County experienced negative cash flows in various funds. However, after many years, these loans have not been repaid. As a result, the County has outstanding inter-fund loans which are many years old.

Recommendation

Failure of the Board of Supervisors to ensure repayment of these loans is an illegal diversion of legally-restricted funds. For any interfund loan made, the Board of Supervisors should approve and record in the board minutes the reason for the loan, when the loan will be repaid and the source of the funds for the repayment. The Board of Supervisors should ensure that these old loans are repaid by approving and recording in the board minutes a repayment schedule and complying with the repayment schedule.

Board of Supervisors' Response

We will follow the recommendation.

Material Weakness

2013-2 Controls surrounding cash maintenance should be strengthened.

Section 19-13-43, Miss. Code Ann. (1972), requires that, before a warrant is issued, there must be sufficient money available in the fund upon which it is drawn to pay the same and all prior unpaid checks drawn on that fund. As reported in the nine prior years' audit reports, warrants were written on county funds which did not have sufficient cash balances. The following funds had a deficit cash balance at September 30, 2013: Reappraisal Maintenance Fund, Fire Grant Fund, Hurricane Isaac Fund, Tire Waste Disposal Fund, Law Library Fund, Flood Plain Fund, District One Road Fund, District Two Road Fund, District Four Road Fund, District Five Road Fund, County Wide Bridge Fund, Jail Construction Fund and Solid Waste Fund.

Recommendation

The county should ensure that no warrants are written on funds when cash is not available.

Board of Supervisors' Response

We will follow the recommendation.

WILKINSON COUNTY

Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2013

Material Weakness

2013-3 Controls surrounding recording and reporting of financial information should be strengthened.

A critical aspect of effective financial management is the maintenance of accurate accounting records. Management does not have personnel that possess the necessary qualifications and training to prepare financial statements in accordance with generally accepted accounting principles. Therefore, since the county personnel lacked the skills and training to apply generally accepted accounting principles in recording the entity's financial transactions and adequate controls in place over the recording and reporting of financial records, the risk increases that inaccurate information may be reported and increases the possibility of the loss or misappropriation of public funds.

Recommendation

The Board of Supervisors should establish adequate controls and procedures to ensure the financial transactions are recorded, presented and disclosed in accordance with generally accepted accounting principles. While it is the auditor's responsibility to perform the annual audit, management of Wilkinson County is charged with the responsibility for preparing its financial statements in accordance with generally accepted accounting principles.

Board of Supervisors' Response

We will follow the recommendation.

Material Weakness

2013-4 Controls surrounding cash reconciliations should be strengthened.

An effective system of internal control should include an adequate segregation of duties and timely reconciliation of bank statements to the cash journals. As noted in audit procedures, bank statements were not reconciled monthly, there were inconsistencies in disbursement of checks from funds with no available resources, therefore causing many funds to be overdrawn in the general ledger. Transfers were not made to compensate for this practice.

Recommendation

The county should implement effective internal control policies that allow for monthly bank reconciliations and tie the reconciled balances to the cash journals. No warrants should be issued from any fund if resources are not available in that fund. We also recommend that the county establish policies and procedures to address the need for transfers between funds when resources are not available in anyone fund, and that all transfers are approved by the Board as legally required.

Board of Supervisors' Response

We will follow the recommendation.

WILKINSON COUNTY

Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2013

Material Weakness

2013-5 Depreciation should be computed and recorded for infrastructure assets.

The county has not recorded depreciation expense on certain general infrastructure assets in governmental activities. Accounting principles generally accepted in the United States of America require that those general infrastructure assets be capitalized and depreciated. If these assets were properly recorded and depreciated, an adjustment to the assets, net assets, and expenses of the governmental activity may be necessary.

Recommendation:

The county should compute depreciation expenses, accumulated depreciation and net value of all assets, including general infrastructure assets.

Board of Supervisors' Response:

We will follow the recommendations.

Section 3: Federal Award Findings and Questioned Costs

The results of our tests did not disclose any findings and questioned costs related to federal awards.