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BOLIVAR COUNTY, MISSISSIPPI
Audited Financial Statements and Special Reports
For the Year Ended September 30, 2014

BRIDGERS & GOODMAN, PLLC
CERTIFIED PUBLIC ACCOUNTANTS
VICKSBURG, MISSISSIPPI

BOLIVAR COUNTY

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BOLIVAR COUNTY

FINANCIAL SECTION



DAVID I. BRIDGERS, JR., CPA
L. KARL GOODMAN, CPA, MBA

MEMBERS OF
MISSISSIPPI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors
Bolivar County, Mississippi

We have audited the accompanying financial statements, of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Bolivar County, Mississippi, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the county's basic financial statements 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 of financial statements that are free of 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 Bolivar County Port Commission, Bolivar County Economic Development District, Bolivar County Library System, components units, which represent 75 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. 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 units, is based solely on the reports of the other auditors. We did however; audit the Bolivar Medical Center Foundation, a component unit which represents 25 percent of the assets, net position, and revenues of the aggregate discretely presented component units. 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 of America. 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. 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.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Bolivar County, Mississippi, as of September 30, 2014, 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

Accounting principles generally accepted in the United States of America require that 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 and other auditors have applied certain limited procedures to this 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.

Omission of Required Supplementary Information

Bolivar County, Mississippi has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, 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 Bolivar 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 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of other auditors, the Schedule of Expenditures of Federal Awards 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 August 24, 2015, on our consideration of Bolivar County, Mississippi's internal control over financial reporting and 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 the 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 Bolivar County, Mississippi's internal control over financial reporting and compliance.

Bridgers & Goodman, PLLC
Bridgers & Goodman, PLLC
Certified Public Accountants
Vicksburg, Mississippi

August 24, 2015

BOLIVAR COUNTY

FINANCIAL STATEMENTS

BOLIVAR COUNTY
Statement of Net Position
September 30, 2014

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash	\$ 11,766,940	157,015	11,923,955
Cash with fiscal agents		171,037	171,037
Investments	508,254		508,254
Accrued interest receivable	1,329		1,329
Property tax receivable	13,250,115		13,250,115
Accounts receivable			
Fines receivable, (net of allowance for uncollectibles of \$4,355,664)	283,294		283,294
Loans receivable, (net of allowance for uncollectibles of \$805,241)	0		0
Intergovernmental receivables	320,580	24,476	345,056
Other receivables	214,365		214,365
Internal balances	503,315	(503,315)	0
Prepaid bond insurance		41,932	41,932
Lease payments receivable	1,138,348		1,138,348
Land and construction in progress	3,890,515	3,878	3,894,393
Other capital assets, net	56,132,139	5,956,424	62,088,563
Total Assets	88,009,194	5,851,447	93,860,641
LIABILITIES			
Claims payable	764,770	179,919	944,689
Intergovernmental payables	376,973		376,973
Accrued interest payable	29,394	23,145	52,539
Premium on bonds	10,222		10,222
Unearned revenue	199,026		199,026
Other payables	161,686		161,686
Long-term liabilities			
Due within one year:			
Capital related debt	920,715	420,000	1,340,715
Non-capital debt	210,000		210,000
Due in more than one year:			
Capital related debt	1,544,069	4,771,132	6,315,201
Non-capital debt	820,707	75,367	896,074
Total Liabilities	5,037,562	5,469,563	10,507,125
DEFERRED INFLOWS OF RESOURCES			
Unavailable resources- Property tax	13,250,115		13,250,115
Total deferred inflows of resources	13,250,115	0	13,250,115
NET POSITION			
Net investment in capital assets	57,547,648	769,170	58,316,818
Restricted:			
Expendable:			
General government	446,626		446,626
Debt service	388,170		388,170
Public safety	968,888		968,888
Public works	3,531,353		3,531,353
Culture and recreation	61,475		61,475
Economic development	24,363		24,363
Unrestricted	6,752,994	(387,286)	6,365,708
Total Net Position	\$ 69,721,517	381,884	70,103,401

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

	Component Units				Total
	Bolivar County Port Comm.	Bolivar County ED District	Bolivar County Library System	Bolivar Medical Center Found.	
\$	554,128	483,327	149,466	45,617,114	46,804,035
	2,175,000				2,175,000
	478,737		3,576		482,313
	670				670
	119,320				119,320
	3,109,720				3,109,720
	5,148,760	836,161	22,541		6,007,462
	<u>11,586,335</u>	<u>1,319,488</u>	<u>175,583</u>	<u>45,617,114</u>	<u>58,698,520</u>
	21,357		7,709		29,066
		40,949			40,949
		256,032			256,032
	<u>21,357</u>	<u>296,981</u>	<u>7,709</u>	<u>0</u>	<u>326,047</u>
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	8,258,480	539,180	22,541	0	8,820,201
		483,327			483,327
	<u>3,306,498</u>	<u>1,022,507</u>	<u>145,333</u>	<u>45,617,114</u>	<u>49,068,945</u>
\$	<u>11,564,978</u>	<u>1,022,507</u>	<u>167,874</u>	<u>45,617,114</u>	<u>58,372,473</u>

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

BOLIVAR COUNTY
Statement of Activities
September 30, 2014

Exhibit 2

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Bolivar County Port Comm.	Bolivar County ED District	Bolivar County Library	Bolivar Medical Center Found.	Total Component Units
					Governmental Activities	Business Type Activities	Total					
Primary government:												
Governmental activities:												
General government	\$ 6,205,383	837,739	18,656		(5,348,988)		(5,348,988)					
Public safety	5,537,968	359,031	101,960	50,000	(5,026,977)		(5,026,977)					
Public works	5,397,266		644,547	3,113,772	(1,638,947)		(1,638,947)					
Health and welfare	770,326				(770,326)		(770,326)					
Culture and recreation	446,879				(446,879)		(446,879)					
Conservation of natural resources	97,356				(97,356)		(97,356)					
Economic development and assistance	560,666			1,744,528	1,183,862		1,183,862					
Interest on long-term debt	109,595				(109,595)		(109,595)					
Total Governmental Activities	19,125,439	1,196,770	765,163	4,908,300	(12,255,206)		(12,255,206)					
Business-type activities:												
Correctional facility	6,109,354	5,609,647					(499,707)					(499,707)
Total Business-type Activities	6,109,354	5,609,647					(499,707)					(499,707)
Total Primary Government	\$ 25,234,793	6,806,417	765,163	4,908,300	(12,255,206)		(499,707)					(12,754,913)
Component Units:												
Bolivar County Port Comm.	1,751,970	1,357,867	403,671					9,568				9,568
Bolivar County ED District	422,995								(422,995)			(422,995)
Bolivar County Library System	656,745	21,231	123,441							(512,073)		(512,073)
Bolivar Medical Center Found.	1,027,091										(1,027,091)	(1,027,091)
General revenues:												
Property taxes					\$ 14,005,949		14,005,949	55,421	398,952			454,373
Road & bridge privilege taxes					411,989		411,989					0
Grants and contributions not restricted to specific programs					916,046		916,046			482,567		482,567
Unrestricted investment income					84,365	833	85,198	13,133	1,419	475	1,353,311	1,368,338
Miscellaneous					1,148,327	2,864	1,151,191	232,582	14,676	30,554	1,454,147	1,731,959
Total General Revenues					16,566,676	3,697	16,570,373	301,136	415,047	513,596	2,807,458	4,037,237
Changes in Net Position					4,311,470	(496,010)	3,815,460	310,704	(7,948)	1,523	1,780,367	2,084,646
Net Position - Beginning					65,132,713	1,166,523	66,299,236	11,254,274	1,030,455	166,351	43,836,747	56,287,827
Prior period adjustment					277,334	(288,629)	(11,295)					0
Net Position - Beginning, as restated					65,410,047	877,894	66,287,941	11,254,274	1,030,455	166,351	43,836,747	56,287,827
Net Position - Ending					\$ 69,721,517	381,884	70,103,401	11,564,978	1,022,507	167,874	45,617,114	58,372,473

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

BOLIVAR COUNTY
Balance Sheet - Governmental Funds
September 30, 2014

Exhibit 3

	Major Funds				
	General Fund	Countywide		Other Governmental Funds	Total Governmental Funds
		Road Maintenance Fund	Bridge & Culvert Fund		
ASSETS					
Cash	\$ 6,684,939	1,974,771	631,234	2,475,996	11,766,940
Investments		508,254			508,254
Property tax receivable	8,794,036	1,456,492	1,363,817	1,635,770	13,250,115
Interest receivable		1,329			1,329
Fines receivable (net of allowance for uncollectibles of \$4,355,664)	283,294				283,294
Loans receivable (net of allowance for uncollectibles of \$805,241)				0	0
Intergovernmental receivables	183,137			137,443	320,580
Advances to other funds	440,266		61,653	75,000	576,919
Due from other funds	63,049	17,685	18,954	18,517	118,205
Other receivables	14,637	199,728			214,365
Lease payments receivable				1,138,348	1,138,348
Total Assets	16,463,358	4,158,259	2,075,658	5,481,074	28,178,349
LIABILITIES					
Claims payable	231,128	183,877	69,993	279,772	764,770
Intergovernmental payables	361,243				361,243
Advances from other funds		75,000		61,653	136,653
Due to other funds	70,886				70,886
Unearned revenue				1,138,348	1,138,348
Other payables	161,686				161,686
Total Liabilities	824,943	258,877	69,993	1,479,773	2,633,586
DEFERRED INFLOWS OF RESOURCES					
Unavailable resources- Property tax	8,794,036	1,456,492	1,363,817	1,635,770	13,250,115
Unavailable resources- Fines	283,294				283,294
Total deferred inflows of resources	9,077,330	1,456,492	1,363,817	1,635,770	13,533,409
FUND BALANCES					
Nonspendable:					
Advances	440,266				440,266
Restricted for:					
General government				446,626	446,626
Public safety				968,888	968,888
Public works		2,442,890	641,848	446,615	3,531,353
Culture and recreation				61,475	61,475
Economic development				24,363	24,363
Debt service				417,564	417,564
Unassigned	6,120,819				6,120,819
Total Fund Balances	6,561,085	2,442,890	641,848	2,365,531	12,011,354
Total Liabilities and Fund Balances	\$ 16,463,358	4,158,259	2,075,658	5,481,074	28,178,349

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

BOLIVAR COUNTYExhibit 3-1**Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
September 30, 2014**

	<u>Amount</u>
Total fund balance - Governmental Funds	\$ 12,011,354
Amounts reported for governmental services 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 \$86,547,293.	60,022,654
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	283,294
Long-term liabilities are not due and payable in the current-period and, therefore, are not reported in the funds.	(3,495,491)
Capital leases are not available to pay for current period expenditures and, therefore, are not reported in the funds.	939,322
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(29,394)
Premium on bonds	<u>(10,222)</u>
Total Net Position - Governmental Activities	<u>\$ 69,721,517</u>

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

BOLIVAR COUNTY

Exhibit 4

Statement of Revenues, Expenditures, and Changes in Fund Balances For Governmental Funds
September 30, 2014

	Major Funds				Total Governmental Funds
	General Fund	Countywide Road Maintenance	Bridge & Culvert Fund	Other Governmental Funds	
REVENUES					
Property taxes	\$ 9,081,019	1,626,573	1,587,575	1,710,782	14,005,949
Road and bridge privilege taxes		411,989			411,989
Licenses, commissions and other revenue	546,337	4,099		1,396	551,832
Fines and forfeitures	348,486			8,523	357,009
Intergovernmental revenues	835,556	620,153	81,924	2,013,976	3,551,609
Charges for services				331,595	331,595
Interest income	18,297	10,729	1,465	53,874	84,365
Miscellaneous revenues	287,054	272,438	3,113	585,252	1,147,857
Total Revenues	11,116,749	2,945,981	1,674,077	4,705,398	20,442,205
EXPENDITURES					
Current:					
General government	5,229,174			148,826	5,378,000
Public safety	3,644,415			1,388,387	5,032,802
Public works	149,179	1,663,577	2,282,925	2,909,220	7,004,901
Health and welfare	733,426				733,426
Culture and recreation	445,462			133,578	579,040
Conservation of natural resources	95,996				95,996
Economic development and assistance	162,312			398,354	560,666
Debt service:					
Principal	43,321	59,054		843,158	945,533
Interest	1,738	3,963		106,711	112,412
Total Expenditures	10,505,023	1,726,594	2,282,925	5,928,234	20,442,776
Excess of Revenues over (under) Expenditures	611,726	1,219,387	(608,848)	(1,222,836)	(571)
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets				8,636	8,636
Long-term capital debt issued				328,967	328,967
Transfers in				2,795	2,795
Transfers out		(2,795)			(2,795)
Lease principal payments				117,908	117,908
Total Other Financing Sources and Uses	0	(2,795)	0	458,306	455,511
Net Changes in Fund Balances	611,726	1,216,592	(608,848)	(764,530)	454,940
Fund Balances - Beginning	5,861,878	1,137,073	1,250,696	3,130,061	11,379,708
Prior period adjustment	87,481	89,225			176,706
Fund Balances - Beginning, as restated	5,949,359	1,226,298	1,250,696	3,130,061	11,556,414
Fund Balances - Ending	\$ 6,561,085	2,442,890	641,848	2,365,531	12,011,354

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

BOLIVAR COUNTY

Exhibit 4-1

**Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
September 30, 2014**

	<u>Amount</u>
Net Change in Fund Balances - Governmental Funds	\$ 454,940

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 capital outlays of \$5,670,315 exceeded depreciation of \$2,150,819 in the current period.

3,519,496

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 balance by the amount of the gain of \$470 and the proceeds from the sale of \$8,363 in the current period.

(8,166)

In the Statement of Activities, only interest income from payments received on capital leases are reported, whereas in the governmental funds, both principal and interest payments received increase financial resources. Thus, the change in net position differs from change in fund balances by the principle collections on the capital leases.

(117,908)

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.

(43,666)

Debt proceeds provide current financial resources to Government 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 \$945,533, exceeds debt proceeds of \$328,967.

616,566

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 balance by a combination of the following items:

Accrued interest payable	261
Compensated absences	(79,166)
Bond issue cost	(33,443)
Amortization of bond premium	2,556

Change in Net Position of Governmental Activities	<u>\$ 4,311,470</u>
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The notes to the financial statements are an integral part of this statement.

BOLIVAR COUNTY
Statement of Net Position - Proprietary Funds
September 30, 2014

Exhibit 5

	<u>Business-type Activities - Enterprise Funds</u>	
	<u>BCRCF Fund</u>	
ASSETS		
Current assets:		
Cash	\$	157,015
Cash with fiscal agents		171,037
Intergovernmental receivables		24,476
Prepaid bond insurance		41,932
Total Current Assets		<u>394,460</u>
Noncurrent assets:		
Land and construction in progress		3,878
Capital assets, net		5,956,424
Total Noncurrent Assets		<u>5,960,302</u>
Total Assets		<u>6,354,762</u>
LIABILITIES		
Current liabilities:		
Claims payable		179,919
Due to other funds		63,049
Advances from other funds		440,266
Accrued interest payable		23,145
Capital related debt - current		420,000
Total Current Liabilities		<u>1,126,379</u>
Noncurrent liabilities:		
Capital related debt:		
Other long-term liabilities		4,771,132
Non-capital debt:		
Compensated absences payable		75,367
Total Noncurrent Liabilities		<u>4,846,499</u>
Total Liabilities		<u>5,972,878</u>
NET POSITION		
Net investment in capital assets		769,170
Unrestricted		<u>(387,286)</u>
Total Net Position	\$	<u>381,884</u>

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

BOLIVAR COUNTY

Exhibit 6

Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds

September 30, 2014

	<u>Business-type Activities - Enterprise Funds</u>	
	<u>BCRCF</u>	
	<u>Fund</u>	
Operating Revenues		
Charges for services	\$	5,609,647
Miscellaneous		2,864
Total Operating Revenues		<u>5,612,511</u>
Operating Expenses		
Personal services		3,872,735
Contractual services		751,662
Materials and supplies		1,032,623
Depreciation expense		243,187
Indirect administrative cost		63,049
Insurance premiums		6,445
Total Operating Expenses		<u>5,969,701</u>
Operating Income (Loss)		<u>(357,190)</u>
Nonoperating Revenues (Expenses)		
Interest income		833
Interest expense		(137,176)
Gain (loss) on sale of capital assets		(2,477)
Net nonoperating Revenue (Expenses)		<u>(138,820)</u>
Change in Net Position		(496,010)
Net Position - Beginning		1,166,523
Prior period adjustments		(288,629)
Net Position - Beginning, as restated		<u>877,894</u>
Net Position - Ending	\$	<u><u>381,884</u></u>

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

BOLIVAR COUNTY

Exhibit 7

**Statement of Cash Flows - Proprietary Funds
September 30, 2014**

	<u>Business-type Activities - Enterprise Funds</u>
	<u>BCRCF Fund</u>
Cash Flows From Operating Activities	
Receipts from customers	\$ 5,581,521
Payments to suppliers	(1,642,013)
Payments to employees for services	(3,849,360)
Other operating cash receipts	<u>2,864</u>
Net Cash Provided (Used) by Operating Activities	<u>93,012</u>
Cash Flows From Capital and Related Financing Activities	
Acquisition of fixed assets	(75,068)
Principal paid on debt	(400,000)
Interest paid on debt	<u>(150,748)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(625,816)</u>
Cash Flows From Investing Activities	
Interest on investments	<u>833</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>833</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(531,971)
Cash and Cash Equivalents at Beginning of Year	<u>860,023</u>
Cash and Cash Equivalents at End of Year	\$ <u><u>328,052</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating income (Loss)	<u>(357,190)</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	243,187
Indirect cost & insurance premium expense	69,494
Changes in assets and liabilities:	
(Increase) decrease in intergovernmental receivables	99,701
Increase (decrease) in claims payable	13,283
Increase (decrease) in compensated absences liability	<u>24,537</u>
Total Adjustments	<u>450,202</u>
Net Cash Provided (Used) by Operating Activities	\$ <u><u>93,012</u></u>

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

BOLIVAR COUNTY
Statement of Fiduciary Assets and Liabilities
September 30, 2014

Exhibit 8

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 674,677
Due from other funds	15,730
	<hr/>
Total Assets	<u>690,407</u>
LIABILITIES	
Intergovernmental payables	15,730
Amounts held in custody for others	674,677
	<hr/>
Total Liabilities	<u>\$ 690,407</u>

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

BOLIVAR COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

A. Financial Reporting Entity.

Bolivar 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 Bolivar County to present these financial statements on the primary government and its component units which has 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-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. All members of the governing bodies of these component units are appointed by the Board of Supervisors.

Bolivar County Port Commission was created by a special act of the Mississippi Legislature in 1973, for the purpose of overseeing the operations of the Port. A seven member board of commissioners is appointed by the Bolivar County Board of Supervisors.

Bolivar County Economic Development District is governed by a five member board appointed by the Bolivar County Board of Supervisors. The purpose of the District is to promote economic growth in Bolivar County. They also operate and maintain three industrial parks in Bolivar County.

Bolivar County Library System consists of nine branches in Bolivar County. The mission of the library system is to promote and develop adequate library services throughout Bolivar County that meet the general and specialized needs of the citizens of the county. The Board of Supervisors of Bolivar County appoints the five members of the library's Board of Trustees.

Bolivar Medical Center Foundation is a non-profit foundation created to manage funds received by the county for the lease of hospital facilities. The county appoints 5 of the 11 member Board of Trustees. House Bill No. 1741, dated 5-20-2000, gave the county the authority to appoint the Board of Trustees, which would have the power to manage and invest funds. The overall mission of the Bolivar Medical Center Foundation is to take necessary actions to insure that medical care offered in Bolivar County is maintained at the highest possible level.

BOLIVAR COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

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 the Statement of Activities display information concerning the county as a whole. The statements include all non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities are generally financed through taxes, intergovernmental revenues and other non-exchange revenues and are reported separately from business-type activities. Business-type activities rely mainly on fees and charges for support. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Net Position presents the financial condition of the governmental activities and business-type 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 and business-type 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 business-type activity or 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 equity, revenues and expenditures/expenses. Funds are organized into governmental, proprietary and fiduciary. Major individual Governmental Funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements. Non-major funds are aggregated and presented in a single column.

D. Measurement Focus and Basis of Accounting.

The Government-wide, Proprietary Funds 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.

BOLIVAR COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

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 non-operating. 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 non-operating.

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 period when they are both measurable and available to finance operations during the year or to liquidate liabilities existing at the end of the year. Available means collected in the current period or within 60 days after year end to liquidate 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.

Additionally, the county reports the following major Governmental Funds:

General Fund - This fund is used to account for and report all financial resources not accounted for and reported in another fund.

Countywide Road Maintenance Fund – This fund is used to account for monies from specific revenue sources that are restricted for highway maintenance.

Bridge and Culvert Fund – This fund is used to account for monies from specific revenue sources that are restricted for bridge and culvert maintenance.

The county reports the following major Proprietary Fund:

Bolivar County Regional Correctional Facility (BCRCF) – This fund is used to account for the county's activities of operating the correctional facility.

GOVERNMENTAL FUND TYPES

Special Revenue Funds - These funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Debt Service Funds - These funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

BOLIVAR COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

Capital Projects Funds - These funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

PROPRIETARY FUND TYPE

Enterprise Funds - 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.

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.

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 2012 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, 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 market 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. Inter-fund 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 inter-fund 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 non-spendable fund balance account in the General Fund, if applicable, to indicate that they are not available for appropriation and are not expendable available financial resources. However, this is not applicable to advances reported in other governmental funds, which are reported, by definition, as restricted, committed, or assigned. Inter-fund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. Any outstanding

BOLIVAR COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

balances between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

I. 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 applicable governmental or business-type 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 extents to which capital assets, other than infrastructure, 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.

Capital assets acquired or constructed for Proprietary Fund operations are capitalized at cost in the respective funds in which they are utilized. No interest is capitalized on self-constructed assets because non-capitalization of interest does not have a material effect on the county's financial statements. Donated capital assets are recorded at their fair value at the time of donation.

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 and Proprietary Funds. 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:

	<u>Capitalization</u> <u>Thresholds</u>	<u>Estimated</u> <u>Useful Life</u>
Land	\$ 0	N/A
Infrastructure	0	20-50 years
Buildings	50,000	40 years
Improvements 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.

J. Deferred Outflows/Inflows of Resources.

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources until then.

BOLIVAR COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Unavailable resources – property taxes – Deferred inflows of resources should be reported when resources associated with imposed nonexchange revenue transactions are received or reported as a receivable before the period for which property taxes are levied.

Unavailable resources – fines – When an asset is recorded in the governmental fund financial statements but the revenue is not available, the government should report a deferred inflow of resources until such time as the revenue becomes available.

K. Long-term liabilities.

Long-term liabilities are the un-matured 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 and in the Proprietary Fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or Proprietary Funds Statement of Net Position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount.

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 "net investment in capital assets.

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.

BOLIVAR COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

Government fund balance is classified as non-spendable, 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 principal balance of a permanent fund.

Restricted fund balance includes amounts that have constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.

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 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 or 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% 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 succeeding year. Taxes on motor vehicles and mobile homes become a lien and are due in the month that coincides with the month of the 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 collectability criteria for property tax recognition because the lien and due date cannot be established until the date of the original purchase occurs.

BOLIVAR COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

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 and Proprietary Funds financial statements. In fund financial statements, Government Funds report the compensated absence liability payable only if the payable has matured, for example an employee resigns or retires.

NOTE (2) PRIOR PERIOD ADJUSTMENTS.

A summary of significant equity adjustments is as follows:

Exhibit 2 - Statement of Activities Explanation	Amount
To correct recording loan proceeds	\$ 87,481
To correct prior year accruals	89,225
To adjust capital assets	100,628
Total prior period adjustments	\$ 277,334

Exhibit 4 - Statement of Revenues, Expenditures and Changes in Fund Balances Explanation	Amount
General Fund - correction in recording loan proceeds	\$ 87,481
Countywide Road Maintenance Fund - To correct prior year accruals	89,225
Total prior period adjustments	\$ 176,706

Exhibit 6 - Statement of Revenues, Expenses, and Changes in Net Position Explanation	Amount
To expense bond issue cost	\$ 294,975
To adjust capital assets	(6,346)
Total prior period adjustments	\$ 288,629

NOTE (3) DEPOSITS AND INVESTMENTS.

Deposits:

The carrying amount of the county's total deposits with financial institutions at September 30, 2014, was \$12,769,669 and the bank balance was \$13,216,145. 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

BOLIVAR COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

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.

Investments:

Investment balances at September 30, 2014 are as follows:

<u>Investment Type</u>	<u>Maturities</u>	<u>Fair Value</u>	<u>Rating</u>
Certificate of Deposit	3/16/2015	\$ 253,621	N/A
Certificate of Deposit	8/29/2015	\$ 254,633	N/A
Total		\$ <u>508,254</u>	

Interest Rate Risk. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, Section 19-9-29, Miss. Code Ann. (1972) limits the maturity period of any investment to no more than one year.

Credit Risk. State law limits investments to those authorized by Sections 19-9-29 and 91-13-8, Miss. Code Ann. (1972). The county does not have a formal investment policy that would further limit its investment choices or one that addresses credit risk.

Custodial Credit Risk – Investments. Custodial credit risk is the risk that in the event of the failure of the counterparty, the county will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The county does not have a formal policy for custodial credit risk.

NOTE (4) INTER-FUND TRANSACTIONS AND BALANCES.

The following is a summary of inter-fund balances at September 30, 2014:

A. Due From / To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Enterprise Fund	\$ 63,049
Countywide Road Maintenance Fund	General Fund	17,685
Bridge and Culvert Fund	General Fund	18,954
Other Governmental Funds	General Fund	18,517
Agency Funds	General Fund	<u>15,730</u>
Total		\$ <u>133,935</u>

BOLIVAR COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

The General Fund receivable is for indirect administrative cost due from BCRCF. All other receivables represent the tax revenue collected but not settled until October 2014. All interfund balances are expected to be repaid within one year from the date of the financial statements.

B. Advances to / from Other Funds:

Receivable Fund	Payable Fund	Amount
General Fund	Enterprise Fund	\$ 440,266
Bridge and Culvert Fund	Other Governmental Funds	61,653
Other Governmental Funds	Countywide Road Maintenance Fund	75,000
Total		\$ 576,919

The General Fund receivable is the amount of indirect cost not paid within one year. The MDB Loan Fund receivable is for amounts expended from the MDB loan proceeds that have not been repaid.

C. Transfers In / Out:

Transfers In	Transfers Out	Amount
Other Governmental Funds	Countywide Road Maintenance Fund	\$ 2,795
Total		\$ 2,795

NOTE (5) INTERGOVERNMENTAL RECEIVABLES.

Intergovernmental receivables at September 30, 2014, consisted of the following:

<u>Governmental Activities:</u>		<u>Amount</u>
Legislative tax credit	\$	183,137
MDEQ		137,443
Total Governmental Activities	\$	320,580
 <u>Business-type Activities:</u>		 <u>Amount</u>
DOJ A&D grant	\$	24,476
Total Business-type Activities	\$	24,476

NOTE (6) LOANS RECEIVABLE.

Loan receivables balances at September 30, 2014, are as follows:

BOLIVAR COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

Description	Date of Loan	Interest Rate	Maturity Date	Balance Payable
MDEZA - River Run	10-02	2.0	09-37	137,679
CDBG - Knightline	10-02	4.0	02-19	192,863
MDEZA - Knightline	05-03	4.0	02-19	474,699
				<u>805,241</u>
			Less: Allowance for uncollectibles	(805,241)
				<u><u>0</u></u>

NOTE (7) CAPITAL ASSETS.

The following is a summary of capital assets for the year ended September 30, 2014:

BOLIVAR COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

Governmental activities:

	Balance				Balance
	Oct. 1, 2013	Additions	Deletions	Adjustments	Sept. 30, 2014
<u>Non-depreciable capital assets:</u>					
Land	\$ 1,066,620		350		\$ 1,066,270
Construction in progress	869,171	2,475,285		(520,211)	2,824,245
Total non-depreciable capital assets	<u>1,935,791</u>	<u>2,475,285</u>	<u>350</u>	<u>(520,211)</u>	<u>3,890,515</u>
<u>Depreciable capital assets:</u>					
Infrastructure	85,965,796	2,886,745		520,211	89,372,752
Buildings	38,455,176	70,366			38,525,542
Improvements other than buildings	1,128,504				1,128,504
Mobile equipment	9,662,071	181,990	62,756	(26,200)	9,755,105
Furniture and equipment	2,975,200	55,929	15,400		3,015,729
Capital leases	881,800				881,800
Total depreciable capital assets	<u>139,068,547</u>	<u>3,195,030</u>	<u>78,156</u>	<u>494,011</u>	<u>142,679,432</u>
<u>Less accumulated depreciation for:</u>					
Infrastructure	52,342,245	690,457			53,032,702
Buildings	22,605,354	389,352			22,994,706
Improvements other than buildings	303,452	35,257			338,709
Mobile equipment	6,958,025	713,812	56,480	(19,854)	7,595,503
Furniture and equipment	2,225,842	242,579	13,860		2,454,561
Capital leases	158,724	79,362		(106,974)	131,112
Total accumulated depreciation	<u>84,593,642</u>	<u>2,150,819</u>	<u>70,340</u>	<u>(126,828)</u>	<u>86,547,293</u>
Total depreciable capital assets, net	<u>54,474,905</u>	<u>1,044,211</u>	<u>7,816</u>	<u>620,839</u>	<u>56,132,139</u>
Governmental activities					
Capital assets, net	<u>\$ 56,410,696</u>	<u>3,519,496</u>	<u>8,166</u>	<u>100,628</u>	<u>\$ 60,022,654</u>

BOLIVAR COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

Business-type activities:

	Balance				Balance
	Oct. 1, 2013	Additions	Deletions	Adjustments	Sept. 30, 2014
<u>Non-depreciable capital assets:</u>					
Land	\$ 3,878				\$ 3,878
Construction in progress					0
Total Non-depreciable capital assets	3,878	0	0	0	3,878
<u>Depreciable capital assets:</u>					
Buildings	7,481,689				7,481,689
Improvements other than buildings	1,042,434				1,042,434
Mobile equipment	245,034	50,169	24,774	26,200	296,629
Furniture and equipment	228,667	24,899			253,566
Total depreciable capital assets	8,997,824	75,068	24,774	26,200	9,074,318
<u>Less accumulated depreciation for:</u>					
Buildings	2,051,535	149,636			2,201,171
Improvements other than buildings	521,087	41,701			562,788
Mobile equipment	150,464	30,975	22,297	19,854	178,996
Furniture and equipment	154,064	20,875			174,939
Total accumulated depreciation	2,877,150	243,187	22,297	19,854	3,117,894
Total depreciable capital assets, net	6,120,674	(168,119)	2,477	6,346	5,956,424
Business -type activities					
Capital assets, net	\$ 6,124,552	(168,119)	2,477	6,346	\$ 5,960,302

Depreciation expense was charged to the following functions:

Governmental Activities:

General government	\$ 798,110
Public safety	685,193
Public works	628,581
Health & welfare	36,900
Culture & recreation	675
Conservation	1,360
Total depreciation expense - governmental activities	\$ 2,150,819

Business-type activities:

Public works	\$ 243,187
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Commitments with respect to unfinished capital projects at September 30, 2014, consisted of the following:

Description of Commitment	Remaining Financial Commitment	Expected Date of Completion
Amzie Moore Home Project	\$ 96,422	November 2014
Cleveland Courthouse Project	\$ 483,741	February 2016

BOLIVAR COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

Capital Assets - Component Units:

<u>Bolivar County Port Commission</u>	Balance Oct. 1, 2013	Additions	Deletions	Adjustments	Balance Sept. 30, 2014
<u>Non-depreciable capital assets:</u>					
Land	\$ 3,109,720				\$ 3,109,720
Total non-depreciable capital assets	3,109,720	0	0	0	3,109,720
<u>Depreciable capital assets:</u>					
Infrastructure	2,615,942				2,615,942
Buildings and improvements	4,971,732				4,971,732
Equipment and fixtures	1,161,687	1,525			1,163,212
Total depreciable capital assets	8,749,361	1,525	0	0	8,750,886
<u>Less accumulated depreciation for:</u>					
Infrastructure	1,240,547	71,411			1,311,958
Buildings and improvements	1,151,169	145,182			1,296,351
Equipment and fixtures	945,999	47,818			993,817
Total accumulated depreciation	3,337,715	264,411	0	0	3,602,126
Total depreciable capital assets, net	5,411,646	(262,886)	0	0	5,148,760
Component unit capital assets, net	\$ 8,521,366	(262,886)	0	0	\$ 8,258,480
<u>Bolivar County ED District</u>					
<u>Non-depreciable capital assets:</u>					
Land	\$ 405,428				\$ 405,428
Total non-depreciable capital assets	405,428	0	0	0	405,428
<u>Depreciable capital assets:</u>					
Infrastructure	949,627				949,627
Equipment and fixtures	6,756				6,756
Total depreciable capital assets	956,383	0	0	0	956,383
<u>Less accumulated depreciation for:</u>					
Infrastructure	474,816	47,482			522,298
Equipment and fixtures	3,027	325			3,352
Total accumulated depreciation	477,843	47,807	0	0	525,650
Total depreciable capital assets, net	478,540	(47,807)	0	0	430,733
Component unit capital assets, net	\$ 883,968	(47,807)	0	0	\$ 836,161
<u>Bolivar County Library</u>					
<u>Depreciable capital assets:</u>					
Equipment and fixtures	\$ 485,926				\$ 485,926
Total depreciable capital assets	485,926	0	0	0	485,926
<u>Less accumulated depreciation for:</u>					
Equipment and fixtures	455,364	8,021			463,385
Total accumulated depreciation	455,364	8,021	0	0	463,385
Component unit capital assets, net	\$ 30,562	(8,021)	0	0	\$ 22,541

BOLIVAR COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE (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, 2014, to January 1, 2015. The pool may make an overall supplemental assessment or declare a refund depending on the loss experience of all the entities it insures.

NOTE (9) OPERATING LEASES.

As Lessor:

On March 30, 2000, Bolivar County entered into a lease agreement with PHC-Cleveland, Inc., a wholly owned subsidiary of Province Healthcare Corporation to lease the Bolivar County Medical Center for 40 years. Bolivar County received prepaid lease payments of \$26,400,000 or \$660,000 per year. The lease term began April 15, 2000, and concludes April 14, 2040.

The Board of Supervisors, through an act of the legislature, created the Bolivar County Medical Foundation, a non-profit corporation, to manage the proceeds of the hospital lease and placed \$23,400,000 in the Foundation. The Bolivar Medical Center Foundation is a component unit of Bolivar County.

NOTE (10) CAPITAL LEASES.

As Lessor:

The county has joined the City of Cleveland in building and leasing a building to Faurecia. The county's portion of the project was \$750,000, which was financed by a CAP loan in the amount of \$750,000. This loan is being paid by the county's portion of the lease payments.

The future minimum lease receivables and the present value of the net minimum lease receivable as of September 30, 2014, are as follows:

<u>Year Ending September 30:</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 54,518	7,634
2016	56,176	5,976
2017	57,885	4,267
2018	59,645	2,507
2019	51,098	705
Total	<u>\$ 279,322</u>	<u>21,089</u>

BOLIVAR COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

The County has joined the City of Cleveland in the expansion and upgrading of the facilities and equipment located in an unincorporated area of the county, owned by the City of Cleveland and leased to Baxter Healthcare Corporation. The county's portion of the cost was financed by GO Bonds in the amount of \$1,035,000, in 2006, and is being paid by the county's portion of the lease payments.

The future minimum lease receivables and the present value of the net minimum lease receivable as of September 30, 2014, are as follows:

<u>Year Ending September 30:</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 65,000	38,869
2016	70,000	34,819
2017	75,000	30,422
2018	80,000	25,675
2019	85,000	20,590
2020-2022	<u>285,000</u>	<u>27,563</u>
Total	<u>\$ 660,000</u>	<u>177,938</u>

As Lessee:

The county is obligated for the following capital assets acquired through capital leases as of September 30, 2014:

<u>Class of Property</u>	<u>Governmental Activities</u>
Mobile equipment	\$ 881,800
Less: Accumulated depreciation	<u>131,112</u>
Leased Property Under Capital Leases	<u>\$ 750,688</u>

BOLIVAR COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

NOTE (11) LONG TERM DEBT.

Debt outstanding as of September 30, 2014, consisted of the following:

<u>Description and Purpose</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>	<u>Final Maturity Date</u>
<u>Governmental Activities:</u>			
A. General Obligation Bonds:			
Jail Bonds, Series 2011	\$ 800,000	2.00 to 3.00	9/18
2006 Baxter Bonds	<u>660,000</u>	7.5 to 6.3	11/21
Total General Obligation Bonds	<u>\$ 1,460,000</u>		
B. Other Loans:			
CDBG Knight Line Products, Inc.	\$ 474,699	4.00	02/09
Mississippi Development Bank	75,000	Variable	02/21
CAP Loan - Faurecia	279,322	3.00	07/19
SAFTEA-LU Negotiable Note, Series 2010	61,030	3.30	07/15
Sheriff car (5)	44,160	1.95	10/15
DEQ - SRF-C280925-01-2	<u>328,967</u>	1.75	03/34
Total Other Loans	<u>\$ 1,263,178</u>		
C. Capital Leases:			
Fire trucks	\$ <u>541,606</u>	2.20	04/18
Total Capital Leases	<u>\$ 541,606</u>		
<u>Business-type Activities:</u>			
Limited Obligation Bonds:			
MS Development Bank special obligation bonds, Series 2012A	\$ 3,760,000	2.00/3.250	07/25
MS Development Bank special obligation bonds, Series 2012B	<u>1,445,000</u>	2.00/2.625	07/25
Total Limited Obligation Bonds	<u>\$ 5,205,000</u>		

BOLIVAR COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

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

Governmental Activities:

	<u>General Obligation Bonds</u>		<u>Other Loans</u>		<u>Capital Leases</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
Year Ending September 30:						
2015	\$ 275,000	61,819	724,700	15,887	131,015	11,915
2016	285,000	52,519	70,663	11,422	133,897	9,032
2017	295,000	41,672	72,627	9,458	136,842	6,087
2018	235,000	30,325	74,647	7,437	139,852	3,077
2019	85,000	20,590	66,365	5,371	-	-
2020-2034	285,000	27,563	254,176	34,847	-	-
Total	\$ <u>1,460,000</u>	<u>234,488</u>	<u>1,263,178</u>	<u>84,422</u>	<u>541,606</u>	<u>30,111</u>

Business-type Activities:

	<u>Limited Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
Year Ending September 30:		
2015	\$ 420,000	138,869
2016	425,000	130,469
2017	490,000	121,969
2018	490,000	111,344
2019	485,000	100,719
2020-2025	2,895,000	310,626
Total	\$ <u>5,205,000</u>	<u>913,996</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 counties issue bonds to repair or replace washed out or collapsed bridges on the public roads of the county. As of September 30, 2014, the amount of outstanding debt was equal to 3.00% of the latest property assessments.

BOLIVAR COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2014:

<u>Governmental Activities:</u>	<u>Balance</u> <u>Oct. 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Sept. 30, 2014</u>	<u>Amount due</u> <u>within one</u> <u>year</u>
Compensated absences	\$ 151,541	79,166		230,707	-
General obligation bonds	1,730,000		270,000	1,460,000	275,000
Other loans	1,481,550	328,967	547,339	1,263,178	724,700
Capital leases	669,800		128,194	541,606	131,015
Total	\$ 4,032,891	408,133	945,533	3,495,491	1,130,715
 <u>Business-type Activities:</u>					
Compensated absences	\$ 50,830	24,537		75,367	-
Limited obligation bonds	5,605,000		400,000	5,205,000	420,000
Less: Discount	(15,178)		(1,310)	(13,868)	-
Total	\$ 5,640,652	24,537	398,690	5,266,499	420,000

Compensated absences will be paid by the funds from which the employees' salaries were paid which are generally the General Fund, Co-Wide Road Maintenance Fund, Bridge and Culvert Fund and BCRCF Fund.

Component Units:

Bolivar County ED District:

<u>Description and Purpose</u>	<u>Amount</u> <u>Outstanding</u>	<u>Interest</u> <u>Rate</u>	<u>Maturity</u> <u>Date</u>
<u>Notes Payable:</u>			
Industrial park acquisition & development	\$ 178,613	5.00	07-19
Industrial park acquisition & development	26,130	5.00	07-19
Industrial park acquisition & development	92,238	6.38	08/26
	<u>\$ 296,981</u>		

	<u>Notes Payable</u>	
	<u>Principal</u>	<u>Interest</u>
<u>Year Ending September 30:</u>		
2015	\$ 40,949	19,100
2016	40,946	17,225
2017	40,946	15,800
2018	40,946	13,100
2019	40,956	8,250
2020-2026	92,238	5,325
Total	\$ 296,981	78,800

BOLIVAR COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

The following is the summary of changes in long-term liabilities and obligations for the year ended September 30, 2014:

	Balance Oct. 1, 2013	Additions	Deletions	Balance Sept. 30, 2014
Notes Payable	\$ 346,478	0	49,497	296,981
Total Bolivar County ED District	<u>\$ 346,478</u>	<u>0</u>	<u>49,497</u>	<u>296,981</u>

NOTE (12) 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. In fiscal years 2002 & 2003, grants were received for the purpose of making loans in the amount of \$841,528 to Knight-Line Products, Inc. and \$139,679 to River Run, for the purposes of economic development. These loans have become delinquent and the county is currently pursuing collection. It is unclear at this time, whether the county will incur any liability to repay the grant funds, should the loans prove to be uncollectible. No provision for any liability that may result has been recognized in the county's financial statement.

Litigation - The County is part 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.

NOTE (13) RELATED ORGANIZATIONS.

The Bolivar County Board of Supervisors is responsible for appointing a voting majority of the members of the boards of the following organizations, but the county's accountability for these organizations does not extend beyond making the appointments and in making annual appropriations, if any, to these organizations:

- Bogue Hasty Drainage District
- Northern Drainage District
- Sub-Drainage District Number 12
- Number 11 Drainage District

NOTE (14) JOINTLY GOVERNED ORGANIZATIONS.

The county participates in the following jointly governed organizations:

Delta Community Mental Health Services operates in a district composed of the Counties of Bolivar, Issaquena, Sharkey and Washington. The Board of Commissioners is composed of one appointee from each county Board of Supervisors. The county appropriated \$243,080 for maintenance and support of the commission in fiscal year 2014.

BOLIVAR COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

The South Delta Planning and Development District operates in a district composed of the Counties of Bolivar, Humphreys, Issaquena, Sharkey, Sunflower and Washington. The governing body is a 22 member Board of Directors with 4 appointed by the Board of Supervisors of Bolivar County. The county appropriated \$12,963 for maintenance and support of the district in fiscal year 2014.

Mississippi Delta Community College operates in a district composed of the Counties of Bolivar, Humphreys, Issaquena, Leflore, Sharkey, Sunflower and Washington. The Bolivar County Board of Supervisors appoints 2 of the 20 members of the College Board of Trustees. The county levied \$311,670 in taxes for the maintenance and support of the college in the fiscal year 2014.

Coahoma Community College operates in a district composed of the Counties of Bolivar, Coahoma, Quitman, Tallahatchie and Tunica. The Bolivar County Board of Supervisors appoints 2 of the 12 members of the College Board of Trustees. The county levied \$311,670 in taxes for maintenance and support in the fiscal year 2014.

Yazoo-Mississippi Water Management District operates in a district composed of the Counties of Bolivar, Carroll, Coahoma, Desoto, Holmes, Humphreys, Issaquena, Leflore, Panola, Quitman, Sharkey, Sunflower, Tallahatchie, Tate, Tunica, Washington and Yazoo. The Bolivar County Board of Supervisors appoints 2 of 21 members of the Board of Commissioners. The county levied \$186,293 in taxes to support the district in fiscal year 2014.

Bolivar County Community Action Program, Inc. was created as a non-profit organization by non-government individuals in 1964 pursuant to federal community action legislation. The Bolivar County Board of Supervisors appoints 7 of the 21 board members. Most of the entity's revenues are derived from federal grants. The County appropriated \$36,392 for maintenance and support of the organization in the fiscal year 2014.

NOTE (15) DEFINED BENEFIT PENSION PLAN.

Plan Description - Bolivar 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 39201-1055 or by calling 1-800-444-PERS.

Funding Policy - At September 30, 2014, PERS members are required to contribute 9.0% of their annual covered salary, and the county is required to contribute at an actuarially determined rate. The rate at September 30, 2014 was 15.75% of annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The county's contributions (employer share only) for the years ending September 30, 2014, 2013 and 2012 were \$1,252,186, \$1,142,147, and \$948,640, respectively, equal to the required contributions for each year.

NOTE (16) 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

BOLIVAR COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
September 30, 2014

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 Bolivar County evaluated the activity of the County through August 24, 2015 (the date the financial statements were available to be issued), and determined that the following subsequent event has occurred requiring disclosure in the notes to the financial statements.

<u>Issued Date</u>	<u>Interest Rate</u>	<u>Issue Amount</u>	<u>Type of Financing</u>	<u>Source of Financing</u>
6/3/2015	2.23%	\$532,663	Guaranty Bank Loan	Ad Valorem taxes

BOLIVAR COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

BOLIVAR COUNTY
Budgetary Comparison Schedule -
Budget and Actual (Non-GAAP Basis)
General Fund
September 30, 2014

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 8,491,965	9,074,701	9,074,701	0
Licenses, commissions and other revenue	381,000	522,510	522,510	0
Fines and forfeitures	327,000	363,135	363,135	0
Intergovernmental revenues	610,500	871,382	871,382	0
Interest income	20,000	17,917	17,917	0
Miscellaneous revenues	135,500	270,735	270,735	0
Total Revenues	9,965,965	11,120,380	11,120,380	0
EXPENDITURES				
General government	5,427,190	5,200,952	5,200,952	0
Public safety	2,740,897	2,796,642	2,796,642	0
Public works	0	149,179	149,179	0
Health and welfare	725,550	685,451	685,451	0
Culture and recreation	430,504	442,669	442,669	0
Conservation of natural resources	152,581	94,194	94,194	0
Economic development and assistance	209,112	164,112	164,112	0
Debt service	0	45,059	45,059	0
Total Expenditures	9,685,834	9,578,258	9,578,258	0
Excess of Revenues over (under) Expenditures	<u>280,131</u>	<u>1,542,122</u>	<u>1,542,122</u>	<u>0</u>
OTHER FINANCING SOURCES (USES)				
Sources	466,000	443,336	443,336	0
Uses	(1,345,037)	(1,273,908)	(1,273,908)	0
Total Other Financing Sources and Uses	(879,037)	(830,572)	(830,572)	0
Net Change in Fund Balance	(598,906)	711,550	711,550	0
Fund Balance - Beginning	<u>4,060,638</u>	<u>5,516,248</u>	<u>5,516,248</u>	<u>0</u>
Fund Balance - Ending	<u>\$ 3,461,732</u>	<u>6,227,798</u>	<u>6,227,798</u>	<u>0</u>

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

BOLIVAR COUNTY
Budgetary Comparison Schedule -
Budget and Actual (Non-GAAP Basis)
Countywide Road Maintenance
September 30, 2014

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 1,490,427	1,656,242	1,656,242	0
Road and bridge privilege taxes	305,000	411,989	411,989	0
Licenses, commissions and other revenue	3,000	4,099	4,099	0
Intergovernmental revenues	475,000	620,153	620,153	0
Interest income	3,000	10,599	10,599	0
Miscellaneous revenues	33,800	309,155	309,155	0
Total Revenues	<u>2,310,227</u>	<u>3,012,237</u>	<u>3,012,237</u>	<u>0</u>
EXPENDITURES				
Public works	2,986,177	1,596,766	1,596,766	0
Debt service	0	391,415	391,415	0
Total Expenditures	<u>2,986,177</u>	<u>1,988,181</u>	<u>1,988,181</u>	<u>0</u>
Excess of Revenues over (under) Expenditures	<u>(675,950)</u>	<u>1,024,056</u>	<u>1,024,056</u>	<u>0</u>
OTHER FINANCING SOURCES (USES)				
Sources	0	0	0	0
Uses	0	0	0	0
Total Other Financing Sources and Uses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	<u>(675,950)</u>	<u>1,024,056</u>	<u>1,024,056</u>	<u>0</u>
Fund Balance - Beginning	<u>(866,217)</u>	<u>258,710</u>	<u>258,710</u>	<u>0</u>
Fund Balance - Ending	<u>\$ (1,542,167)</u>	<u>1,282,766</u>	<u>1,282,766</u>	<u>0</u>

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

BOLIVAR COUNTY
Budgetary Comparison Schedule -
Budget and Actual (Non-GAAP Basis)
Bridge & Culvert
September 30, 2014

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 1,540,804	1,586,071	1,586,071	0
Intergovernmental revenues	0	81,924	81,924	0
Interest income	0	1,545	1,545	0
Miscellaneous revenues	0	3,114	3,114	0
Total Revenues	<u>1,540,804</u>	<u>1,672,654</u>	<u>1,672,654</u>	<u>0</u>
EXPENDITURES				
Public works	<u>1,540,804</u>	<u>2,314,774</u>	<u>2,314,774</u>	<u>0</u>
Total Expenditures	<u>1,540,804</u>	<u>2,314,774</u>	<u>2,314,774</u>	<u>0</u>
Excess of Revenues over (under) Expenditures	<u>0</u>	<u>(642,120)</u>	<u>(642,120)</u>	<u>0</u>
OTHER FINANCING SOURCES (USES)				
Sources	0	0	0	0
Uses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources and Uses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	(642,120)	(642,120)	0
Fund Balance - Beginning	<u>1,773,627</u>	<u>1,273,261</u>	<u>1,273,261</u>	<u></u>
Fund Balance - Ending	<u>\$ 1,773,627</u>	<u>631,141</u>	<u>631,141</u>	<u>0</u>

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

BOLIVAR COUNTY, MISSISSIPPI
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2014

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 and Tax Assessor-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 Budget Comparison Schedule - Budget and Actual (Non-GAAP Basis) is a part of required supplemental 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 schedules to the GAAP basis financial statements for the General Fund and each major Special Revenue Fund:

	General Fund	Countywide Road Maintenance Fund	Bridge & Culvert Fund
	<u> </u>	<u> </u>	<u> </u>
Budget (Cash basis)	\$ 711,550	1,024,056	(642,120)
Increase (Decrease)			
Net adjustments for revenue accruals	(92,008)	(66,255)	1,423
Net adjustments for expenditure accruals	(7,816)	258,791	31,849
	<u> </u>	<u> </u>	<u> </u>
GAAP Basis	\$ <u>611,726</u>	<u>1,216,592</u>	<u>(608,848)</u>

BOLIVAR COUNTY

SUPPLEMENTARY INFORMATION

BOLIVAR COUNTY
Schedule of Expenditures of Federal Awards
September 30, 2014

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Disbursements/ Expenditures
United States Department of Agriculture Direct Programs Community Facilities Loans and Grants	10.766	N/A	\$ <u>50,000</u>
Total United States Department of Agriculture			<u>50,000</u>
Department of Housing and Urban Development Passed-through Mississippi Development Authority Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	1127-10-006-PF-01	<u>316,759</u>
Total Department of Housing and Urban Development			<u>316,759</u>
United States Department of Justice Passed-through Mississippi Department of Public Safety Residential Substance Abuse Treatment for State Prisoners	16.593	11RT1061	<u>161,418</u>
Total United States Department of Justice			<u>161,418</u>
United States Department of Transportation Passed-through Mississippi Department of Transportation Highway Planning and Construction	20.205	N/A	<u>57,530</u>
Total United States Department of Transportation			<u>57,530</u>
United States Environmental Protection Agency Passed-through Mississippi Department of Environmental Quality Capitalization Grants for Clean Water State Revolving Funds	66.458	SRF-C280925-01-0	<u>961,512 *</u>
Total United States Environmental Protection Agency			<u>961,512</u>
Delta Regional Authority Delta Area Economic Development	90.201	MS-5493	<u>466,257 *</u>
Total Delta Regional Authority			<u>466,257</u>
United States Election Assistance Commission Passed-through Mississippi Secretary of State Help America Vote Act	90.401	N/A	<u>18,656</u>
Total United States Election Assistance Commission			<u>18,656</u>
Department of Homeland Security Passed-through Mississippi Emergency Management Agency Hazard Mitigation Grant	97.039	1604-0075	69,832
Emergency Management Performance Grants	97.042	N/A	<u>32,128</u>
Total United States Department of Homeland Security			<u>101,960</u>
Total Expenditures of Federal Awards			\$ <u><u>2,134,092</u></u>

Note A - Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards is prepared on the modified accrual basis of accounting.

* Major Program

BOLIVAR COUNTY

OTHER INFORMATION

BOLIVAR COUNTY
Schedule of Surety Bonds for County Officials
September 30, 2014

<u>Name</u>	<u>Position</u>	<u>Company</u>	<u>Bond</u>
Andrew Williams III	Supervisor District 1	Brierfield Insurance	\$100,000
Donnie Whitten	Supervisor District 2	Brierfield Insurance	\$100,000
Preston Billings	Supervisor District 3	Brierfield Insurance	\$100,000
James McBride	Supervisor District 4	Brierfield Insurance	\$100,000
Larry King	Supervisor District 5	Western Surety	\$100,000
Willie L. Hooker	County Administrator	Brierfield Insurance	\$100,000
Brenett N Haynes	Chancery Clerk	Brierfield Insurance	\$100,000
Teddra Turner	Deputy Chancery Clerk	Western Surety	\$50,000
Elexo Robinson	Purchase Clerk	Brierfield Insurance	\$75,000
Sarah Holloway	Asst. Purchase Clerk	Brierfield Insurance	\$50,000
Brandie Hudson	Asst. Receiving Clerk	Travelers Insurance	\$50,000
Vivian Caston	Asst. Receiving Clerk	Brierfield Insurance	\$50,000
Clarence "Buck" Beckham	Inventory Control Clerk	Brierfield Insurance	\$75,000
Lee Chatman	Road Manager	Brierfield Insurance	\$50,000
James Pritchett	Road Manager	Brierfield Insurance	\$50,000
Joe Lee Bassie	Constable	Brierfield Insurance	\$50,000
Lorene Scott	Constable	Brierfield Insurance	\$50,000
Sam Toliver	Constable	Brierfield Insurance	\$50,000
Marilyn Kelly	Circuit Clerk	Brierfield Insurance	\$100,000
Kelvin Williams	Sheriff	Brierfield Insurance	\$100,000
James Michael Lamb	Sheriff's Deputy	Brierfield Insurance	\$50,000
Ramona Bates	Sheriff's Deputy	Brierfield Insurance	\$50,000
James Carmicle	Sheriff's Deputy	Brierfield Insurance	\$50,000
Kevin Craig	Sheriff's Deputy	Brierfield Insurance	\$50,000
Joey Davis	Sheriff's Deputy	Brierfield Insurance	\$50,000
Dave Dorsey	Sheriff's Deputy	Brierfield Insurance	\$50,000
Daniel Gresham	Sheriff's Deputy	Brierfield Insurance	\$50,000
Mark Hall Jr.	Sheriff's Deputy	Brierfield Insurance	\$50,000
Youlandar Harris	Sheriff's Deputy	Brierfield Insurance	\$50,000
Charles Morris	Sheriff's Deputy	Brierfield Insurance	\$50,000
Steven Rose	Sheriff's Deputy	Brierfield Insurance	\$50,000
Gerald Wesley	Sheriff's Deputy	Brierfield Insurance	\$50,000
Gerald Wesley Jr.	Sheriff's Deputy	Brierfield Insurance	\$50,000
Michael Williams	Sheriff's Deputy	Brierfield Insurance	\$50,000
Andrewl Stimage	Sheriff's Deputy	Brierfield Insurance	\$50,000
Ora Starks	Sheriff's Deputy	Brierfield Insurance	\$50,000
Eugene Hall, Security	Sheriff's Deputy	Western Surety	\$50,000
James Straight	Justice Court Judge	Brierfield Insurance	\$50,000
Harold Ward	Justice Court Judge	Brierfield Insurance	\$50,000
Betty Jean Taylor	Justice Court Judge	Brierfield Insurance	\$50,000
Gloria Klauer	Justice Court Clerk	Brierfield Insurance	\$50,000
Shonya Bovan	Deputy Justice Court Clerk	Brierfield Insurance	\$50,000
Dorothy Lewis	Deputy Justice Court Clerk	Western Surety	\$50,000
Monica Locke	Deputy Justice Court Clerk	Brierfield Insurance	\$50,000
Sophia D. Shelton	Deputy Justice Court Clerk	Western Surety	\$50,000
Zina Williams	Deputy Justice Court Clerk	Western Surety	\$50,000
Nancy Havens	Tax Collector-Assessor	Brierfield Insurance	\$100,000
Lajan VanVulpen	Deputy Tax Collector-Assessor	Brierfield Insurance	\$100,000
Kay Sandra Anderson	Deputy Tax Collector-Assessor	Western Surety	\$50,000

BOLIVAR COUNTY

SPECIAL REPORTS



DAVID I. BRIDGERS, JR., CPA
L. KARL GOODMAN, CPA, MBA

MEMBERS OF
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**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
Bolivar County, Mississippi

We have audited, 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 financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Bolivar County, Mississippi, as of and for the year ended September 30, 2014 and the related notes to the financial statements, which collectively comprise the county's basic financial statements and have issued our report thereon dated August 24, 2015. Other auditor's audited the financial statements of the Bolivar County Port Commission, Bolivar County Economic Development District and Bolivar County Library System, as described in our report on Bolivar County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting and on compliance and other matters that are reported separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Bolivar 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 Bolivar County, Mississippi's internal control. Accordingly, we do not express an opinion on the effectiveness of the county's internal control.

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 a 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. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bolivar 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted certain matters that we reported to the management of Bolivar County, Mississippi, in the Limited Internal Control and Compliance Review Management Report dated August 24, 2015 included within this document.

Purpose of this Report

This purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.

Bridgers & Goodman, PLLC
Bridgers & Goodman, PLLC
Certified Public Accountants
Vicksburg, Mississippi

August 24, 2015



DAVID I. BRIDGERS, JR., CPA
L. KARL GOODMAN, CPA, MBA

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

Members of the Board of Supervisors
Bolivar County, Mississippi

Report on Compliance for Each Major Program

We have audited Bolivar County, Mississippi compliance 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 its major federal programs for the year ended September 30, 2014. Bolivar 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 each of its major federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Bolivar County, Mississippi's major federal programs 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 Bolivar 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 Bolivar County, Mississippi's compliance.

Opinion on Each Major Program

In our opinion, Bolivar 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 each of its major federal programs for the year ended September 30, 2014.

Report on Internal Control Over Compliance

Management of Bolivar County, Mississippi, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance referred to above. In planning and performing our audit, we considered Bolivar County, Mississippi's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each 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 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 a 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 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.

Bridgers & Goodman, PLLC
Bridgers & Goodman, PLLC
Certified Public Accountants
Vicksburg, Mississippi

August 24, 2015



DAVID I. BRIDGERS, JR., CPA
L. KARL GOODMAN, CPA, MBA

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**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
Bolivar County, Mississippi

We have examined Bolivar County, Mississippi's (the County) compliance with establishing and maintaining a central purchasing system and inventory control system in accordance with Section 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, 2014. The Board of Supervisors of Bolivar 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 we 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 Bolivar 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 current 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.

In our opinion, Bolivar County, Mississippi, complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements for the year ended September 30, 2014.

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 Bolivar 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.

Bridgers & Goodman, PLLC
Bridgers & Goodman, PLLC
Certified Public Accountants
Vicksburg, Mississippi

August 24, 2015

BOLIVAR COUNTY

Schedule 1

**Schedule of Purchases Not Made From the Lowest Bidder
September 30, 2014**

<u>Date</u>	<u>Item</u>	<u>Bid Accepted</u>	<u>Vendor</u>	<u>Lowest Bid</u>	<u>Reason for accepting other than Lowest Bid</u>
2/10/2014	Road Diesel	\$ 25,589	Serv-u Petroleum	\$ 25,574	Delivery
3/25/2014	Road Diesel	25,072	Serv-u Petroleum	24,996	Delivery
6/20/2014	Road Diesel	25,167	Serv-u Petroleum	25,121	Delivery

BOLIVAR COUNTY
Schedule of Emergency Purchases
For the Year Ended September 30, 2014

Schedule 2

Our test results did not identify any emergency purchases.

BOLIVAR COUNTY
Schedule of Purchases Made Noncompetitively From a Sole Source
For the Year Ended September 30, 2014

Schedule 3

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



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LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors
Bolivar County, Mississippi

In planning and performing our audit of the financial statements of Bolivar County, Mississippi for the year ended September 30, 2014, we considered Bolivar 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 Bolivar 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 August 24, 2015, on the financial statements of Bolivar County, Mississippi.

Due to the reduced scope, these review procedures and compliance test 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 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, recommendations, and your responses are disclosed below:

Sheriff's Office

1. Finding

As reported in the prior five year's audit report, amounts billed to municipalities for housing prisoners are not being collected in a timely fashion. Over 75% of the funds owed to the county has been outstanding for over a year.

Recommendation

A strong collection policy should be developed which addresses specific collection guidelines and also actions that will be taken if accounts are not paid.

Sheriff's Response

Efforts have been made through attorney representation to collect the outstanding amounts. The issue is being addressed by the Board of Supervisors.

2. Finding

During the course of our test work, we found that the deposits are not being made in a timely manner. Failure to implement controls over cash could result in the loss or misappropriations of public funds, delay in the timely reconciliation of bank accounts, and settlement of funds to the county.

Recommendation

The Sheriff should ensure that the deposits are being made in a timely manner.

Sheriff's Response

Deposits will be made at least two times a week or more if deemed necessary.

3. Finding

During the course of our test work, we found that the settlements to the county are not being made in a timely manner.

Recommendation

The Sheriff should ensure that the settlements are being made in a timely manner.

Sheriff's Response

Settlements will be made in a timely manner.

Bolivar 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.

Bridgers & Goodman, PLLC
Bridgers & Goodman, PLLC
Certified Public Accountants
Vicksburg, Mississippi

August 24, 2015

BOLIVAR COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

BOLIVAR COUNTY
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2014

Section 1: Summary of Auditor's Results

Financial Statements:

- | | | |
|----|--|---------------|
| 1. | Type of auditor's report issued on the financial statements: | Unmodified |
| 2. | Internal control over financial reporting: | |
| | a. Material weaknesses identified? | No |
| | b. Significant deficiency identified? | None Reported |
| 3. | Noncompliance material to the financial statements? | No |

Federal Awards:

- | | | |
|----|---|---------------|
| 4. | Internal control over major federal programs: | |
| | a. Material weaknesses identified? | No |
| | b. Significant deficiency identified? | None Reported |
| 5. | Type of auditor's report issued on compliance for major federal programs: | Unmodified |
| 6. | Any audit finding(s) disclosed that are required to be reported in accordance with Section __.510(a) of OMB Circular A-133? | No |
| 7. | Identification of major federal programs | |
| | a. Mississippi Department of Environmental Quality Capitalization CFDA# 66.458 | |
| | b. Delta Area Economic Development CFDA# 90.201 | |
| 8. | Dollar threshold used to distinguish between type A and type B programs: | \$ 300,000 |
| 9. | Auditee qualified as low-risk auditee? | No |

Section 2: Financial Statement Findings

The results of our tests did not disclose any findings related to the financial statements that are required to be reported by *Government Auditing Standards*.

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.