

COPIAH COUNTY, MISSISSIPPI

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



STACEY E. PICKERING

STATE AUDITOR

Tommy Story, CPA, CFE
Director, County Audit Section



A Report from the County Audit Section

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STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
STACEY E. PICKERING
AUDITOR

November 20, 2015

Members of the Board of Supervisors
Copiah County, Mississippi

Dear Board Members:

I am pleased to submit to you the 2014 financial and compliance audit report for Copiah County. This audit was performed pursuant to Section 7-7-211(e), Mississippi Code Ann. (1972). The audit was performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

I appreciate the cooperation and courtesy extended by the officials and employees of Copiah County throughout the audit. Thank you for working to move Mississippi forward by serving as a supervisor for Copiah County. If I or this office can be of any further assistance, please contact me or Tom Story of my staff at (601) 576-2674.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Stacey E. Pickering", is written over a faint, larger version of the signature.

Stacey E. Pickering
State Auditor

COPIAH COUNTY

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COPIAH COUNTY

FINANCIAL SECTION

COPIAH COUNTY

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**STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
STACEY E. PICKERING
AUDITOR**

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors
Copiah County, Mississippi

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Copiah County, Mississippi, (the County) as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the basic financial statements of the County's primary government as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Basis for Adverse Opinion on the Aggregate Discretely Presented Component Units

The financial statements do not include financial data for the County's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units. The County has not issued such reporting entity financial statements. The amount by which this departure would affect the assets, liabilities, net position, revenues and expenses of the aggregate discretely presented component units is not reasonably determinable.

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on the Aggregate Discretely Presented Component Units" paragraph, the financial statements referred to above do not present fairly, the financial position of the aggregate discretely presented component units of Copiah County, Mississippi, as of September 30, 2014, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Copiah County, Mississippi, as of September 30, 2014, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Omission of Required Supplementary Information

Copiah County, Mississippi, has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board 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. 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 Copiah County, Mississippi's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of

Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2015, on our consideration of Copiah County, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Copiah County, Mississippi's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Tommy Story". The signature is written in black ink and is positioned above the printed name and title.

TOMMY STORY, CPA, CFE
Director, County Audit Section

November 20, 2015

COPIAH COUNTY

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COPIAH COUNTY

FINANCIAL STATEMENTS

COPIAH COUNTY

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COPIAH COUNTY
Statement of Net Position
September 30, 2014

Exhibit 1

	Governmental Activities
ASSETS	
Cash	\$ 5,661,088
Restricted cash	241,141
Property tax receivable	10,450,266
Accounts receivable (net of allowance for uncollectibles of \$1,036,395)	558,059
Fines receivable (net of allowance for uncollectibles of \$990,684)	50,531
Capital leases receivable	495,616
Intergovernmental receivables	710,010
Other receivables	91,674
Capital assets:	
Land and construction in progress	14,819,933
Other capital assets, net	51,035,388
Total Assets	<u>84,113,706</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amount on refunding	60,011
Total deferred outflows of resources	<u>60,011</u>
LIABILITIES	
Claims payable	1,083,491
Intergovernmental payables	303,445
Accrued interest payable	25,214
Unearned revenue	13,095
Amounts held in custody for others	45,274
Short-term debt	616,340
Long-term liabilities	
Due within one year:	
Capital debt	1,268,720
Non-capital debt	171,810
Due in more than one year:	
Capital debt	10,023,270
Non-capital debt	1,484,902
Total Liabilities	<u>15,035,561</u>
DEFERRED INFLOWS OF RESOURCES	
Property tax for future reporting period	10,450,266
Capital leases for future reporting period	18,433
Total deferred inflows of resources	<u>10,468,699</u>
NET POSITION	
Net investment in capital assets	54,563,331
Restricted:	
Expendable:	
General government	23,975
Public safety	872,980
Public works	3,359,485
Culture and recreation	28,932
Economic development	59,500
Debt service	57,089
Unrestricted	(295,835)
Total Net Position	<u>\$ 58,669,457</u>

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

COPIAH COUNTY
Statement of Activities
For the Year Ended September 30, 2014

Exhibit 2

Functions/Programs	Program Revenues			Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions		
Primary government:					
Governmental activities:					
General government	\$ 3,735,286	1,037,973	121,395		(2,575,918)
Public safety	3,792,951	544,274	173,298	848,466	(2,226,913)
Public works	6,106,457	1,214,221	1,584,895	2,120,428	(1,186,913)
Health and welfare	316,508		37,014		(279,494)
Culture and recreation	151,068	11,389	3,325		(136,354)
Education	42,055		42,055		
Conservation of natural resources	83,729				(83,729)
Economic development and assistance	183,783		2,500		(181,283)
Interest on long-term debt	528,877				(528,877)
Total Governmental Activities	<u>14,940,714</u>	<u>2,807,857</u>	<u>1,964,482</u>	<u>2,968,894</u>	<u>(7,199,481)</u>
General revenues:					
Property taxes					\$ 9,646,618
Road & bridge privilege taxes					362,678
Grants and contributions not restricted to specific programs					445,672
Unrestricted interest income					24,919
Miscellaneous					200,303
Total General Revenues					<u>10,680,190</u>
Changes in Net Position					<u>3,480,709</u>
Net Position - Beginning as previously reported					55,515,344
Prior period adjustment					(326,596)
Net Position - Beginning as restated					<u>55,188,748</u>
Net Position - Ending					<u>\$ 58,669,457</u>

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

COPIAH COUNTY
Balance Sheet - Governmental Funds
September 30, 2014

Exhibit 3

Major Funds	Countywide			Airport Project #3-28-0023-0203 Fund	Other Governmental Funds	Total Governmental Funds
	General Fund	Maintenance Fund	Road Fund			
ASSETS						
Cash	\$ 824,932	1,379,459	1,113,002		2,343,695	5,661,088
Restricted cash	241,141					241,141
Property tax receivable	5,362,392	2,242,420	1,014,070		1,831,384	10,450,266
Accounts receivable (net of allowance for uncollectibles of \$1,036,395)					558,059	558,059
Fines receivable (net of allowance for for uncollectibles of \$990,684)	50,531					50,531
Capital lease receivables					495,616	495,616
Intergovernmental receivables	224,279			226,002	259,729	710,010
Other receivables	70,416				21,258	91,674
Due from other funds	404,365	54,556	22,711	1,613	32,902	516,147
Advances to other funds	78,951	169,912			17,500	266,363
Total Assets	\$ 7,257,007	3,846,347	2,149,783	227,615	5,560,143	19,040,895
LIABILITIES						
Liabilities:						
Claims payable	\$ 192,913	438,493	11,007	245,586	195,492	1,083,491
Intergovernmental payables	226,532	56,345				282,877
Due to other funds	102,871	73,927		94,845	265,072	536,715
Advances from other funds	17,500				248,863	266,363
Unearned revenue					13,095	13,095
Amounts held in custody for others	45,274				616,340	45,274
Short-term debt						
Total Liabilities	\$ 585,090	568,765	11,007	340,431	1,338,862	2,844,155

COPIAH COUNTY
Balance Sheet - Governmental Funds
September 30, 2014

Exhibit 3 - Cont'd

	Major Funds					Total Governmental Funds
	General Fund	Countywide Road Maintenance Fund	Countywide Bridge and Culvert Fund	Airport Project #3-28-0023-0203 Fund	Other Governmental Funds	
DEFERRED INFLOWS OF RESOURCES:						
Unavailable revenue - property taxes	\$ 5,362,392	2,242,420	1,014,070		1,831,384	10,450,266
Unavailable revenue - fines	50,531					50,531
Unavailable revenue - solid waste receivables					558,059	558,059
Unavailable revenue - capital leases					495,616	495,616
Total deferred inflows of resources	5,412,923	2,242,420	1,014,070	0	2,885,059	11,554,472
Fund balances:						
Nonspendable:						
Advances	78,951					78,951
Restricted for:						
General government					23,975	23,975
Public safety	234,997				637,983	872,980
Public works		1,035,162	1,124,706		1,199,617	3,359,485
Culture and recreation					28,932	28,932
Economic development and assistance					59,500	59,500
Debt service	6,144				76,159	82,303
Unassigned	938,902			(112,816)	(689,944)	136,142
Total Fund Balances	1,258,994	1,035,162	1,124,706	(112,816)	1,336,222	4,642,268
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 7,257,007	3,846,347	2,149,783	227,615	5,560,143	19,040,895

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

COPIAH COUNTY

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

	<u>Amount</u>
Total Fund Balance - Governmental Funds	\$ 4,642,268
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 \$86,110,241.	65,855,321
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:	
Solid waste accounts receivable	558,059
Fines receivable	50,531
Long-term liabilities are not due and payable in the current-period and, therefore, are not reported in the funds.	(12,948,702)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(25,214)
Capital leases are not available to pay for current period expenditures and, therefore, are deferred in the funds.	477,183
Amounts reported as deferred outflows of resources are not financial resources and therefore are not reported in the funds.	<u>60,011</u>
Total Net Position - Governmental Activities	<u>\$ 58,669,457</u>

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

COPIAH COUNTY
 Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
 For the Year Ended September 30, 2014

	Major Funds					Total Governmental Funds
	General Fund	Countywide Road Maintenance Fund	Countywide Bridge and Culvert Fund	Airport Project #3-28-0023-0203 Fund	Other Governmental Funds	
REVENUES						
Property taxes	\$ 5,426,838	1,908,004	1,027,510		1,284,266	9,646,618
Road and bridge privilege taxes		362,678				362,678
Licenses, commissions and other revenue	320,606				44,463	365,069
Fines and forfeitures	426,522				18,127	444,649
Intergovernmental revenues	723,589	808,893	8,330	2,120,428	1,717,808	5,379,048
Charges for services	487,952				1,483,281	1,971,233
Interest income	22,540				2,379	24,919
Miscellaneous revenues	92,913	11,944			38,746	143,603
Total Revenues	7,500,960	3,091,519	1,035,840	2,120,428	4,589,070	18,337,817
EXPENDITURES						
Current:						
General government	3,312,006				401,172	3,713,178
Public safety	6,337,580				1,506,389	7,843,969
Public works	311,554	2,507,725	690,489	2,250,146	1,920,429	7,680,343
Health and welfare	283,945					283,945
Culture and recreation	136,781				14,287	151,068
Education	42,055					42,055
Conservation of natural resources	83,729					83,729
Economic development and assistance	139,648				44,135	183,783
Debt service:						
Principal	269,279	699,215	12,764		527,425	1,508,683
Interest	213,916	39,921	2,485	1,821	266,025	524,168
Total Expenditures	11,130,493	3,246,861	705,738	2,251,967	4,679,862	22,014,921
Excess of Revenues over (under) Expenditures	(3,629,533)	(155,342)	330,102	(131,539)	(90,792)	(3,677,104)

COPIAH COUNTY

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

Exhibit 4 - Cont'd

Major Funds	Countywide		Countywide Bridge and Culvert Fund	Airport Project #3-28-0023-0203 Fund	Other Governmental Funds	Total Governmental Funds
	General Fund	Road Maintenance Fund				
OTHER FINANCING SOURCES (USES)						
Long-term capital debt issued	53,636					53,636
Proceeds from sale of capital assets	64,695	353,920			28,159	446,774
Lease principal payments	118,331	353,920	0	0	91,557	91,557
Total Other Financing Sources and Uses	(3,511,202)	198,578	330,102	(131,539)	28,924	(3,085,137)
Net Changes in Fund Balances						
Fund Balances - Beginning, as previously reported	4,753,852	836,584	794,604	18,723	1,307,298	7,711,061
Prior period adjustment	16,344					16,344
Fund Balances - Beginning, as restated	4,770,196	836,584	794,604	18,723	1,307,298	7,727,405
Fund Balances - Ending	\$ 1,258,994	1,035,162	1,124,706	(112,816)	1,336,222	4,642,268

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

COPIAH COUNTY

Exhibit 4-1

Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Net Position
For the Year Ended September 30, 2014

	<u>Amount</u>
Net Changes in Fund Balances - Governmental Funds	\$ (3,085,137)
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 \$6,965,169 exceeded depreciation of \$1,388,650 in the current period.	5,576,519
In the Statement of Activities, only gains and losses from the sale of capital assets are reported, whereas in the Governmental Funds, proceeds from the sale of capital assets increase financial resources. Thus, the change in net position differs from the change in fund balances by the amount of the net gain of \$56,700 plus the proceeds from the sale of \$446,774 in the current period.	(390,074)
Fine revenue recognized on the modified accrual basis in the funds during the current year is increased because prior year recognition would have been required on the Statement of Activities using the full-accrual basis of accounting.	(18,332)
Solid waste revenue recognized on the modified accrual basis in the funds during the current year is increased because prior year recognition would have been required on the Statement of Activities using the full-accrual basis of accounting.	45,238
Debt proceeds provide current financial resources to Governmental Funds, but issuing debt increases 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 of debt repayment of \$1,508,683 exceeded debt proceeds of \$53,636.	1,455,047
Under the modified accrual basis of accounting used in the Governmental Funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However, in the Statement of Activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is recognized under the modified accrual basis of accounting when due, rather than as it accrues. Thus, the change in net position differs from the change in fund balances by a combination of the following:	
The amount of increase in compensated absences	(6,286)
The amount of decrease in accrued interest payable	2,054
The amortization of:	
Deferred amounts on refunding	(8,573)
Premiums on debt	4,528
Discounts on debt	(2,718)
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 principal collections on the capital leases.	<u>(91,557)</u>
Change in Net Position of Governmental Activities	\$ <u>3,480,709</u>

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

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

Exhibit 5

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 625,214
Due from other funds	20,568
Total Assets	<u>\$ 645,782</u>
LIABILITIES	
Intergovernmental payables	\$ 372,895
Amounts held in custody for others	272,887
Total Liabilities	<u>\$ 645,782</u>

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

COPIAH COUNTY

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COPIAH COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2014

(1) Summary of Significant Accounting Policies.

A. Financial Reporting Entity.

Copiah County, Mississippi (the 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 Copiah County to present these financial statements on the primary government and its component units which have significant operational or financial relationships with the County.

Management has chosen to omit from these financial statements the following component units which have significant operational or financial relationships with the County. Accordingly, the financial statements do not include the data of all of the County's component units necessary for reporting in accordance with accounting principles generally accepted in the United States of America.

- Copiah County Economic Development District
- Hardy Wilson Memorial Hospital
- Copiah-Jefferson Regional Library

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

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

B. Individual Component Unit Disclosures.

Blended Component Units

Certain component units, although legally separate from the primary government, are nevertheless so intertwined with the primary government that they are, in substance, the same as the primary government. Therefore, these component units are reported as if they are part of the primary government. The following component units balances and transactions are blended with the balances and transactions of the primary government.

Central Mississippi Public Improvement Corporation was incorporated as a nonprofit corporation under Section 31-8-3, Miss Code Ann. (1972), which allows counties to enter into lease agreements with any corporation. The corporation produces a financial benefit through its ability to acquire, construct, finance, equip and lease facilities to the primary government and impose a financial burden on the primary government by obligating funds to repay the debt pursuant to a lease agreement. See Note 9 for further disclosure concerning the issuance of certificates of participation and related capital facilities.

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.

COPIAH COUNTY

Notes to Financial Statements For the Year Ended September 30, 2014

Government-wide Financial Statements:

The Statement of Net Position and Statement of Activities display information concerning the County as a whole. The statements include all nonfiduciary activities of the primary. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are generally financed through taxes, intergovernmental revenues and other nonexchange revenues.

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

Fund Financial Statements:

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

D. Measurement Focus and Basis of Accounting.

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

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.

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 road maintenance.

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Notes to Financial Statements
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Countywide Bridge and Culvert Fund - This fund is used to account for monies from specific revenue sources that are restricted for bridges and culverts maintenance.

Airport Project #3-28-0023-0203GRT Fund - This fund is used to account for monies from specific revenue sources that are restricted for airport improvement.

Additionally, the County reports the following fund types:

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 expenditure 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 expenditure for principal and interest.

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

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

G. Receivables.

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

H. Interfund Transactions and Balances.

Transactions between funds that are representative of short-term lending/borrowing arrangements and transactions that have not resulted in the actual transfer of cash at the end of the fiscal year are referred to as "due to/from other funds." Noncurrent portions of interfund receivables and payables are reported as "advances to/from other funds." Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in the General Fund, if applicable, to indicate that they are

COPIAH COUNTY

Notes to Financial Statements
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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. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

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

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

	Capitalization Thresholds	Estimated Useful Life
Land	\$ 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(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

Deferred amount on refunding – For current refunding's and advance refunding's resulting in defeasance of debt reported by governmental activities, business type activities, and proprietary funds, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter.

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Notes to Financial Statements
For the Year Ended 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.

Property tax for future reporting period/unavailable revenue – 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 revenue – 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.

Unavailable revenue – solid waste receivables – 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.

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

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities, Statement of Net Position. Bond premiums and discounts 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt services expenditures.

L. Equity Classifications.

Government-wide Financial Statements:

Equity is classified as Net Position and displayed in three components:

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

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

Unrestricted net position - All other net position not meeting the definition of “restricted” or “net investment in capital assets.”

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Notes to Financial Statements
For the Year Ended September 30, 2014

Net Position Flow Assumption:

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

Fund Financial Statements:

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

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

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

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.

Fund Balance Flow Assumption:

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

M. Property Tax Revenues.

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

COPIAH COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2014

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 original purchase.

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

N. Intergovernmental Revenues in Governmental Funds.

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

O. Compensated Absences.

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

P. Changes in Accounting Standards

The County implemented the following standards issued by the Governmental Accounting Standards Board (GASB) in the current fiscal year as required: GASB Statement 65, *Items Previously Reported as Assets and Liabilities*; GASB Statement 66, *Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62*. The provisions of these standards have been incorporated into the financial statements and notes.

(2) Prior Period Adjustment.

A summary of significant fund equity adjustment is as follows:

Exhibit 2 - Statement of Activities – Governmental Activities.

Explanation	Amount
Implementation of GASB Statement 65, <i>Item Previously Reported as Assets and Liabilities</i>	\$ (342,940)
To correct prior year error in recording revenues	16,344
Total	\$ (326,596)

Exhibit 4 - Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.

Explanation	Amount
To correct prior year error in recording revenues	\$ 16,344

COPIAH COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2014

(3) Deposits.

The carrying amount of the County's total deposits with financial institutions at September 30, 2014, was \$6,527,443, and the bank balance was \$6,806,627. The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC).

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

Restricted Cash:

As provided in Section 91-13-8, Miss. Code Ann. (1972), the cash balance amount of \$241,141 is managed through a trust indenture between the County and the trustee related to the construction and debt payments of the new Copiah County jail project. Accordingly, this cash is classified as restricted on the financial statements.

(4) Interfund Transactions and Balances.

The following is a summary of interfund balances at September 30, 2014:

A. Due From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Airport Project #3-28-0023-0203GRT	\$ 94,845
General Fund	Countywide Road Maintenance Fund	46,061
General Fund	Other Governmental Funds	263,459
Countywide Road Maintenance Fund	General Fund	54,556
Countywide Bridge and Culvert Fund	General Fund	14,381
Countywide Bridge and Culvert Fund	Countywide Road Maintenance Fund	8,330
Airport Project #3-28-0023-0203GRT	Other Governmental Funds	1,613
Other Governmental Funds	General Fund	20,909
Other Governmental Funds	Countywide Road Maintenance Fund	11,993
Agency Funds	General Fund	13,025
Agency Funds	Countywide Road Maintenance Fund	7,543
Total		\$ <u>536,715</u>

The receivables represent the tax revenue collected in September 2014, but not settled until October, 2014 and to cover deficits in the Airport Project #3-28-0023-0203GRT Fund, E-911 Service Fund and RIF-Rural Impact Fund. Also, to correctly record cash owed for additional privilege taxes originally received in the Countywide Road Maintenance Fund. All interfund balances are expected to be repaid within one year from the date of the financial statements.

COPIAH COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2014

B. Advances from/to Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 78,951
Countywide Road Maintenance Fund	Other Governmental Funds	169,912
Other Governmental Funds	General Fund	<u>17,500</u>
Total		<u>\$ 266,363</u>

The purpose of the advances was to cover a deficit in the Road and Bridge Series Fund 2007 and revenues recorded incorrectly.

(5) Intergovernmental Receivables.

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

<u>Description</u>	<u>Amount</u>
Governmental Activities:	
Legislative tax credit	\$ 142,596
Emergency management performance grant	29,375
Airport improvement program	222,002
Hazard mitigation grant	220,681
Welfare reimbursement	2,606
Deputy training reimbursement	620
Homeland security grant	33,154
MEMA grant	4,800
CDBG grant	38,428
FAA grant	4,000
Reimbursement for housing prisoners	<u>11,748</u>
Total Governmental Activities	<u>\$ 710,010</u>

(6) Capital Assets.

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

Governmental activities:

	<u>Balance Oct. 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	<u>Balance Sept. 30, 2014</u>
Non-depreciable capital assets:					
Land	\$ 1,477,499	891	564		1,477,826
Construction in progress	<u>6,918,237</u>	<u>6,423,870</u>			<u>13,342,107</u>
Total non-depreciable capital assets	<u>8,395,736</u>	<u>6,424,761</u>	<u>564</u>	<u>0</u>	<u>14,819,933</u>
Depreciable capital assets:					
Infrastructure	114,827,734	142,040			114,969,774
Buildings	9,883,554	60,000			9,943,554
Improvements other than buildings	2,708,472				2,708,472
Mobile equipment	5,730,115	312,759	238,496	54,944	5,859,322
Furniture and equipment	1,545,922	25,609	5,299		1,566,232
Leased property under capital leases	<u>2,738,810</u>		<u>585,591</u>	<u>(54,944)</u>	<u>2,098,275</u>
Total depreciable capital assets	<u>137,434,607</u>	<u>540,408</u>	<u>829,386</u>	<u>0</u>	<u>137,145,629</u>

COPIAH COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2014

	Balance Oct. 1, 2013	Additions	Deletions	Adjustments	Balance Sept. 30, 2014
<u>Less accumulated depreciation</u>					
for:					
Infrastructure	72,210,265	554,725			72,764,990
Buildings	4,907,465	170,320			5,077,785
Improvements other than buildings	733,314	108,344			841,658
Mobile equipment	4,740,593	265,541	171,571	38,483	4,873,046
Furniture and equipment	1,218,299	108,910	4,770		1,322,439
Leased property under capital leases	1,351,531	180,810	263,535	(38,483)	1,230,323
Total accumulated depreciation	<u>85,161,467</u>	<u>1,388,650</u>	<u>439,876</u>	<u>0</u>	<u>86,110,241</u>
Total depreciable capital assets, net	<u>52,273,140</u>	<u>(848,242)</u>	<u>389,510</u>	<u>0</u>	<u>51,035,388</u>
Governmental activities capital assets, net	<u>\$ 60,668,876</u>	<u>5,576,519</u>	<u>390,074</u>	<u>0</u>	<u>65,855,321</u>

Depreciation expense was charged to the following functions:

	Amount
Governmental Activities:	
General government	\$ 101,019
Public safety	380,710
Public works	874,358
Health and welfare	32,563
Total governmental activities depreciation expense	<u>\$ 1,388,650</u>

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
General population shelter	\$ 460	01/2015
Airport improvements – runway and taxiway	325,143	11/2014
New jail	234,386	01/2015
Airport improvement – hanger	564,820	06/2015

(7) 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.

COPIAH COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2014

(8) Capital Leases.

As Lessor:

The county leases the following property with varying terms and options as of September 30, 2014:

Classes of Property	Amount
Industrial buildings	\$ 1,267,148

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

Year Ending September 30	Principal	Interest
2015	\$ 57,134	2,355
2016	45,362	2,638
2017	45,913	2,087
2018	45,981	2,019
2019	46,015	1,985
2020 – 2024	236,778	7,349
Total	\$ 477,183	18,433

As Lessee:

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

Classes of Property	Governmental Activities
Mobile equipment	\$ 2,098,275
Less: Accumulated depreciation	1,230,323
Leased Property Under Capital Leases	\$ 867,952

The following is a schedule by years of the total payments due as of September 30, 2014:

Year Ending September 30	Governmental Activities	
	Principal	Interest
2015	\$ 684,199	7,104
2016	54,201	1,057
Total	\$ 738,400	8,161

(9) Short-term Debt and Liquidity.

The following is a summary of short-term debt activity for the year ended September 30, 2014:

Description of Debt	Balance Oct. 1,	Additions	Reductions	Adjustment	Balance Sept. 30,
Airport Project #3-28-0023-	\$ 33,881	342,189	376,070		0
FEMA 361 Storm Shelter #0450	644,305	928,793	956,758		616,340
Total	\$ 678,186	1,270,982	1,332,828	0	616,340

COPIAH COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2014

During the month of November, 2012, the County issued a \$1,000,000 grant anticipation note (revolving line of credit) with an interest rate of 1.39% and maturity date of December 1, 2014, in order to provide operating funds in anticipation of grants in the Airport Project # 3-28-0023-0203GRT Fund and the FEMA 361 Storm Shelter #450 Fund. On December 1, 2014, a new \$1,000,000 grant anticipation note (revolving line of credit) with an interest rate of 1.39% and a maturity date of March 2, 2015, was issued to continue these projects.

(10) Long-term Debt.

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

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
Governmental Activities:			
A. General Obligation Bonds:			
Road and bridge bonds – Series 2007	\$ 4,490,000	4.00/5.50%	03/2027
GO Refunding Bonds – Series 2010	<u>1,365,000</u>	2.00/4.75%	07/2021
Total General Obligation Bonds	<u>\$ 5,855,000</u>		
B. Limited Obligation Bonds:			
Certificates of Participation, Jail project	\$ <u>5,810,000</u>	2.50/5.00%	09/2032
C. Capital Leases:			
John Deere backhoes (2)	\$ 66,567	3.34%	07/2014
Wheel loaders (4)	231,404	3.11%	10/2014
Track-type tractors (2)	74,808	3.11%	10/2014
John Deere backhoes (2)	66,567	3.34%	07/2014
Kubota M1085DSC tractors (5)	85,221	3.39%	08/2015
Three sheriff cars	19,492	1.90%	02/2015
Dump trucks (4)	60,158	2.65%	04/2015
Chevrolet trucks (2) & Ford trucks (5)	107,365	1.95%	09/2016
Two sheriff cars	<u>26,818</u>	1.48%	10/2015
Total Capital Leases	<u>\$ 738,400</u>		
D. Other Loans:			
Sugar Farm Road CAP loan	\$ 108,559	3.00%	01/2021
Fire truck CAP loan	8,346	3.00%	05/2015
DG Foods CAP loan	16,029	3.00%	12/2014
2 fire trucks CAP loan	<u>120,656</u>	2.00%	10/2017
Total Other Loans	<u>\$ 253,590</u>		

COPIAH COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2014

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

Governmental Activities:

Year Ending September 30	General Obligation Bonds		Limited Obligation Bonds	
	Principal	Interest	Principal	Interest
2015	\$ 430,000	233,435	245,000	205,254
2016	450,000	217,736	250,000	199,066
2017	475,000	200,335	255,000	192,754
2018	490,000	181,421	265,000	186,254
2019	510,000	161,032	270,000	179,566
2020 – 2024	2,210,000	485,560	1,480,000	785,858
2025 – 2029	1,290,000	82,261	1,770,000	495,403
2030 – 2034			1,275,000	80,125
Total	\$ 5,855,000	1,561,780	5,810,000	2,324,280

Year Ending September 30	Other Loans	
	Principal	Interest
2015	\$ 79,521	5,941
2016	56,423	3,859
2017	57,730	2,551
2018	18,204	1,530
2019	18,002	992
2020 – 2024	23,710	384
Total	\$ 253,590	15,257

Legal Debt Margin - The amount of debt, excluding specific exempted debt, that can be incurred by the County is limited by state statute. Total outstanding debt during a year can be no greater than 15% of assessed value of the taxable property within the County, according to the then last completed assessment for taxation. However, the limitation is increased to 20% whenever a county issues bonds to repair or replace washed out or collapsed bridges on the public roads of the County. As of September 30, 2014, the amount of outstanding debt was equal to 2.81% of the latest property assessments.

Certificates of Participation – In accordance with Section 31-81-1et seq. Miss Code Ann. (1972), the County issued Certificated of participation and transferred the proceeds to the Central Mississippi Public Improvement Corporation (Corporation). The funds are to be used to construct a new Copiah County jail facility. At completion, the Corporation will enter into a twenty year lease with the County. The County is obligated to pay rent equal to the principal and interest on the debt. At the completion of the lease, the County will assume ownership of the facility. The obligation is not a general obligation and does not constitute a pledge of full faith and credit of the County.

COPIAH COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2014

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

	Balance Oct. 1, 2013	Additions	Reductions	Adjustments	Balance Sept. 30, 2014	Amount due within one year
Governmental Activities:						
Compensated absences	\$ 222,955	6,286			229,241	
General obligation bonds	6,265,000		410,000		5,855,000	430,000
Limited obligation bonds	6,010,000		200,000		5,810,000	245,000
Capital leases	1,450,613	53,636	765,849		738,400	684,199
Other loans	386,424		132,834		253,590	79,521
Less:						
Deferred amt. on	(68,584)			68,584		
Discounts	(21,746)		(2,718)		(19,028)	(2,718)
Premiums	86,027		4,528		81,499	4,528
Total	\$ 14,330,689	59,922	1,510,493	68,584	12,948,702	1,440,530

Compensated absences will be paid from the fund from which the employees' salaries were paid, which are generally the General Fund, Sanitation Fund, Countywide Road Maintenance Fund and Countywide Bridge and Culvert Fund.

(11) Deficit Fund Balances of Individual Funds.

The following funds reported deficits in fund balances at September 30, 2014:

Fund	Deficit Amount
Airport Project #3-28-0023-0203GRT Fund	\$ 112,816
EDA/Industrial Improvements Fund	57,393
2011 Housing Grant Fund	395
E-911 Service Fund	221,912
RIF – Rural Impact Fund	41,635
FEMA 361 Storm Shelter #0450 Fund	389,867

(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. No provision for any liability that may result has been recognized in the County's financial statements.

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

COPIAH COUNTY

Notes to Financial Statements For the Year Ended September 30, 2014

(13) Jointly Governed Organizations.

The County participates in the following jointly governed organizations:

Central Mississippi Planning and Development District operates in a district composed of the Counties of Copiah, Hinds, Madison, Rankin, Simpson, Warren, and Yazoo. The Copiah County Board of Supervisors appoints three of the 33 members of the board of directors. The County contributes a small percentage of the district's total revenue.

Copiah-Lincoln Community College operates in a district composed of the Counties of Adams, Copiah, Franklin, Jefferson, Lawrence, Lincoln, and Simpson. The Copiah County Board of Supervisors appoints six of the 27 members of the college board of trustees. The County appropriated \$796,359 for maintenance and support of the college in fiscal year 2014.

Hinds Community College operates in a district composed of the Counties of Claiborne, Copiah, Hinds, Rankin, and Warren. The Copiah County Board of Supervisors appoints one of the 15 members of the college board of trustees. The County appropriated \$151,794 for maintenance and support of the college in fiscal year 2014.

Region Eight Mental Health Commission operates in a district composed of the Counties of Copiah, Madison, Rankin, and Simpson. The Copiah County Board of Supervisors appoints one member of the Board of Commissioners. The County appropriated \$65,140 for support of the commission in fiscal year 2014.

Central Mississippi Emergency Medical Services District operates in a district composed of the Counties of Attala, Clarke, Copiah, Holmes, Lauderdale, Leake, Madison, Neshoba, Rankin, Scott, Smith, Warren, and Yazoo. The Copiah County Board of Supervisors appoints two of the 26 members of the board. The County provides only modest financial support for the district.

(14) Defined Benefit Pension Plan.

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

Funding Policy. At September 30, 2014, PERS members were required to contribute 9% of their annual covered salary, and the County is required to contribute at an actuarially determined rate. The rate at September 30, 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) to PERS for the years ending September 30, 2014, 2013 and 2012 were \$623,041, \$580,271 and \$509,394, respectively, equal to the required contributions for each year.

(15) Subsequent Events.

Events that occur after the Statement of Net Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management of Copiah County evaluated the activity of the County through November 20, 2015 and determined that the following subsequent events has occurred requiring disclosure in the notes to the financial statements.

COPIAH COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2014

Subsequent to September 30, 2014, the County issued the following debt obligations:

<u>Issue Date</u>	<u>Interest Rate</u>		<u>Issue Amount</u>	<u>Type of Financing</u>	<u>Source of Financing</u>
10/06/2014	2.625/3.75%	\$	6,000,000	G.O. Road & Bridge Bonds	Ad Valorem Taxes
11/25/2014	2.01%		653,940	Capital Lease	Ad Valorem Taxes
11/25/2014	2.01%		360,936	Capital Lease	Ad Valorem Taxes
11/28/2014	2.04%		251,712	Capital Lease	Ad Valorem Taxes
03/18/2015	3.00/3.50%	\$	6,000,000	G.O. Road & Bridge Bonds	Ad Valorem Taxes
11/01/2015	2.00%		454,802	CAP Loan	Ad Valorem Taxes

COPIAH COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

COPIAH COUNTY

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COPIAH COUNTY
 Budgetary Comparison Schedule -
 Budget and Actual (Non-GAAP Basis)
 General Fund
 For the Year Ended September 30, 2014
 UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 5,375,727	5,416,864	5,416,864	
Licenses, commissions and other revenue	296,100	319,714	319,714	
Fines and forfeitures	345,000	411,481	411,481	
Intergovernmental revenues	428,450	516,086	516,086	
Charges for services	400,000	447,960	447,960	
Interest income	10,000	22,341	22,341	
Miscellaneous revenues	102,000	76,933	76,933	
Total Revenues	<u>6,957,277</u>	<u>7,211,379</u>	<u>7,211,379</u>	<u>0</u>
EXPENDITURES				
Current:				
General government	3,314,385	3,278,387	3,278,387	
Public safety	2,635,122	2,902,559	2,902,559	
Public works	282,300	308,347	308,347	
Health and welfare	232,584	283,613	283,613	
Culture and recreation	173,644	136,911	136,911	
Education				
Conservation of natural resources	86,914	83,710	83,710	
Economic development and assistance	140,648	139,648	139,648	
Debt service:				
Principal	483,747	269,279	269,279	
Interest		213,916	213,916	
Total Expenditures	<u>7,349,344</u>	<u>7,616,370</u>	<u>7,616,370</u>	<u>0</u>
Excess of Revenues over (under) Expenditures	<u>(392,067)</u>	<u>(404,991)</u>	<u>(404,991)</u>	<u>0</u>
OTHER FINANCING SOURCES (USES)				
Other financing sources		94,968	94,968	
Total Other Financing Sources and Uses	<u>0</u>	<u>94,968</u>	<u>94,968</u>	<u>0</u>
Net Change in Fund Balance	(392,067)	(310,023)	(310,023)	
Fund Balances - Beginning	<u>1,163,404</u>	<u>1,128,014</u>	<u>1,128,014</u>	<u>0</u>
Fund Balances - Ending	<u>\$ 771,337</u>	<u>817,991</u>	<u>817,991</u>	<u>0</u>

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

COPIAH COUNTY
 Budgetary Comparison Schedule -
 Budget and Actual (Non-GAAP Basis)
 County wide Road Maintenance Fund
 For the Year Ended September 30, 2014
 UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 2,175,748	1,903,437	1,903,437	
Road and bridge privilege taxes	350,000	362,337	362,337	
Intergovernmental revenues	964,000	939,165	939,165	
Charges for services		3,850	3,850	
Interest income	3,000			
Miscellaneous revenues		8,094	8,094	
Total Revenues	<u>3,492,748</u>	<u>3,216,883</u>	<u>3,216,883</u>	<u>0</u>
EXPENDITURES				
Current:				
Public works	2,983,811	2,506,372	2,506,372	
Debt service:				
Principal	370,190	370,189	370,189	
Interest	38,947	38,947	38,947	
Total Expenditures	<u>3,392,948</u>	<u>2,915,509</u>	<u>2,915,509</u>	<u>0</u>
Excess of Revenues over (under) Expenditures	<u>99,800</u>	<u>301,374</u>	<u>301,374</u>	<u>0</u>
OTHER FINANCING SOURCES (USES)				
Other financing sources		353,920	353,920	
Total Other Financing Sources and Uses	<u>0</u>	<u>353,920</u>	<u>353,920</u>	<u>0</u>
Net Change in Fund Balance	<u>99,800</u>	<u>655,294</u>	<u>655,294</u>	
Fund Balances - Beginning	<u>677,316</u>	<u>724,164</u>	<u>724,164</u>	<u>0</u>
Fund Balances - Ending	<u>\$ 777,116</u>	<u>1,379,459</u>	<u>1,379,459</u>	<u>0</u>

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

COPIAH COUNTY
 Budgetary Comparison Schedule -
 Budget and Actual (Non-GAAP Basis)
 Countywide Bridge and Culvert Fund
 For the Year Ended September 30, 2014
 UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 983,918	1,025,119	1,025,119	
Total Revenues	<u>983,918</u>	<u>1,025,119</u>	<u>1,025,119</u>	<u>0</u>
EXPENDITURES				
Current:				
Public works	531,195	685,904	685,904	
Principal	12,792	12,792	12,792	
Interest	2,456	2,456	2,456	
Total Expenditures	<u>546,443</u>	<u>701,152</u>	<u>701,152</u>	<u>0</u>
Excess of Revenues over (under) Expenditures	<u>437,475</u>	<u>323,967</u>	<u>323,967</u>	<u>0</u>
Net Change in Fund Balance	437,475	323,967	323,967	
Fund Balances - Beginning	<u>706,488</u>	<u>789,035</u>	<u>789,035</u>	<u>0</u>
Fund Balances - Ending	<u>\$ 1,143,963</u>	<u>1,113,002</u>	<u>1,113,002</u>	<u>0</u>

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

COPIAH COUNTY

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COPIAH COUNTY

Notes to the Required Supplementary Information
For the Year Ended September 30, 2014
UNAUDITED

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 the 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 Budgetary 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:

	Governmental Fund Types		
	General Fund	Countywide Road Maintenance Fund	Countywide Bridge and Culvert Fund
Budget (Cash Basis)	\$ (310,023)	655,295	323,967
Increase (Decrease)			
Net adjustments for revenue accruals	145,485	(42,562)	10,720
Net adjustments for expenditure accruals	195,597	(414,155)	(4,585)
Other reconciling items:			
Net change in jail construction project			
Certificates of participation trust accounts	(3,542,261)		
GAAP Basis	\$ (3,511,202)	198,578	330,102

COPIAH COUNTY

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COPIAH COUNTY

SUPPLEMENTAL INFORMATION

COPIAH COUNTY

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COPIAH COUNTY
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2014

Federal Grantor/ Pass-through Grantor/ Program Title or Cluster	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture, Forest Service Passed through the Mississippi Office of the State Treasurer Schools and Roads - Grants to States	10.665	N/A	\$ <u>84,110</u>
U.S. Department of Housing and Urban Development, Office of Community Planning and Development Passed through the Mississippi Development Authority Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	1130-13-015-PF-01	<u>38,428</u>
U.S. Department of Transportation Federal Aviation Administration Airport Improvement Program*	20.106	3-28-0023-011-2012	2,008,931
Airport Improvement Program*	20.106	3-28-0023-012-2014	14,850
Subtotal			<u>2,023,781</u>
Federal Highway Administration Passed through the Mississippi Department of Transportation, Office of State Aid			
Highway Planning and Construction	20.205	BR NBIS 079 B(15)	42,520
Highway Planning and Construction	20.205	MS095 015 1 B(PE-15)	1,976
Highway Planning and Construction	20.205	MS095 015 5 B(ROW-10)	32,250
Subtotal			<u>76,746</u>
Total U.S. Department of Transportation			<u>2,100,527</u>
U.S. Department of Homeland Security Passed through the Mississippi Emergency Management Agency			
Hazard Mitigation Grant	97.039	DR-1604-MS-0450	718,562
Emergency Management Performance Grants	97.042	14EMPL	29,375
Subtotal			<u>747,937</u>
Passed through the Mississippi Department of Public Safety, Mississippi Office of Homeland Security			
Homeland Security Grant Program	97.067	12HS015	<u>33,154</u>
Total U.S. Department of Homeland Security			<u>781,091</u>
Total Expenditures of Federal Awards			\$ <u>3,004,156</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note A - Significant Accounting Policies

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

Note B - CFDA #10.665 School and Roads - Grants to States

Of the federal expenditures presented in the schedule, the county provided federal awards totaling \$42,055 to subrecipients during the year ended September 30, 2014.

* Denotes major federal award program

COPIAH COUNTY

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COPIAH COUNTY

OTHER INFORMATION

COPIAH COUNTY

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COPIAH COUNTY
Schedule of Surety Bonds for County Officials
For the Year Ended September 30, 2014
UNAUDITED

Name	Position	Company	Bond
Earl Dixon, Jr.	Supervisor District 1	Brierfield Insurance Company	\$100,000
Terry L. Channell	Supervisor District 2	Brierfield Insurance Company	\$100,000
Perry V. Hood	Supervisor District 3	Brierfield Insurance Company	\$100,000
Kenneth Powell	Supervisor District 4	Brierfield Insurance Company	\$100,000
Jimmy L Phillips	Supervisor District 5	Brierfield Insurance Company	\$100,000
Ronnie Barlow	County Administrator	Brierfield Insurance Company	\$100,000
Steve Amos	Chancery Clerk	Brierfield Insurance Company	\$100,000
Brandie Sims	Purchase Clerk	Brierfield Insurance Company	\$75,000
Sandra Sullivan	Assistant Purchase Clerk	Brierfield Insurance Company	\$50,000
Mary J. Harris	Receiving Clerk	Brierfield Insurance Company	\$75,000
Ronnie Barlow	Assistant Receiving Clerk	Brierfield Insurance Company	\$50,000
Joa Williams	Inventory Control Clerk	Brierfield Insurance Company	\$75,000
Booky Thompson	Road Manager	Brierfield Insurance Company	\$75,000
Jimmy Dale White	Constable	Brierfield Insurance Company	\$50,000
Ronnie Earls	Constable	Brierfield Insurance Company	\$50,000
Edna E. Stevens	Circuit Clerk	Brierfield Insurance Company	\$100,000
Harold L. Jones	Sheriff	Brierfield Insurance Company	\$100,000
Derrick L Cubit	Undersheriff	Brierfield Insurance Company	\$50,000
Lillie McKenzie	Justice Court Judge	Brierfield Insurance Company	\$50,000
Vickie Bass Ramsey	Justice Court Judge	Brierfield Insurance Company	\$50,000
Mona Lisa Carr	Justice Court Clerk	Brierfield Insurance Company	\$50,000
Vicky Lavell Smith	Deputy Justice Court Clerk	Brierfield Insurance Company	\$50,000
Tara Middleton	Deputy Justice Court Clerk	Brierfield Insurance Company	\$50,000
April S. Holloway	Tax Collector	Brierfield Insurance Company	\$100,000
James Todd Mooney	Tax Assessor	Brierfield Insurance Company	\$50,000
Chiquita Sandifer	Deputy Tax Collector	Brierfield Insurance Company	\$50,000
Melinda Terell	Deputy Tax Collector	Brierfield Insurance Company	\$50,000
Cheryl K. Parks	Deputy Tax Collector	Brierfield Insurance Company	\$50,000
Linda Turman	Deputy Tax Collector	Brierfield Insurance Company	\$50,000

COPIAH COUNTY

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COPIAH COUNTY

SPECIAL REPORTS

COPIAH COUNTY

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**STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
STACEY E. PICKERING
AUDITOR**

**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
Copiah County, Mississippi

We have audited, in accordance with the 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, each major fund and the aggregate remaining fund information of Copiah 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 November 20, 2015. Our report includes an adverse opinion on the aggregate discretely presented component units due to the omission of the discretely presented component units which are required by accounting principles generally accepted in the United States of America to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units.

Internal Control Over Financial Reporting

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

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

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. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as 2014-001 to be a material weaknesses.

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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as 2014-002, 2014-003, 2014-004, 2014-005 and 2014-006 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Copiah County, Mississippi's financial statements are free from 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 Copiah County, Mississippi, in the Limited Internal Control and Compliance Review Management Report dated November 20, 2015, included within this document.

Copiah County's Responses to Findings

Copiah County's responses to the findings identified in our audit are described in the accompanying Auditee's Corrective Action Plan. Copiah County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results 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.



TOMMY STORY, CPA, CFE
Director, County Audit Section

November 20, 2015



**STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
STACEY E. PICKERING
AUDITOR**

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Members of the Board of Supervisors
Copiah County, Mississippi

Report on Compliance for Each Major Federal Program

We have audited Copiah County, Mississippi's 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 program for the year ended September 30, 2014. Copiah County, Mississippi's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Copiah County, Mississippi's major federal program 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 Copiah 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 the major federal program. However, our audit does not provide a legal determination of Copiah County, Mississippi's compliance.

Basis for Qualified Opinion on Airport Improvement Program

As described in the accompanying Schedule of Findings and Questioned Costs, Copiah County, Mississippi did not comply with requirements regarding the Airport Improvement Program detailed in finding 2014-007 for the compliance requirement, Procurement, Suspension and Debarment. Compliance with such requirements is necessary, in our opinion, for Copiah County, Mississippi to comply with the requirements applicable to that program.

Qualified Opinion on Airport Improvement Program

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, Copiah 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 the Airport Improvement Program for the year ended September 30, 2014.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness.

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 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. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2014-007 to be material a weakness.

Copiah County's response to the internal control over the compliance finding identified in our audit is described in the accompanying Auditee's Corrective Action Plan. Copiah County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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.



TOMMY STORY, CPA, CFE
Director, County Audit Section

November 20, 2015



**STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
STACEY E. PICKERING
AUDITOR**

**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
Copiah County, Mississippi

We have examined Copiah County, Mississippi's (the County) compliance with establishing and maintaining a central purchasing system and inventory control system in accordance with Sections 31-7-101 through 31-7-127, Miss. Code Ann. (1972) and compliance with the purchasing requirements in accordance with the bid requirements of Section 31-7-13, Miss. Code Ann. (1972) during the year ended September 30, 2014. The Board of Supervisors of Copiah 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 Copiah 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, Copiah 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 Copiah 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.

A handwritten signature in cursive script that reads "Tommy Story". The signature is written in black ink and is positioned above the printed name.

TOMMY STORY, CPA, CFE
Director, County Audit Section

November 20, 2015

COPIAH COUNTY
Schedule of Purchases Not Made From the Lowest Bidder
For the Year Ended September 30, 2014

Schedule 1

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

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

Schedule 2

Our test results did not identify any emergency purchases.

COPIAH COUNTY

Schedule 3

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

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>
07/10/2014	Repair of book, binders and records	\$ 7,500.00	Vest Book Binding
08/11/2014	Two reducers for waste treatment plant in Gallman	\$ 4,300.00	Lakeside Equipment

COPIAH COUNTY

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**STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
STACEY E. PICKERING
AUDITOR**

LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors
Copiah County, Mississippi

In planning and performing our audit of the financial statements of Copiah County, Mississippi for the year ended September 30, 2014, we considered Copiah 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 Copiah 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 November 20, 2015, on the financial statements of Copiah County, Mississippi.

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

The results of our review procedures and compliance tests identified certain areas that are opportunities for strengthening internal controls and operating efficiency. Our findings, recommendations, and your responses are disclosed below:

Board of Supervisors.

1. The County should settle rail car in lieu taxes to the appropriate taxing districts.

Finding:

Section 27-35-519, Miss. Code Ann. (1972), states that payments of rail car taxes determined by the State Tax Commission shall be sent to the clerk of the board of supervisors of the counties of the state to which payments have been allocated, and the respective clerks shall apportion the county payment to the municipalities and other taxing districts in proportion to the number of miles of railroad in the municipality or other taxing districts to the number of miles of railroad in the entire county. The results of our audit procedures disclosed that the county posted all of the rail car in lieu taxes received to the county's general fund. None of the rail car taxes were settled to the appropriate taxing districts. Failure to settle the rail car in lieu taxes to the appropriate taxing district is a direct violation of state statute and could result in the misappropriation of public funds.

Recommendation:

The Board of Supervisors should implement controls to ensure that the rail car in lieu taxes are settled to the appropriate taxing districts in accordance with state statute.

Board of Supervisors' Response:

Will comply.

2. The County should settle additional privilege taxes on carriers of property and on buses to the appropriate tax districts.

Finding:

Section 27-19-11, Miss. Code Ann. (1972), states that, in addition to the annual highway privilege tax levied on each motor vehicle, truck-tractor, or road tractor of each carrier of property, and on each bus, an additional annual privilege tax is levied on vehicles with a gross weight exceeding ten thousand (10,000) pounds. The statute goes on to state that the additional privilege tax shall be distributed to the counties on the basis of the ratio of the number of motor vehicles registered in excess of ten thousand (10,000) pounds, in each taxing district in each county, to the total number of such vehicles registered statewide. The counties shall then distribute these proceeds as they would if these collections were ad valorem taxes. The results of our audit procedures disclosed that the county settled all of the privilege taxes on carriers of property and buses received to the county-wide road maintenance funds. None of the taxes were settled to the appropriate taxing districts. Failure to settle the additional privilege taxes to the appropriate taxing district is a direct violation of state statute and could result in the misappropriation of public funds.

Recommendation:

The Board of Supervisors should implement controls to ensure the additional privilege taxes are settled to the applicable taxing districts in accordance with the additional privilege schedule that comes with the state warrant.

Board of Supervisors' Response:

Will comply

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



TOMMY STORY, CPA, CFE
Director, County Audit Section

November 20, 2015

COPIAH COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

COPIAH COUNTY

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COPIAH COUNTY

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

Section I: Summary of Auditor's Results

Financial Statements:

- | | | |
|----|---|------------|
| 1. | Type of auditor's report issued: | |
| | Governmental Activities | Unmodified |
| | Aggregate discretely presented component units | Adverse |
| | General Fund | Unmodified |
| | Countywide Road Maintenance Fund | Unmodified |
| | Countywide Bridge and Culvert Fund | Unmodified |
| | Airport Project #3-28-0023-0203GRT Fund | Unmodified |
| | Aggregate remaining fund information | Unmodified |
| 2. | Internal control over financial reporting: | |
| | a. Material weaknesses identified? | Yes |
| | b. Significant deficiency identified? | Yes |
| 3. | Noncompliance material to financial statements noted? | No |

Federal Awards:

- | | | |
|----|---|---------------|
| 4. | Internal control over major federal programs: | |
| | a. Material weakness identified? | Yes |
| | b. Significant deficiency identified? | None Reported |
| 5. | Type of auditor's report issued on compliance for major federal programs: | Qualified |
| 6. | Any audit finding(s) disclosed that are required to be reported in accordance with Section __.510(a) of OMB Circular A-133? | Yes |
| 7. | Identification of major federal programs: | |
| | a. CFDA 20.106, Airport Improvement Program | |
| 8. | Dollar threshold used to distinguish between type A and type B programs: | \$300,000 |
| 9. | Auditee qualified as low-risk auditee? | No |

COPIAH COUNTY

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

Section 2: Financial Statement Findings

Board of Supervisors.

Material Weakness

2014-001. Discretely Presented Component Units Should Be Included in the Financial Statements.

Finding

Generally accepted accounting principles require the financial data for the County's component units to be reported with the financial data of the County's primary government unless the county also issues financial statements for the financial reporting entity that include the financial data for the county's legally separate component units. As reported in the prior seven years' audit reports, the financial statements do not include the financial data for the County's legally separate component units. The failure to properly follow generally accepted accounting principles resulted in an adverse opinion on the discretely presented component units.

Recommendation

The Board of Supervisors should provide the financial data for its discretely presented component units for the inclusion in the County's financial statements.

Significant Deficiency

2014-002. Copiah County needs to replace obsolete hardware and software.

Finding

Copiah County is running operating systems as well as applications on some of its personal computers (PCs) that might not be supported by vendors. Due to lack of such support, these systems could become vulnerable to hackers and malware such as viruses.

Recommendation

We recommend that Copiah County develop a plan to replace the operating systems, applications, and hardware where necessary that is associated with lack of support from vendors as soon as possible. Computers that originally came loaded with operating systems or applications that are no longer supported by vendors will have hardware that most likely cannot run the newest operating systems or applications, thereby requiring replacement of hardware, operating systems and applications in many cases. Due to the possible large number of PCs that need replacing, this could involve a sizable expenditure by the County. Due to the cost and effort involved in such a project, this project should be begun as soon as possible.

COPIAH COUNTY

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

Significant Deficiency

2014-003. Copiah County Should Set All Individual Passwords to Expire on a Periodic Basis.

Finding

A review of Copiah County's security settings revealed that users' passwords were not set to expire. All passwords should be set to expire in accordance with a policy to be determined by Copiah County.

Recommendation

We recommend that a policy be implemented to ensure all passwords expire on a regular basis. In addition, Copiah County should conduct access reviews for information assets on a periodic basis (at least annually). Documentation of these reviews should be signed by the person conducting them and retained for review by auditors.

Significant Deficiency

2014-004. Copiah County Should Strengthen Passwords.

Finding

During our review, we noted that Copiah County is using some parameters associated with password strength that meet industry standard best practices. However, the County has some password parameters that do not meet these standards, thereby creating unnecessary risk for Copiah County information assets.

Recommendation

We recommend that Copiah County improve its password strength by changing password parameters to comply with password management best practices and industry standards.

Significant Deficiency

2014-005. Copiah County should establish and test a disaster recovery process.

Finding

During our review of the IS controls of Copiah County ("the County"), we noted the County has not established a disaster recovery process. As a result, Copiah County cannot fully ensure that the County's information systems can be restored in a timely manner. Disaster recovery involves defining and documenting plans to help sustain and recover critical information technology resources, information systems, and associated business functions. *Control Objectives for Information and Related Technology* (CobiT, Section DS4), as well as recognized industry best practices, require a written disaster recovery plan be developed and tested regularly to provide orderly recovery of vital functions in the event of a hardware or environmental disaster. Failure to maintain an adequate recovery plan could impede the County's ability to regain computer operations in the event of a disaster.

There are a number of steps that an organization can take to prevent or minimize the damage to automated operations that may occur from unexpected events. One example is routinely backing up data files and programs and periodically restoring these files and programs as part of a formal, documented disaster recovery exercise. Such actions maintain the organization's ability to restore data files, which may be impossible to re-create.

COPIAH COUNTY

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

Copiah County is currently using an automated system to perform daily back-ups of the AS400, but is not restoring such files as part of a formal, documented disaster recovery exercise. Without proper assurance that back-up files can be utilized to adequately restore all critical data in a timely manner in the event of a disaster scenario, material damage could be realized by the County and its processes should a catastrophic event occur involving the County's building and servers. Risk and probabilities of material loss escalates in relationship to the longer an exposure goes unmitigated.

Recommendation

We recommend that Copiah County develop, implement, and test a plan to insure that critical data and applications are recoverable in case of a disaster scenario. We further recommend that Copiah County develop and implement a disaster recovery plan documenting procedures to be followed during an emergency. Once the plan is completed, it should be subjected to proper testing, and employees should be made aware of their responsibilities in the event of a disaster. The plan should be updated when needed in order to maintain readiness for a disaster scenario.

Significant Deficiency

2014-006. Copiah County should implement a formal information security policy.

Finding

Copiah County has not adopted a formal information security policy or enterprise security plan. The lack of a formal information security policy can lead to a breakdown of basic security practices in the areas of application security, LAN/WAN security, management of the security application and internet protocol.

Recommendation

A robust set of information technology policies should cover at least the following areas:

- a. Acceptable Use
- b. Portable Computing
- c. Change Management
- d. Encryption
- e. Security Incident Response
- f. Risk Management
- g. Backup and Recovery
- h. Business Continuity/Disaster Recovery

While full compliance with all facets of such a policy may be an economic challenge for Copiah County, beginning steps to become compliant with a policy covering areas such as those listed above are necessary. We recommend that Copiah County create a plan of compliance with industry standards to ensure progress towards a robust documented information security plan. This policy should be reviewed and approved by the County Board of Supervisors. In addition, employees that utilize technology should review and accept such policies before access to computer resources is granted to employees. Proof of approval by management and acceptance by employees should be retained for review by auditors.

COPIAH COUNTY

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

Section 3: Federal Award Findings and Questioned Costs

2014-007. Copiah County should establish controls to ensure required procurement procedures are followed.

20.106 Airport Improvement Program
Award number: 3-28-0023-011-2012
U.S. Department of Transportation, Federal Aviation Administration

Material Weakness

Material Noncompliance

Compliance Requirement: Procurement and Suspension and Debarment

Finding

The Terms and Conditions of Accepting Airport Improvement Program Grants and FAA Advisory Circular 150/5100-14D stipulate the county must use qualifications-based selection procedures in the selection and engagement of architectural, engineering, and planning consultants. Furthermore, qualifications-based procedures require that a contract for A/E services be awarded pursuant to a fair and open selection process based on the qualifications of the firms. The Advisory Circular also states that the relationship of the consultant with the county should be clearly defined by a written agreement before commencement of actual work. The results of our audit procedures revealed that no solicitation of qualifications for planning and engineering services was published before procuring such services for the project. Additionally, a copy of the executed contract between the county and Airport Development Group could not be provided nor could any evidence of approval of the contract by the Board of Supervisors. The failure to adhere to the terms of the grant agreement could result in the county being required to repay the funds to the federal government and could make the county ineligible for future awards.

Recommendation

The Board of Supervisors should implement internal controls to ensure the terms of the grant agreements are adhered to relative to procurement for project services.

COPIAH COUNTY

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COPIAH COUNTY

AUDITEE'S CORRECTIVE ACTION PLAN

COPIAH COUNTY

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BOARD OF SUPERVISORS

COPIAH COUNTY

P. O. BOX 551

HAZLEHURST, MISSISSIPPI 39083

Telephone (601) 894-1858

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EARL DIXON, JR.
District 1

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District 4

JIMMY PHILLIPS
District 5

STEVE AMOS
Clerk of Board

ELISE B. MUNN
Attorney for Board

RONNIE BARLOW
County Administrator

CORRECTIVE ACTION PLAN

October 28, 2015

Office of the State Auditor
501 N. West Street, Suite 801
Jackson, Mississippi 39201

Gentlemen:

Copiah County respectfully submits the following corrective action plan for the year ended September 30, 2014.

The findings from the Schedule of Findings and Questioned Costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule. Section 1: Summary of Auditor's Results, does not include findings and is not addressed.

SECTION 2: FINANCIAL STATEMENT FINDINGS

2014-001. Corrective Action Planned:

We will comply.

Anticipated Completion Date: December 31, 2015

Name of Contact Person Responsible for Corrective Action:

Ronnie Barlow (601) 894-1858

2014-002. Corrective Action Planned:

We will have our IT Staff inventory the County Network Personal Computers for a list of any workstation which are older than Microsoft Windows 7 Professional and Obtain a quote for possible upgrade or replacement of these workstations.

Anticipated Completion Date December 31, 2015

Name of Contact Person Responsible for Corrective Action:

Ronnie Barlow (601) 894-1858

2014-003. Corrective Action Planned:

Our IT Staff has informed us that our workstation credentials are managed via a Microsoft Windows 2008 R2 Active Directory Server and therefore control of such password strengths can be enforced.

Anticipated Completion Date: December 31, 2015

Name of Contact Person Responsible for Corrective Action:

Ronnie Barlow (601) 894-1858

2014-004. Corrective Action Planned:

Our IT Staff has informed us that our workstation credentials are managed via a Microsoft Windows 2008 R2 Active Directory Server and therefore control of such password strengths can be enforced.

Anticipated Completion Date: December 31, 2015

Name of Contact Person Responsible for Corrective Action:

Ronnie Barlow (601) 894-1858

2014-005. Corrective Action Planned:

Our IT Staff will provide us with a Disaster Recovery Plan which, in particular, will include the backup and safety of Mission Critical Data/Services as well as access to this data in the event of a disaster.

Anticipated Completion Date: December 31, 2015

Name of Contact Person Responsible for Corrective Action:

Ronnie Barlow (601) 894-1858

2014-006. Corrective Action Planned:

Through the cooperation of our IT Staff, an Acceptable Use Policy will be developed to include the security nature and expected use of the County's Network to include Internet Use and all County computer and network equipment as well as software.

Anticipated Completion Date: December 31, 2015

Name of Contact Person Responsible for Corrective Action:

Ronnie Barlow (601) 894-1858

SECTION 3: FEDERAL AWARD FINDINGS

2014-007. Corrective Action Planned:

We will comply.

Anticipated Completion Date: December 31, 2015

Name of Contact Person Responsible for Corrective Action:

Ronnie Barlow (601) 894-1858