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Lafayette County, Mississippi

Audited Financial Statements

For the Year Ended September 30, 2014

LAFAYETTE COUNTY, MISSISSIPPI
For the Year Ended September 30, 2014

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LAFAYETTE COUNTY, MISSISSIPPI

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1918 - 1977
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1922 - 2008

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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors
Lafayette County, Mississippi

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Lafayette 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.

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
AICPA PRIVATE COMPANIES PRACTICE SECTION
MISSISSIPPI SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and 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.

Other Information

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 June 10, 2015, on our consideration of Lafayette 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 Lafayette County, Mississippi's internal control over financial reporting and compliance.

The Dwight L. Young Group

The Dwight L. Young Group
Oxford, MS
June 10, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

LAFAYETTE COUNTY, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2014

INTRODUCTION

The discussion and analysis of Lafayette County's financial performance provides an overall narrative review of the County's financial activities for the year ended September 30, 2014. The intent of this disclosure and analysis is to look at the County's performance as a whole; readers should also review the notes to the basic financial statements and the financial statements to enhance their understanding of the County's financial performance.

Lafayette County is located in north central Mississippi. The population, according to the current census, is currently estimated at 49,495. The local economic base is driven by the University of Mississippi, Baptist Memorial Hospital-North Mississippi, manufacturing plants, and tourism.

FINANCIAL HIGHLIGHTS

Lafayette County is financially very strong. The Lafayette County Board of Supervisors has committed itself to financial excellence by using sound financial planning, budgeting and strong internal controls.

Lafayette County continues to show excellent growth both economically and in population. Strong growth has allowed the County to meet its financial obligations while maintaining a steady tax rate.

Total net position increased $ 979,254, which represents a 1.0% increase over the prior fiscal year. The County's ending cash balance increased by $2,234,152, which represents a 10.7% increase over the prior fiscal year.

The County had $23,610,701 in total revenues, which represents an $809,178 or 3.5% increase over the prior fiscal year. Property tax revenues account for $12,181,734 or 51.6% of total revenues.

The County had $22,631,447 in total expenses, which represents a decrease of $1,074,321 or 4.5% decrease from the prior fiscal year.

Among major funds, the General Fund had $11,981,758 in revenues and $11,115,821 in expenditures. The ending cash balance for the General Fund increased $942,335 or 7.0% over the prior fiscal year. The Countywide Road Fund had $4,566,950 in revenues and $4,508,585 in expenditures. The Countywide Road Fund's ending cash balance decreased $168,398 or 19.3% under the prior fiscal year. The Bridge and Culvert Fund had $2,197,100 in revenues and $1,364,706 in expenditures. The Bridge and Culvert Fund's cash balance increased $964,616 or 183.3% over the prior year. The Hospital Proceeds Fund had $241,300 in revenue and $299,709 in expenditures. The ending cash balance for the Hospital Proceeds Fund increased by $373,504 or 19.3% over the prior fiscal year. The Lafayette County Reserve and Trust Fund had $1,185,433 in revenues and $70,507 in expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) Government-wide financial statements, 2) Fund financial statements and 3) Notes to the basic financial statements. Required supplementary information is included in addition to the basic financial statements.

Figure 1-Required Components of the County's Annual Report

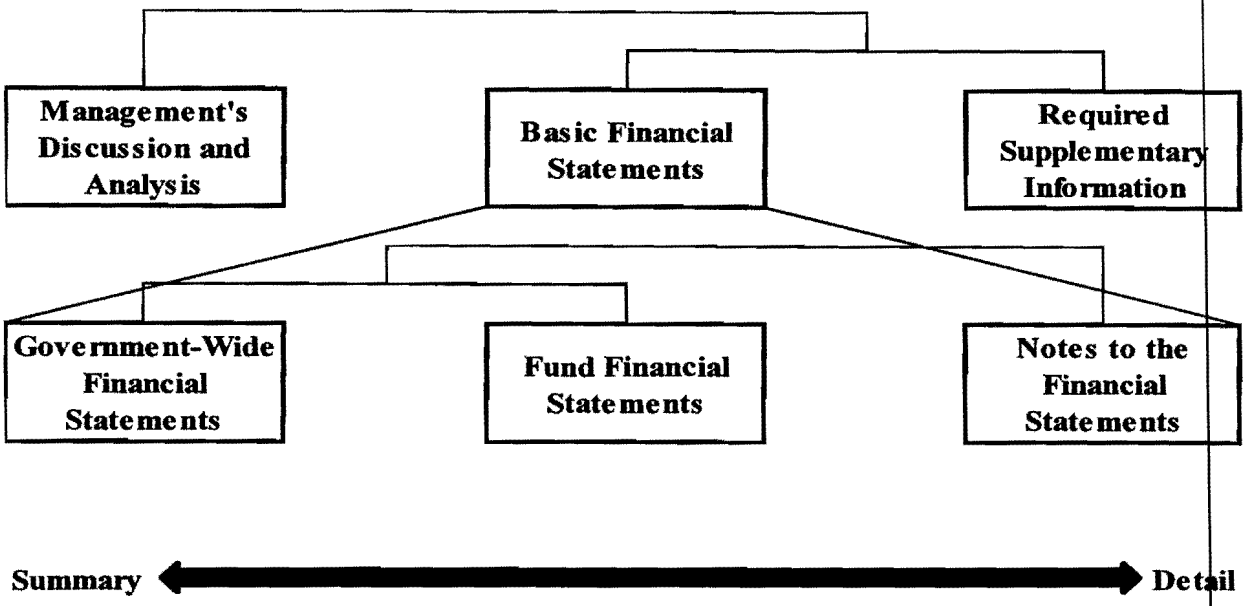

Figure 1 shows how required parts of this annual report are arranged and relate to one another.

Figure 2 summarizes the major features of the County's financial statements, including the portion of the County's government they cover and the types of information they contain. The remainder of this section of the Management's Discussion and Analysis explains the structure and content of each of the statements.

Figure 2-Major Features of the County's Government-Wide and Fund Financial Statements

	Government-Wide Financial Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire County Government (except fiduciary funds) and Component Units	All activities of the County that are not business-type or fiduciary in nature	Activities of the County that operate similar to private businesses	The County is the trustee or agent for someone else's resources
Required Financial Statements	·Statement of Net Position ·Statement of Activities	· Balance Sheet · Statement of Revenues, Expenditures and Changes in Fund Balances	· Statement of net Position · Statement of Revenues, Expenses and Changes in Net Position · Statement of Cash Flows	· Statement of Fiduciary Net Position · Statement of Changes in Net Position
Accounting Basis and Measurement Focus	Accrual Accounting and Economic Resources Focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/ Liability Information	All Assets and Liabilities, both Financial and Capital and Short and Long Term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short and long term	All assets and liabilities, both short and long term
Type of Inflow/ Outflow Information	All Revenues and Expenses During Year, Regardless of when Cash is Received or Paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services are received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the County's finances in a manner similar to private-sector businesses.

The **statement of net position** presents information on all County assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The **statement of activities** presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or part of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government; public safety; public works (roads and bridges); health and welfare; culture and recreation; conservation of natural resources; economic development; and interest on long-term debt. The business-type activities of the County include solid waste collection.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a county's near-term financing requirements. Governmental funds include the general, special revenue, debt service and capital projects funds.

The focus of governmental funds is narrower than that of the government-wide financial statements, to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements is useful. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains individual governmental funds in accordance with the Mississippi County Financial Accounting Manual issued by the Mississippi Office of the State Auditor. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for all major funds. All other non-major funds are combined together and presented in these reports as other governmental funds.

Proprietary funds are maintained two ways. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses an enterprise fund to account for the Garbage Collection Fund. Internal service funds are an accounting devise used to accumulate and allocate costs internally among the County's various functions. The County does not use any internal service funds.

Fund financial statements for the proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Garbage Collection Fund is considered to be a major fund of the County.

Fiduciary funds are used to account for resources held for the benefit of parties outside the county government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accrual basis of accounting is used for fiduciary funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The County's fiduciary assets and liabilities are presented in a separate Statement of Fiduciary Assets and Liabilities.

Notes to financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

In addition to the basic financial statements and accompanying notes, this report also presents **Required Supplementary Information** concerning the County's budget process.

The County adopts an annual operating budget for all governmental funds. A budgetary comparison statement has been provided for the General Fund and each additional major fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position – Net Position may serve over time as a useful indicator of a government's financial position. In the case of Lafayette County, assets exceeded liabilities by $103,096,000 as of September 30, 2014. This is an increase of $979,254 or 1.0% when compared to the prior fiscal year.

One of the largest portions of the County's net position, $59,397,158 or 57.6% of total net position, reflects its investment in capital assets (e.g. roads, bridges, land, buildings, mobile equipment, furniture and equipment, leased property under capital lease and construction in progress) less related outstanding debt used to acquire such assets. The County uses these capital assets to provide services to its citizens.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Government funds – At the close of the current fiscal year, Lafayette County's governmental funds reported a combined fund balance of $41,645,881, an increase of $3,177,148 or 8.3% over the prior fiscal year.

Business-type funds – Operating Revenue from the County's Garbage Collection Fund increased by 1.2% to $1,311,736 and Operating Expenses decreased by 5.0% to $1,929,570. Nonoperating Revenues (Expenses) increased by 21.9% to $572,544.

BUDGETARY HIGHLIGHTS OF MAJOR FUNDS

A schedule showing the original and final budget amounts compared to the County's actual financial activity for the General Fund and other major funds is provided in this report as required supplementary information.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets – As of September 30, 2014, Lafayette County's total capital assets were $123,260,639. This includes roads, bridges, other infrastructure, land, buildings, mobile equipment, furniture and equipment, leased property under capital lease and construction in progress. This amount represents an increase from the previous year of $1,586,767 or 1.3%.

Total accumulated depreciation as of September 30, 2014, was $63,863,481. The balance in total net capital assets was $59,397,158 at year end.

Debt Administration – At September 30, 2014, Lafayette County had no long-term debt outstanding other than compensated absences.

Lafayette County maintains an "A" bond rating from Standard and Poors. The State of Mississippi limits the amount of debt a county can issue to generally 15% of total assessed value. The County's outstanding debt is significantly below the 15% limit at 0.00%.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the funds it receives. If you have questions about this report or need additional financial information, please contact the County Administrator's office (Room 222) at the Lafayette County Chancery Building, 300 N. Lamar Blvd., P. O. Box 1240, Oxford, Mississippi 38655, or call 662-236-2717.

FINANCIAL STATEMENTS

LAFAYETTE COUNTY, MISSISSIPPI
Statement of Net Position
September 30, 2014

Exhibit 1

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash	$ 21,531,269	$ 1,545,263	$ 23,076,532
Cash with Custodian	591,437	-	591,437
Investments with Custodian	19,972,997	-	19,972,997
Accrued Interest Receivable	22,414	-	22,414
Premium Paid on Bond	6,943	-	6,943
Property Tax Receivable	10,509,317	-	10,509,317
Accounts Receivable (net allowance for uncollectibles of $753,899)	68,622	269,198	337,820
Fines Receivable (net allowance for uncollectibles of $466,207)	767,348	-	767,348
Capital Leases Receivables	50,000	-	50,000
Intergovernmental Receivables	334,376	167,160	501,536
Prepaid Expenses	-	10,273	10,273
Unamortized Premium	201,327	-	201,327
Capital Assets, net	58,644,366	752,792	59,397,158
Total Assets	112,700,416	2,744,686	115,445,102
LIABILITIES			
Claims Payable	213,804	40,572	254,376
Internal Balances	2,041	44,949	46,990
Amounts Held in Custody for Others	338,502	-	338,502
Intergovernmental Payables	525,688	-	525,688
Unamortized Discount	3,469	-	3,469
Due in more than one year:			
Non-capital debt	513,667	63,828	577,495
Total Liabilities	1,597,171	149,349	1,746,520
DEFERRED INFLOWS OF RESOURCES			
Property Tax for Future Reporting Period	10,509,317	-	10,509,317
User Fees Paid in Advance	-	93,265	93,265
Total Deferred Inflows of Resources	10,509,317	93,265	10,602,582
NET POSITION			
Net Investment in Capital Assets	58,644,366	752,792	59,397,158
Restricted for:			
Expendable:			
General Government	2,547,013	-	2,547,013
Reappraisal	1,758,792	-	1,758,792
Public Safety	1,063,152	-	1,063,152
Health and Welfare	4,497	-	4,497
Economic Development	62,187	-	62,187
Unemployment Compensation	23,204	-	23,204
Capital Projects	2,257,857	-	2,257,857
Non-expendable:			
Permanent Fund Balance	20,791,649	-	20,791,649
Unrestricted	13,441,211	1,749,280	15,190,491
Total Net Position	$ 100,593,928	$ 2,502,072	$ 103,096,000

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

LAFAYETTE COUNTY, MISSISSIPPI
Statement of Activities
For Year Ended September 30, 2014

Exhibit 2

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Business-Type Activities	Net (Expense) Revenue and Changes in Net Assets: Total
Governmental Activities:							
General Government	$ 4,426,519	$ 860,176	$ 30,491	$ 4,500	$ (3,531,352)	$ -	$ (3,531,352)
Public Safety	7,845,676	3,057,642	268,682	124,316	(4,395,036)	-	(4,395,036)
Public Works	7,087,548	-	594,217	1,253,311	(5,240,020)	-	(5,240,020)
Health and Welfare	321,440	-	32,044	-	(289,396)	-	(289,396)
Culture and Recreation	370,670	-	-	-	(370,670)	-	(370,670)
Conservation of Natural Resources	99,703	-	-	-	(99,703)	-	(99,703)
Economic Development and Assistance	536,927	-	5,000	-	(531,927)	-	(531,927)
Total Governmental Activities	20,688,483	3,917,818	930,434	1,382,127	(14,458,104)	-	(14,458,104)
Business-Type Activities							
Garbage Collection	1,942,964	1,311,736	548,063	-	-	(83,165)	(83,165)
Total Business-Type Activities	1,942,964	1,311,736	548,063	-	-	(83,165)	(83,165)
Total	$ 22,631,447	$ 5,229,554	$ 1,478,497	$ 1,382,127	(14,458,104)	(83,165)	(14,541,269)
General Revenues and Special Items:							
Property Taxes					12,181,734	-	12,181,734
Road and Bridge Privilege Taxes					505,901	-	505,901
Unrestricted interest income					22,575	1,855	24,430
Miscellaneous					1,587,005	36,020	1,623,025
Investment Income					1,185,433	-	1,185,433
Total General Revenues					15,482,648	37,875	15,520,523
Changes in Net Position					1,024,544	(45,290)	979,254
Net Position-Beginning					99,569,384	2,547,362	102,116,746
Net Position-Ending					$ 100,593,928	$ 2,502,072	$ 103,096,000

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

LAFAYETTE COUNTY, MISSISSIPPI
Balance Sheet-Governmental Funds
September 30, 2014

Exhibit 3

	Major Funds						
	GENERAL FUND	HOSPITAL PROCEEDS FUND	LAF CO RESERVE/TRUST FUND	COUNTYWIDE ROAD MAINTENANCE FUND	BRIDGE AND CULVERT FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS							
Cash	$ 14,437,304	$ 2,305,275	$ -	$ 703,782	$ 1,491,006	$ 2,593,902	$ 21,531,269
Cash with Custodian	-	-	591,437	-	-	-	591,437
Investments wth Custodian	-	-	19,972,997	-	-	-	19,972,997
Accrued Interest	-	-	22,414	-	-	-	22,414
Purchased Interest	-	-	6,943	-	-	-	6,943
Property Tax Receivable	6,626,244	-	-	1,541,390	1,926,716	414,967	10,509,317
Fines Receivable (Net Allowance for uncollectibles of $466,207)	767,348	-	-	-	-	-	767,348
Capital Lease Receivables	-	-	-	-	-	50,000	50,000
Intergovernmental Receivables	288,050	-	-	24,285	-	22,041	334,376
Other Receivables	-	-	-	605	-	68,017	68,622
Due from other funds	44,949	-	-	65,367	23,390	13,579	147,285
Unamortized Premium	-	-	201,327	-	-	-	201,327
Total Assets	$ 22,163,895	$ 2,305,275	$ 20,795,118	$ 2,335,429	$ 3,441,112	$ 3,162,506	$ 54,203,335
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES							
LIABILITIES:							
Claims payable	113,763	-	-	73,010	-	27,031	213,804
Amounts heald in custody for others	338,502	-	-	-	-	-	338,502
Intergovernmental payables	525,688	-	-	-	-	-	525,688
Due to other funds	149,326	-	-	-	-	-	149,326
Unamortized Discount	-	-	3,469	-	-	-	3,469
Total Liabilities	1,127,279	-	3,469	73,010	-	27,031	1,230,789

LAFAYETTE COUNTY
Balance Sheet-Governmental Funds-Continued
September 30, 2014

Exhibit 3-Continued

	GENERAL FUND	HOSPITAL PROCEEDS FUND	LAF CO RESERVE/TRUST FUND	COUNTYWIDE ROAD MAINTENANCE FUND	BRIDGE AND CULVERT FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
DEFERRED INFLOWS OF RESOURCES:							
Property Tax for Future Reporting Period	$ 6,626,244	$ -	$ -	$ 1,541,390	$ 1,926,716	$ 414,967	$ 10,509,317
Unavailable revenue-fines	767,348	-	-	-	-	-	767,348
Capital Leases for Future Reporting Periods	-	-	-	-	-	50,000	50,000
	7,393,592	-	-	1,541,390	1,926,716	464,967	11,326,665
FUND BALANCES							
Nonspendable							
Permanent Fund Principal	-	-	20,791,649	-	-	-	20,791,649
Restricted for:							
General Government	-	2,305,275	-	-	-	1,495,036	3,800,311
Public Safety	-	-	-	-	-	1,063,152	1,063,152
Health and Welfare	-	-	-	-	-	4,497	4,497
Economic Development	-	-	-	-	-	62,187	62,187
Unemployment Compensation	-	-	-	-	-	23,204	23,204
Commited for:							
Capital Project Funds	-	-	-	721,029	1,514,396	22,432	2,257,857
Unassigned	13,643,024	-	-	-	-	-	13,643,024
Total Fund Balances	13,643,024	2,305,275	20,791,649	721,029	1,514,396	2,670,508	41,645,881
Total Liabilities, Deferred Inflows of Resource, and Fund Balances	$ 22,163,895	$ 2,305,275	$ 20,795,118	$ 2,335,429	$ 3,441,112	$ 3,162,506	$ 54,203,335

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

LAFAYETTE COUNTY, MISSISSIPPI
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
September 30, 2014

Exhibit 3-1

	Amount
Total Fund Balance - Governmental Funds	$ 41,645,881
Amounts reported for governmental services in the Statement of Net Assets 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 $62,944,442.	58,644,366
Fines Receivable are not available to pay for current period expenditures and, therefore, are deferred in the funds.	767,348
Long-term liabilities are not due and payable in the current period and , therefore, are not reported in the funds.	(513,667)
Capital lease receivables are not available to pay for current period expenditures and, therefore, are deferred in the funds.	50,000
Total Net Position - Governmental Activities	$ 100,593,928

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

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

Exhibit 4

	Major funds						
	GENERAL FUND	HOSPITAL PROCEEDS FUND	LAF CO RESERVE/TRUST FUND	COUNTYWIDE ROAD MAINTENANCE FUND	BRIDGE & CULVERT FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES							
Property Taxes	$ 7,654,185	$ -	$ -	$ 1,843,807	$ 2,195,987	$ 487,755	$ 12,181,734
Road & Bridge Privilege Taxes	-	-	-	505,901	-	-	505,901
Licenses, Commissions, and Other Revenue	814,185	-	-	143,437	-	-	957,622
Fines & Forfeitures	570,548	-	-	-	-	72,540	643,088
Intergovernmental Revenues	659,109	241,150	-	1,847,528	-	539,268	3,287,055
Charges for Services	1,787,107	-	-	-	-	579,571	2,366,678
Investment Income	-	-	1,185,433	-	-	-	1,185,433
Interest Income	18,777	150	-	504	1,113	2,031	22,575
Contributions and Miscellaneous Revenue	477,847	-	-	225,773	-	167,914	871,534
Total Revenues	11,981,758	241,300	1,185,433	4,566,950	2,197,100	1,849,079	22,021,620
EXPENDITURES							
CURRENT:							
General Government	3,460,133	92,209	70,507	-	-	224,819	3,847,668
Public Safety	6,644,388	-	-	-	-	945,444	7,589,832
Public Works	-	-	-	3,736,433	1,364,706	733	5,101,872
Health & Welfare	258,264	-	-	-	-	63,176	321,440
Culture & Recreation	367,378	-	-	-	-	-	367,378
Conservation of Natural Resources	99,703	-	-	-	-	-	99,703
Economic Development & Assistance	285,955	-	-	-	-	250,972	536,927
Capital Outlay	-	207,500	-	772,152	-	-	979,652
Total Expenditures	11,115,821	299,709	70,507	4,508,585	1,364,706	1,485,144	18,844,472
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	865,937	(58,409)	1,114,926	58,365	832,394	363,935	3,177,148
OTHER FINANCING SOURCES (USES)							
Transfers In	1,352,356	566,834	-	-	134,921	35,040	2,089,151
Transfers Out	(1,387,396)	(134,921)	(566,834)	-	-	-	(2,089,151)
Total Other Financing Sources (Uses)	(35,040)	431,913	(566,834)	-	134,921	35,040	-
NET CHANGES IN FUND BALANCE	830,897	373,504	548,092	58,365	967,315	398,975	3,177,148
FUND BALANCE-BEGINNING	12,812,127	1,931,771	20,243,557	662,664	547,081	2,271,533	38,468,733
FUND BALANCE-ENDING	$ 13,643,024	$ 2,305,275	$ 20,791,649	$ 721,029	$ 1,514,396	$ 2,670,508	$ 41,645,881

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

LAFAYETTE COUNTY, MISSISSIPPI

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

For the Year Ended September 30, 2014

Exhibit 4-1

		Amount
Net Changes in Fund Balances - Governmental Funds	$	3,177,148
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Thus, the change in net position differs from the change in fund balances by the amount that depreciation of $3,063,139 exceeded capital outlay of $1,482,932 in the current period.		(1,580,207)
In the Statement of Activities, only gains and losses from the disposition of capital assets are reported, whereas in the Governmental Funds, proceeds from the sale of capital assets increase financial resources. Thus, the change in net position differs from the change in fund balances by the amount of the net loss of $23,001 and the proceeds from the sale of $-0-.		(23,001)
Fines revenue recognized on the modified accrual basis in the funds during the current year is reduced because prior year recognition would have been required on the Statement of Activities using the full-accrual basis of accounting.		(303,593)
Under the modified accrual basis of accounting used in the Governmental Funds, prepaid items are reported as expenditures. However, in the Statement of Activities, only the portion of expenses related to the current period is reported. Thus, the change in net assets differs from the change in fund balances by the amount of decrease in prepaid items.		(218,619)
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 the change in fund balances by the principal collections on the capital leases.		(5,000)
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 that as it accrues. Thus, the change in net position differs from the change in fund balances by a combination of the following items:		
The amount of increase in compensated absences		(22,184)
Change in Net Assets of Governmental Activities	$	1,024,544

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

LAFAYETTE COUNTY, MISSISSIPPI
Statement of Net Position - Proprietary Fund
September 30, 2014

Exhibit 5

	Business-type Activities Enterprise Fund
	Garbage Collection Fund
ASSETS	
Current Assets:	
Cash	$ 1,545,263
Accounts Receivable (net allowance for doubtful accounts of $753,899)	269,198
Intergovernmental Receivables	167,160
Prepaid Expenses	10,273
Total Current Assets	1,991,894
Noncurrent Assets:	
Capital Assets, Net	752,792
Total Noncurrent Assets	752,792
Total Assets	2,744,686
LIABILITIES	
Current Liabilities:	
Claims Payable	40,572
Due to Other Funds	44,949
Total Current Liabilities	85,521
Noncurrent Liabilities	
Non-capital Debt:	
Compensated Absences Payable	63,828
Total Noncurrent Liabilities	63,828
DEFERRED INFLOWS OF RESOURCES	
Solid Waste User Fees Paid in Advance	93,265
Total Deferred Inflows of Resources	93,265
NET POSITION	
Net Investment in Capital Assets	752,792
Unrestricted	1,749,280
Total Net Position	$ 2,502,072

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

LAFAYETTE COUNTY, MISSISSIPPI

Exhibit 6

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

For Year Ended September 30, 2014

	Business-type Activities Enterprise Fund
	Garbage Collection Fund
Operating Revenues	
Charges for Services	$ 1,311,736
Total Operating Revenues	1,311,736
Operating Expenses	
Cost of sales	
Personal services	1,780,684
Materials and supplies	4,864
Depreciation expense	144,022
Total Operating Expenses	1,929,570
Operating Income (Loss)	(617,834)
Nonoperating Revenues (Expenses)	
Interest Income	1,855
Operating grants	15,116
In Lieu of Taxes	532,947
Other income	36,020
Gain(Loss) on Disposition of Capital Assets	(13,394)
Net Nonoperating Revenue	572,544
Changes in Net Position	(45,290)
Net Position - Beginning	2,547,362
Net Position - Ending	$ 2,502,072

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

LAFAYETTE COUNTY
Statement of Cash Flows - Proprietary Fund
For the Year Ended September 30, 2014

Exhibit 7

	Business-type Activities Enterprise Fund	
		Garbage Collection Fund
Cash Flows from Operating Activities		
Receipts from Customers	$	1,311,736
Payments to Employees		(598,752)
Payments for Payroll Taxes		(44,966)
Payments for Retirement		(92,484)
Payments for Group Insurance		(98,771)
Payments for Garbage Disposal		(334,475)
Payments for Petroleum Products		(203,501)
Payments for Other		(355,904)
Net Cash Provided (Used) by Operating Activities		(417,117)
Cash Flows from Noncapital Financing Activities		
In Lieu of Taxes		532,947
Operating Grants Received		15,116
Other Receipts		36,021
Net Cash Provided (Used) by Noncapital Financing Activities		584,084
Cash Flows from Capital and Related Financing Activities		
Purchase of Capital Assets		(374,613)
Net Cash Flows Provided (Used) by Capital and Related Financing Activities		(374,613)
Cash Flows from Investing Activities		
Interest on Investments		1,855
Net Cash Flows Provided (Uses) by Investing Activities		1,855
Net Increase (Decrease) in Cash and Cash Equivalents		(205,791)
Cash and Cash Equivalents at Beginning of Year		1,751,054
Cash and Cash Equivalents at End of Year	$	1,545,263
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	$	(617,834)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
Depreciation Expense		144,022
Changes in Assets and Liabilities:		
(Increase) Decrease in Intergovernmental Receivables		61,997
Increase (Decrease) in Internal Balances		13,913
(Increase) Decrease in Accounts Receivable		(7,006)
(Increase) Decrease in Prepaid Expenses		547
Increase (Decrease) in Claims Payable		(27,683)
Increase (Decrease) in Compensated Absences		9,661
Increase (Decrease) in Unearned Revenue		5,266
Total Adjustments		200,717
Net Cash Provided (Used) by Operating Activities	$	(417,117)

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

LAFAYETTE COUNTY, MISSISSIPPI
Statement of Fiduciary Assets and Liabilities
September 30, 2014

Exhibit 8

	Agency Funds
ASSETS	
Cash	$153,023
Property Tax Receivable	416,477
Due from Governmental Funds	46,990
Total Assets	$616,490
LIABILITIES	
Other Liabilities	$181,634
Intergovernmental Payables	18,379
Unearned Revenue	416,477
Total Liabilities	$616,490

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

(1) Summary of Significant Accounting Policies.

A. Financial Reporting Entity.

Lafayette 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 Lafayette County to present these financial statements on the primary government and its component units which have significant operational or financial relationships with the County. There are no outside organizations that should be included as component units of the County's reporting entity.

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

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

B. Individual Component Unit Disclosures.

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.

The Lafayette County Public Improvement Corporation is comprised solely of the five members of the Lafayette County Board of Supervisors. Although created legally separate from the County under Section 31-8-3, Miss. Code Ann. (1972), the Corporation is reported as if it were part of the primary government because its sole purpose is to finance and construct county public facilities.

The Lafayette County Economic Development District is comprised solely of the five members of the Lafayette County Board of Supervisors. Although created legally separate from the County under Section 19-5-66, Miss. Code Ann. (1972), the District is reported as if it were part of the primary government because its sole purpose is to enhance and develop the economic development resources of the County.

The Lafayette County Reserve and Trust Fund trustees are comprised solely of the five members of the Lafayette County Board of Supervisors. Although created legally separate from the County by Senate Bill No. 2945, the Trust is reported as if the Trust were part of the primary government because the sole purpose for the Trust is to invest the proceeds from the sale of the real and personal property related to the Baptist Memorial Hospital-North Mississippi.

C. Basis of Presentation.

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

Government-wide Financial Statements:

The Statement of Net Position and Statement of Activities display information concerning the County as a whole. The statements include all nonfiduciary activities of the primary government. 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 and are reported separately from business-type activities. Business-type activities rely mainly on fees and charges for support.

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

Fund Financial Statements:

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

D. Measurement Focus and Basis of Accounting.

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

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

Governmental financial statements are presented using a current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting 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 sources not accounted for and reported in another fund.

Hospital Proceeds Fund – This fund is used to account for the proceeds that resulted from the sale of the Oxford-Lafayette Medical Center.

Lafayette County Reserve/Trust Fund – This fund is used to account for the investments from the proceeds that resulted from the sale of the Oxford-Lafayette Medical Center.

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

Bridge and Culvert Fund- This fund is used to account for monies from specific revenue sources that are restricted for the construction and maintenance of bridges and culverts.

The County reports the following major Proprietary Fund:

Garbage Collection Fund - This fund is used to account for the County's activities of disposal of solid waste within the County.

Additionally, the County reports the following fund types:

GOVERNMENTAL FUND TYPES

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

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

Permanent Funds - These funds are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the County's programs.

PROPRIETARY FUND TYPES

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

FIDUCIARY FUND TYPES

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." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. Any outstanding balances between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

I. Prepaid Items.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items, such as prepaid insurance, are not reported for Governmental Fund Types since the costs of such items are accounted for as expenditures in the period of acquisition.

J. Capital Assets.

Capital acquisition and construction are reflected as expenditures in Governmental Fund statements and the related assets are reported as capital assets in the applicable governmental or business-type activities column in the government-wide financial statements. All purchased capital assets are stated at historical cost where records are available and at an estimated historical cost where no records exist. Capital assets include significant amounts of infrastructure which have been valued at estimated historical cost. The estimated historical cost was based on replacement cost multiplied by the consumer price index implicit price deflator for the year of acquisition. The extent to which capital assets 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.

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

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

	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.

K. Deferred Inflows of Resources.

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-capital leases for future reporting periods-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.

Solid Waste user fees paid in advance-When revenue is prepaid in the proprietary fund, the amount of prepayment is reported as a deferred inflow of resources until the revenue is earned.

L. 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 and in the Proprietary Fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or Proprietary Funds Statement of Net Position.

M. 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."

Net Position Flow Assumption:

When an expense is incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) resources are available, the County's general policy is 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, the County's general policy is 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 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 Assumption:

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

N. Property Tax Revenues.

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

The Board of Supervisors, each year at a meeting in September, levies property taxes for the ensuing fiscal year which begins on October 1. Real property taxes become a lien on January 1 of the current year, and personal property taxes become a lien on March 1 of the current year. Taxes on both real and personal property, however, are due on or before February 1 of the next succeeding year. Taxes on motor vehicles and mobile homes become a lien and are due in the month that coincides with the month of original purchase.

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

O. 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.

P. 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.

Q. 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 the standards have been incorporated into the financial statements and notes.

(2) Deposits and Investments.

Deposits:
The carrying amount of the County's total deposits with financial institutions at September 30, 2014, was $23,229,555, and the bank balance was $23,549,999. 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.

Investments:
As provided by Senate Bill Number 2945, the board of trustees shall invest the funds in any of the investments authorized for the Mississippi Prepaid Affordable College Tuition Program under Section 37-155-9; Mississippi Code of 1972, and those investments shall be subject to the limitations prescribed by Section 37-155-9. The maximum investments in stocks shall not exceed fifty percent (50%) of the book value of the total investment fund of the system.

Investment balances at September 30, 2014, are as follows:

Investment Type	Fair Value	Cost	Increase/ (Decrease)
Bonds-58% of Trust	$ 4,864,893	$ 4,873,688	$ (8,795)
Stocks-35% of Trust	6,407,764	5,951,611	456,153
Mutual Funds-7% of Trust	8,700,340	8,575,579	124,761
TOTALS	$ 19,972,997	$ 19,400,878	$ 572,119

The investments are held in a custodian account with Fidelity Investments.

Interest Rate Risk-The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk-The County has a formal investment policy that limits its investment choices to those authorized for the Mississippi Prepaid Affordable College Tuition Program under Section 37-155-9; Mississippi Code of 1972.

Custodial Credit Risk-Investments. Custodial credit risk is the risk that in the event of the failure of the counterparts, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County does not have a formal policy for custodial credit risk. Of the County's investment, $500,000 of securities, including a $250,000 limit for cash held in a brokerage account is insured by the Securities Investor Protection Corporation (SICP). In addition, Fidelity provides its brokerage customers and additional $1 billion dollar coverage with Lloyd's of London. How the $1 billion would be allocated is unknown; therefore, $500,000 less $66,122 of cash or $433,878 is insured and an unknown portion of the $19,539,119 is uninsured by Fidelity.

(3) Inter-fund Transactions and Balances.

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

A. Due From/To Other Funds:

Receivable Fund	Payable Fund		Amount
General Fund	Garbage Collection	$	44,949
Countywide Road Maintenance	General Fund		65,367
Bridge and Culvert	General Fund		23,390
Other Governmental Funds	General Fund		13,579
Fiduciary Fund	General Fund		46,990
Total		$	194,275

The amount payable to the General Fund from the Garbage Collection Fund represents indirect administrative expenditures paid by the General Fund on behalf of the Garbage Collection Fund. The remaining receivable represents inter-fund loans to provide operating funds and tax revenue collected but not settled until October 2014. All inter-fund balances are expected to be repaid within one year from the date of the financial statements.

B. Transfers In/Out:

Transfer In	Transfer Out		Amount
General County	General County	$	1,352,356
Other Governmental Funds	General Fund		35,040
Bridge and Culvert	Hospital Proceeds Fund		134,921
Hospital Proceeds Fund	Lafayette Co. Reserve & Trust Fund		566,834
Total		$	2,089,151

The Reappraisal Fund transferred $ 1,352,356 to the General Fund. The Reappraisal Fund is combined into the General Fund for the financial statements. The General Fund transferred $ 35,040 to the EMSOF Fund. The Hospital Proceeds Fund transferred $134,921 to the Bridge and Culvert Fund, and the Lafayette Count Reserve and Trust Fund transferred $ 566,834 to the Hospital Proceeds Fund.

(4) Intergovernmental Receivables.

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

Description	Amount
Governmental Activities:	
Reimbursement for Housing Prisoners	$204,799
Emergency Management	37,637
Other	91,940
Total Governmental Activities	$334,376
Business-type Activities	
Environmental Quality	$ 4,300
TVA In Lieu of Taxes	162,860
	$167,160

(5) Capital Assets.

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

Governmental activities:	Balance Oct. 1, 2013	Additions	Deletions	Adjustments	Balance Sept. 30, 2014
Non-depreciable capital assets:					
Land	$ 4,963,672	$ 207,500	$ -	$ -	$ 5,171,172
Construction in progress	217,218	210,243	-	(44,014)	383,447
Total non-depreciable capital assets	5,180,890	417,743	-	(44,014)	5,554,619
Depreciable capital assets:					
Infrastructure	77,407,884	772,152	-	44,014	78,224,050
Buildings	23,802,410	-	-	-	23,802,410
Improvements other than buildings	2,665,858	-	-	-	2,665,858
Mobile equipment	9,717,481	175,093	136,843	-	9,755,731
Furniture and equipment	1,468,196	117,944	-	-	1,586,140
Total depreciable capital assets	115,061,829	1,065,189	136,843	44,014	115,034,189
Total Capital Assets	120,242,719	1,482,932	136,843	-	121,588,808
Less accumulated depreciation for:					
Infrastructure	42,481,379	1,834,458	-	-	44,315,837
Buildings	8,079,632	463,326	-	-	8,542,958
Improvements other than buildings	1,546,066	56,702	-	-	1,602,768
Mobile equipment	6,672,471	622,006	113,842	-	7,180,635
Furniture and Equipment	1,215,597	86,647	-	-	1,302,244
Total accumulated depreciation	59,995,145	3,063,139	113,842	-	62,944,442
Total Depreciable Capital Assets, net	55,066,684	(1,997,950)	23,001	44,014	53,089,747
Governmental activities capital assets, net	$ 60,247,574	$ (1,580,207)	$ 23,001	$ -	$ 58,644,366

Business-type activities:	Balance Oct. 1, 2013	Additions	Deletions	Adjustments	Balance Sept. 30, 2014
Non-depreciable capital assets:					
Construction in progress	$ -	$ 243,649	$ -	$ -	$ 243,649
Total non-depreciable assets	-	243,649	-	-	243,649
Depreciable capital assets:					
Mobile equipment	1,431,153	130,964	133,935	-	1,428,182
Total depreciable capital assets	1,431,153	130,964	133,935	-	1,428,182
Total Capital Assets	1,431,153	374,613	133,935	-	1,671,831
Less accumulated depreciation for:					
Mobile equipment	895,558	144,022	120,541	-	919,039
Total accumulated depreciation	895,558	144,022	120,541	-	919,039
Total depreciable capital assets, net	535,595	(13,058)	13,394	-	509,143
Business-type activities capital assets, net	$ 535,595	$ 230,591	$ 13,394	$ -	$ 752,792

Adjustments were due to reclassification construction work in process.

Depreciation was charged to the following functions:

Governmental Activities:	Amount
General Government	$ 550,821
Public Safety	365,778
Public Works	2,146,540
Total government activities depreciation expense	$ 3,063,139
Business-type activities:	
Garbage Collection	$ 144,022
Total Business-type activities depreciation expense	$ 144,022

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

(7) Capital Leases.

As Lessor:

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

Classes of Property		Amount
Land	$	233,115
Buildings		476,549
Total	$	709,664

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

Year Ended September 30		Amount
2015		5,000
2016		5,000
2017		5,000
2018		5,000
2019		25,000
2020-2024		5,000
Total	$	50,000

(8) Long-term Debt.

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	$ 491,483	$ 22,184	$ -	$ -	$ 513,667	$ -
Total	$ 491,483	$ 22,184	$ -	$ -	$ 513,667	$ -
Business-type Activities:						
Compensated absences	$ 54,167	$ 9,661	$ -	$ -	$ 63,828	$ -
Total	$ 54,167	$ 9,661	$ -	$ -	$ 63,828	$ -

Compensated absences will be paid from the fund from which the employees salaries were paid which are the General Fund, the Countywide Road Maintenance Fund, the Bridge and Culvert Fund, the Fire Department Fund, the Enhanced 911 Fund, and the Garbage Collection Fund.

(9) Deficit Fund Balances of Individual Funds.

The following funds reported deficits in fund balance and net position at September 30, 2014:

Fund	Deficit Amount
Mitigation Fund	$ (18,716)

(10) 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. At the present time to estimate ultimate outcome or liability, if any, of the County with respect to the various proceedings is not possible. 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.

Solid Waste Revenue Refunding Bonds – In 2012, solid waste revenue refunding bonds were issued by the Three Rivers Solid Waste Management Authority (the Authority) for $4,235,000. As part of a solid waste disposal service agreement between Lafayette County and the Authority, the County has agreed to pay its pro-rate share of any obligations of the Authority in the event that fees generated from solid waste disposal services for all counties included in the Authority do not sufficiently cover the debt requirement. The balance of the revenue refunding bonds at September 30, 2014 was $3,090,000. Lafayette County is responsible for 8.81% of the bond issue or $272,229.

(11) Joint Ventures.

The County participates in the following joint ventures:

Lafayette County is a participant with the City of Oxford in a joint venture, authorized by Section 19-5-99, Miss. Code Ann. (1972), to operate the Lafayette-Oxford Development Association. The joint venture was created to foster, encourage and facilitate economic development in the County and is governed by a twenty-member board. One member each is appointed by the Lafayette County Board of Supervisors, the City of Oxford, the University of Mississippi, Chamber of Commerce and the business community. By contractual agreement, the County's appropriation from the General fund this year to the joint venture amounted to $157,000. Complete financial statements for the Lafayette-Oxford Development Association can be obtained from 299 Jackson Avenue, Oxford, MS 38655.

Lafayette County is a participant with Desoto, Panola, Tate and Tunica counties in a joint venture, authorized by Section 39-3-9, Miss. Code Ann. (1972), to operate the First Regional Library. The joint venture was created to provide free library service to the citizens of the respective counties. First Regional Library is governed by a five-member board. Each Board of Supervisors appoints one member. The County appropriated $396,297 this year to the joint venture. Complete financial statements for the First Regional Library can be obtained from the main office in Hernando or the Chancery Clerk's Office in Desoto County.

(12) Jointly Governed Organizations.

The County participates in the following jointly governed organizations:

Northwest Mississippi Community College (the College) operates in a district composed of the Counties of Benton, Calhoun, Desoto, Lafayette, Marshall, Panola, Quitman, Tallahatchie, Tate, Tunica and Yalobusha. The Lafayette County Board of Supervisors appoints 2 of the 23 members of the College Board of trustees. The County appropriated $1,094,511 for the maintenance and support of the College in fiscal year 2014.

Communicare operates in a district composed of the Counties of Calhoun, Desoto, Lafayette, Marshall, Panola, Tate and Yalobusha. The Lafayette County Board of Supervisors appoints 1 of the 7 members of the board of commissioners. The County appropriated $61,215 for the maintenance and support of Communicare for the fiscal year 2014.

Three Rivers Planning and Development District (the District) operates in a district comprised of the Counties of Calhoun, Chickasaw, Itawamba, Lafayette, Lee, Monroe, Pontotoc and Union. The Lafayette County Board of Supervisors appoints 5 of the 40 members of the board of directors. The County appropriated $125,955 for support of the District in fiscal year 2014.

Three Rivers Solid Waste Management Authority operates in a district comprised of the Counties of Calhoun, Itawamba, Lafayette, Lee, Monroe, Pontotoc and Union and the Cities of Aberdeen, Amory, Fulton, New Albany, Oxford, Pontotoc and Tupelo. The Lafayette County Board of Supervisors appoints 1 of the 14 members of the board of directors. Each county is billed based on solid waste volume.

Northeast Mississippi Emergency Medical Services serves the Counties of Calhoun, Chickasaw, Itawamba, Lafayette, Lee, Marshall, Pontotoc, Tishomingo and Union. The Lafayette County Board of Supervisors appoints 4 of the 36 members of the board of directors. The County appropriated $63,176 for support of the services for fiscal year 2014.

(13) Defined Benefit Pension Plan.

Plan Description. Lafayette 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 9.0 % of their annual covered salary, and the County is required to contribute at an actuarially determined rate. The rate at September 30, 2014 was 15.75 % of annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The county's contributions (employer share only) to PERS for the years ending September 30, 2014, 2013 and 2012 were $1,173,146, $1,043,520, and $879,696, respectively, equal to the required contributions for each year.

(14) 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 and 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 Lafayette Count evaluated the activity of the county through June 10, 2015, (the date the financial statements were available to be issued), and determined that no subsequent event has occurred requiring disclosure in the notes to the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

LAFAYETTE COUNTY, MISSISSIPPI
BUDGETARY COMPARISON SCHEDULE
BUDGET AND ACTUAL (NON-GAAP BASIS)
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET
REVENUES				
Property taxes	$ 7,319,228	$ 7,660,253	$ 7,660,253	$ -
Licenses, commissions and other revenue	503,500	792,310	792,310	-
Fines and forfeitures	431,000	461,156	461,156	-
Intergovernmental revenues	566,465	593,650	593,650	-
Charges for services	2,005,000	1,689,531	1,689,531	-
Interest income	20,000	22,938	22,938	-
Miscellaneous revenues	589,445	525,597	525,597	-
Total Revenues	11,434,638	11,745,435	11,745,435	-
EXPENDITURES				
Current:				
General Government	4,199,742	3,450,701	3,450,701	-
Public Safety	6,955,047	6,660,130	6,660,130	-
Health and Welfare	293,627	258,347	258,347	-
Culture and Recreation	279,600	367,398	367,398	-
Conservation of Natural Resources	101,091	99,701	99,701	-
Economic Development and Assistance	302,260	285,955	285,955	-
Total Expenditures	12,131,367	11,122,232	11,122,232	-
Excess of Revenues over (under) Expenditures	(696,729)	623,203	623,203	-
OTHER FINANCING SOURCES (USES)				
Transfers In	479,465	1,383,392	1,383,392	-
Transfers Out	(3,697,137)	(1,387,396)	(1,387,396)	-
Total Other Financing Sources and Uses	(3,217,672)	(4,004)	(4,004)	-
Exess of Revenue and Other Financing Sources over (under) Expenditures and Other Financing Uses	(3,914,401)	619,199	619,199	-
FUND BALANCES				
Beginning of year	13,529,667	13,529,667	13,529,667	-
Ending of year	$ 9,615,266	$ 14,148,866	$ 14,148,866	$ -

The accompanying notes to the required supplementary information are an integral part of this schedule.

LAFAYETTE COUNTY, MISSISSIPPI
BUDGETARY COMPARISON SCHEDULE
BUDGET AND ACTUAL (NON-GAAP BASIS)
HOSPITAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET
REVENUES				
Interest Income	$ -	$ 306	$ 306	$ -
Miscellaneous Revenue	-	241,150	241,150	-
Total Revenues	-	241,456	241,456	-
EXPENDITURES				
General Government	41,050	299,709	299,709	-
Total Expenditures	41,050	299,709	299,709	-
Excess of Revenues over(under) Expenditures	(41,050)	(58,253)	(58,253)	-
OTHER FINANCING SOURCES (USES)				
Transfer In Governmental Funds	3,000,000	566,834	566,834	-
Transfer Out Governmental Funds	(1,000,000)	(134,921)	(134,921)	-
Total Other Financing Sources (Uses)	2,000,000	431,913	431,913	-
Excess of Revenues and Other Financing Sources over(under) Expenditures and Other Financing Uses	1,958,950	373,660	373,660	-
FUND BALANCES				
Beginning of year	1,931,771	1,931,771	1,931,771	-
Ending of year	$ 3,890,721	$ 2,305,431	$ 2,305,431	$ -

The accompanying notes to the required supplementary information are an integral part of this schedule.

LAFAYETTE COUNTY, MISSISSIPPI
BUDGETARY COMPARISON SCHEDULE
BUDGET AND ACTUAL (NON-GAAP BASIS)
LAFAYETTE COUNTY RESERVE/TRUST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET
REVENUES				
Investment Income	$ -	$ 1,228,835	$ 1,228,835	$ -
Total Revenues	-	1,228,835	1,228,835	-
EXPENDITURES				
Current:				
Investment Expense	-	70,507	70,507	-
Total Expenditures	-	70,507	70,507	-
Excess of Expenditures over Revenues	-	1,158,328	1,158,328	-
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	(566,834)	(566,834)	-
Total Other Financing Sources	-	(566,834)	(566,834)	-
Excess of Revenues and Other Financing Sources over(under) Expenditures and Other Financing Uses	-	591,494	591,494	-
FUND BALANCES				
Beginning of year	20,183,547	20,183,547	20,183,547	-
Ending of year	$20,183,547	$20,775,041	$ 20,775,041	$ -

The accompanying notes to the required supplementary information are an integral part of this schedule.

LAFAYETTE COUNTY, MISSISSIPPI
BUDGETARY COMPARISON SCHEDULE
BUDGET AND ACTUAL (NON-GAAP BASIS)
COUNTYWIDE ROAD MAINTENANCE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET
REVENUES				
Property taxes	$ 2,181,145	$ 1,827,966	$ 1,827,966	$ -
Road & bridge privilege tax	-	503,521	503,521	-
Licenses, commissions, and other revenue	-	143,437	143,437	-
Intergovernmental revenues	648,300	1,000,362	1,000,362	-
Interest income	-	541	541	-
Miscellaneous revenues	15,000	958	958	-
Total Revenues	2,844,445	3,476,785	3,476,785	-
EXPENDITURES				
Current:				
Public Works	3,650,891	3,878,344	3,878,344	-
Total Expenditures	3,650,891	3,878,344	3,878,344	-
Excess of Revenues over (under) Expenditures	(806,446)	(401,559)	(401,559)	-
OTHER FINANCING SOURCES (USES)				
Reimbursement from other funds	-	224,210	224,210	-
Transfer In	1,300,000	-	-	-
Total Other Financing Sources	1,300,000	224,210	224,210	-
Excess of Revenues and Other Financing Sources over(under) Expenditures and Other Financing Uses	493,554	(177,349)	(177,349)	-
FUND BALANCES				
Beginning of year	639,773	639,773	639,773	-
Ending of year	$ 1,133,327	$ 462,424	$ 462,424	$ -

The accompanying notes to the required supplementary information are an integral part of this schedule.

LAFAYETTE COUNTY, MISSISSIPPI
BUDGETARY COMPARISON SCHEDULE
BUDGET AND ACTUAL (NON-GAAP BASIS)
BRIDGE AND CULVERT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET
REVENUES				
Property taxes	$2,089,390	$ 2,193,288	$ 2,193,288	$ -
Interest income	-	1,078	1,078	-
Total Revenues	2,089,390	2,194,366	2,194,366	-
EXPENDITURES				
Current:				
Public Works	2,034,837	1,364,705	1,364,705	-
Total Expenditures	2,034,837	1,364,705	1,364,705	-
Excess of Expenditures over Revenues	54,553	829,661	829,661	-
OTHER FINANCING SOURCES (USES)				
Transfers In	-	134,921	134,921	-
Total Other Financing Sources	-	134,921	134,921	-
Excess of Revenues and Other Financing Sources over(under) Expenditures and Other Financing Uses	54,553	964,582	964,582	-
FUND BALANCES				
Beginning of year	526,325	526,325	526,325	-
Ending of year	$ 580,878	$ 1,490,907	$ 1,490,907	$ -

The accompanying notes to the required supplementary information are an integral part of this schedule.

LAFAYETTE COUNTY, MISSISSIPPI
Notes to the Required Supplementary Information
For the Year Ended September 30, 2014

A. Budgetary Information.

Statutory requirements dictate how and when the County's budget is to be prepared. Generally, in the month of August, prior to the ensuing fiscal year beginning each October 1, the Board of Supervisors of the County, using historical and anticipated fiscal data and proposed budgets submitted by the Sheriff and 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 the Board of Supervisors anticipates that budgetary estimates will not be met, the Board of Supervisors may make revisions to the budget.

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

B. Basis of Presentation.

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

C. Budget/GAAP Reconciliation.

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

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

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

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

	General Fund	Hospital Proceeds Fund	Laf Co Reserve/ Trust Fund	Countywide Road Maintenance Fund	Bridge and Culvert Fund
Budget (cash basis)	$ 619,199	$ 373,660	$ 591,494	$ (177,349)	$ 964,582
Increase (Decrease)					
Net adjustments for revenue accruals	236,323	(156)	(43,402)	1,090,165	2,734
Ner adjustments for expenditure accruals	6,411	-	-	(630,241)	(1)
Other Sources	(31,036)	-		(224,210)	-
GAAP Basis	$ 830,897	$ 373,504	$ 548,092	$ 58,365	$ 967,315

OTHER INFORMATION

LAFAYETTE COUNTY, MISSISSIPPI
Schedule of Surety Bonds for County Officials-Unaudited
For the Year Ended September 30, 2014

Name	Position	Company	Bond
Mike Pickens	Supervisor District 1	Western Surety Company	$ 100,000
Jeff Busby	Supervisor District 2	Western Surety Company	$ 100,000
Robert Blackmon	Supervisor District 3	EMC Insurance Companies	$ 100,000
Chad McLarty	Supervisor District 4	Brierfield Insurance Company	$ 100,000
Mike Roberts	Supervisor District 5	Western Surety Company	$ 100,000
Joseph Johnson	County Administrator	Western Surety Company	$ 100,000
Sherry Wall	Chancery Clerk	Western Surety Company	$ 100,000
Joseph Johnson	Purchase Clerk	Western Surety Company	$ 75,000
Jamie Vaughn	Assistant Purchasing Clerk	Brierfield Insurance Company	$ 50,000
Stacie Vanlandingham	Receiving Clerk	Brierfield Insurance Company	$ 75,000
Jerry Haynie	Road Manager	Western Surety Company	$ 50,000
Avery Dunn	Constable	Travelers	$ 50,000
Jody Mayfield	Constable	Western Surety Company	$ 50,000
Jack Theobald	Constable	Western Surety Company	$ 50,000
Baretta Mosely	Circuit Clerk	Western Surety Company	$ 100,000
F.D. "Buddy" East	Sheriff	RLI Surety	$ 100,000
All*	Sheriff's Deputies	Various	$ 50,000
Mickey Avent	Justice Court Judge	FCCI Insurance Company	$ 50,000
Frances Gordon	Justice Court Judge	Western Surety Company	$ 50,000
Johnny Wayne McLarty	Justice Court Judge	Travelers	$ 50,000
Jill Carwyle	Justice Court Clerk	Western Surety Company	$ 50,000
Carolyn Bell	Deputy Justice Court Clerk	Western Surety Company	$ 50,000
Sheritta Harris	Deputy Justice Court Clerk	Western Surety Company	$ 50,000
Mary Ann Pettis	Deputy Justice Court Clerk	Western Surety Company	$ 50,000
Sylvia Baker	Tax Collector-Assessor	Western Surety Company	$ 100,000

*The Sheriff chose to have all deputies(32) bonded. All deputies are bonded for $50,000 with various insurance companies.

SPECIAL REPORTS

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

Members of the Board of Supervisors
Lafayette 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 *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Lafayette 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 June 10, 2015.

Internal Control Over Financial Reporting

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

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

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

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lafayette County, Mississippi's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 Auding 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.

The Dwight L. Young Group

The Dwight L. Young Group
Oxford, MS
June 10, 2015

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INDEPENDENT AUDITOR'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
Lafayette County, Mississippi

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

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This report is intended for use in evaluating the central purchasing system and inventory control system of Lafayette 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.

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Oxford, MS
June 10, 2015

LAFAYETTE COUNTY, MISSISSIPPI
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 made from other than lowest bidder.

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

Schedule 2

Our test results did not identify any emergency purchases.

LAFAYETTE COUNTY, MISSISSIPPI

Schedule 3

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

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

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LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors
Lafayette County, Mississippi

In planning and performing our audit of the financial statements of Lafayette County, Mississippi for the year ended September 30, 2014, we considered Lafayette 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 Lafayette 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 June 10, 2015, on the financial statements of Lafayette County, Mississippi.

Although no findings came to our attention as a result of these review procedures and compliance tests, these procedures and tests cannot and do not provide absolute assurance that all state legal requirements have been complied with. Also our consideration of the 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

This report is intended solely for the information and use of the 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.

The Dwight L. Young Group

The Dwight L. Young Group
Oxford, MS
June 10, 2015

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