

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

Fortenberry & Ballard, PC
Certified Public Accountants

Sharkey County, Mississippi
TABLE OF CONTENTS

PAGE #

FINANCIAL SECTION

Independent Auditor's Report on the Basic Financial Statements and Supplemental Information.....	4
Management's Discussion and Analysis (Required Supplementary Information).....	8

FINANCIAL STATEMENTS

Exhibit 1 - Statement of Net Position.....	22
Exhibit 2 - Statement of Activities	23
Exhibit 3 - Balance Sheet - Governmental Funds	24
Exhibit 3-1 - Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position.....	25
Exhibit 4 - Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	26
Exhibit 4-1- Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	27
Exhibit 5 - Statement of Fiduciary Assets & Liabilities.....	28
Notes to the Financial Statements	30

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule - General Fund.....	50
Budgetary Comparison Schedule - General Road Fund.....	51
Notes to the Required Supplementary Information	52

SUPPLEMENTARY INFORMATION

Reconciliation of Operating Costs of Solid Waste.....	55
Combining Statements - Component Units	56

OTHER INFORMATION

Schedule of Surety Bonds for County Officials	59
---	----

SPECIAL REPORTS

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	62
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)).....	64
Limited Internal Control and Compliance Review Management Report	69
Schedule of Findings and Responses.....	72
Auditee's Corrective Action Plan.....	77

Sharkey County Location in Mississippi



Sharkey County is located in the Mississippi Delta region of the United States state of Mississippi. As of 2010, the population was 4,916. Its county seat is Rolling Fork. It is named after William L. Sharkey, the provisional Governor of Mississippi in 1865. Sharkey County was formed in 1876.

FORTENBERRY & BALLARD, PC
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT ON THE BASIC FINANCIAL
STATEMENTS AND SUPPLEMENTARY INFORMATION**

Members of the Board of Supervisors
Sharkey County, Mississippi

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Sharkey-Issaquena Community Hospital, and the Sharkey-Issaquena County Library, component units, which represent 93 percent, 93 percent, and 99 percent, and 7 percent, 7 percent and 1 percent, respectively, of the assets, net position, and revenues of the proprietary component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aforementioned component units, is based solely on the reports of the other auditors. We 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. However, the financial statements of Sharkey - Issaquena Community Hospital, component unit, audited by other auditors were not audited in accordance with *Government Auditing Standards*.

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

1929 SPILLWAY ROAD, SUITE B
BRANDON, MISSISSIPPI 39047
TELEPHONE 601-992-5292 FAX 601-992-2033

considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Qualified Opinion on the Aggregate Discretely Presented Component Unit

Because detail historical records of all property and equipment owned by the Sharkey- Issaquena County Library have not been maintained and because annual physical inventories of property and equipment have not been conducted, the other auditors were unable to form an opinion regarding the amounts at which the capital assets are recorded in the accompanying statements of net position at September 30, 2013, or the amount of accumulated depreciation expense in the statement of activities for the year then ended.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the "Basis for Qualified Opinion on the Aggregate Discretely Presented Component Unit" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the Sharkey - Issaquena County Library, aggregate discretely presented component unit of Sharkey County, Mississippi, as of September 30, 2013, and the changes in financial position thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the Sharkey - Issaquena Community Hospital, aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Sharkey County, Mississippi, as of September 30, 2013, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sharkey County, Mississippi's financial statements. The accompanying Reconciliation of Operating Costs of Solid Waste and the accompanying Combining Statements - Component Units are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The Reconciliation of Operating Costs of Solid Waste and the accompanying Combining Statements - Component Units have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the Reconciliation of Operating Costs of Solid Waste and the accompanying Combining Statements - Component Units are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2014, on our consideration of the Sharkey 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 Sharkey County, Mississippi's internal control over financial reporting and compliance.

Fortenberry & Ballard, PC

Fortenberry & Ballard, PC

March 4, 2014

Certified Public Accountants

MANAGEMENT'S DISCUSSION AND ANALYSIS

Sharkey County, Mississippi
Management's Discussion and Analysis
For the Year Ended September 30, 2013

INTRODUCTION

The following discussion and analysis of Sharkey County, Mississippi's financial performance provides an overview of the County's financial activities for the year ended September 30, 2013. The intent of this discussion and analysis is to look at the County's performance as a whole. Readers are encourage to review the financial statements and the notes to the financial statements to enhance their understanding of the County's financial performance.

FINANCIAL HIGHLIGHTS

- Total net position for 2013 increased \$189,836, which represents a 2% increase from 2012. Total net position for 2012 decreased \$287,675, which represents a 3% decrease from 2011, including a prior period adjustment of \$22,444.
- The County had \$4,678,378 in total revenues for 2013. Tax revenues account for \$2,895,044 or 62% of total revenues for 2012. Charges for services account for \$840,336 or 18% for 2013. The County had \$4,717,082 in total revenues for 2012. Tax revenues account for \$2,738,859 or 58% of total revenues for 2012. Charges for services account for \$948,601 or 20% for 2012.
- The County had \$4,488,542 in total expenses for 2013. Expenses in the amount of \$966,395 were offset by charges for services, grants, or outside contributions. General revenues of \$3,711,983 were adequate to provide for the remainder of the expenses. For 2012, the County had \$5,027,201 in total expenses. Expenses in the amount of \$1,143,933 were offset by charges for services, grants, or outside contributions. General revenues in the amount of \$3,573,149 were not adequate to provide for the remainder of the expenses.
- The General Fund had \$2,494,645 in revenues and \$2,384,819 in expenditures. The General Fund's fund balance increased \$165,270 over the prior year. Last year's revenues were \$2,408,488 while expenditures were \$2,312,008.
- Among major funds, the General Road Fund had \$349,375 in revenues and \$581,632 in expenditures. The General Road Fund's fund balance increased \$18,238 from 2012. In 2012, the General Road Fund was not a major fund and as such the information was combined and presented under the other governmental funds column of the 2012 audit report.
- Long-term debt increased by \$125,177 mainly due to the inception of capital leases during the year. In 2012, long-term debt increased by \$281,494 mainly due to the inception of capital leases and the issuance of loans during the year.

Sharkey County, Mississippi
Management's Discussion and Analysis
For the Year Ended September 30, 2013

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

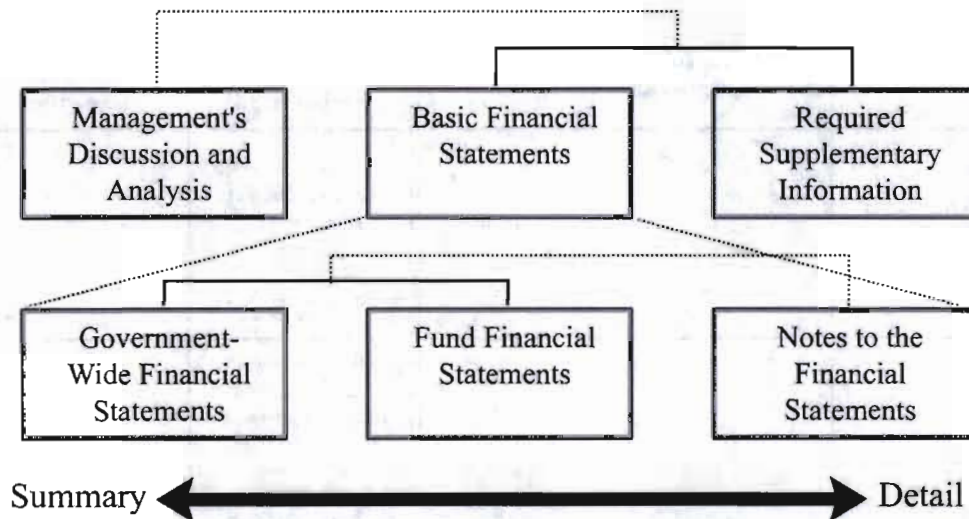


Figure 1 shows how required parts of this annual report are arranged and relate to one another.

The next page 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 Management's Discussion and Analysis explains the structure and content of each of the statements.

The next page also shows the Major Features of the County's Government-Wide and Fund Financial Statements

Sharkey County, Mississippi
Management's Discussion and Analysis
For the Year ended September 30, 2013

	Government-Wide Financial Statements	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire County government (except fiduciary funds)	All activities of the County that are not business-type or fiduciary in nature	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 Fiduciary Assets and Liabilities
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets, 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, 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	N/A

Sharkey County, Mississippi
Management's Discussion and Analysis
For the Year Ended September 30, 2013

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances. These statements consist of the Statement of Net position and the Statement of Activities, which are prepared using the flow of economic resources measurement focus and the accrual basis of accounting. The current year's revenues and expenses are taken into account regardless of when cash is received or paid.

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

The Statement of Activities presents information showing how the County's 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.

The government-wide financial statements outline functions of the County that are principally supported by property taxes and intergovernmental revenues (governmental activities). The governmental activities of the County include general government, public safety, public works, health and welfare, culture and recreation, conservation of natural resources, economic development and interest on long-term debt.

The County has two (2) component units reported in the Sharkey County's report as follows:

Sharkey - Issaquena Community Hospital

Sharkey - Issaquena Library

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 compliance with finance-related legal requirements. All of the funds of the County can be divided into two categories: governmental funds and fiduciary funds.

Sharkey County, Mississippi
Management's Discussion and Analysis
For the Year Ended September 30, 2013

Governmental funds - Most of the County's general activities are reported in its governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental funds are accounted for using the modified accrual basis of accounting and the flow of current financial resources measurement focus. The approach focuses on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at year end. The governmental fund statements provide a detailed view of the County's near term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may gain a better understanding of the long-term impact of the County's near-term financing decisions. The governmental funds Balance Sheet is reconciled to the Statement of Net Position, and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances is reconciled to the Statement of Activities 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*. 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 non-major funds are combined and presented in these reports as other governmental funds.

Fiduciary funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the County. 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. These funds are reported using the accrual basis of accounting. The County is responsible for ensuring that the assets reported in these funds are used for their intended purpose.

Reconciliation of Government-wide and Fund Financial Statements

The financial statements include two schedules that reconcile the amounts reported on the governmental funds financial statements (modified accrual basis of accounting) with government-wide financial statements (accrual basis of accounting). The following summarizes the major differences between the two statements:

Sharkey County, Mississippi
Management's Discussion and Analysis
For the Year Ended September 30, 2013

Capital assets used in governmental activities are not reported on governmental funds financial statements.

Bond and notes proceeds result in liabilities on government-wide financial statements, but are recorded as other financing sources on the governmental funds financial statements.

Certain other outflows represent either increases or decreases in liabilities on the government-wide financial statements, but are reported as expenditures on the governmental funds financial statements.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents budgetary comparison schedules as required supplementary information. The District adopts an annual operating budget for all governmental funds. A budgetary comparison schedule has been provided for the General Fund and each additional major special revenue fund as required by the Governmental Accounting Standards Board.

Supplementary Information

A Reconciliation of Operating Costs of Solid Waste can be found in this report.

Sharkey County, Mississippi
Management's Discussion and Analysis
For the Year Ended September 30, 2013

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

Net position may server over time as a useful indicator of government's financial position. In the case of Sharkey County, assets exceeded liabilities by \$11,159,343 as of September 30, 2013.

The County's financial position is a product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets.

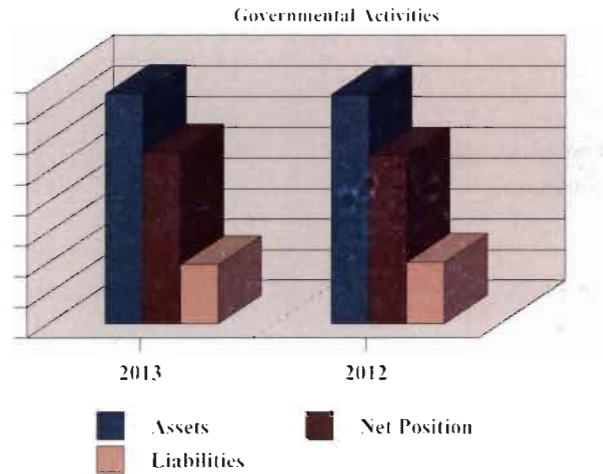
Table 1 presents a summary of the County's net position for the governmental activities at September 30, 2013 and September 30, 2012.

	September 30, 2013	September 30, 2012
Assets:		
Current assets	\$ 4,162,638	4,052,266
Capital assets, net	10,856,133	10,921,181
Total Assets	<u>15,018,771</u>	<u>14,973,447</u>
Liabilities:		
Current liabilities	2,750,976	3,020,665
Long-term debt outstanding	1,108,452	983,275
Total Liabilities	<u>3,859,428</u>	<u>4,003,940</u>
Net Position:		
Net Investment in capital assets	9,747,681	9,937,906
Restricted assets	409,851	530,330
Unrestricted	1,001,811	501,271
Total Net Position	<u>\$ 11,159,343</u>	<u>10,969,507</u>

The following are significant current year transactions that have had an impact on the Statement of Net Position.

- \$195,505 of long-term debt was retired during the year in the governmental activities.
- Capital assets, net of accumulated depreciation, decreased by \$65,048 primarily due to the retirement of a Mack Truck coupled with the recording of depreciation expense during the year.

Sharkey County, Mississippi
Management's Discussion and Analysis
For the Year Ended September 30, 2013



Changes in Net Position

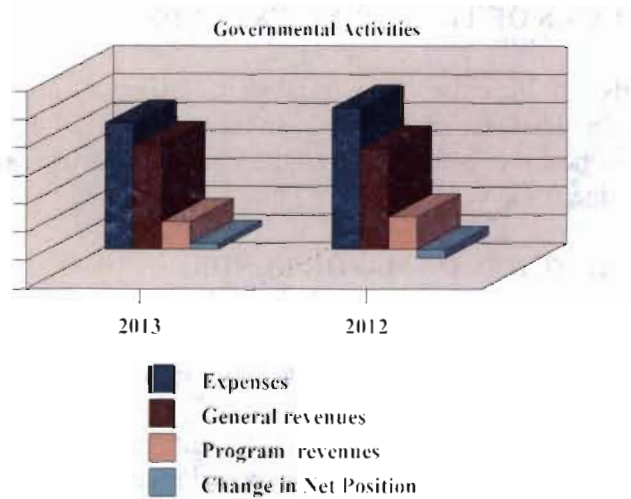
Sharkey County's total revenues for the fiscal year ended September 30, 2013 were \$4,678,378 and \$4,717,082 for 2012. The total cost of all services provided was \$4,488,542 for 2013 and \$5,027,201 for 2012 and the increase in net position was \$189,836 for 2013. The decrease in net position was \$287,675 for 2012, including a prior period adjustment of \$22,444.

The following table presents a summary of the changes in net position for the governmental activities for the fiscal years ended September 30, 2013 and September 30, 2012.

Sharkey County, Mississippi
Management's Discussion and Analysis
For the Year Ended September 30, 2013

	Fiscal Year Ended 09/30/13	Fiscal Year Ended 09/30/12
Revenues:		
Program revenues:		
Charges for services	\$ 840,336	948,601
Operating grants & contributions	57,332	162,348
Capital grants & contributions	68,727	32,984
General revenues:		
Taxes	2,895,044	2,738,859
Grants and contributions	566,931	458,760
Unrestricted interest income	22,973	20,573
Other	227,035	354,957
Total Revenues	\$ 4,678,378	4,717,082
Expenses:		
General government	1,507,692	1,376,636
Public safety	685,982	736,221
Public works	1,720,005	2,246,128
Health & welfare	426,311	416,657
Culture & recreation	74,464	78,354
Conservation of natural resources	42,536	47,267
Economic development and assistance	3,766	
Interest on long-term debt	27,786	125,938
Total Expenses	4,488,542	5,027,201
Increase (Decrease) in Net position	189,836	(310,119)
Net position - Beginning, as originally reported	10,969,507	11,257,182
Prior period adjustment		22,444
Net position - Beginning, as restated	10,969,507	11,279,626
Net position - Ending	\$ 11,159,343	10,969,507

Sharkey County, Mississippi
Management's Discussion and Analysis
For the Year Ended September 30, 2013



Governmental Activities – The following table presents the cost of major functional activities of the County: General Government, Public Safety, Public Works, Health & Welfare, Culture and Recreation, Conservation of Natural Resources, Economic Development & Assistance and Interest on Long Term Debt. The table also shows each function's net cost (total cost less charges for services generated by the activity and intergovernmental aid provided for that activity.) The net cost shows the financial burden that was placed on Sharkey County's taxpayers by each of these functions.

	2013	2013	2012	2012
	Total	Net	Total	Net
	Cost	Cost	Cost	Cost
<u>Governmental Activities:</u>				
General government	\$ 1,507,692	(853,767)	1,376,636	(819,831)
Public safety	685,982	(565,261)	736,221	(647,021)
Public works	1,720,005	(1,580,341)	2,246,128	(1,899,218)
Health and welfare	426,311	(408,550)	416,657	(397,506)
Culture and recreation	74,464	(54,464)	78,354	(73,207)
Conservation of natural resources	42,536	(42,536)	47,267	(1,338)
Economic development and assistance	3,766	10,558		80,791
Interest on long term debt	27,786	(27,786)	125,938	(125,938)
Total Expenses	<u>\$ 4,488,542</u>	<u>(3,522,147)</u>	<u>5,027,201</u>	<u>(3,883,268)</u>

Sharkey County, Mississippi
Management's Discussion and Analysis
For the Year Ended September 30, 2013

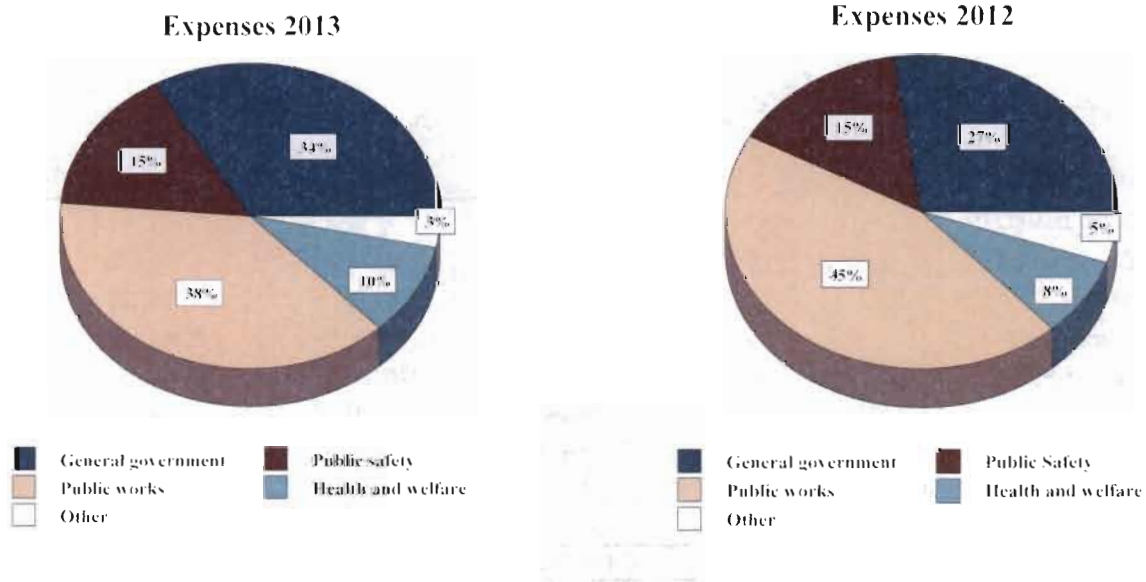
FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Governmental funds – At the close of the fiscal year, Sharkey County's governmental funds reported a combined fund balance of \$989,583, an increase of \$130,417 from the prior year. The General Fund is the principal operating fund of the County. The increase in the fund balance of the General Fund for the fiscal year was \$165,270.

BUDGETARY HIGHLIGHTS OF MAJOR FUNDS

Over the course of the year, Sharkey County revised its annual operating budget on several occasions. Budgeted revenues were increased as better estimates became available.

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



Sharkey County, Mississippi
Management's Discussion and Analysis
For the Year Ended September 30, 2013

CAPITAL ASSETS AND DEBT ADMINISTRATION

Governmental Activities:

Capital Assets - As of September 30, 2013, Sharkey County's total net capital assets were \$25,777,355. This includes land, infrastructure, buildings, mobile equipment, furniture and equipment, and leased property under capital leases. This amount represents an increase from the previous year of \$174,912. The majority of this increase is attributable to additions to leased property under capital leases. Total accumulated depreciation as of September 30, 2013 was \$14,921,222, including \$306,443 of depreciation expense for the year.

	<u>September 30, 2013</u>	<u>September 30, 2012</u>	<u>Change</u>
Land	\$ 90,871	90,871	0.00%
Infrastructure	21,426,125	21,426,125	0.00%
Buildings	1,467,952	1,467,952	0.00%
Mobile equipment	1,413,258	1,358,560	4.03%
Furniture and equipment	86,375	86,375	0.00%
Leased property under capital leases	1,292,774	1,172,560	10.25%
Accumulated depreciation	(14,921,222)	(14,681,262)	1.63%
Total Capital Assets, net	<u>\$ 10,856,133</u>	<u>10,921,181</u>	-0.60%

Governmental Activities:

Debt Administration – At September 30, 2013, Sharkey County had \$1,108,452 in long-term debt outstanding. This includes obligations under capital leases, and other loans. Of this debt, \$247,361 is due within one year.

	<u>September 30, 2013</u>	<u>September 30, 2012</u>	<u>Change</u>
Capital leases payable	\$ 1,062,877	916,210	16%
Other loans	45,575	67,065	-32%
Total Long-Term Debt	<u>\$ 1,108,452</u>	<u>983,275</u>	13%

The county did not maintain records that will allow the calculation of the compensated absences liability at the end of the year.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and 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 Sharkey County Chancery Clerk's office at the following number: 662-873-2755 or by mail at Post Office Box 218, Rolling Fork, Mississippi 39159-0218.

FINANCIAL STATEMENTS

SHARKEY COUNTY, MISSISSIPPI
STATEMENT OF NET POSITION
SEPTEMBER 30, 2013

	Primary Government Governmental Activities	Component Units
Assets:		
Cash and investments	\$ 1,311,847	4,698,477
Property tax receivable	2,398,581	--
Accounts receivable, net	89,497	1,152,833
Fines receivables, net	332,582	--
Loans receivable	3,390	--
Intergovernmental receivable	21,609	--
Other receivables	5,132	119
Supplies	--	150,975
Prepaid expenses	--	91,401
Notes receivable	--	67,500
Restricted assets	--	57,083
Capital Assets		
Land and construction in progress	90,871	5,750
Other capital assets, net	10,765,262	1,989,240
Total Assets	15,018,771	8,213,378
Liabilities:		
Accounts payable	--	888,686
Claims payable	296,084	13,364
Amounts held in custody for others	9,884	--
Intergovernmental payables	45,018	--
Accrued expenses	--	339,898
Accrued interest payable	--	385
Deferred revenue	2,398,581	--
Other payables	1,409	89,013
Notes payable	--	54,000
Long term liabilities		
Due within one year:		
Capital debt	247,361	131,907
Non-capital debt	--	--
Due in more than one year:		
Capital debt	861,091	186,413
Non-capital debt	--	1,569
Total Liabilities	3,859,428	1,705,235
Net Position:		
Net Investment in Capital Assets	9,747,681	1,676,670
Restricted For:		
Public works	221,245	--
Public safety	99,916	--
Capital projects	--	1,163
Health and welfare	49,983	--
Unemployment	--	158
Culture and recreation	38,707	--
Other	--	15,264
Unrestricted	1,001,811	4,814,888
Total Net Position	\$ 11,159,343	6,508,143

The accompanying notes are an integral part of this statement.

SHARKEY COUNTY, MISSISSIPPISTATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2013

Functions/Programs	Expenses	Program Revenues			Governmental Activities	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
Primary Government:						
Governmental Activities:						
General government	\$ 1,507,692	\$ 653,925	\$ --	\$ --	\$ (853,767)	
Public safety	685,982	55,572	16,422	48,727	(565,261)	
Public works	1,720,005	130,839	8,825	--	(1,580,341)	
Health and welfare	426,311	--	17,761	--	(408,550)	
Culture and recreation	74,464	--	--	20,000	(54,464)	
Conservation of natural resources	42,536	--	--	--	(42,536)	
Economic development and assistance	3,766	--	14,324	--	10,558	
Interest on long term debt	27,786	--	--	--	(27,786)	
Total Primary Government	\$ 4,488,542	\$ 840,336	\$ 57,332	\$ 68,727	(3,522,147)	
Component Units:						
Sharkey-Issaquena Community Hospital	8,833,066	6,184,210	1,073,002	--	(1,575,854)	
Sharkey-Issaquena Library	169,141	83,786	--	--	(85,355)	
Total Component Units	\$ 9,002,207	\$ 6,267,996	\$ 1,073,002	\$ --	(1,661,209)	
General Revenues:						
Property taxes					2,818,749	--
Road and bridge privilege taxes					76,295	--
Grants and Contributions Not Restricted to specific programs					566,931	91,183
Unrestricted interest income					22,973	17,110
Miscellaneous					227,035	107,374
Total General Revenues					3,711,983	215,667
Change in Net Position					189,836	(1,445,542)
Net Position - Beginning					10,969,507	7,953,685
Net Position - Ending					\$ 11,159,343	\$ 6,508,143

The accompanying notes are an integral part of this statement.

SHARKEY COUNTY, MISSISSIPPI
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013

	General Fund	General Road Fund	Other Governmental Funds	Total Governmental Funds
Assets:				
Cash and investments	\$ 688,373	\$ 102,818	\$ 520,656	\$ 1,311,847
Property tax receivable	1,673,127	175,000	550,454	2,398,581
Accounts receivable, net	--	--	89,497	89,497
Fines receivable, net	332,582	--	--	332,582
Loans receivable	--	--	3,390	3,390
Intergovernmental receivables	21,609	--	--	21,609
Other receivables	403	--	--	403
Due from other funds	--	2,317	11,032	13,349
Advances to other funds	39,511	61,248	11,948	112,707
Total Assets	\$ 2,755,605	\$ 341,383	\$ 1,186,977	\$ 4,283,965
Liabilities and Fund Balances:				
Liabilities:				
Claims payable	\$ 147,356	\$ 41,098	\$ 107,630	\$ 296,084
Amounts held in custody for others	9,884	--	--	9,884
Intergovernmental payables	45,018	--	--	45,018
Due to other funds	14,758	--	--	14,758
Advances from other funds	28,467	--	79,511	107,978
Deferred revenue	2,005,709	175,000	639,951	2,820,660
Total Liabilities	2,251,192	216,098	827,092	3,294,382
Fund Balances:				
Nonspendable:				
Advances	39,511	61,248	11,948	112,707
Loans	--	--	3,390	3,390
Restricted:				
Other purposes	--	--	24,652	24,652
Committed:				
Emergencies	--	--	96,271	96,271
County ambulance	--	--	49,837	49,837
Garbage & solid waste	--	--	51,638	51,638
General Road	--	--	30,637	30,637
Library	--	--	24,542	24,542
Other purposes	--	--	3,108	3,108
Assigned:				
General Road	--	64,037	107,577	171,614
Other purposes	--	--	683	683
Unassigned				
	464,902	--	(44,398)	420,504
Total Fund Balances	504,413	125,285	359,885	989,583
Total Liabilities and Fund Balances	\$ 2,755,605	\$ 341,383	\$ 1,186,977	\$ 4,283,965

The accompanying notes are an integral part of this statement.

SHARKEY COUNTY, MISSISSIPPI

*RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2013*

Total fund balances - governmental funds balance sheet	\$ 989,583
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not reported in the funds.	10,856,133
Liabilities due in one year are not recorded in the funds.	(247,361)
Payables for capital leases not due in the current period are not reported in the funds.	(837,866)
Other long-term liabilities not due and payable in the current period are not reported in the funds.	(23,225)
Other assets are not available to pay for current period expenditures and are deferred in the funds.	422,079
Net position of governmental activities - Statement of Net Position	\$ <u>11,159,343</u>

The accompanying notes are an integral part of this statement.

SHARKEY COUNTY, MISSISSIPPI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	General Fund	General Road Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 1,963,155	\$ 238,432	\$ 617,162	\$ 2,818,749
Road and bridge privilege taxes	1,325	--	--	1,325
Licenses, commissions and other revenues	73,582	--	52,111	125,693
Fines and forfeitures	83,623	--	434	84,057
Intergovernmental revenues	270,774	--	533,965	804,739
Charges for services	840	10,554	332,769	344,163
Interest income	21,902	170	901	22,973
Miscellaneous revenues	79,444	100,219	18,732	198,395
Total Revenues	2,494,645	349,375	1,556,074	4,400,094
Expenditures:				
General government	1,432,059	--	73,363	1,505,422
Public safety	612,626	--	64,272	676,898
Public works	--	512,274	1,232,703	1,744,977
Health and welfare	247,490	--	173,757	421,247
Culture and recreation	28,136	--	44,086	72,222
Conservation of natural resources	42,536	--	--	42,536
Economic development and assistance	3,766	--	--	3,766
Debt service:				
Principal	17,184	66,739	111,582	195,505
Interest	1,022	2,619	24,145	27,786
Total Expenditures	2,384,819	581,632	1,723,908	4,690,359
Excess of Revenues Over (Under) Expenditures	109,826	(232,257)	(167,834)	(290,265)
Other financing sources (uses):				
Proceeds from long-term debt issued	50,000	258,495	12,187	320,682
Proceeds from sale of capital assets	--	--	100,000	100,000
Transfers in	5,444	--	8,000	13,444
Transfers out	--	(8,000)	(5,444)	(13,444)
Total Other Financing Sources (Uses)	55,444	250,495	114,743	420,682
Net Changes in Fund Balances	165,270	18,238	(53,091)	130,417
Fund balances				
Beginning of year	339,143	107,047	412,976	859,166
End of year	\$ 504,413	\$ 125,285	\$ 359,885	\$ 989,583

The accompanying notes are an integral part of this statement.

SHARKEY 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, 2013**

Net change in fund balances - total governmental funds	\$	130,417
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:		
Capital outlays are not reported as expenses in the SOA.		315,682
The depreciation of capital assets used in governmental activities is not reported in the funds.		(306,443)
Trade-in or disposal of capital assets decrease net position in the SOA but not in the funds.		(2,927)
The gain or loss on the sale of capital assets is not reported in the funds.		28,640
All proceeds from the sale of capital assets are reported in the funds but not in the SOA.		(100,000)
Repayment of principal is an expenditure in the funds but is not an expense in the SOA.		195,505
Certain revenues are deferred in the funds. This is the change in these amounts this year.		249,644
Inception of leases do not provide revenue in the SOA, but are current resources in the funds.		(320,682)
Change in net position of governmental activities - Statement of Activities	\$	<u>189,836</u>

The accompanying notes are an integral part of this statement.

SHARKEY COUNTY, MISSISSIPPI
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
SEPTEMBER 30, 2013

	Agency Funds
Assets:	
<i>Cash</i>	\$ 122,018
<i>Due from other funds</i>	1,409
Total Assets	<u>\$ 123,427</u>
Liabilities:	
<i>Amounts held in custody for others</i>	\$ 38,296
<i>Intergovernmental payables</i>	80,402
<i>Advance from other funds</i>	4,729
Total Liabilities	<u>\$ 123,427</u>

The accompanying notes are an integral part of this statement.

Sharkey County, Mississippi

Notes to the Financial Statements
for the year ended September 30, 2013



Sharkey County, Mississippi

Notes to the Financial Statements For the year ended September 30, 2013

(1) Summary of Significant Accounting Policies

A. Financial Reporting Entity

Sharkey County, Mississippi 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 Sharkey County, Mississippi to present these financial statements on the primary government and its component units which have a significant operational or financial relationship with the county.

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

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

B. Individual Component Unit Disclosure

Discretely Presented Component Units

The component unit columns in the financial statements include the financial data of the following component units of the county. They are reported in a separate column to emphasize that they are legally separate from the county.

- Sharkey - Issaquena Community Hospital
- Sharkey - Issaquena County Library

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.

Sharkey County, Mississippi

Notes to the Financial Statements
For the year ended September 30, 2013

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 and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are generally financed through taxes, intergovernmental revenues and other nonexchange revenues. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

Fund Financial Statements:

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

D. Measurement Focus and Basis of Accounting

The Government-wide and Fiduciary Funds (excluding agency funds) financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when the liability is incurred or economic assets 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

Sharkey County, Mississippi

Notes to the Financial Statements For the year ended September 30, 2013

recognized when the provider government recognizes the liability to the county. Grants are recognized as revenues as soon as all eligibility requirements have been satisfied. Agency funds have no measurement focus, but use the accrual basis of accounting.

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

The county reports the following major Governmental Funds:

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

General Road Fund - This fund is used to account for road maintenance activity.

Additionally, the county reports the following fund types:

GOVERNMENTAL FUND TYPES

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

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

FIDUCIARY FUND TYPE

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

Sharkey County, Mississippi

Notes to the Financial Statements For the year ended September 30, 2013

E. Account Classifications

The account classifications used in the financial statements conform to the broad classifications recommended in *Governmental Accounting, Auditing and Financial Reporting* as issued in 2012 by the Government Finance Officers Association.

F. Deposits and Investments

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

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

G. Receivables

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

H. Interfund Transactions and Balances

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

I. Restricted Assets

Component unit assets required to be held and/or used as specified in bond indentures, bond resolutions, trustee agreements, board resolutions and donor specifications have been reported as restricted assets. When both restricted and

Sharkey County, Mississippi

Notes to the Financial Statements For the year ended September 30, 2013

nonrestricted assets are available for use, the policy is to use the restricted assets first.

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

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

	Capitalization Thresholds	Estimated Useful Life
Land	\$ 0	n/a
Infrastructure	0	20-50 years
Buildings	50,000	40 years
Improvements other than buildings	25,000	20 years
Mobile equipment	5,000	5-10 years
Furniture and equipment	5,000	3-7 years
Leased property under capital leases	*	*

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

Sharkey County, Mississippi

Notes to the Financial Statements
For the year ended September 30, 2013

K. Long-term Liabilities

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

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

L. Equity Classifications

Government-wide Financial Statements:

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

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

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

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

Fund Financial Statements:

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

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

Nonspendable fund balance includes items 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

Sharkey County, Mississippi

Notes to the Financial Statements For the year ended September 30, 2013

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.

Committed fund balance includes amounts that can be used only for the specific purposes pursuant to constraints imposed by a formal action of the Board of Supervisors, the county's highest level of decision making authority. This formal action in an order of the Board of Supervisors as approved in the board minutes.

Assigned fund balance includes amounts that are constrained by the county's intent to be used for a specific purpose, but are neither restricted nor committed. For governmental funds, other than the general fund, this is the residual amount within the fund that is not classified as nonspendable and is neither restricted nor committed. Assignments of fund balance are created by the County Administrator pursuant to authorization established by the policy adopted by the county.

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

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

M. Property Tax Revenues

Numerous statutes exist under which the Board of Supervisors may levy property taxes. The selection of authorities is made based on the objectives and responsibilities of the county. Restrictions associated with property tax levies

Sharkey County, Mississippi

Notes to the Financial Statements

For the year ended September 30, 2013

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 collectibility criteria for property tax recognition because the lien and due date cannot be established until the date of original purchase occurs.

N. Intergovernmental Revenues in Governmental Funds

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

O. Compensated absences

The county has adopted a policy of compensation for accumulated unpaid employee personal leave. No payment is authorized for accrued major medical leave. Accounting principles generally accepted in the United States of America require accrual of accumulated unpaid employee benefits as long-term liabilities in the government-wide financial statements. In fund financial statements, Governmental Funds report the compensated absence liability payable only if the payable has matured, for example an employee resigns or retires. The county did not maintain the necessary records to calculate the compensated absences liability.

Sharkey County, Mississippi

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

(2) Deposits

Primary Government

The carrying amount of the county's total deposits with financial institutions at September 30, 2013, was \$1,311,847 in the governmental funds and \$122,018 in the fiduciary funds. The bank balance was \$1,459,373. 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).

Component Units - Governmental

The carrying amount of the Sharkey - Issaquena Hospital's total deposits and investments with financial institutions at September 30, 2013, was \$1,953,525. The Hospital also has \$2,740,087 in temporary cash investments. The carrying amount of the Sharkey - Issaquena County Library's total deposits with financial institutions at September 30, 2013, was \$4,865. 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 the 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.

(3) Interfund Transactions and Balances

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

Sharkey County, Mississippi

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

A. Due From/To Other Funds:

Receivable Fund	Payable Fund	Amount
General Road Fund	General Fund	\$ 2,317
Other Governmental Funds	General Fund	11,032
Fiduciary Funds	General Fund	1,409
Total		<u>\$ 14,758</u>

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

B. Advances To/From Other Funds:

Receivable Fund	Payable Fund	Amount
General Fund	Other Governmental Funds	\$ 39,511
General Road Fund	General Fund	21,248
	Other Governmental Funds	40,000
Other Governmental Funds	General Fund	7,219
	Fiduciary Funds	4,729
		<u>\$ 112,707</u>

The purpose of the advances was to provide funds for operating expenditures, an advance on grant matching requirements and debt service.

C. Transfers In/Out:

Transfers Out	Transfers In	Amount
General Road Fund	Other Governmental Funds	\$ 8,000
Other Governmental Funds	General Fund	5,444
Total		<u>\$ 13,444</u>

The purpose of the transfers was to provide funds for grant matches and capital outlay.

Sharkey County, Mississippi

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

(4) Intergovernmental Receivables

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

Governmental Activities:

Description	Amount
Tax Collector - Legislative Tax Credit	\$ <u>21,609</u>

(5) Loans Receivable

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

Description	Date of Loan	Interest Rate	Maturity Date	Balance
Tucker - CDBG Housing Loan	Various	0%	Various	\$ <u>3,390</u>

(6) Capital Assets

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

Governmental activities:

	Balance Oct. 1, 2012	Additions	Deletions	Adjustments	Balance Sept. 30, 2013
Non-depreciable capital assets:					
Land	\$ 90,871				90,871
Total non-depreciable capital assets	90,871	0	0	0	90,871
Depreciable capital assets:					
Infrastructure	21,426,125				21,426,125
Buildings	1,467,952				1,467,952
Mobile equipment	1,358,560		29,270	83,968	1,413,258
Furniture and equipment	86,375				86,375
Leased property under capital leases	1,172,560	315,682	111,500	(83,968)	1,292,774
Total depreciable capital assets	25,511,572	315,682	140,770	0	25,686,484

Sharkey County, Mississippi

Notes to the Financial Statements

For the Year Ended September 30, 2013

	Balance Oct. 1, 2012	Additions	Deletions	Adjustments	Balance Sept. 30, 2013
Less accumulated depreciation for:					
Infrastructure	12,263,627	124,459			12,388,086
Buildings	1,028,320	7,306			1,035,626
Mobile equipment	1,080,010	54,123	26,343	45,382	1,153,172
Furniture and equipment	77,464	2,270			79,734
Leased property under capital leases	231,841	118,285	40,140	(45,382)	264,604
Total accumulated depreciation	14,681,262	306,443	66,483	0	14,921,222
Total depreciable capital assets, net	10,830,310	9,239	74,287	0	10,765,262
Governmental activities capital assets, net	\$ 10,921,181	9,239	74,287	0	10,856,133

Adjustments to capital assets were made to transfer completed capital leases to the appropriate classification.

Component Units:

The Sharkey - Issaquena Hospital capital assets balances at September 30, 2013, are as follows:

	Balance 10-01-2012	Additions	Balance 09-30-2013
<u>Non-depreciable capital assets:</u>			
Land	\$ 5,750		5,750
Total non-depreciable capital assets	5,750	0	5,750
<u>Depreciable capital assets:</u>			
Land improvements	86,180		86,180
Buildings and Leasehold Improvements	1,699,927		1,699,927
Fixed equipment	893,610	17,763	911,373
Major movable equipment	1,776,415	299,230	2,075,645
Total depreciable assets	4,456,132	316,993	4,773,125
<u>Less accumulated depreciation:</u>			
Land Improvements	22,883	7,692	30,575
Buildings and Leasehold Improvements	1,380,363	59,109	1,439,472
Fixed equipment	655,883	34,549	690,432
Major movable equipment	903,035	254,439	1,157,474
Total accumulated depreciation	2,962,164	355,789	3,317,953
Total depreciable capital assets	1,493,968	(38,796)	1,455,172
Total capital assets, net	\$ 1,499,718	(38,796)	1,460,922

Sharkey County, Mississippi

Notes to the Financial Statements For the year ended September 30, 2013

The Sharkey - Issaquena Library's capital assets balances at September 30, 2013, are as follows:

	Balance Sept. 30, 2013
Depreciable capital assets:	
Books	\$ 314,748
Audio-visual	10,600
Furniture and equipment	136,180
Leasehold improvements	<u>72,540</u>
Component unit total depreciable capital assets	<u>\$ 534,068</u>

The Library's financial statements do not disclose the changes in capital assets as required by the *Governmental Accounting and Financial Reporting Standards*. The library was unable to produce a detail fixed asset inventory for all assets. As a result, the other auditors were unable to apply sufficient audit procedures as to the accuracy and completion of the capital assets. They were unable to calculate accumulated depreciation on these assets as well. Their opinion was qualified as a result of the inadequacy of the accounting record surrounding capital assets.

Depreciation expense was charged to the following functions:

	Amount
Governmental Activities:	
General government	\$ 2,270
Public safety	9,084
Public works	287,783
Health and welfare	5,064
Culture and recreation	<u>2,242</u>
Total depreciation expense	<u>\$ 306,443</u>

(7) Claims and Judgments

Risk Financing

The county finances its exposure to risk of loss related to workers' compensation for injuries to its employees through the Mississippi Public Entity Workers' Compensation Trust, a public entity risk pool. The county pays premiums to the pool for its workers' compensation insurance coverage, and the participation agreement provides that the pool will be self-sustaining through member premiums. The retention for the pool is \$1,000,000 for each accident and completely covers statutory limits set by the Workers' Compensation Commission. Risk of loss is remote for claims exceeding the pool's

Sharkey County, Mississippi

Notes to the Financial Statements
For the year ended September 30, 2013

retention liability. However, the pool also has catastrophic reinsurance coverage for statutory limits above the pool's retention, provided by Safety National Casualty Corporation, effective from January 1, 2013 to January 1, 2014. The pool may make an overall supplemental assessment or declare a refund depending on the loss experience of all the entities it insures.

(8) Operating Leases

As Lessor:

The county receives income from property it leases under a noncancellable operating lease. Total income from such lease was \$42,885 for the year ended September 30, 2013. The future minimum lease receivables for these leases are as follows:

<u>Year Ended September 30</u>	<u>Amount</u>
2014	\$ 42,885
2015	42,885
2016	42,884
Total Minimum Payments Required	<u>\$ 128,654</u>

Lessee: Lagniappe Planting Company
Description: 214.62 acres of farm land

(9) Capital Leases

As Lessee:

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

<u>Classes of Property</u>	<u>Governmental Activities</u>
Mobile equipment	\$ 1,292,774
Less: Accumulated depreciation	<u>(264,604)</u>
Leased Property Under Capital Leases	<u>\$ 1,028,170</u>

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

Sharkey County, Mississippi

Notes to the Financial Statements
For the year ended September 30, 2013

Year Ending September 30,	Governmental Activities	
	Principal	Interest
2014	\$ 225,011	23,845
2015	350,873	16,733
2016	226,651	8,950
2017	260,342	3,539
Total	\$ <u>1,062,877</u>	<u>53,067</u>

(10) Long-term Debt

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

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
<u>Governmental Activities:</u>			
A. Capital Leases:			
2010 Ford F-150 Pick-up Truck - Distr. 3	2,858	3.55%	03/2014
2012 Mack Garbage Truck	134,780	1.98%	05/2014
Motor Grader - District 4	130,117	3.25%	05/2015
Motor Grader - District 5	138,721	3.25%	05/2015
Backhoe - District 1	45,078	3.25%	06/2015
Bushhog - District 2	10,235	3.15%	03/2016
10-Wheel Loader - General Road	85,632	1.82%	05/2016
2013 Mack Dump Truck - General Road	101,298	1.81%	06/2016
Excavator - General Road	62,910	1.81%	07/2016
Motor Grader - District 1	147,519	2.55%	03/2017
Tractor - District 1	24,610	2.55%	03/2017
Motor Grader - District 2	138,686	2.03%	06/2017
IBM System Upgrade	40,433	2.19%	09/2017
Total Capital Leases	\$ <u>1,062,877</u>		

Sharkey County, Mississippi

Notes to the Financial Statements
For the year ended September 30, 2013

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
B. Other Loans:			
District 1 Loan	\$ 25,191	4.00%	08/2015
District 3 Loan	20,384	4.00%	08/2015
	<u>\$ 45,575</u>		

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

Governmental Activities:

Year Ending September 30,	Other Loans	
	Principal	Interest
2014	\$ 22,350	1,823
2015	23,225	947
Total	<u>\$ 45,575</u>	<u>2,770</u>

Legal Debt Margin

The amount of debt, excluding specific exempted debt, that can be incurred by the county is limited by state statute. Total outstanding debt during a year can be no greater than 15% of assessed value of the taxable property within the county, according to the then last completed assessment for taxation. However, the limitation is increased by 20% whenever a county issues bonds to repair or replace washed out or collapsed bridges on the public roads of the county. As of September 30, 2013, the amount of outstanding debt was equal to 0% of the latest property assessments.

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

	Balance Oct. 1, 2012	Additions	Reductions	Balance Sept. 30, 2013	Amount due within one year
<u>Governmental Activities:</u>					
Capital leases	\$ 916,210	320,682	174,015	1,062,877	225,011
Other loans	67,065		21,490	45,575	22,350
Total	<u>\$ 983,275</u>	<u>320,682</u>	<u>195,505</u>	<u>1,108,452</u>	<u>247,361</u>

Sharkey County, Mississippi

Notes to the Financial Statements
For the year ended September 30, 2013

<u>Component Units:</u>	<u>Balance Sept. 30, 2013</u>	<u>Amount due within one year</u>
Hospital - Leases	\$ 318,320	131,907
Library - Compensated absences	1,569	
Total	<u>\$ 319,889</u>	<u>131,907</u>

(11) Contingencies

Federal Grants - The county has received federal grants for specific purposes that are subject to audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a grantor audit may become a liability of the county. No provision for any liability that may result has been recognized in the county's financial statements.

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

(12) Jointly Governed Organizations

The county participates in the following jointly governed organizations:

Delta Community Mental Health Services operates in a district composed of the Counties of Bolivar, Issaquena, Sharkey and Washington. The Sharkey County Board of Supervisors appoints one of the four members of the commissioners. The county appropriated \$49,000 for financial support in fiscal year 2013.

Mississippi Delta Community College operates in a district composed of the Counties of Bolivar, Coahoma, Humphreys, Issaquena, Leflore, Sharkey, Sunflower and Washington. The Sharkey County Board of Supervisors appoints three of the 20 members of the college board of trustees. The county appropriated \$83,455 for support in fiscal year 2013.

South Delta Planning and Development District operates in a district composed of the Counties of Bolivar, Humphreys, Issaquena, Sharkey, Sunflower and Washington. The Sharkey County Board of Supervisors appoints three of the 22 members of the board of directors. The county contributes only a small part of the entity's total revenues.

Sharkey County, Mississippi

Notes to the Financial Statements For the year ended September 30, 2013

The Yazoo-Mississippi Water Management District operates in a district composed of the Counties of Bolivar, Carroll, Coahoma, DeSoto, Holmes, Humphreys, Issaquena, Leflore, Panola, Quitman, Sharkey, Sunflower, Tallahatchie, Tate, Tunica, Washington and Yazoo. The Sharkey County Board of Supervisors appoints one of the 21 members of the board of commissioners. The county appropriated \$27,889 for support in fiscal year 2012.

(13) Defined Benefit Pension Plan

Plan Description

Sharkey County 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 report may be obtained by writing to Public Employees' Retirement System of Mississippi, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling 1-800-444-PERS.

Funding Policy

PERS members are required to contribute 9% of their annual covered salary, and the county is required to contribute at an actuarially determined rate. The rate at September 30, 2013 was 15.75% of the annual covered payroll. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. The county's contributions to PERS for the fiscal years ending September 30, 2013, 2012 and 2011 were \$191,805, \$174,077, and \$159,436, 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 or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of net position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of net position date require disclosure in the accompanying notes. Management of Sharkey County evaluated the activity of the county, through the date the financial statements were available to be issued, and determined that no subsequent events have occurred that require disclosure in the notes to the financial statements.

This page is intentionally left blank.

REQUIRED SUPPLEMENTARY INFORMATION

SHARKEY COUNTY, MISSISSIPPI

Budgetary Comparison Schedule

Budget and Actual (Non-GAAP Basis)

General Fund

For the Year Ended September 30, 2013

	Budgeted Amounts		Actual (Non-GAAP Basis)	Variances Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Property Taxes	\$ 1,712,646	1,927,230	1,927,230	214,584	0
Licenses, Commissions and other Revenues	71,200	74,906	74,906	3,706	0
Fines and Forfeitures	69,000	84,299	84,299	15,299	0
Intergovernmental Revenues	228,300	270,774	270,774	42,474	(0)
Charges for Services	1,000	840	840	(160)	-
Interest	13,000	21,902	21,902	8,902	0
Miscellaneous Revenues	46,000	79,444	79,444	33,444	0
Total Revenues	<u>2,141,146</u>	<u>2,459,394</u>	<u>2,459,395</u>	<u>318,248</u>	<u>1</u>
Expenditures:					
General Government	1,469,143	1,452,061	1,453,508	17,082	(1,447)
Public Safety	521,204	577,441	577,441	(56,237)	(0)
Health and Welfare	240,874	239,837	239,837	1,037	0
Culture and Recreation	19,500	25,341	25,341	(5,841)	(0)
Conservation of Natural Resources	41,730	37,560	37,560	4,170	0
Economic Development and Assistance	2,266	3,766	3,767	(1,500)	(1)
Total Expenditures	<u>2,294,717</u>	<u>2,336,006</u>	<u>2,337,454</u>	<u>41,289</u>	<u>1,448</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(153,571)</u>	<u>123,388</u>	<u>121,941</u>	<u>276,959</u>	<u>(1,447)</u>
Other Financing Sources (Uses):					
Transfers In(Out)	<u>3,571</u>	<u>5,444</u>	<u>5,444</u>	<u>(1,873)</u>	<u>-</u>
Net Change in Fund Balances	<u>(150,000)</u>	<u>128,832</u>	<u>127,385</u>	<u>278,832</u>	<u>(1,447)</u>
Fund Balances:					
October 1, 2012			443,658	-	443,658
Rounding difference			2	-	2
September 30, 2013	<u>\$ (150,000)</u>	<u>128,832</u>	<u>571,045</u>	<u>278,832</u>	<u>442,211</u>

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

SHARKEY COUNTY, MISSISSIPPI

Budgetary Comparison Schedule

Budget and Actual (Non-GAAP Basis)

General Road Fund

For the Year Ended September 30, 2013

	Budgeted Amounts		Actual (Non-GAAP Basis)	Variances Positive (Negative)	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Property Taxes	\$ 175,000	238,755	238,755	63,755	0
Charges for Services		10,554	10,554	10,554	(0)
Interest Income		170	170	170	0
Miscellaneous Revenues		100,219	100,219	100,219	(0)
Total Revenues	175,000	349,698	349,698	174,698	(0)
Expenditures:					
Public Works	220,000	313,478	313,477	(93,478)	1
Net Change in Fund Balances	(45,000)	36,220	36,221	81,220	1
Fund Balances:					
October 1, 2012			66,596	-	66,596
September 30, 2013	\$ (45,000)	36,220	102,817	81,220	66,597

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

Sharkey County, Mississippi

Notes to the Required Supplementary Information For the year ended September 30, 2013

A. Budgetary Information.

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

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

B. Basis of Presentation.

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

C. Budget/GAAP Reconciliation.

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

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

Sharkey County, Mississippi

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

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

	<u>Governmental Fund Types</u>	
	<u>General Fund</u>	<u>General Road Fund</u>
Budget (Cash Basis)	\$ 127,385	36,221
Increase (Decrease)		
Net adjustments for revenue accruals	(4,097)	(324)
Net adjustments for expenditure accruals	41,982	(17,659)
GAAP Basis	<u>\$ 165,270</u>	<u>18,238</u>

SUPPLEMENTARY INFORMATION

SHARKEY COUNTY, MISSISSIPPI

Reconciliation of Operating Costs of Solid Waste For the Year Ended September 30, 2013

Operating Expenditures, Cash Basis

Salaries	\$	134,380
Expendable Commodities:		
Gasoline and petroleum products		53,784
Repairs and parts		30,122
Clothing		1,151
Solid waste pickup and disposal fees		80,817
Maintenance, supplies and utilities		3,043
Postage and box rent		5,289
Solid Waste Cash Basis Operating Expenditures	\$	<u>308,586</u>

Full Cost Expenses:

Indirect administrative costs	\$	5,379
Depreciation on equipment		19,098
Interest expense on lease-purchase equipment		2,977
Solid Waste Full Cost Operating Expenses	\$	<u><u>336,040</u></u>

SHARKEY COUNTY, MISSISSIPPI

COMBINING STATEMENT OF NET POSITION - COMPONENT UNITS
SEPTEMBER 30, 2013

	Sharkey- Issaquena Community Hospital	Sharkey- Issaquena County Library	Total Component Units
Assets:			
<i>Cash and investments</i>	\$ 4,693,612	4,865	4,698,477
<i>Accounts receivable</i>	1,152,833	--	1,152,833
<i>Other receivables</i>	--	119	119
<i>Supplies</i>	150,975	--	150,975
<i>Prepaid expenses</i>	91,401	--	91,401
<i>Notes receivable</i>	67,500	--	67,500
<i>Restricted assets</i>	55,762	1,321	57,083
<i>Capital assets</i>	1,460,922	534,068	1,994,990
Total Assets	<u>7,673,005</u>	<u>540,373</u>	<u>8,213,378</u>
Liabilities and Net Position:			
Liabilities:			
<i>Accounts payable</i>	888,686	--	888,686
<i>Claims payable</i>	--	13,364	13,364
<i>Current portion of long-term debt</i>	131,907	--	131,907
<i>Accrued expenses</i>	339,898	--	339,898
<i>Accrued interest payable</i>	--	385	385
<i>Other payables</i>	89,013	--	89,013
<i>Notes payable</i>	--	54,000	54,000
<i>Long-term debt</i>	186,413	--	186,413
<i>Compensated absences</i>	--	1,569	1,569
Total Liabilities	<u>1,635,917</u>	<u>69,318</u>	<u>1,705,235</u>
Net Position:			
Net investment in capital assets	1,142,602	534,068	1,676,670
Restricted:			--
Capital projects	--	1,163	1,163
Unemployment	--	158	158
Other	15,264	--	15,264
Unrestricted	4,879,222	(64,334)	4,814,888
Total Net Position	<u>\$ 6,037,088</u>	<u>471,055</u>	<u>6,508,143</u>

SHARKEY COUNTY, MISSISSIPPI

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN NET POSITION - COMPONENT UNITS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Sharkey- Issaquena Community Hospital	Sharkey- Issaquena County Library	Total Component Units
Operating Revenues:			
Charges for services	\$ 6,184,210	\$ 4,362	\$ 6,188,572
Electronic health records incentive	563,609	--	563,609
Operating grants and contributions	--	79,424	79,424
Other	509,393	--	509,393
Total Operating Revenues	<u>7,257,212</u>	<u>83,786</u>	<u>7,340,998</u>
Operating Expenses:			
Personnel	4,161,017	116,138	4,277,155
Materials and supplies	4,302,331	5,966	4,308,297
Operations	--	45,315	45,315
Capital outlay	--	1,722	1,722
Depreciation	355,789	--	355,789
Total Operating Expenses	<u>8,819,137</u>	<u>169,141</u>	<u>8,988,278</u>
Operating Income	(1,561,925)	(85,355)	(1,647,280)
Non-Operating Revenues (Expenses):			
Non-capital grants	53,188	--	53,188
Sharkey/Issaquena County	--	66,893	66,893
Reimbursements from the City	--	11,200	11,200
Interest income	17,107	3	17,110
Interest expense	(13,929)	--	(13,929)
Miscellaneous	29,281	--	29,281
Total Non-Operating Revenues (Expenses)	<u>85,647</u>	<u>78,096</u>	<u>163,743</u>
Excess (Deficiency) of Revenues Over (Under) Expenses before Capital Grants	(1,476,278)	(7,259)	(1,483,537)
Capital Grants	<u>37,995</u>	<u>--</u>	<u>37,995</u>
Changes in Net Position	(1,438,283)	(7,259)	(1,445,542)
Net Position			
Beginning of year	7,475,371	478,314	7,953,685
End of year	<u>\$ 6,037,088</u>	<u>\$ 471,055</u>	<u>\$ 6,508,143</u>

OTHER INFORMATION

SHARKEY COUNTY, MISSISSIPPI

Schedule of Surety Bond for County Officials

For the Year Ended September 30, 2013

Position/Name	Bonding Company	Bond Number	Bond Amount	Expiration Date
SUPERVISOR				
District 1 Bill Newsom	Travelers	105709401	\$ 100,000	1/4/2016
District 2 Leroy Smith, Jr.	Travelers	105709395	\$ 100,000	1/4/2016
District 3 Sam Matthews	Travelers	105709400	\$ 100,000	1/4/2016
District 4 W.T. Ewing	Travelers	105709394	\$ 100,000	1/4/2016
District 5 Willie Smith	Western Surety Co.	60845645	\$ 100,000	1/2/2016
CHANCERY CLERK				
Murindia Williams	Travelers	105709402	\$ 100,000	1/4/2016
DEPUTY CLERKS				
Dianah Sutton	Travelers	105709389	\$ 50,000	1/4/2016
Patricia Thrasher	Travelers	105931906	\$ 50,000	6/15/2016
Donna Baugh	Travelers	105708124	\$ 50,000	1/4/2016
Miran Hamilton	Travelers	105712089	\$ 50,000	1/4/2016
PURCHASE CLERK				
Murindia Williams	Travelers	105709396	\$ 75,000	1/4/2016
ASST PURCHASE CLERK				
Donna Baugh	Travelers	105708126	\$ 50,000	1/4/2016
RECEIVING CLERK				
Donna Anderson	Travelers	105043901	\$ 75,000	1/4/2016
Dianah Sutton (General Road)	Travelers	105712078	\$ 75,000	1/4/2016
ASST RECEIVING CLERKS				
District 1 Henry Dennis	Travelers	105872948	\$ 50,000	3/8/2016
District 2 Donald Carter	RLI surety	105708128	\$ 50,000	11/4/2016
District 3 Charles Ray Coleman	Travelers	105872949	\$ 50,000	3/8/2016
District 4 James Davis	Travelers	105931903	\$ 50,000	6/1/2016
District 5 Dianah Sutton	Travelers	105712077	\$ 50,000	1/4/2016
Karenthia Jones	Travelers	105931909	\$ 50,000	7/1/2016
Lynn Newman (DHS)	Travelers	104853152	\$ 50,000	2/8/2016
INVENTORY CLERK				
Donna Baugh	Travelers	105712067	\$ 75,000	1/4/2016
CONSTABLES				
Post 1 Terrance Alford	Travelers	105709385	\$ 50,000	1/4/2016
Post 2 Charlie Marshall	Travelers	105709383	\$ 50,000	1/4/2016
CIRCUIT CLERK				
Murindia Williams	Travelers	105712044	\$ 100,000	1/4/2016
DEPUTY CLERKS				
Dianah Sutton	Travelers	105709390	\$ 50,000	1/4/2016
Pat Thrasher	Travelers	105931905	\$ 50,000	6/15/2016
Donna Baugh	Travelers	105708125	\$ 50,000	1/4/2016

SHARKEY COUNTY, MISSISSIPPI

Schedule of Surety Bond for County Officials (Continued)

For the Year Ended September 30, 2013

Position/Name	Bonding Company	Bond Number	Bond Amount	Expiration Date
SHERIFF				
Lindsey Adams	Travelers	105709398	\$ 100,000	1/4/2016
DEPUTY SHERIFFS				
Eugene Bell	Travelers	105709378	\$ 50,000	1/4/2016
Carolyn Tillis	Travelers	105931907	\$ 50,000	6/5/2016
Stanley Coleman	Travelers	105708129	\$ 50,000	1/4/2016
William Bethley	Travelers	105931904	\$ 50,000	6/25/2016
Darris Pinkins	Travelers	105709384	\$ 50,000	1/4/2016
SHERIFF's OFFICE MANAGER				
Michelle Larry	Travelers	105327315	\$ 50,000	2/12/2016
JUSTICE COURT JUDGE				
Post 1 Treves H. Cooper	Travelers	105708130	\$ 50,000	1/4/2016
Post 2 Elvis C. Secoy	Travelers	105490388	\$ 50,000	1/4/2016
JUSTICE COURT CLERK				
Princess Turner	Travelers	105709391	\$ 50,000	1/4/2016
DEPUTY JUSTICE COURT CLERK				
Kathy Sanderford	Travelers	105709387	\$ 50,000	1/4/2016
TAX ASSESSOR/COLLECTOR				
Tracy Brown	Travelers	105709399	\$ 100,000	1/4/2016
DEPUTY TAX ASSESSOR/COLLECTOR				
Donna Anderson	Travelers	105708123	\$ 50,000	1/4/2016
Karenthia Jones	Travelers	105709382	\$ 50,000	1/4/2016
COUNTY ENGINEER				
Marcus Hooker	Travelers	105709381	\$ 50,000	1/4/2016

SPECIAL REPORTS

FORTENBERRY & BALLARD, PC
CERTIFIED PUBLIC ACCOUNTANTS

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

Members of the Board of Supervisors
Sharkey County, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sharkey County, Mississippi, as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the county's basic financial statements and have issued our report thereon dated March 4, 2014. However, the financial statements of Sharkey - Issaquena Community Hospital, component unit, audited by other auditors were not audited in accordance with *Government Auditing Standards*.

The report is qualified on the discretely presented component units due to the inadequacy of the accounting records for the capital assets of the Sharkey - Issaquena Library. We did not audit the financial statements of the Sharkey-Issaquena Community Hospital, and the Sharkey-Issaquena County Library, component units, which represent 93 percent, 93 percent, and 99 percent, and 7 percent, 7 percent and 1 percent, respectively, of the assets, net position, and revenues of the proprietary component units. Our report includes a reference to other auditors who audited the financial statements of Sharkey - Issaquena Community Hospital and Sharkey - Issaquena County Library, as described in our report on Sharkey County, Mississippi's financial statements. This report includes our consideration of the results of the other auditor's testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the

1929 SPILLWAY ROAD, SUITE B
BRANDON, MISSISSIPPI 39047
TELEPHONE 601-992-5292 FAX 601-992-2033

accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies. [Findings 2013-3, 2013-4, 2013-5 and 2013-6]

Compliance and Other Matters

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

However, we noted a certain matter that we reported to the management of Sharkey County, Mississippi, in the Limited Internal Control and Compliance Review Management Report dated March 4, 2014, included within this document.

Sharkey County's responses to the findings identified in our audit are described in the accompanying auditee's corrective action plan. Sharkey County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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

Fortenberry & Ballard, PC

Fortenberry & Ballard PC
March 4, 2014

Certified Public Accountants

FORTENBERRY & BALLARD, PC
CERTIFIED PUBLIC ACCOUNTANTS

**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
Sharkey County, Mississippi

We have examined Sharkey County, Mississippi's (the County) compliance with establishing and maintaining a central purchasing system and inventory control system in accordance with Sections 31-7-101 through 31-7-127, Miss. Code Ann. (1972) and compliance with the purchasing requirements in accordance with the bid requirements of Section 31-7-13, Miss. Code Ann. (1972) during the year ended September 30, 2013. The Board of Supervisors of Sharkey 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 Sharkey 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, Sharkey County, Mississippi, complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements for the year ended September 30, 2013.

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

1929 SPILLWAY ROAD, SUITE B
BRANDON, MISSISSIPPI 39047
TELEPHONE 601-992-5292 FAX 601-992-2033

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

FORTENBERRY & BALLARD, PC

Fortenberry & Ballard, PC
March 4, 2014

Certified Public Accountants

Sharkey County, Mississippi

Schedule 1

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

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

Sharkey County, Mississippi
Schedule of Emergency Purchases
For the Year Ended September 30, 2013

Schedule 2

Our test results did not identify any emergency purchases.

Sharkey County, Mississippi

Schedule 3

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

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

FORTENBERRY & BALLARD, PC
CERTIFIED PUBLIC ACCOUNTANTS

LIMITED INTERNAL CONTROL
AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors
Sharkey County, Mississippi

In planning and performing our audit of the financial statements of Sharkey County, Mississippi for the year ended September 30, 2013, we considered Sharkey 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 Sharkey County, Mississippi's financial reporting, we have performed some additional limited internal control and state legal compliance review procedures as identified in the state legal compliance audit program issued by the Office of the State Auditor. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the county's compliance with these requirements. Accordingly, we do not express such an opinion. This report does not affect our report dated March 4, 2014, on the financial statements of Sharkey County, Mississippi.

The results of our review procedures and compliance tests identified an immaterial instance of noncompliance with state laws and regulations that is an opportunity for strengthening internal controls and operating efficiency. Our finding and recommendation and your responses are disclosed below:

Board of Supervisors.

Finding #1:

An effective system of internal control should include the separation of cash collection and disbursement functions. As reported in the prior eight years' audit reports, cash collection and disbursement functions are not adequately separated for effective internal control. One employee receipts funds, calculates monthly settlement reports, posts the cash journal, reconciles the bank statements and disburses all funds. Failure to properly segregate accounting duties increases the possibility of loss or misappropriation of public funds.

Recommendation:

The sheriff should implement a system of review of the accounting records by another person.

Sheriff's Response:

I will identify and correct all problems.

Sharkey County, Mississippi's response to the findings included in this report was not audited, and accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Supervisors, and others within the entity and is not intended to be and should not be used by anyone other than this party. However, this report is a matter of public record and its distribution is not limited.

FORTENBERRY & BALLARD, PC

Fortenberry & Ballard, PC
March 4, 2014

Certified Public Accountants

SCHEDULE OF FINDINGS AND RESPONSES

Sharkey County, Mississippi

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

Section I: Summary of Auditor's Results

Financial Statements:

1. Type of auditor's report issued on the financial statements:

Governmental Activities: **Unqualified**

Aggregate Discretely Presented Component Units: **Qualified**

General Fund: **Unqualified**

General Road Fund: **Unqualified**

Aggregate remaining fund information: **Unqualified**

2. Internal control over financial reporting:
 - a. Material weaknesses identified? **Yes**
 - b. Significant deficiencies identified that are not considered to be material weaknesses? **Yes**
3. Noncompliance material to the financial statements noted? **No**

Section II: Financial Statements Findings

The results of our tests disclosed the following findings related to financial statements that are required to be reported by *Government Auditing Standards*.

Finding 2013-1:

Board of Supervisors

Material Weakness

Criteria:

A critical aspect of effective financial management is the preparation of accurate financial statements.

Cause:

Management did not have personnel that possessed the necessary expertise to prepare the financial statements in accordance with generally accepted accounting principles.

Condition:

Management was not able to prepare financial statements.

Effect:

Without adequate controls in place over the preparation of financial statements in accordance with generally accepted accounting principles, the risk increases that inaccurate information may be reported.

Recommendation:

The Board of Supervisors should establish adequate controls and procedures to ensure that financial statements are presented and disclosed in accordance with generally accepted accounting principles.

Finding 2013-2:

Board of Supervisors

Material Weakness

Criteria:

An effective system of internal control over the solid waste accounts receivable records should include maintaining adequate subsidiary records to substantiate the total accounts receivable balance and include adequate documentation on estimates for the related allowance for uncollectible amounts.

Cause:

Management did not have a subsidiary record for solid waste receivables.

Condition:

Balances on some individual accounts receivables at year-end as reported on the aged accounts receivable report did not agree with the balances as shown on the individual account history detail because account balances shown on the aged accounts receivable report did not include account history prior to June 1, 2000.

Effect:

Failure to maintain adequate subsidiary records of solid waste accounts receivables and to adequately determine and document reasonable estimates of solid waste allowance for uncollectible could result in misstatements of the financial statements.

Recommendation:

The Board of Supervisors should maintain complete and adequate subsidiary solid waste accounts receivable records.

Finding 2013-3:

Chancery Clerk

Significant Deficiency

Criteria:

The county has adopted a policy of compensated absences for its employees. The Chancery

Clerk, as county auditor and treasurer, should maintain records that account for the number of leave hours each employee accumulates on a monthly basis and the current hourly rate of pay for each employee. This information is needed to calculate the end of the year compensated absences liability. Generally accepted accounting principles require the resulting liability to be reported in the financial statements.

Cause:

Lack of knowledge of what generally accepted accounting principles require and failure to correct deficiencies noted in current and prior year's audit.

Condition:

As reported in the prior eight years' audit reports, the Chancery Clerk did not maintain the necessary records to calculate the compensated absence liability.

Effect:

Failure to properly account for compensated absences could result in incorrect payments being made to employees leaving county service and result in not reporting the compensated absence liability in the financial statements.

Recommendation:

The Chancery Clerk should maintain adequate records so the total compensated absence liability can be calculated and reported in the financial statements as required by generally accepted accounting principles.

Finding 2013-4:

Chancery Clerk

Significant Deficiency

Criteria:

The accounting system prescribed in the *Mississippi County Financial Accounting Manual* for the land redemption account requires that bank statements are to be reconciled.

Cause:

Lack of knowledge of what needs to be done in accordance with the *Mississippi County Financial Accounting Manual*.

Condition:

Bank statements were not reconciled. As a result, reconciliations to the cash journal balance at month-end could not be performed.

Effect:

Failure of the Chancery Clerk to comply with the prescribed accounting system could result in undetected errors in the cash journal and improper or incomplete settlements being made to the county and/or other parties affected.

Recommendation:

The Chancery Clerk should make efforts to comply with the accounting system prescribed in the *Mississippi County Financial Accounting Manual*. Bank statements should be reconciled, and the reconciled total should match the cash journal total.

Finding 2013-5:

Justice Court Clerk

Significant Deficiency

Criteria:

An effective system of internal control should include an adequate segregation of duties.

Cause:

Failure to correct deficiencies noted in current and prior year's audit.

Condition:

As reported in the prior four years' audit reports, cash collection and disbursement functions were not adequately separated for effective internal control. One employee receipts funds, calculates the monthly settlement reports, posts the cash journal, reconciles the bank statements and disburses all funds.

Effect:

Failure to properly segregate accounting duties increases the possibility of misappropriation of public funds.

Recommendation:

The Justice Court Clerk should implement a system of review of the accounting records by another person.

Finding 2013-6:

Circuit Clerk

Significant Deficiency

Criteria:

An effective system of internal control should include an adequate segregation of duties within the office, maintaining cash journals, reconciling the bank statements to the cash journals and maintaining as subsidiary bond ledger.

Cause:

Failure to correct deficiencies noted in current and prior year's audit and implement controls that will ensure an adequate segregation of duties.

Condition:

During our audit, we observed several deficiencies in the Circuit Clerk's office. As reported in the prior year's audit report, cash collection and disbursement functions are not adequately separated for effective internal control. One employee receipts funds, posts the cash journal, reconciles the bank statements and disburses all funds. Also, the criminal bank statements were not reconciled to the cash journal.

Effect:

Failure to have proper internal controls could result in the loss of public funds.

Recommendation:

The Circuit Clerk should ensure that proper internal controls are maintained within the office through segregation of duties and correctly reconciling bank statements to the cash journals.



SHARKEY COUNTY BOARD OF SUPERVISORS

120 Locust Street
P.O. Box 218
Rolling Fork, MS 39159
Tel: (662) 873-2755
Fax: (662) 873-6045

Bill Newsom, President
1st District

Leroy Smith, Jr., 2nd District
Sam Matthews, 3rd District

W. T. Ewing, 4th District
Willie Smith, 5th District

AUDITEE'S CORRECTIVE ACTION PLAN

Sharkey County has prepared and hereby submits the following corrective action plan for the findings included in the Schedule of Findings and Responses for the year ended September 30, 2013:

<u>Finding</u>	<u>Corrective Action Plan Details</u>
2013-1	<p>a. Name of Contact Person Responsible for Corrective Action</p> <p>Name: Murindia Williams, Chancery Clerk Phone Number: (662) 873-2755</p> <p>b. Corrective Action Planned:</p> <p>I will comply.</p> <p>c. Anticipated Completion Date:</p> <p>September 30, 2014</p>



SHARKEY COUNTY BOARD OF SUPERVISORS

120 Locust Street
P.O. Box 218
Rolling Fork, MS 39159
Tel: (662) 873-2755
Fax: (662) 873-6045

Bill Newsom, President
1st District

Leroy Smith, Jr., 2nd District
Sam Matthews, 3rd District

W. T. Ewing, 4th District
Willie Smith, 5th District

AUDITEE'S CORRECTIVE ACTION PLAN (CONTINUED)

Sharkey County has prepared and hereby submits the following corrective action plan for the findings included in the Schedule of Findings and Responses for the year ended September 30, 2013:

<u>Finding</u>	<u>Corrective Action Plan Details</u>
2013-2	<p>a. Name of Contact Person Responsible for Corrective Action</p> <p>Name: Murindia Williams, Chancery Clerk Phone Number: (662) 873-2755</p> <p>b. Corrective Action Planned:</p> <p>We will maintain complete and adequate subsidiary solid waste accounts receivable records.</p> <p>c. Anticipated Completion Date:</p> <p>September 30, 2014</p>



SHARKEY COUNTY BOARD OF SUPERVISORS

120 Locust Street
P.O. Box 218
Rolling Fork, MS 39159
Tel: (662) 873-2755
Fax: (662) 873-6045

Bill Newsom, President
1st District

Leroy Smith, Jr., 2nd District
Sam Matthews, 3rd District

W. T. Ewing, 4th District
Willie Smith, 5th District

AUDITEE'S CORRECTIVE ACTION PLAN (CONTINUED)

Sharkey County has prepared and hereby submits the following corrective action plan for the findings included in the Schedule of Findings and Responses or the year ended September 30, 2013:

<u>Finding</u>	<u>Corrective Action Plan Details</u>
2013-3	<p>a. Name of Contact Person Responsible for Corrective Action</p> <p>Name: Murindia Williams, Chancery Clerk Phone Number: (662) 873-2755</p> <p>b. Corrective Action Planned:</p> <p>We will maintain adequate records so the total compensated absence liability may be calculated and reported in the financial statements.</p> <p>c. Anticipated Completion Date:</p> <p>September 30, 2014</p>



SHARKEY COUNTY BOARD OF SUPERVISORS

120 Locust Street
P.O. Box 218
Rolling Fork, MS 39159
Tel: (662) 873-2755
Fax: (662) 873-6045

Bill Newsom, President
1st District

Leroy Smith, Jr., 2nd District
Sam Matthews, 3rd District

W. T. Ewing, 4th District
Willie Smith, 5th District

AUDITEE'S CORRECTIVE ACTION PLAN (CONTINUED)

Sharkey County has prepared and hereby submits the following corrective action plan for the findings included in the Schedule of Findings and Responses for the year ended September 30, 2013:

<u>Finding</u>	<u>Corrective Action Plan Details</u>
2013-4	<p>a. Name of Contact Person Responsible for Corrective Action</p> <p>Name: Murindia Williams, Chancery Clerk Phone Number: (662) 873-2755</p> <p>b. Corrective Action Planned:</p> <p>I will comply.</p> <p>c. Anticipated Completion Date:</p> <p>September 30, 2014</p>



SHARKEY COUNTY BOARD OF SUPERVISORS

120 Locust Street
P.O. Box 218
Rolling Fork, MS 39159
Tel: (662) 873-2755
Fax: (662) 873-6045

Bill Newsom, President
1st District

Leroy Smith, Jr., 2nd District
Sam Matthews, 3rd District

W. T. Ewing, 4th District
Willie Smith, 5th District

AUDITEE'S CORRECTIVE ACTION PLAN (CONTINUED)

Sharkey County has prepared and hereby submits the following corrective action plan for the findings included in the Schedule of Findings and Responses for the year ended September 30, 2013:

<u>Finding</u>	<u>Corrective Action Plan Details</u>
2013-5	<p>a. Name of Contact Person Responsible for Corrective Action</p> <p>Name: Princess Turner, Justice Court Clerk Phone Number: (662) 873-6140</p> <p>b. Corrective Action Planned:</p> <p>We will implement a system of review of the accounting records by another person.</p> <p>c. Anticipated Completion Date:</p> <p>September 30, 2014</p>



SHARKEY COUNTY BOARD OF SUPERVISORS

120 Locust Street
P.O. Box 218
Rolling Fork, MS 39159
Tel: (662) 873-2755
Fax: (662) 873-6045

Bill Newsom, President
1st District

Leroy Smith, Jr., 2nd District
Sam Matthews, 3rd District

W. T. Ewing, 4th District
Willie Smith, 5th District

AUDITEE'S CORRECTIVE ACTION PLAN (CONTINUED)

Sharkey County has prepared and hereby submits the following corrective action plan for the findings included in the Schedule of Findings and Responses for the year ended September 30, 2013:

<u>Finding</u>	<u>Corrective Action Plan Details</u>
2013-6	<p>a. Name of Contact Person Responsible for Corrective Action</p> <p>Name: Murindia Williams, Circuit Clerk Phone Number: (662) 873-2755</p> <p>b. Corrective Action Planned:</p> <p>We will ensure that proper internal controls are maintained within the office through segregation of duties and correctly reconciling bank statements to the cash journals.</p> <p>c. Anticipated Completion Date:</p> <p>September 30, 2014</p>

