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**Coahoma County, Mississippi**  
Audited Financial Statements  
and Special Reports  
For the Year Ended  
September 30, 2015

**Fortenberry & Ballard, PC**  
Certified Public Accountants

# Coahoma County, Mississippi

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## Coahoma County Location in Mississippi



Coahoma County was established February 9, 1836, and is located in the northwestern part of the state in the fertile Yazoo Delta region. The name "Coahoma" is a Choctaw word meaning "red panther." In 1930, the county seat was given exclusively to Clarksdale which had a population of 7,500 in 1920. Clarksdale is now the largest city in the county, and was named for John Clark, a brother-in-law of Governor James L. Alcorn, whose home, Eagle's Nest, was in this county.

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## FINANCIAL REPORT

FORTENBERRY & BALLARD, PC  
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors  
Coahoma County, Mississippi

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Coahoma County, Mississippi (the County) as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation 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 Economic Development Authority, component unit, which is both a major fund and 3 percent, 1 percent, and 12 percent, respectively, of the assets, net position, and revenues of the governmental activities. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the aforementioned component unit, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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



statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **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 business-type activities, each major fund, and the aggregate remaining fund information of the Coahoma County, Mississippi, as of September 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 1 to the financial statements, the County adopted Governmental Accounting Standards Board (“GASB”) Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. As a result, net position as of October 1, 2014, has been restated. Our opinion is not modified with respect to this matter.

## **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, the Schedule of the County’s Proportionate Share of the Net Pension Liability and the Schedule of the County’s Contributions 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.

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that

collectively comprise the Coahoma County, Mississippi's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion based on our audit and the procedures performed as described above, the Schedule of Expenditures of Federal Awards is 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 April 19, 2017, on our consideration of the Coahoma 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 Coahoma County, Mississippi's internal control over financial reporting and compliance.

*Fortenberry & Ballard, PC*

Fortenberry & Ballard, PC  
April 19, 2017

Certified Public Accountants

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**Coahoma County, Mississippi**  
Management's Discussion and Analysis  
For the Year Ended September 30, 2015

## **INTRODUCTION**

The following discussion and analysis of Coahoma County, Mississippi's financial performance provides an overview of the County's financial activities for the year ended September 30, 2015. 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 2015 decreased \$8,830,157, including a prior period adjustment of (\$10,537,274) which represents a 8% decrease from 2014. The prior period adjustment in the amount of (\$9,383,691) was due to the implementation of GASB 68 recognizing county net pension liability. Total net position for 2014 decreased \$3,757,274, inclusive of a prior period adjustment totaling \$3,330,776.from 2013.
- The County had \$20,159,725 in total revenues for 2015. Tax revenues account for \$7,288,953 or 36% of total revenues for 2015. Charges for services totaled \$2,498,352 or 12% of total revenues for 2015. The County had \$18,046,450 in total revenues for 2014. Tax revenues account for \$7,345,627 or 41% of total revenues for 2014.
- The County had \$20,470,254 in total expenses for 2015. Expenses in the amount of \$6,264,517 were offset by charges for services, grants, or outside contributions. General revenues of \$13,895,208 and special items of \$2,017,646 were adequate to provide for the remainder of the expenses. For 2014, the County had \$18,472,948 in total expenses. Expenses in the amount of \$4,731,036 were offset by charges for services, grants, or outside contributions. General revenues of \$13,315,414 were not adequate to provide for the remainder of the expenses.
- Among major funds, the General Fund had \$8,750,447 in revenues and \$9,540,175 in expenditures. The General Fund's fund balance decreased \$443,835 over the prior year. Last year's revenues were \$9,405,588, and expenditures were \$9,243,027.
- Among major funds, the Economic Development Authority Fund had \$544,145 in revenues and \$411,595 in expenditures. The General Road Fund had \$1,801,290 in revenues and \$2,828,821 in expenditures. In 2014, the Economic Development Authority Fund had \$281,657 in revenues and \$454,218 in expenditures and the General Road Fund had \$1,570,440 in revenues and \$1,478,753 in expenditures.
- Capital assets, net of accumulated depreciation, decreased by \$719,385 in the governmental activities primarily due to prior period adjustments made and increased \$86,591 in the business-type activities. Capital assets, net of accumulated depreciation, decreased by \$1,766,150 for governmental activities and decreased in the business-type activities in the amount of \$37,502 in 2014.

**Coahoma County, Mississippi**  
Management's Discussion and Analysis  
For the Year Ended September 30, 2015

- Long-term debt decreased by \$2,185,129, including a property sale and extinguishment of related debt to the sale of Peanut Company, in the governmental activities. In 2014, long-term debt decreased by \$4,287,054 in the governmental activities. The business type activities' long-term debt decreased \$67,389 in 2015 due to payment of debt principal solely and decreased \$67,207 in 2014.

## 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**

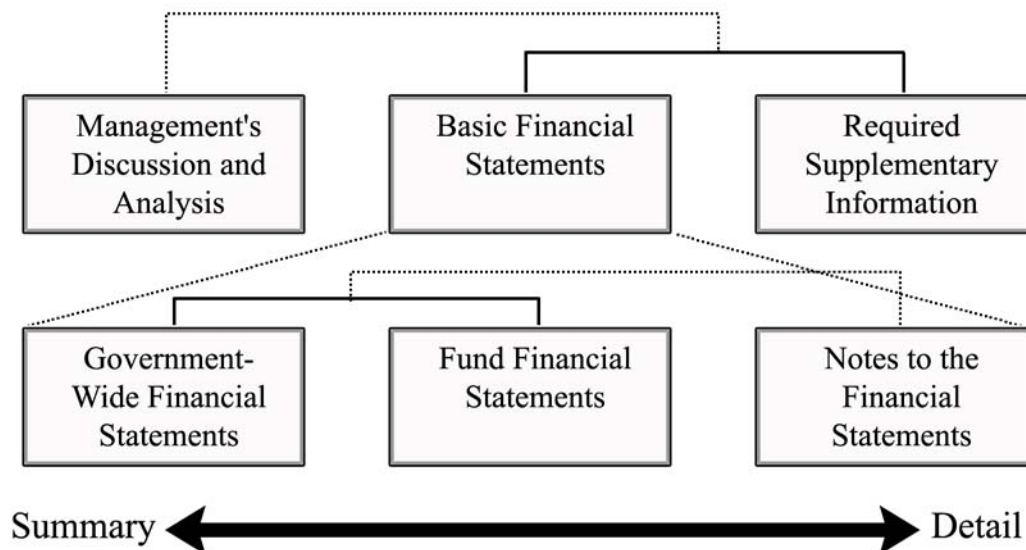


Figure 1 shows how required parts of this annual report are arranged and relate to one another.

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.

**Coahoma County, Mississippi**  
**Management's Discussion and Analysis**  
**For the Year Ended September 30, 2015**

	<b>Government-Wide Financial Statements</b>	<b>Fund Financial Statements</b>		
		<b>Governmental Funds</b>	<b>Proprietary Funds</b>	<b>Fiduciary Funds</b>
Scope	Entire County government (except fiduciary funds)	All activities of the County that are not business-type or fiduciary in nature	All activities of the County that are business-type 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 Net Position *Statement of Revenues, Expenses and Changes in Net Position *Cash Flows	* 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	Accrual accounting and economic resources focus
Type of asset, deferred outflow, liability, deferred inflow information	All assets, deferred outflows, liabilities, deferred inflows, both financial and capital and short and long term	Only assets and deferred outflows expected to be used up and liabilities and deferred inflows that come due during the year or soon thereafter, no capital assets included	All assets, deferred outflows, liabilities and deferred inflows both financial and capital, and short and long term	All assets, deferred outflows, liabilities and deferred inflows, both short and long term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services are received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when the cash is received or paid	N/A

**Coahoma County, Mississippi**  
Management's Discussion and Analysis  
For the Year Ended September 30, 2015

**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.

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

The County has two blended component unit reported in the Coahoma County's report as follows:

- Coahoma County Public Improvement Corporation
- Economic Development Authority

**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 three categories: governmental funds, proprietary funds and fiduciary funds.

**Coahoma County, Mississippi**  
Management's Discussion and Analysis  
For the Year Ended September 30, 2015

**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.

**Proprietary funds** - Proprietary funds charge fees for services to outside customers. They are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. The County is responsible for ensuring that the assets reported in these funds are used for their intended purpose. The enterprise funds of the county include the Federal Building fund and the Railroad fund.

**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.



**Coahoma County, Mississippi**  
Management's Discussion and Analysis  
For the Year Ended September 30, 2015

**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:

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, Schedule of the County's Proportionate Share of the Net Pension Liability, and Schedule of the County Contributions as required supplementary information. The County 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.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Net position**

Net position may serve over time as a useful indicator of government's financial position. In the case of Coahoma County, assets, deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$100,192,936 as of September 30, 2015.

**Coahoma County, Mississippi**  
**Management's Discussion and Analysis**  
**For the Year Ended September 30, 2015**

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.

The following table presents a summary of the County's net position for the governmental activities at September 30, 2015 and September 30, 2014.

GASB 68 was implemented in fiscal year 2015. Prior year amounts were not restated to reflect the implementation of GASB 68.

**Condensed Statement of Net Position**

	09/30/15	09/30/14
<b>Assets:</b>		
Current assets	\$ 18,631,429	48,667,512
Restricted assets	30,107,363	
Capital assets, net	64,748,262	65,467,647
Total Assets	<u>113,487,054</u>	<u>114,135,159</u>
 Deferred outflows of resources	 <u>2,377,145</u>	 <u></u>
<b>Liabilities:</b>		
Current liabilities	1,075,695	1,067,733
Long-term debt outstanding	592,271	2,685,181
Net pension liability	12,512,116	
Total Liabilities	<u>14,180,082</u>	<u>3,752,914</u>
 Deferred inflows of resources	 <u>7,722,443</u>	 <u>7,796,319</u>
<b>Net position:</b>		
Net investment in capital assets	64,446,364	63,230,620
Restricted assets	45,705,375	48,634,467
Unrestricted	(16,190,065)	(9,279,161)
Total Net position	<u>\$ 93,961,674</u>	<u>102,585,926</u>

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

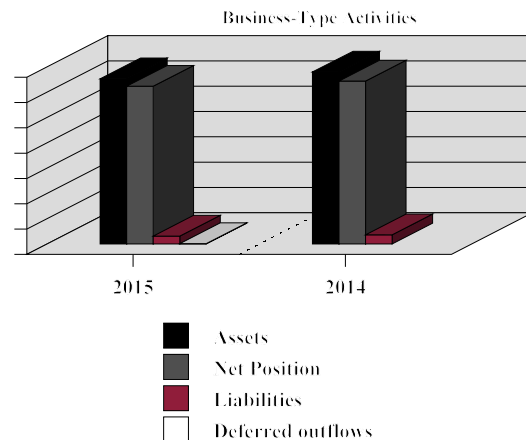
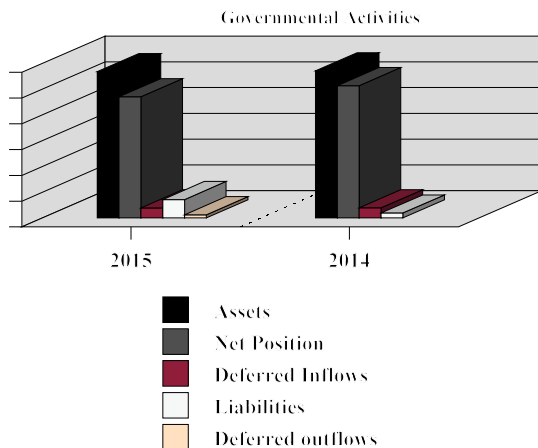
- Implementation of GASB 68 added \$2,377,145 in deferred outflows of resources and net pension liability of \$12,512,116 was recognized for the first time in fiscal year 2015.
- Governmental activities' capital assets, net of accumulated depreciation, decreased by \$719,385.

**Coahoma County, Mississippi**  
**Management's Discussion and Analysis**  
**For the Year Ended September 30, 2015**

This table presents a summary of the County's net position for the business-type activities at September 30, 2015 as compared to September 30, 2014.

**Condensed Statement of Net Position**

	\	09/30/15	09/30/14
<b>Assets:</b>			
Current assets	\$	227,201	584,331
Capital assets, net		6,298,354	6,211,763
Total Assets		<u>6,525,555</u>	<u>6,796,094</u>
Deferred outflows of resources		<u>13,847</u>	
<b>Liabilities:</b>			
Current liabilities		54,778	111,059
Long-term debt outstanding		180,479	247,868
Net pension liability		72,883	
Total Liabilities		<u>308,140</u>	<u>358,927</u>
<b>Net position:</b>			
Net investment in capital assets		6,117,875	5,963,895
Restricted		270,108	473,272
Unrestricted		(156,721)	
Total Net Position	\$	<u><u>6,231,262</u></u>	<u><u>6,437,167</u></u>



**Coahoma County, Mississippi**  
Management's Discussion and Analysis  
For the Year Ended September 30, 2015

**Changes in Net position**

Coahoma County's total revenues for the fiscal year ended September 30, 2015 were \$20,159,725 and \$18,046,050 for 2014. The total cost of all services provided was \$20,470,254 for 2015 and \$18,472,948 for 2014 and the decrease in net position was \$8,830,157, including a prior period adjustment of (\$10,537,274) for 2015 and decreased \$3,757,274, including a prior period adjustment of (\$3,330,776) for 2014.

**Coahoma County, Mississippi**  
**Management's Discussion and Analysis**  
**For the Year Ended September 30, 2015**

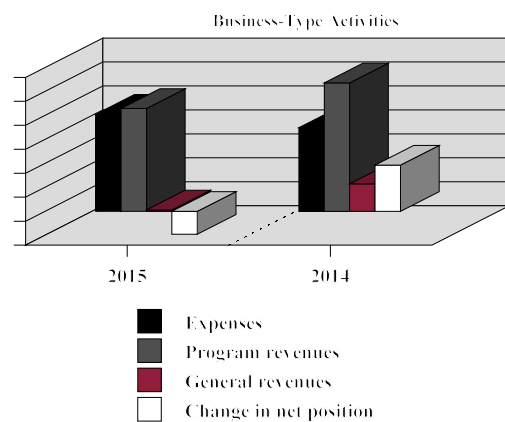
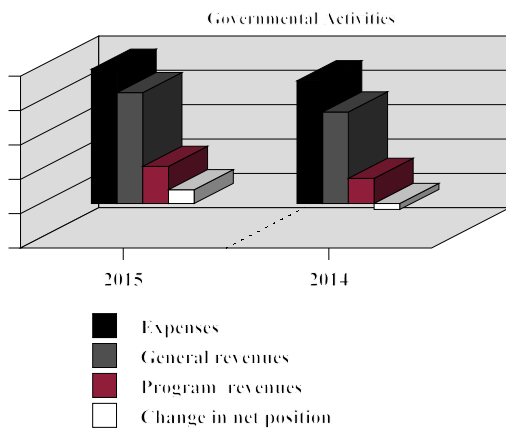
The following table presents a summary of the changes in net position for the governmental activities for the fiscal year ended September 30, 2015 and September 30, 2014.

	Fiscal Year Ended 09/30/15	Fiscal Year Ended 09/30/14
Revenues:		
Program revenues:		
Charges for services	\$ 1,931,560	2,408,733
Operating grants & contributions	1,472,379	313,902
Capital grants & contributions	2,003,217	936,953
General revenues:		
Taxes	7,288,953	7,345,627
Grants and contributions	2,325,397	3,114,975
Unrestricted interest income	366,101	591,100
Other	3,902,257	2,033,518
Total Revenues	<u>19,289,864</u>	<u>16,744,808</u>
Expenses:		
General government	5,067,890	4,661,812
Public safety	5,247,514	4,834,645
Public works	4,985,732	4,728,966
Health & welfare	1,036,339	486,205
Culture & recreation	238,583	212,298
Conservation of natural resources	85,903	94,044
Economic development and assistance	1,111,486	787,741
Other		1,472,422
Pension expense	1,557,444	
Interest on long-term debt	328,552	579,748
Total Expenses	<u>19,659,443</u>	<u>17,857,881</u>
Transfers	<u>250,000</u>	<u>250,000</u>
Special item - sale of Peanut Building	<u>2,017,646</u>	
Net Position - Beginning, as previously reported	102,585,926	106,728,910
Prior period adjustment	(10,522,319)	(3,279,911)
Net Position - Beginning, as restated	<u>92,063,607</u>	<u>103,448,999</u>
Net Position - Ending	<u>\$ 93,961,674</u>	<u>102,585,926</u>

**Coahoma County, Mississippi**  
**Management's Discussion and Analysis**  
**For the Year Ended September 30, 2015**

The following table presents a summary of the changes in net position for the business-type activities for the fiscal year ended September 30, 2015 and September 30, 2014.

	Fiscal year ended 09/30/15	Fiscal year ended 09/30/14
Revenues:		
Program revenues:		
Charges for services	\$ 566,792	489,082
Capital grants and contributions	290,569	582,366
General revenues:		
Grants & contributions not restricted		199,407
Other	12,500	30,787
Total Revenues	<u>869,861</u>	<u>1,301,642</u>
Expenses:		
Federal Building	448,503	308,401
Railroad	362,308	306,666
Total expenses	<u>810,811</u>	<u>615,067</u>
Transfers	<u>(250,000)</u>	<u>(250,000)</u>
Net Position - Beginning, as previously reported	6,437,167	6,051,457
Prior period adjustment	(14,955)	(50,865)
Net Position - Beginning, as restated	<u>6,422,212</u>	<u>6,000,592</u>
Net Position - Ending	<u>\$ 6,231,262</u>	<u>6,437,167</u>

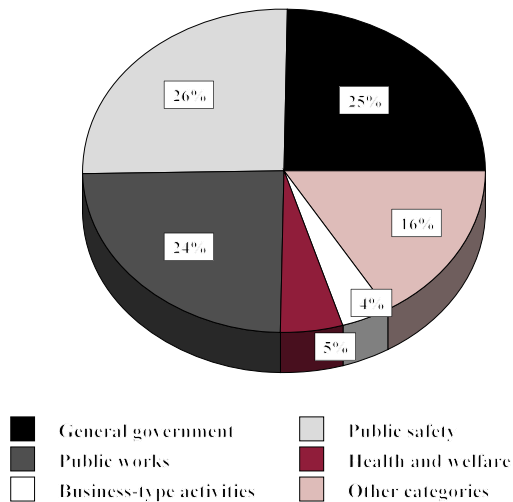


**Coahoma County, Mississippi**  
Management's Discussion and Analysis  
For the Year Ended September 30, 2015

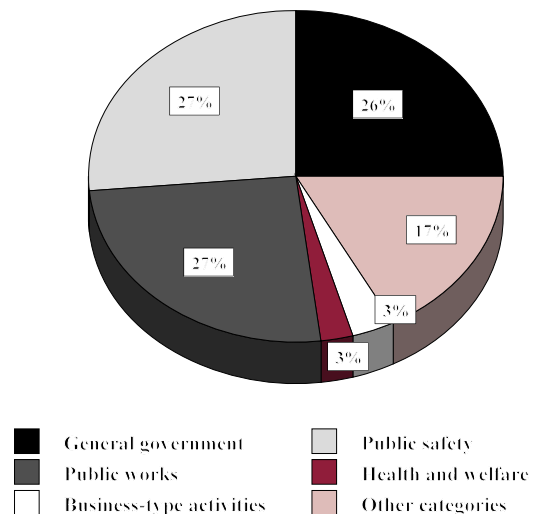
**Governmental Activities** – The following table presents the cost of major functional activities of the County: General Government, Public Safety, Public Works, Health & Welfare, Culture and Recreation, Conservation of Natural Resources, Economic Development & Assistance, Other, Interest on Long Term Debt and Pension Expense for the governmental activities and Federal Building and Railroad for the business-type activities. 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 Coahoma County's taxpayers by each of these functions.

	2015 Total Cost	2015 Net Cost	2014 Total Cost	2014 Net Cost
<u>Governmental Activities:</u>				
General government	\$ 5,067,890	(3,305,434)	4,661,812	(3,641,480)
Public safety	5,247,514	(4,086,850)	4,834,645	(3,808,342)
Public works	4,985,732	(2,983,481)	4,728,966	(4,157,694)
Health and welfare	1,036,339	(1,036,339)	486,205	(413,987)
Culture and recreation	238,583	(179,090)	212,298	708,489
Conservation of natural resources	85,903	(85,903)	94,044	(94,044)
Economic development and assistance	1,111,486	(689,194)	787,741	(739,065)
Other			1,472,422	(1,472,422)
Pension expense	1,557,444	(1,557,444)		
Interest on long term debt	328,552	(328,552)	579,748	(579,748)
<u>Business-type Activities:</u>				
Federal building	448,503	(38,198)	308,401	47,256
Railroad	362,308	84,748	306,666	409,125
Total Expenses	<u>\$ 20,470,254</u>	<u>(14,205,737)</u>	<u>18,472,948</u>	<u>(13,741,912)</u>

Expenses 2015



Expenses 2014



**Coahoma County, Mississippi**  
Management's Discussion and Analysis  
For the Year Ended September 30, 2015

**FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS**

**Governmental funds** – At the close of the fiscal year, Coahoma County's governmental funds reported a combined fund balance of \$36,975,801, an increase of \$179,939 from the prior year inclusive of a prior period adjustment of (\$452,164). The General Fund is the principal operating fund of the County. The decrease in the fund balance of the General Fund for the fiscal year was \$443,835.

**Business-type funds** - Both enterprises funds are supported by rent. The Federal Building rents office space to various outside agencies. The Railroad Fund receives a base rent of \$9,000 per month. Additional rent of 60% of gross annual revenue above \$405,000 is also collectible. Rent of \$10 per railcar, empty or loaded, is collected on railcars which exit property at Swan Lake.

**BUDGETARY HIGHLIGHTS OF MAJOR FUNDS**

Over the course of the year, Coahoma County revised its annual operating budget on several occasions. Budgeted revenues were changed 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.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Governmental Activities:**

**Capital Assets** - As of September 30, 2015, Coahoma County's total capital assets were \$149,918,426, inclusive of EDA Component Unit. This includes land, construction in progress, buildings, infrastructure, improvements other than buildings, mobile equipment, furniture and equipment and leased property under capital leases. This amount represents a decrease from the previous year of \$719,385. The majority of this decrease is attributable to construction in progress less asset adjustments made during the year. Total accumulated depreciation as of September 30, 2015 was \$85,170,164, including \$1,957,196 of depreciation expense for the year. The balance in total net capital assets was \$64,748,262 at year-end.



**Coahoma County, Mississippi**  
**Management's Discussion and Analysis**  
**For the Year Ended September 30, 2015**

	<u>September 30, 2015</u>	<u>September 30, 2014</u>	<u>Change</u>
Land	\$ 3,774,004	4,273,856	(12)%
Construction in progress	1,606,215	395,667	306%
Infrastructure	82,006,816	82,008,817	0%
Buildings	49,242,805	49,397,806	0%
Improvements other than buildings	3,142,420	3,142,420	0%
Mobile equipment	8,695,874	8,149,811	7%
Equipment and machinery	1,450,292	1,341,961	8%
Accumulated depreciation	(85,170,164)	(83,242,691)	2%
Total Capital Assets, net	<u>\$ 64,748,262</u>	<u>65,467,647</u>	(1)%

**Business-type Activities:**

**Capital Assets** - As of September 30, 2015, Coahoma County's total capital assets were \$9,927,948. This includes land, construction in progress, infrastructure and buildings. Total accumulated depreciation as of September 30, 2015 was \$3,629,594, including \$309,839 of depreciation expense for the year. The balance in total net capital assets was \$6,298,354 at year-end.

	<u>September 30, 2015</u>	<u>September 30, 2014</u>	<u>Change</u>
Land	\$ 40,000	40,000	0%
Construction in progress	750,526	393,801	91%
Infrastructure	7,394,005	7,394,005	0%
Buildings	1,743,417	1,743,417	0%
Accumulated depreciation	(3,629,594)	(3,359,460)	8%
Total Capital Assets, net	<u>\$ 6,298,354</u>	<u>6,211,763</u>	1%

**Governmental Activities:**

**Debt Administration** – At September 30, 2015, Coahoma County had \$592,271 in long-term debt outstanding. This includes notes payable and other loans. Of this debt, \$63,687 is due within one year.

	<u>September 30, 2015</u>	<u>September 30, 2014</u>	<u>Change</u>
Notes payable	\$ 301,898	2,237,027	(87)%
Qualified Zone Academy Bonds		250,000	(100)%
Compensated absences	290,373	198,154	47%
Total Long-Term Debt	<u>\$ 592,271</u>	<u>2,685,181</u>	(78)%

**Coahoma County, Mississippi**  
Management's Discussion and Analysis  
For the Year Ended September 30, 2015

The amount of long-term debt presented here differs from the amount presented on Note 12 due to the elimination of funds borrowed between the County and the blended component unit. This elimination that was done for government-wide presentation purposes.

**Business-type Activities:**

**Debt Administration** – At September 30, 2015, Coahoma County had \$180,479 in long-term debt outstanding. This includes obligations under capital leases. Of this debt, \$67,558 is due within one year.

	<u>September 30, 2015</u>	<u>September 30, 2014</u>	<u>Change</u>
Other loans	\$ <u>180,479</u>	<u>247,868</u>	(27)%

**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 Coahoma County Chancery Clerk's office at Post Office Box 579, Clarksdale, Mississippi 38614.

## FINANCIAL STATEMENTS

## COAHOMA COUNTY, MISSISSIPPI

## STATEMENT OF NET POSITION

September 30, 2015

## EXHIBIT 1

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 5,693,051	\$ 345,712	\$ 6,038,763
Property tax receivable	7,608,046		7,608,046
Accounts receivable, net	26,911	58,200	85,111
Fines receivable, net	132,846		132,846
Loans receivable, net	1,306,054		1,306,054
Capital leases receivable	2,843,004		2,843,004
Intergovernmental receivables	839,969		839,969
Other receivables	4,837		4,837
Internal balances	176,711	(176,711)	-
Restricted assets	30,107,363		30,107,363
Capital assets:			
Land and construction in progress	5,380,219	790,526	6,170,745
Other capital assets, net of depreciation	59,368,043	5,507,828	64,875,871
Total Assets	<u>113,487,054</u>	<u>6,525,555</u>	<u>120,012,609</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows related to pension	2,377,145	13,847	2,390,992
Total Deferred Outflows of Resources	<u>2,377,145</u>	<u>13,847</u>	<u>2,390,992</u>
<b>Liabilities</b>			
Claims payable	766,725	54,778	821,503
Amounts held in custody for others	53,360		53,360
Intergovernmental payables	255,610		255,610
Long-term liabilities			
Due within one year:			
Capital debt	63,687	67,558	131,245
Due in more than one year:			
Capital debt	238,211	112,921	351,132
Non-capital debt	290,373		290,373
Net pension liability	12,512,116	72,883	12,584,999
Total Liabilities	<u>14,180,082</u>	<u>308,140</u>	<u>14,488,222</u>
<b>Deferred Inflows of Resources</b>			
Deferred revenues - property taxes	7,608,046		7,608,046
Deferred revenues - capital leases	114,397		114,397
Total Deferred Inflows of Resources	<u>7,722,443</u>	<u>-</u>	<u>7,722,443</u>
<b>Net Position</b>			
Net investment in capital assets	64,446,364	6,117,875	70,564,239
Restricted - nonexpendable - hospital reserve	44,289,817		44,289,817
Restricted for:			
General government	234,695		234,695
Public safety	30,618		30,618
Public works	611,764		611,764
Culture and recreation	308,605		308,605
Economic development	208,415	270,108	478,523
Unemployment compensation	21,461		21,461
Unrestricted (deficit)	(16,190,065)	(156,721)	(16,346,786)
Total Net Position	<u>\$ 93,961,674</u>	<u>\$ 6,231,262</u>	<u>\$ 100,192,936</u>

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

Coahoma County, Mississippi  
Statement of Activities  
For the Year Ended September 30, 2015

Exhibit 2

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary government:							
Governmental activities:							
General government	\$ 5,067,890	\$ 1,446,210	\$ 316,246	\$ -	\$ (3,305,434)	\$ -	\$ (3,305,434)
Public safety	5,247,514	429,777	288,596	442,291	(4,086,850)		(4,086,850)
Public works	4,985,732	46,080	812,537	1,143,634	(2,983,481)		(2,983,481)
Health and welfare	1,036,339				(1,036,339)		(1,036,339)
Culture and recreation	238,583	9,493	50,000		(179,090)		(179,090)
Conservation of natural resources	85,903				(85,903)		(85,903)
Economic development and assistance	1,111,486		5,000	417,292	(689,194)		(689,194)
Interest on long-term debt	328,552				(328,552)		(328,552)
Pension expense	1,557,444				(1,557,444)		(1,557,444)
Total Governmental Activities	19,659,443	1,931,560	1,472,379	2,003,217	(14,252,287)		(14,252,287)
Business-type activities:							
Federal Building	448,503	410,305				(38,198)	(38,198)
Railroad	362,308	156,487		290,569		84,748	84,748
Total Business-type Activities	810,811	566,792	-	290,569		46,550	46,550
Total Primary Government	20,470,254	2,498,352	1,472,379	2,293,786	(14,252,287)	46,550	(14,205,737)
General revenues:							
Property taxes					\$ 7,042,961	\$	\$ 7,042,961
Road & bridge privilege taxes					245,992		245,992
Grants not restricted to specific programs					2,325,397		2,325,397
Unrestricted interest income					366,101		366,101
Miscellaneous					3,902,257	12,500	3,914,757
Special items (See Note 20)					2,017,646		2,017,646
Transfers					250,000	(250,000)	-
Total General Revenues, Contributions, Special Item(s), Extraordinary Item(s) and Transfers					16,150,354	(237,500)	15,912,854
Change in Net Position					1,898,067	(190,950)	1,707,117
Net Position - Beginning, as previously reported					102,585,926	6,437,167	109,023,093
Prior period adjustments					(10,522,319)	(14,955)	(10,537,274)
Net Position - Beginning, as restated					92,063,607	6,422,212	98,485,819
Net Position - Ending					\$ 93,961,674	\$ 6,231,262	\$ 100,192,936

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

**Coahoma County, Mississippi**  
**Governmental Funds**  
**Balance Sheet**  
**September 30, 2015**

**Exhibit 3**

	Major Funds						Total Governmental Funds
	General Fund	Economic Development Authority Fund	General Road Fund	Hospital Reserve Fund	Economic Development Authority Blended CU	Other Governmental Funds	
<b>Assets and Deferred Outflows</b>							
Assets:							
Cash	\$ 1,943,287	\$ 116,529	\$ 705,233	\$ -	\$ 423,058	\$ 1,927,055	\$ 5,115,162
Cash with fiscal agents				1,018,369			1,018,369
Investments				18,485,231	100,772		18,586,003
Property tax receivable	5,340,039	108,779	707,657			1,451,571	7,608,046
Accounts receivable, net						26,911	26,911
Fines receivable, net	132,846						132,846
Loans receivable, net		668,228				637,826	1,306,054
Capital lease receivable		415,068			2,319,788	108,148	2,843,004
Intergovernmental receivables	107,556				287,535	444,878	839,969
Other receivables	4,837						4,837
Interfund receivables		1,096	23,335	4,238,508		12,870	4,275,809
Advances to other funds				10,044,718			10,044,718
Restricted assets				10,502,991			10,502,991
Total Assets	<u>\$ 7,528,565</u>	<u>\$ 1,309,700</u>	<u>\$ 1,436,225</u>	<u>\$ 44,289,817</u>	<u>\$ 3,131,153</u>	<u>\$ 4,609,259</u>	<u>\$ 62,304,719</u>
<b>Liabilities, Deferred Inflows and Fund Balances</b>							
Liabilities:							
Claims payable	\$ 286,925	\$ 17,365	\$ 235,314	\$ -	\$ 7,341	\$ 219,780	\$ 766,725
Amounts held in custody for others	53,360						53,360
Intergovernmental payables	265,610						265,610
Interfund payables	1,378,549	241,718	142,362			1,915,547	3,678,176
Advances from other funds	4,293,292	3,003,061	870,608			1,787,279	9,954,240
Total Liabilities	<u>6,277,736</u>	<u>3,262,144</u>	<u>1,248,284</u>	<u>-</u>	<u>7,341</u>	<u>3,922,606</u>	<u>14,718,111</u>
Deferred Inflows of Resources:							
Deferred revenue - property taxes	5,340,039	108,779	707,657			1,451,571	7,608,046
Deferred revenue - solid waste user fees						26,911	26,911
Deferred revenue - fines	132,846						132,846
Deferred revenue - capital lease receivables		415,068			2,319,788	108,148	2,843,004
Total Deferred Inflows of Resources	<u>5,472,885</u>	<u>523,847</u>	<u>707,657</u>	<u>-</u>	<u>2,319,788</u>	<u>1,586,630</u>	<u>10,610,807</u>
Fund Balances:							
Nonspendable							
Permanent fund principal				34,245,099			34,245,099
Loans receivable		668,228				637,826	1,306,054
Advances				10,044,718			10,044,718
Restricted							
General government						234,695	234,695
Public safety						30,618	30,618
Public works						611,764	611,764
Culture and recreation						308,605	308,605
Economic development and assistance						208,415	208,415
Unemployment compensation						21,461	21,461
Assigned							
Economic development and assistance					804,024		804,024
Unassigned	(4,222,056)	(3,144,519)	(519,716)			(2,953,361)	(10,839,652)
Total Fund Balances	<u>(4,222,056)</u>	<u>(2,476,291)</u>	<u>(519,716)</u>	<u>44,289,817</u>	<u>804,024</u>	<u>(899,977)</u>	<u>36,975,801</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 7,528,565</u>	<u>\$ 1,309,700</u>	<u>\$ 1,436,225</u>	<u>\$ 44,289,817</u>	<u>\$ 3,131,153</u>	<u>\$ 4,609,259</u>	<u>\$ 62,304,719</u>

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

**Coahoma County, Mississippi**

**Exhibit 3-1**

**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position  
September 30, 2015**

<b>Total fund balances for governmental funds</b>	\$ 36,975,801
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	64,748,262
--	------------

Deferred outflows of resources related to pension reported in governmental activities is not a financial resource and therefore is not reported in the funds.	2,377,145
---	-----------

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	(125,089)
---	-----------

Compensated absences are not due and payable in the current period and therefore are not reported in the funds.	(290,373)
---	-----------

Liabilities due in one year are not reported in the funds.	(176,809)
--	-----------

Capital leases/fines receivable/accounts receivable not available to pay for current expenditures are deferred in the funds.	2,888,364
--	-----------

Net pension liability reported in governmental activities is not a financial resource and therefore are not reported in the funds	(12,512,116)
---	--------------

Internal Service Funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the Internal Service Funds are included in governmental activities in the statement of net position.	<u>76,489</u>
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<b>Net position of governmental activities</b>	<b>\$ <u><u>93,961,674</u></u></b>
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The notes to the financial statements are an integral part of this statement.

## Governmental Funds

## Statement of Revenues, Expenditures and Changes in Fund Balances

For the Year Ended September 30, 2015

	Major Funds							
	General	Economic Development Authority	General Road	Hospital Reserve	Economic Development Authority	Other Governmental		
	Fund	Fund	Fund	Fund	Blended CU	Funds	Total	
Revenues								
Property taxes	\$ 4,997,522	\$ 106,758	\$ 540,971	\$ -	\$ -	\$ 1,397,710	\$ 7,042,961	
Road and bridge privilege taxes			245,992				245,992	
Licenses, commissions, and other revenues	520,410		4,427			21,432	546,269	
Fines and forfeitures	173,229					1,749	174,978	
Intergovernmental revenues	2,235,173	375,539	785,309		136,977	2,267,995	5,800,993	
Charges for services	130,622					272,793	403,415	
Interest income	30,898	59,456		209,584	35,804	30,359	366,101	
Miscellaneous revenues	662,593	2,392	224,591		2,200,885	268,755	3,359,216	
Total Revenues	8,750,447	544,145	1,801,290	209,584	2,373,666	4,260,793	17,939,925	
Expenditures								
Current:								
General government	3,849,700					251,916	4,101,616	
Public safety	4,342,953					1,166,493	5,509,446	
Public works	387,167		2,815,891			2,758,040	5,961,098	
Health and welfare	459,771						459,771	
Culture and recreation	160,379					39,172	199,551	
Conservation of natural resources	95,429						95,429	
Economic development and assistance	84,170	344,892			445,700	193,838	1,068,600	
Debt service:								
Principal					1,935,129	250,000	2,185,129	
Interest and other fiscal charges	160,606	66,703	12,930		35,052	53,261	328,552	
Total Expenditures	9,540,175	411,595	2,828,821	-	2,415,881	4,712,720	19,909,192	
Excess (Deficiency) of Revenues over (under) Expenditures	(789,728)	132,550	(1,027,531)	209,584	(42,215)	(451,927)	(1,969,267)	
Other Financing Sources (Uses)								
Proceeds from sale of capital assets			105,250		187,500	40,974	333,724	
Transfers in	713,316		40,928			368,809	1,123,053	
Transfers out	(367,423)			(284,316)		(221,314)	(873,053)	
Net Other Financing Sources (Uses)	345,893	-	146,178	(284,316)	187,500	188,469	583,724	
Special Item (See Note 20)		2,017,646					2,017,646	
Net Change in Fund Balances	(443,835)	2,150,196	(881,353)	(74,732)	145,285	(263,458)	632,103	
Fund Balances - Beginning, as previously reported	(3,778,221)	(4,626,487)	361,637	44,816,713	658,739	(636,519)	36,795,862	
Prior period adjustment				(452,164)			(452,164)	
Fund Balances - Beginning, as restated	(3,778,221)	(4,626,487)	361,637	44,364,549	658,739	(636,519)	36,343,698	
Fund Balances - Ending	(4,222,056)	(2,476,291)	(519,716)	44,289,817	804,024	(899,977)	36,975,801	

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



**Coahoma County, Mississippi**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and**  
**Changes in Fund Balances of Governmental Funds to the Statement of Activities**  
**For the Year Ended September 30, 2015**

**Exhibit 4-1**

Net change in fund balances - total governmental funds \$ 632,103

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital outlay	\$ 1,924,817	
Depreciation expense	<u>(1,957,196)</u>	(32,379)

Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The net income of the internal service funds is reported with governmental activities. 89,029

In the statement of activities, only the gain on the sale of assets is reported, while in the governmental funds, the proceeds from the sale increases financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the assets sold. (542)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on net position.

Payments of debt principal		2,185,129
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Some items reported in the statement of activities related to the implementation of GASB 68 are not reported as revenues/expenditures in the Governmental Funds.  
These activities include:

Recording of pension expense for the year	(1,557,444)	
Net pension liability net out to pension expenditures made through nine months	611,649	
Contributions made after measurement date	<u>194,515</u>	(751,280)

Some items reported in the statement of activities do not provide or require the use of current financial resources and therefore are not reported as revenues/expenditures in governmental funds. These activities include:

Change in capital lease receivable	(10,300)	
Change in compensated absences	(92,219)	
Change in deferred revenues - fines	(120,987)	
Change in deferred revenues - solid waste	<u>(487)</u>	<u>(223,993)</u>

**Change in net position of governmental activities \$ 1,898,067**

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

Coahoma County, Mississippi  
Proprietary Funds  
Statement of Net Position  
September 30, 2015

Exhibit 5

	<b>Business-type Activities - Enterprise Funds</b>			<b>Governmental Activities</b>
	<b>Federal Building Fund</b>	<b>Railroad Fund</b>	<b>Total</b>	<b>Internal Service Funds</b>
<b>Assets</b>				
Current assets:				
Cash	\$ 13,345	\$ 332,367	\$ 345,712	\$ 577,889
Accounts receivable, net		58,200	58,200	
Total Current Assets	13,345	390,567	403,912	577,889
Noncurrent assets:				
Capital assets:				
Land and construction in progress	40,000	750,526	790,526	
Other capital assets, net	1,065,744	4,442,084	5,507,828	
Total Noncurrent Assets	1,105,744	5,192,610	6,298,354	-
Total Assets	1,119,089	5,583,177	6,702,266	577,889
<b>Deferred Outflows of Resources</b>				
Deferred outflows related to pension	13,847		13,847	
Total Deferred Outflows of Resources	13,847	-	13,847	-
<b>Liabilities</b>				
Current liabilities:				
Claims payable	41,030	13,748	54,778	
Due to other funds	70,000	16,233	86,233	501,400
Advances to other funds		90,478	90,478	
Capital debt:				
Other loans		67,558	67,558	
Total Current Liabilities	111,030	188,017	299,047	501,400
Noncurrent liabilities:				
Capital Debt:				
Other loans		112,921	112,921	
Net pension liability	72,883		72,883	
Total Noncurrent Liabilities	72,883	112,921	185,804	-
Total Liabilities	183,913	300,938	484,851	501,400
<b>Net Position</b>				
Net investment in capital assets	1,105,744	5,012,131	6,117,875	-
Restricted for:				
Economic development		270,108	270,108	
Unrestricted (deficit)	(156,721)		(156,721)	76,489
Total Net Position	\$ 949,023	\$ 5,282,239	\$ 6,231,262	\$ 76,489

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

## Coahoma County, Mississippi

## Exhibit 6

## Proprietary Funds

## Statement of Revenues, Expenses and Changes in Net Position

For the Year Ended September 30, 2015

	Business-type Activities - Enterprise Funds			Governmental Activities
	Federal Building Fund	Railroad Fund	Totals	Internal Service Funds
<b>Operating Revenues</b>				
Rent received from customers	\$ 410,305	\$ 156,487	\$ 566,792	\$ -
Premiums			-	928,372
Miscellaneous		12,500	12,500	220,159
Total Operating Revenues	<u>410,305</u>	<u>168,987</u>	<u>579,292</u>	<u>1,148,531</u>
<b>Operating Expenses</b>				
Personal services	44,291		44,291	
Contractual services	282,330	600	282,930	
Materials and supplies	2,473		2,473	
Depreciation expense	60,539	249,300	309,839	
Pension expense	5,509		5,509	
Claims payments			-	672,078
Administrative			-	266,431
Insurance premiums			-	24,218
Miscellaneous			-	96,775
Total Operating Expenses	<u>395,142</u>	<u>249,900</u>	<u>645,042</u>	<u>1,059,502</u>
Operating Income (Loss)	<u>15,163</u>	<u>(80,913)</u>	<u>(65,750)</u>	<u>89,029</u>
<b>Nonoperating Revenues</b>				
Intergovernmental revenues		290,569	290,569	
Total Nonoperating Revenues	<u>-</u>	<u>290,569</u>	<u>290,569</u>	<u>-</u>
<b>Nonoperating Expenses</b>				
Interest and other fiscal charges		3,998	3,998	
Total Nonoperating Expenses	<u>-</u>	<u>3,998</u>	<u>3,998</u>	<u>-</u>
Income (Loss) before Capital Contributions, Special and Extraordinary Items and Transfers	<u>15,163</u>	<u>205,658</u>	<u>220,821</u>	<u>89,029</u>
Capital Contributions	(53,361)	(108,410)	(161,771)	
Transfers In			-	
Transfers Out	(250,000)		(250,000)	
Change in Net Position	<u>(288,198)</u>	<u>97,248</u>	<u>(190,950)</u>	<u>89,029</u>
Net Position - Beginning, as previously reported	1,291,881	5,145,286	6,437,167	(12,540)
Prior period adjustments	(54,660)	39,705	(14,955)	
Net Position - Beginning, as restated	<u>1,237,221</u>	<u>5,184,991</u>	<u>6,422,212</u>	<u>(12,540)</u>
Net Position - Ending	\$ <u>949,023</u>	\$ <u>5,282,239</u>	\$ <u>6,231,262</u>	\$ <u>76,489</u>

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

Coahoma County, Mississippi  
Proprietary Funds  
Statement of Cash Flows  
For the Year Ended September 30, 2015

Exhibit 7

	Business-type Activities - Enterprise Funds			Governmental Activities
	Federal Building Fund	Railroad Fund	Totals	Internal Service Funds
<b>Cash Flows From Operating Activities</b>				
Cash receipts from customers	\$ 410,305	\$ 89,350	\$ 499,655	\$ -
Cash receipts/premiums from customers			-	928,372
Cash receipts from interfund services provided			-	192,571
Cash payments to suppliers for goods and services	(261,210)	(40,305)	(301,515)	
Cash payments to employees for services	(44,290)		(44,290)	(89,131)
Cash payments for claims and benefits			-	(672,078)
Cash payments to administrator for services			-	(266,432)
Cash payments for insurance premiums			-	(24,218)
Other operating cash receipts		9,734	9,734	28,990
Other operating cash payments			-	(7,645)
Net Cash Provided by (Used for) Operating Activities	104,805	58,779	163,584	90,429
<b>Cash Flows From Noncapital Financing Activities</b>				
Cash receipts from other funds:				
Loans from other funds	70,000		70,000	
Cash payments to other funds:				
Operating transfers out	(250,000)		(250,000)	
Loan repayments to other funds		(15,755)	(15,755)	
Net Cash Provided by (Used for) Noncapital Financing Activities	(180,000)	(15,755)	(195,755)	-
<b>Cash Flows From Capital and Related Financing Activities</b>				
Acquisition and construction of capital assets		(356,725)	(356,725)	
Capital grants received		433,757	433,757	
Principal paid on long-term debt		(67,389)	(67,389)	
Interest paid on long-term debt		(3,998)	(3,998)	
Other	(53,361)	(52,191)	(105,552)	
Net Cash Provided by (Used for) Capital and Related Financing Activities	(53,361)	(46,546)	(99,907)	-
Net Change in Cash and Cash Equivalents	(128,556)	(3,522)	(132,078)	90,429
Cash and Cash Equivalents - Beginning	141,901	335,889	477,790	487,460
Cash and Cash Equivalents - Ending	13,345	332,367	345,712	577,889
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</b>				
Operating income (loss)	15,163	(80,913)	(65,750)	89,029
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	60,539	249,300	309,839	
Change in assets and liabilities:				
(Increase) decrease in assets:				
Accounts receivable, net		(28,600)	(28,600)	
Deferred outflows of resources	(13,847)		(13,847)	
Increase (decrease) in liabilities:				
Claims payable	24,727	(81,008)	(56,281)	
Pension liability	18,223		18,223	
Interfund payables			-	1,400
Total adjustments	89,642	139,692	229,334	1,400
Net Cash Provided by (Used for) Operating Activities	\$ 104,805	\$ 58,779	\$ 163,584	\$ 90,429

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

**Coahoma County, Mississippi**  
**Statement of Fiduciary Assets and Liabilities**  
**September 30, 2015**

**Exhibit 8**

	<u><b>Agency Funds</b></u>
<b>Assets</b>	
Cash	\$ 171,165
Other receivables	<u>3,223</u>
Total Assets	<u><u>\$ 174,388</u></u>
<b>Liabilities</b>	
Intergovernmental payables	\$ 164,388
Due to other funds	<u>10,000</u>
Total Liabilities	<u><u>\$ 174,388</u></u>

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

**Coahoma County, Mississippi**

Notes to the Financial Statements  
For the year ended September 30, 2015

## Coahoma County, Mississippi

### Notes to the Financial Statements For the Year Ended September 30, 2015

#### (1) Summary of Significant Accounting Policies

##### A. Financial Reporting Entity

Coahoma County, Mississippi (the County) is a political subdivision of the State of Mississippi. The County is governed by an elected five-member Board of Supervisors. Accounting principles generally accepted in the United States of America require Coahoma 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

###### Blended Component Units

Certain component units, although legally separate from the primary government, are nevertheless so intertwined with the primary government that they are, in substance, the same as the primary government. Therefore, these component units are reported as if they are part of the primary government. Coahoma County has two blended component units - The Coahoma County Public Improvement Corporation and The Economic Development Authority of Coahoma County.

The Coahoma County Public Improvement Corporation is comprised solely of the five members of the Board of Supervisors. Although it is legally separate from Coahoma County, Mississippi, the corporation is reported as if it were part of the primary government because its sole purpose is to finance and construct County buildings.

The Economic Development Authority of Coahoma County is comprised of seven residents of Coahoma County. The members are appointed by the Board of Supervisors of Coahoma County and serve five year terms. The Board of

## Coahoma County, Mississippi

### Notes to the Financial Statements For the Year Ended September 30, 2015

Supervisors must approve the overall budget for the Authority. The Authority is reported as if it were part of the primary government because its activities are closely intertwined with County activities.

#### C. Basis of Presentation

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

##### Government-wide Financial Statements:

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

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

##### Fund Financial Statements:

Fund financial statements of the County are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues and expenditures/expenses. Funds are organized



## Coahoma County, Mississippi

### Notes to the Financial Statements For the Year Ended September 30, 2015

into governmental, proprietary and fiduciary. Major individual Governmental Funds and major individual Proprietary Funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column as Other Governmental Funds.

#### D. Measurement Focus and Basis of Accounting

The Government-wide, Proprietary Funds and Fiduciary Funds (excluding agency funds) financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when the liability is incurred or economic 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 recognized when the provider government recognizes the liability to the county. Grants are recognized as revenues as soon as all eligibility requirements have been satisfied. Agency funds have no measurement focus, but use the accrual basis of accounting.

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

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

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.

Economic Development Authority Fund - This fund is used to account for and report activities relating to the industrial development with the County.

## Coahoma County, Mississippi

Notes to the Financial Statements  
For the Year Ended September 30, 2015

General Road Fund - This fund is used to account for and report activities relating to maintaining roads within the County.

Hospital Reserve Fund - This fund is used to account for and report resources that are legally restricted to the extent that only a portion of the earnings and none of the principal can be used to support County programs.

CU Economic Development Authority - As the abbreviated letters show, this is the blended component unit of the County and accounts for its 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 Fund - This fund is used to account for and report financial resources restricted to principal and interest activity.

Permanent Fund - This fund is used to account for and report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the County's programs.

### PROPRIETARY FUND TYPE

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

Internal Service Fund - This fund is used to account for those operations that provide services to other departments or agencies of the government, or to other governments, on a cost reimbursement basis. The County's internal service fund reports on the self-insurance programs for employee medical benefits.

### FIDUCIARY FUND TYPES

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

## Coahoma County, Mississippi

### Notes to the Financial Statements For the Year Ended September 30, 2015

#### E. Account Classifications

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

#### F. Deposits and Investments

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

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

#### G. Receivables

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

#### H. Interfund Transactions and Balances

Transactions between funds that are representative of short-term lending/borrowing arrangements and transactions that have not resulted in the actual transfer of cash at the end of the fiscal year are referred to as “due to/from other funds.” Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

#### I. Capital Assets

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

## Coahoma County, Mississippi

### Notes to the Financial Statements For the Year Ended September 30, 2015

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.

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

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

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

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

#### J. Deferred Outflows/Inflows of Resources

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

## Coahoma County, Mississippi

### Notes to the Financial Statements For the Year Ended September 30, 2015

outflow of resources (expense) until then.

Deferred outflows related to pensions – This amount represents the County's proportionate share of the deferred outflows of resources reported by the pension plan in which the County participates. See Note 8 for additional details.

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

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

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

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

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

#### K. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees' Retirement System of Mississippi (PERS) and additions to/deductions from PERS' fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

## Coahoma County, Mississippi

### Notes to the Financial Statements For the Year Ended September 30, 2015

#### L. Long-term Liabilities

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

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

#### M. Equity Classifications

Government-wide Financial Statements:

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

1. 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.
2. 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.
3. Unrestricted net position - All other net position not meeting the definition of "restricted" or "net investment in capital assets."

Net Position Flow Assumption:

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

## Coahoma County, Mississippi

### Notes to the Financial Statements For the Year Ended September 30, 2015

#### 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 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. Currently there are no committed fund balances.

*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,

## Coahoma County, Mississippi

### Notes to the Financial Statements For the Year Ended September 30, 2015

committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

#### Fund Balance Flow Assumption:

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) resources are available, it is the 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.

#### N. Property Tax Revenues

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

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

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

#### O. Intergovernmental Revenues in Governmental Funds

Intergovernmental revenues, consisting of grants, entitlements and shared revenues, are usually recorded in Governmental Funds when measurable and available. However, the "available" criterion applies for certain federal grants and shared revenues when the expenditure is made because the expenditure is the



## Coahoma County, Mississippi

### Notes to the Financial Statements For the Year Ended September 30, 2015

prime factor for determining eligibility. Similarly, if cost sharing or matching requirements exist, revenue recognition depends on compliance with these requirements.

P.     Compensated absences

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

Q.     Changes in Accounting Standards

The County implemented the following standards issued by the Governmental Accounting Standards Board (GASB) in the current fiscal year as required: GASB Statement No. 68 – *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*; and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. The provisions of these standards have been incorporated into the financial statements and notes.

(2)    Prior Period Adjustments

A summary of significant fund balance/net position adjustments are as follows:

Exhibit 2 - Statement of Activities

<u>Explanation</u>	<u>Amount</u>
<u>Governmental Activities</u>	
1   GASB 68 Implementation - Governmental Funds	\$     (9,383,691)
2   To correctly present capital assets	(686,464)
3   Exhibit 4 items listed below	(452,164)
<u>Business-Type Activities</u>	
4   Exhibit 6 items listed below	(14,955)
Total	\$ <u><u>(10,537,274)</u></u>

## Coahoma County, Mississippi

### Notes to the Financial Statements For the Year Ended September 30, 2015

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

<u>Major Fund</u>	<u>Explanation</u>	<u>Amount</u>
1 Hospital Reserve Fund	Cash adjustment to books.	\$ 44,236
2 Hospital Reserve Fund	To correct error in prior year cash.	(496,400)
Total		<u>\$ (452,164)</u>

#### Exhibit 6 - Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds

<u>Major Fund</u>	<u>Explanation</u>	<u>Amount</u>
1 Railroad Fund	To correctly present capital assets, net.	\$ 39,705
2 Federal Building Fund	GASB 68 implementation.	(54,660)
Total		<u>\$ (14,955)</u>

### (3) Deposits, Cash with Fiscal Agents and Investments

#### Primary Government

The carrying amount of the county's total deposits with financial institutions at September 30, 2015, was \$6,209,928. The bank balance was \$16,952,979. 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.

## Coahoma County, Mississippi

### Notes to the Financial Statements For the Year Ended September 30, 2015

#### Restricted Assets:

Cash in the amount of \$10,502,991 are presented as restricted assets in Exhibit 1 and Exhibit 3.

#### Cash with Fiscal Agents:

The carrying amount of the County's total cash with fiscal agents at September 30, 2015, was \$1,018,369 in the governmental funds.

#### Restricted Assets:

Cash with fiscal agents in the amount of \$1,018,369 are presented as restricted assets in Exhibit 1.

#### Investments:

Investment Type	Matures	Fair Value	% of Total Investments
Equities	N / A	6,514,195	35%
Fixed Income - Individual Issues	N / A	11,971,036	65%
Total		\$ 18,485,231	100%

The investments are held in a custodian account with Raymond James Trust.

*Interest Rate Risk* - The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, Section 19-9-29, Miss. Code Ann. (1972) limits the maturity period of any investment to more than one year.

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

*Custodial Credit Risk - Investments.* Custodial credit risk is defined as the risk that, in the event of the failure of the counterparts, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County does not have a formal investment policy that addresses custodial credit risk. Of the County's investments, \$500,000 of securities, including a \$250,000 limit for cash held in a brokerage account is insured by the Securities Investor Protection Corporation (SICP). Therefore, \$500,000 is insured and an unknown portion of the \$18,485,231 is uninsured by Raymond James Trust.

## Coahoma County, Mississippi

### Notes to the Financial Statements For the Year Ended September 30, 2015

Investment balances at September 30, 2015 are as follows:

Investment Type	Matures	Fair Value	% of Total Investments
Certificate of Deposit	09-13-16	\$ 31,332	31%
Certificate of Deposit	09-18-16	5,268	5%
Certificate of Deposit	03-13-16	34,110	34%
Certificate of Deposit	02-29-16	30,062	30%
Total		\$ <u>100,772</u>	<u>100%</u>

*Interest Rate Risk* - The Economic Development Authority (blended component unit) does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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

*Custodial Credit Risk - Investments.* Custodial credit risk is defined as the risk that, in the event of the failure of the counterparts, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority does not have a formal investment policy that addresses custodial credit risk. Of the Authority's investments, \$100,772 of underlying securities was covered by FDIC.

#### Restricted Assets:

Investments in the amount of \$18,586,003 are presented as restricted assets in the Exhibit 1.

## Coahoma County, Mississippi

### Notes to the Financial Statements For the Year Ended September 30, 2015

#### (4) Interfund Transactions and Balances

The following is a summary of interfund balances at September 30, 2015:

##### A. Due From/To Other Funds:

Receivable Fund	Payable Fund	Amount
Economic Dev. Authority Fund	General Fund	\$ 1,096
General Road Fund	General Fund	23,335
Hospital Reserve Fund	General Fund	1,341,248
	Economic Dev. Authority Fund	241,718
	General Road Fund	142,362
	Other Governmental Funds	1,915,547
	Federal Building Fund	70,000
	Railroad Fund	16,233
	Internal Service Fund	501,400
	Agency Funds	10,000
Other Governmental Funds	General Fund	12,870
Total		<u>\$ 4,275,809</u>

Interfund loans were made to provide operating capital, finance construction projects and prevent borrowing from outside sources. A portion of the above items reflect tax collections to be settled October 2015.

##### B. Advances To/From Other Funds:

Receivable Fund	Payable Fund	Amount
Hospital Reserve Fund	General Fund	\$ 4,293,292
	Economic Dev. Authority Fund	3,003,061
	General Road Fund	870,608
	Other Governmental Funds	1,787,279
	Railroad Fund*	90,478
Total		<u>\$ 10,044,718</u>

\* this fund makes up a portion of the internal balances on Exhibit 1.

Monthly payments are being made on a number of the advances listed. The portion expected to be repaid within one year has been classified as "Due To/Due From".

## Coahoma County, Mississippi

### Notes to the Financial Statements For the Year Ended September 30, 2015

The remaining amounts due are not expected to be repaid within one year. These interfund advances were made to finance construction projects and prevent borrowing from outside sources.

#### C. Transfers In/Out:

Transfers In	Transfers Out	Amount
General Fund	Hospital Reserve Fund	\$ 284,316
	Other Governmental Funds	179,000
	Federal Building Fund	250,000
General Road Fund	Other Governmental Funds	40,928
Other Governmental Funds	General Fund	367,423
	Other Governmental Funds	1,386
Total		<u>\$ 1,123,053</u>

The principal purpose of the interfund transfers was to provide funds for operations and to eliminate deficit cash balances for the fund. All interfund transfers were routine and consistent with the activities of the fund making the transfer.

#### (5) Intergovernmental Receivables

Intergovernmental receivables at September 30, 2015 consisted of the following:

##### Governmental Activities:

Description	Amount
Legislative Tax Credit	\$ 107,556
FAA - Airport Improvement Program	388,261
Other Federal Grants	56,617
Blended CU receivable	287,535
Total	<u>\$ 839,969</u>

## Coahoma County, Mississippi

### Notes to the Financial Statements For the Year Ended September 30, 2015

#### (6) Loans Receivable

Loan receivable balances at September 30, 2015, are as follows:

Description	Date of Loan	Interest Rate	Maturity Date	Receivable Balance
Standard Industrial	04-01-09	3.00%	04-01-29	\$ 668,228
Utility District #2 Loan	05-01-14	3.00%	05-01-54	637,826
Total				<u>\$ 1,306,054</u>

#### (7) Capital Assets

The following is a summary of capital assets activity for the year ended September 30, 2015:

##### Governmental activities:

	Balance Oct. 1, 2014	Additions	Retirements	Adjustments	Balance Sept. 30, 2015
Non-depreciable capital assets:					
Land	\$ 3,515,837			(424,124)	3,091,713
Construction in progress	395,667	1,210,548			1,606,215
Total non-depreciable capital assets	<u>3,911,504</u>	<u>1,210,548</u>	<u>0</u>	<u>(424,124)</u>	<u>4,697,928</u>
Depreciable capital assets:					
Infrastructure	82,008,817			(2,001)	82,006,816
Buildings	49,262,805			(155,001)	49,107,804
Improvements other than buildings	2,962,504				2,962,504
Mobile equipment	8,149,811	600,519		(54,456)	8,695,874
Equipment and machinery	1,075,292	113,750	(5,419)		1,183,623
Total depreciable capital assets	<u>143,459,229</u>	<u>714,269</u>	<u>(5,419)</u>	<u>(211,458)</u>	<u>143,956,621</u>
Less accumulated depreciation for:					
Infrastructure	52,913,742	391,221		30,864	53,335,827
Buildings	21,653,475	960,566			22,614,041
Improvements other than buildings	763,854	118,500			882,354
Mobile equipment	6,867,625	372,223		(55,710)	7,184,138
Equipment and machinery	695,783	82,243	(4,877)		773,149
Total accumulated depreciation	<u>82,894,479</u>	<u>1,924,753</u>	<u>(4,877)</u>	<u>(24,846)</u>	<u>84,789,509</u>
Total depreciable capital assets, net	<u>60,564,750</u>	<u>(1,210,484)</u>	<u>(542)</u>	<u>(186,612)</u>	<u>59,167,112</u>
Governmental activities capital assets, \$	<u>64,476,254</u>	<u>64</u>	<u>(542)</u>	<u>(610,736)</u>	<u>63,865,040</u>

## Coahoma County, Mississippi

### Notes to the Financial Statements For the Year Ended September 30, 2015

Adjustments were made mainly to eliminate items capitalized under the capitalization threshold amount. Other adjustments were made to accurately state non-depreciable assets.

#### Blended Component Unit:

The following is a summary of component units' capital assets activity for the year ended September 30, 2015:

	Balance Oct. 1, 2014	Additions	Adjustments	Balance Sept. 30, 2015
Non-depreciable capital assets:				
Land	\$ 758,019		(75,728)	682,291
Depreciable capital assets:				
Buildings	135,001			135,001
Improvements other than buildings	179,916			179,916
Other Equipment	266,669			266,669
Total depreciable capital assets	581,586	0	0	581,586
Less accumulated depreciation	348,212	32,443	0	380,655
Total depreciable capital assets, net	233,374	(32,443)	0	200,931
Total capital assets, net	\$ 991,393	(32,443)	(75,728)	883,222

An adjustment was made to decrease the total land for the prior year which were not included in the County's books.

Commitments with respect to unfinished capital projects at September 30, 2015 consisted of the following:

Description of Commitment:	Remaining Financial Commitment	Expected Date of Completion
Various Airport Projects	\$ 2,400,000	12/31/16
Jonestown bypass	2,340,000	12/31/15
Sunbelt improvements	630,000	9/30/15
Total	\$ 5,370,000	



## Coahoma County, Mississippi

### Notes to the Financial Statements For the Year Ended September 30, 2015

#### Business-Type Activities:

The following is a summary of business-type activities' capital assets activity for the year ended September 30, 2015:

	Balance Oct. 1, 2014	Additions	Adjustments	Balance Sept. 30, 2015
Non-depreciable capital assets:				
Land	\$ 40,000			40,000
Construction in progress	393,801	356,725		750,526
Total non-depreciable capital assets	433,801	356,725	0	790,526
Depreciable capital assets:				
Infrastructure	7,394,005			7,394,005
Buildings	1,743,417			1,743,417
Total depreciable capital assets	9,137,422	0	0	9,137,422
Less accumulated depreciation for:				
Infrastructure	2,742,326	249,300	(39,705)	2,951,921
Buildings	617,134	60,539		677,673
Total accumulated depreciation	3,359,460	309,839	(39,705)	3,629,594
Total depreciable capital assets, net	5,777,962	(309,839)	39,705	5,507,828
Total capital assets, net	\$ 6,211,763	46,886	39,705	6,298,354

## Coahoma County, Mississippi

### Notes to the Financial Statements For the Year Ended September 30, 2015

Depreciation expense was charged to the following functions:

	<u>Amount</u>
Governmental Activities:	
General government	\$ 180,598
Public safety	330,378
Public works	781,717
Health and welfare	576,568
Culture and recreation	45,050
Economic Development	42,885
Total governmental activities	<u>1,957,196</u>
Business-Type Activities	
Federal Building	60,539
Railroad	249,300
Total business-type activities	<u>309,839</u>
 Total depreciation expense	 \$ <u><u>2,267,035</u></u>

#### (8) Deferred Outflows/Inflows or Resources

The unrestricted net position amount of (\$6,302,068) includes the effect of deferring the recognition of expenses resulting from a deferred outflow from pensions. The \$2,390,992 balance of deferred outflow of resources at September 30, 2015 will be recognized as an expense and will decrease the unrestricted net position over the next 4 years.

The unrestricted net position amount of (\$6,302,068) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from property taxes that belong to a future period. The balance of the deferred inflow of resources at September 30, 2015 was \$7,608,046.

The unrestricted net position amount of (\$6,302,068) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from capital lease interest that belong to a future period. The balance of the deferred inflow of resources at September 30, 2015 was \$114,397.

#### (9) 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

## Coahoma County, Mississippi

### Notes to the Financial Statements

For the Year Ended September 30, 2015

will be self-sustaining through member premiums. The retention for the pool is \$1,000,000 for each accident and completely covers statutory limits set by the Workers' Compensation Commission. Risk of loss is remote for claims exceeding the pool's retention liability. However, the pool also has catastrophic reinsurance coverage for statutory limits above the pool's retention, provided by Safety National Casualty Corporation, effective from January 1, 2015 to January 1, 2016. The pool may make an overall supplemental assessment or declare a refund depending on the loss experience of all the entities it insures.

The County is exposed to risk of loss relating to employees health, accident and dental coverage. Beginning in 1998 and pursuant to Section 25-15-101, Miss. Code Ann. (1972), the County established a risk management fund (included as an Internal Service Fund) to account for and finance its uninsured risk of loss. Under the plan, amounts payable to the risk management fund are based on actuarial estimates. Employees desiring additional and/or dependent coverage pay the additional premium through a payroll deduction. Premium payments to the risk management fund are determined on an actuarial basis. The County has a minimum uninsured risk retention for all participating entities, including Coahoma County, Mississippi, to the extent that actual claims submitted exceed the predetermined premium. The County has implemented the following plans to minimize this potential loss:

- The County has purchased coinsurance which functions on two separate stop loss coverages: specific and aggregate. These coverages are purchased from an outside commercial carrier. For the current fiscal year, the specific coverage begins when an individual participant's claim exceeds \$50,000, and the aggregate policy covers all submitted claims in excess of \$1,079,100.

Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). At September 30, 2015, the amount of these liabilities was \$0. An analysis of claims activities is presented below:

		Beginning liability	Current year claims and changes in estimates	Claim payments		End of year liability
2013-2014	\$	94,552	0	94,552	\$	0
2014-2015	\$	0	672,078	672,078	\$	0

## Coahoma County, Mississippi

### Notes to the Financial Statements For the Year Ended September 30, 2015

#### (10) Operating Leases

As Lessor:

The County receives income from property it leases under noncancellable operating leases. Total income from such leases was \$758,470 for the year ended September 30, 2015. The future minimum lease receivables for these leases are as follows:

Year Ending September 30,	Amount
2016	\$ 758,470
2017	708,470
2018	581,641
2019	581,641
2020	581,641
2021 - 2025	2,581,901
2026 - 2030	325
2031 - 2033	195
Total Minimum Payments Required	\$ <u><u>5,794,284</u></u>

The County receives income from property it leases in the Enterprise Funds. Total income from such leases was \$360,782 for the year ended September 30, 2015. The future minimum lease receivables for these leases are as follows:

Year Ending September 30,	Amount
2016	\$ 226,348
2017	33,744
Total Minimum Payments Required	\$ <u><u>260,092</u></u>

## Coahoma County, Mississippi

### Notes to the Financial Statements For the Year Ended September 30, 2015

#### (11) Capital Leases

As Lessor:

The County leases the following property with varying terms and options as of September 30, 2015:

Classes of Property	Amount
Land	\$ 454,124
Buildings	6,060,159
Equipment	149,104
Total	<u>\$ 6,663,387</u>

The future minimum lease receivables and the present value of the net minimum lease receivables as of September 30, 2015, are as follows:

Year Ending September 30,	Principal	Interest
2016	\$ 220,350	22,110
2017	224,031	18,429
2018	214,453	14,277
2019	190,465	12,065
2020	184,980	9,824
2021 - 2025	761,230	28,300
2026 - 2030	685,521	8,531
2031 - 2032	247,577	861
Total Minimum Payments Required	<u>\$ 2,728,607</u>	<u>114,397</u>

## Coahoma County, Mississippi

Notes to the Financial Statements  
For the Year Ended September 30, 2015

### (12) Long-Term Debt

Debt outstanding as of September 30, 2015, consisted of the following:

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
<u>Governmental Activities:</u>			
A. Notes Payable (Blended component unit)			
Land & Bldg. - Saf-T-Cart Co.	\$ 201,404	3.00%	07/2025
Land & Bldg. - Standard Industrial	100,494	4.25%	09/2017
Land & Bldg. - Dpt. Of Human Srvc.*	<u>1,957,592</u>	1.60%	09/2023
Total	\$ <u>2,259,490</u>		

#### Business-Type Activities:

##### A. Other Loans:

MDECD 2002 rail loan	\$ <u>180,479</u>	0.25%	07/2018
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\* The blended component unit borrowed these funds from the County. This amount has been eliminated for government-wide presentation purposes as a transaction between “funds” of the County.

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

#### Business-Type Activities:

Year Ending September 30,	Other Loans	
	Principal	Interest
2016	\$ 67,558	374
2017	67,727	205
2018	45,194	42
Total	\$ <u>180,479</u>	<u>621</u>

## Coahoma County, Mississippi

### Notes to the Financial Statements For the Year Ended September 30, 2015

Blended component unit:

Year Ending September 30,	Notes payable	
	Principal	Interest
2016	\$ 176,809	12,290
2017	179,400	9,700
2018	168,702	7,088
2019	143,567	5,603
2020	144,658	4,512
2021 - 2025	628,170	10,433
2026 - 2030	576,578	4,281
2031 - 2034	241,606	419
Total	\$ 2,259,490	54,326

Blended component unit debt service requirements include amount owed on Department of Human Services building borrowed from the County's Hospital Reserve Permanent Fund. The schedule above was obtained from the fiscal year 2015 audit report for the Coahoma County Economic Development Authority. Of the amount listed, \$1,957,592 in principal and \$27,155 in interest are owed by the Economic Development Authority to pay remaining debt service to the County's Hospital Reserve Permanent fund. The loan will be repaid over a twenty year period of \$9,861 per month.

#### 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, 2015, 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, 2015:

## Coahoma County, Mississippi

### Notes to the Financial Statements For the Year Ended September 30, 2015

	Balance Oct. 1, 2014	Additions	Retirements	Balance September 30, 2015	Amount due within one year
<u>Governmental Activities:</u>					
General obligation bonds	\$ 250,000		250,000	0	
Notes payable	*2,237,027		1,935,129	301,898	63,687
Compensated absences	198,154	92,219		290,373	
Total	\$ <u>2,685,181</u>	<u>92,219</u>	<u>2,185,129</u>	<u>592,271</u>	<u>63,687</u>

\*\$2,070,533 in DHS loan beginning balance included in prior period summary schedule previously. Amount is principal remaining on loan from County from their Hospital Reserve Permanent Fund to the Coahoma County Economic Development Authority.

	Balance Oct. 1, 2014	Reductions	Balance Sept. 30, 2015	Amount due within one year
<u>Business-Type Activities:</u>				
Other loans	\$ <u>247,868</u>	<u>67,389</u>	<u>180,479</u>	<u>67,558</u>

Obligation for the County's remaining rail loan was made in accordance with the loan terms. The amounts are paid from the Railroad Fund.

Compensated absences will be paid from the fund from which the employees' salaries were paid which is generally the General Fund, General Road Fund and Bridge Fund.

#### (13) Deficit Fund Balances of Individual Funds

The following funds reported deficits in fund balances at September 30, 2015:

Fund	Deficit Amount
General Fund	\$ 4,222,056
Economic Development Authority	2,476,291
General Road	519,716
DUI Enforcement Fund	50,234
Homeland Security Grant	215,300
Airport Improvement Grant	77,808
Multi-Modal Grant	14,662
Coahoma County Airport	970,394



## Coahoma County, Mississippi

### Notes to the Financial Statements For the Year Ended September 30, 2015

CC Airport Capital Project 14	348,653
CC Airport Capital Project 15	44,555
CDBG Sewer & Water Project	138,633
HOME Rehabilitation Grant Fund	2,596
E-911	3,792
Livestock	311,938
Waste	74,677
State Car Tag Interface	49,069
Help MS Vote	8,227
Special Narcotics	4,998

#### (14) Contingencies

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

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

#### (15) Related Organization

The Coahoma County, Mississippi Board of Supervisors is responsible for appointing members to the Board of the Coahoma County Tourism Commission. The members are appointed for terms of 5 years. The Board of Supervisors is provided a copy and reviews the budget for the Tourism Commission but cannot force a modification to the budget. The members appointed to the Tourism Board serve without fear of replacement by the Board of Supervisors until that member's term has been served. In fiscal year 2015, \$407,691 was forwarded by the Board of Supervisors to the Commission through collections made from a 1% restaurant tax (\$294,495) and a 2% hotel tax (\$113,196).

## **Coahoma County, Mississippi**

Notes to the Financial Statements  
For the Year Ended September 30, 2015

### **(16) Joint Ventures**

Coahoma County is a participant with the City of Clarksdale in a joint venture to operate the Clarksdale-Coahoma Airport. The joint venture was created to provide airport facilities for County residents and is governed by a board of commissioners. Half of the members are appointed by Coahoma County, and half by the City of Clarksdale. By contractual agreement, the County's appropriation from the General Fund this year to the joint venture amounted to \$25,000. Complete financial statements for the Clarksdale - Coahoma Airport can be obtained at P.O. Box 406, Lyon, Mississippi 38645.

Coahoma County is a participant with the City of Clarksdale in a joint venture to operate the Carnegie Public Library of the City of Clarksdale and the County of Coahoma, Mississippi. The joint venture was created to provide library facilities for the County residents and is governed by a ten-member board of commissioners, with five of the members appointed by Coahoma County and five by the City of Clarksdale. By contractual agreement, the County's appropriation from the General Fund this year to the joint venture amounted to \$252,888. Complete financial statements for the Carnegie Public Library of the City of Clarksdale and the County of Coahoma can be obtained at P.O. Box 280, Clarksdale, Mississippi 38614.

### **(17) Jointly Governed Organizations**

The County participates in the following jointly governed organizations:

Coahoma Community College operates in a district composed of the Counties of Bolivar, Coahoma, Quitman, Tallahatchie, and Tunica. The Coahoma County Board of Supervisors appoints six of the twelve members of the college board of trustees. The County collected \$1,197,473 for the maintenance and support of the college in fiscal year 2015.

North Delta Planning and Development District is comprised of the Counties of Coahoma, DeSoto, Panola, Quitman, Tallahatchie, Tate and Tunica. The Coahoma County Board of Supervisors appoints four of the 30 members of the board of directors. The County appropriated \$68,000 for support of the district in fiscal year 2015.

Region I Mental Health-Mental Retardation Center operates in a district composed of the Counties of Coahoma, Quitman, Tallahatchie and Tunica. The Coahoma County Board of Supervisors appoints one of the four members of the board of commissioners. The County appropriated \$55,250 for the support of the center in fiscal year 2015.

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 Coahoma County Board of Supervisors appoints one of the 21 members of

## Coahoma County, Mississippi

### Notes to the Financial Statements For the Year Ended September 30, 2015

the board of commissioners. The County levied a 0.71 mill tax which resulted in \$139,562 to help finance the district in fiscal year 2015.

#### (18) Defined Benefit Pension Plan

##### *General Information about the Pension Plan*

Plan Description. The 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 information may be obtained by writing to Public Employees' Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling 1-800-444-PERS.

Benefits provided. Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi, state universities, community and junior colleges, and teachers and employees of the public school districts. For those persons employed by political subdivisions and instrumentalities of the State of Mississippi, membership is contingent upon approval of the entity's participation in PERS by the PERS' Board of Trustees. If approved, membership for the entity's employees is a condition of employment and eligibility is granted to those who qualify upon hiring. Participating members who are vested and retire at or after age 60 or those who retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.0 percent of their average compensation for each year of creditable service up to and including 30 years (25 years for those who became members of PERS before July 1, 2011), plus 2.5 percent for each additional year of creditable service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age that the member is below 65, whichever is less. Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. A Cost-of-Living Adjustment (COLA) payment is made to eligible retirees and beneficiaries. The COLA is equal to 3.0 percent of the annual retirement allowance for each full fiscal year of retirement up to the year in which the retired member reaches age 60 (55 for those who became members of PERS before July 1, 2011), with 3.0 percent compounded for each fiscal year thereafter. Plan provisions are established and may be amended only by the State of Mississippi Legislature.

## Coahoma County, Mississippi

### Notes to the Financial Statements For the Year Ended September 30, 2015

Contributions. At September 30, 2015, PERS members were required to contribute 9% of their annual covered salary, and the County is required to contribute at an actuarially determined rate. The employer's rate at September 30, 2015 was 15.75% of 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 (employer share only) to PERS for the fiscal years ending September 30, 2015, 2014 and 2013 were \$810,859, \$773,289, and \$677,505, respectively, equal to the required contributions for each year.

#### *Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At September 30, 2015, the County reported a liability of \$12,584,999 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. At June 30, 2015, the County's proportion was .081414 percent, includes .000461 percent for the Coahoma County and Soil Water Conservation District.

For the year ended September 30, 2015, the County recognized pension expense of \$1,557,444. At September 30, 2015 the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 193,677
Net difference between projected and actual earnings on pension plan investments	736,357
Change of assumptions	1,084,155
Changes in proportion and differences between County contributions and proportionate share of contributions	181,155
County contributions subsequent to the measurement date	195,648
Total	\$ <u>2,390,992</u>

\$195,648 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2016. Other

## Coahoma County, Mississippi

### Notes to the Financial Statements For the Year Ended September 30, 2015

amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending September 30:

2016	\$	720,481
2017		720,481
2018		570,293
2019		184,089
Total	\$	<u><u>2,195,344</u></u>

Actuarial assumptions. The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.75 - 19.00 percent, including inflation
Investment rate of return	7.75 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 Healthy Annuitant Blue Collar Table Projected with Scale BB to 2016, with males rates set forward one year.

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2014. The experience report is dated May 4, 2015.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

## Coahoma County, Mississippi

### Notes to the Financial Statements For the Year Ended September 30, 2015

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Broad	34%	5.20%
International Equity	19%	5.00%
Emerging Markets Equity	8%	5.45%
Fixed Income	20%	0.25%
Real Assets	10%	4.00%
Private Equity	8%	6.15%
Cash	1%	-0.50%
Total	100%	

Discount rate. The discount rate used to measure the total pension liability was 7.75 percent, a decrease of 0.25 percentage points since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00%) and that employer contributions will be made at the current employer contribution rate (15.75%). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
County's proportionate share of the net pension liability	\$ 16,588,181	\$ 12,584,999	\$ 9,263,106

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

## **Coahoma County, Mississippi**

### Notes to the Financial Statements For the Year Ended September 30, 2015

#### **(19) 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 Coahoma County evaluated the activity of the county, through the date the financial statements were available to be issued, and determined that the following subsequent events have occurred that require disclosure in the notes to the financial statements:

- 1) Approval of Hazard Mitigation grant to construct a storm shelter (\$2,160,000 federal; \$240,000 county match).
- 2) Interfund loan (\$817,000) for Standard Industrial Corporation project.
- 3) Interfund loan (\$287,000) for new fire station.

#### **(20) Special Item**

On January 30, 2015, the County received \$2,017,646 as part of a bankruptcy sale of Texoma Company property. The property was sold to Golden Peanut and Nut Trees, a subsidiary of Archer Daniel Midland. Included in the sale was the amount listed above directed to the County. This amount was transferred to the Hospital Reserve Fund effectively paying off the remainder of an interfund loan amount totaling \$1,830,146.

## REQUIRED SUPPLEMENTARY INFORMATION



**Coahoma County, Mississippi**  
 Budgetary Comparison Schedule -  
 Budget and Actual (Non-GAAP Basis)  
 General Fund  
 For the Year Ended September 30, 2015

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 5,239,467	4,924,180	4,924,180	-
Licenses, commissions and other revenue	557,496	519,736	519,736	-
Fines and forfeitures	210,000	162,388	162,388	-
Special assessments	10,000	10,159	10,159	-
Intergovernmental revenues	3,483,932	2,543,339	2,553,339	10,000
Charges for services	271,061	130,622	130,622	-
Interest income	54,000	30,898	30,898	-
Miscellaneous revenues	678,289	662,304	662,304	-
Total Revenues	<u>10,504,245</u>	<u>8,983,626</u>	<u>8,993,626</u>	<u>10,000</u>
<b>EXPENDITURES</b>				
Current:				
General government	3,879,613	3,763,489	3,763,489	-
Public safety	4,346,437	4,292,687	4,273,774	18,913
Public works	1,833,580	835,698	360,766	474,932
Health and welfare	460,885	457,140	457,140	-
Culture and recreation	126,710	176,880	176,880	-
Conservation of natural resources	103,194	94,183	94,183	-
Economic development and assistance	134,170	118,170	118,170	-
Debt service:				
Principal	401,939	401,939	158,954	242,985
Total Expenditures	<u>11,286,528</u>	<u>10,140,186</u>	<u>9,403,356</u>	<u>736,830</u>
Excess of Revenues over (under) Expenditures	<u>(782,283)</u>	<u>(1,156,560)</u>	<u>(409,730)</u>	<u>746,830</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Other financing sources	2,996,516	2,987,978	2,987,978	-
Other financing uses	(2,796,859)	(2,949,514)	(2,949,514)	-
Total Other Financing Sources and Uses	<u>199,657</u>	<u>38,464</u>	<u>38,464</u>	<u>-</u>
Net Change in Fund Balance	<u>(582,626)</u>	<u>(1,118,096)</u>	<u>(371,266)</u>	<u>746,830</u>
Fund Balances - Beginning	<u>1,697,665</u>	<u>1,292,347</u>	<u>(3,535,810)</u>	<u>(4,828,157)</u>
Fund Balances - Ending	<u>\$ 1,115,039</u>	<u>174,251</u>	<u>(3,907,076)</u>	<u>(4,081,327)</u>

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

**Coahoma County, Mississippi**  
 Budgetary Comparison Schedule -  
 Budget and Actual (Non-GAAP Basis)  
 Economic Development Authority Fund  
 For the Year Ended September 30, 2015

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 106,816	105,662	105,662	-
Intergovernmental revenues	417,020	375,539	375,539	-
Interest income	88,625	55,094	55,094	-
Miscellaneous revenues	5,695	1,832,538	1,832,538	-
Total Revenues	<u>618,156</u>	<u>2,368,833</u>	<u>2,368,833</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
Economic development and assistance	557,736	498,163	498,163	-
Debt service:				
Principal	<u>88,625</u>	<u>1,868,099</u>	<u>62,498</u>	<u>1,805,601</u>
Total Expenditures	<u>646,361</u>	<u>2,366,262</u>	<u>560,661</u>	<u>1,805,601</u>
Excess of Revenues over (under) Expenditures	<u>(28,205)</u>	<u>2,571</u>	<u>1,808,172</u>	<u>1,805,601</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Other financing sources	<u>45,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources and Uses	<u>45,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>16,795</u>	<u>2,571</u>	<u>1,808,172</u>	<u>1,805,601</u>
Fund Balances - Beginning	<u>303,993</u>	<u>340,873</u>	<u>174,682</u>	<u>(166,191)</u>
Fund Balances - Ending	<u>\$ 320,788</u>	<u>343,444</u>	<u>1,982,854</u>	<u>1,639,410</u>

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

**Coahoma County, Mississippi**  
 Budgetary Comparison Schedule -  
 Budget and Actual (Non-GAAP Basis)  
 General Road Fund  
 For the Year Ended September 30, 2015

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 707,657	530,970	530,970	-
Road and bridge privilege taxes	240,000	232,657	232,657	-
Licenses, commissions and other revenues	3,750	4,427	4,427	-
Intergovernmental revenues	620,500	785,309	785,309	-
Interest income	750	750	-	(750)
Miscellaneous revenues	100,000	224,591	224,591	-
Total Revenues	<u>1,672,657</u>	<u>1,778,704</u>	<u>1,777,954</u>	<u>(750)</u>
<b>EXPENDITURES</b>				
Current:				
Public works	<u>1,849,043</u>	<u>2,705,220</u>	<u>2,675,629</u>	<u>29,591</u>
Total Expenditures	<u>1,849,043</u>	<u>2,705,220</u>	<u>2,675,629</u>	<u>29,591</u>
Excess of Revenues over (under) Expenditures	<u>(176,386)</u>	<u>(926,516)</u>	<u>(897,675)</u>	<u>28,841</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Other financing sources	<u>-</u>	<u>146,177</u>	<u>146,177</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>146,177</u>	<u>146,177</u>	<u>-</u>
Net Change in Fund Balance	<u>(176,386)</u>	<u>(780,339)</u>	<u>(751,498)</u>	<u>28,841</u>
Fund Balances - Beginning	<u>400,000</u>	<u>593,667</u>	<u>443,760</u>	<u>(149,907)</u>
Fund Balances - Ending	<u>\$ 223,614</u>	<u>(186,672)</u>	<u>(307,738)</u>	<u>(121,066)</u>

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

**Coahoma County, Mississippi**

## Schedule of the County's Proportionate Share of the Net Pension Liability

## PERS

Last 10 Fiscal Years\*

		2015
County's proportion of the net pension liability (asset)	\$	<u>12,584,999</u>
County's proportionate share of the net pension liability (asset)		0.081414%
County's covered - employee payroll		5,148,311
County's proportionate share of the net pension liability (asset) as a percentage of its covered - employee payroll		244.45%
Plan fiduciary net position as a percentage of the total pension liability		61.70%

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

\* The amounts presented for each fiscal year were determined as of the measurement date of 6/30 of the year presented.

This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB 68 was implemented in FYE 9/30/15, and, until a full 10-year trend is compiled, the County has only presented information for the years in which information is available.

**Coahoma County, Mississippi**  
Schedule of County Contributions  
PERS  
Last 10 Fiscal Years\*

	2015
Contractually required contribution	\$ 810,859
Contributions in relation to the contractually required contribution	810,859
Contribution deficiency (excess)	\$ -
County's covered - employee payroll	5,148,311
Contributions as a percentage of covered - employee payroll	15.75%

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

This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB 68 was implemented in FYE 9/30/15, and, until a full 10-year trend is compiled, the County has only presented information for the years in which information is available.

## **Coahoma County, Mississippi**

### **Notes to the Required Supplementary Information For the year ended September 30, 2015**

#### **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 and Tax Collector for his or her respective department, prepares an original budget for each of the Governmental Funds for said fiscal year. The completed budget for the fiscal year includes for each fund every source of revenue, each general item of expenditure, and the unencumbered cash and investment balances. When during the fiscal year it appears to the Board of Supervisors that budgetary estimates will not be met, it may make revisions to the budget.

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

#### **B. Basis of Presentation.**

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

## Coahoma County, Mississippi

Notes to the Required Supplementary Information  
For the Year Ended September 30, 2015

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>			
	General Fund	Economic Development Authority	General Road Fund	Economic Development Authority (CU)
Budget (Cash Basis)	\$ (371,266)	1,808,172	(751,498)	
Increase (Decrease)				
Net adjustments for revenue accruals	(221,251)	5,457	35,744	
Net adjustments for expenditure accruals	148,682	336,567	(165,599)	
Blending of component unit				145,285
GAAP Basis	<u>\$ (443,835)</u>	<u>2,150,196</u>	<u>(881,353)</u>	<u>145,285</u>

### 2) Pension Schedules

#### A. Change of Benefit Terms

None

#### B. Change of Assumptions

In 2015 and later, the expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Table projected to 2016 using Scale BB rather than the RP-2000 Mortality Table, which was used prior to 2015. In 2015, the expectation of disabled mortality was changed to the RP-2014 Disabled Retiree Table, rather than the RP-2000 Disabled Mortality Table, which was used prior to 2015. Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience. In 2015, assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. Finally, the price inflation and investment rate of return assumptions were changed from 3.5% to 3% and 8% to 7.75%, respectively.

## SUPPLEMENTARY INFORMATION



**Coahoma County, Mississippi**

Schedule of Expenditure of Federal Awards

For the Year Ended September 30, 2015

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures
<b>U.S. Department of Housing and Urban Development</b>			
Passed-through the Mississippi Development Authority			
Community Development Block Grant - State's Program*	14.228	1128-11-014-PF-01	\$ 528,159
Community Development Block Grant - State's Program*	14.228	1131-14-014-ED-01	5,000
Total passed-through the Mississippi Development Authority			<u>533,159</u>
Total U.S. Department of Housing and Urban Development			<u>533,159</u>
<b>U.S. Department of Justice</b>			
Office of Victims of Crimes			
Passed-through Mississippi Department of Public Safety			
Crime Victim Assistance	16.575	13VA1141	20,188
Crime Victim Assistance	16.575	14VA1141	11,069
Office of Community Oriented Policing Services			
Passed-through Mississippi Department of Public Safety			
Public Safety Partnership and Community Policing Grants	16.710	2013UMWX0152	22,927
Bureau of Justice Assistance			
Passed-through Mississippi Department of Public Safety			
Byrne Criminal Justice Innovation Program	16.817	2014-AJ-BX-0001	66,397
Total passed-through the Mississippi Department of Public Safety			<u>120,581</u>
Total U.S. Department of Justice			<u>120,581</u>
<b>U.S. Department of Transportation</b>			
Direct Award - Federal Aviation Administration			
Airport Improvement Grant*	20.106	3-28-0014-020-2012	9,295
Airport Improvement Grant*	20.106	3-28-0014-021-2014	74,056
Airport Improvement Grant*	20.106	3-28-0015-022-2015	491,297
Total Direct Award - Federal Aviation Administration			<u>574,648</u>
Passed-through Mississippi Department of Transportation			
Highway Planning and Construction	20.205	N/A	15,180
Passed-through Mississippi Department of Public Safety			
Alcohol Open Container Requirements	20.607	15-TA-114-1	54,910
Total U.S. Department of Transportation			<u>644,738</u>
<b>U.S. Department of Homeland Security</b>			
Passed through the Mississippi Emergency Management Agency			
State Homeland Security Program	97.073	14-HS-014	10,000
Total U.S. Department of Homeland Security			<u>10,000</u>
Total Expenditures of Federal Awards			\$ <u><u>1,308,478</u></u>

\* denotes major program

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

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

## OTHER INFORMATION

**COAHOMA COUNTY, MISSISSIPPI**

Schedule of Surety Bonds for County Officials

For the Year Ended September 30, 2015

UNAUDITED

Name	Position	Company	Bond
Paul Pearson	Supervisor District 1	Fiser Agency	\$100,000
Chris Overton	Supervisor District 2	Fiser Agency	\$100,000
Timothy Burrel	Supervisor District 3	Southgroup	\$100,000
John Newson	Supervisor District 4	Southgroup	\$100,000
Roger Weiner	Supervisor District 5	Southgroup	\$100,000
Daniel Vassel	County Administrator	Southgroup	\$100,000
Ed Peacock	Chancery Clerk	Southgroup	\$100,000
Deloris Small	Purchase Clerk	Southgroup	\$75,000
Morgan Wood	Receiving Clerk	Southgroup	\$75,000
Jimmy Williams	Assistant Receiving Clerk	Southgroup	\$50,000
Nancy Chiles	Assistant Receiving Clerk	Southgroup	\$50,000
Mary Dilley	Assistant Receiving Clerk	Southgroup	\$50,000
Roger Mack Harris	Assistant Receiving Clerk	Southgroup	\$50,000
Alice Foster	Assistant Receiving Clerk	Southgroup	\$50,000
Darlene Lake	Assistant Receiving Clerk	Southgroup	\$50,000
Lester Myles	Assistant Receiving Clerk	Southgroup	\$50,000
Diane Smith	Assistant Receiving Clerk	Southgroup	\$50,000
John Tarzi	Assistant Receiving Clerk	Southgroup	\$50,000
Jerry Mills	Assistant Receiving Clerk	Southgroup	\$50,000
Barbara Ann Johnson	Assistant Receiving Clerk	Southgroup	\$50,000
Carla Mills	Inventory Control Clerk	Southgroup	\$100,000
Daniel Vassel	Assistant Inventory Control Clerk	Southgroup	\$25,000
Lester Myles	Road Manager	Southgroup	\$50,000
John Rybolt	Constable	Fiser Agency	\$50,000
Floyd Williams	Constable	Southgroup	\$50,000
Charles Oakes	Circuit Clerk	Southgroup	\$100,000
Charles Jones	Sheriff	Southgroup	\$100,000
Jessie Burton	Justice Court Judge	Southgroup	\$50,000
Kenneth Bush	Justice Court Judge	Southgroup	\$50,000
Candy Collins	Justice Court Clerk	Southgroup	\$50,000
Darlene Lake	Deputy Justice Court Clerk	Southgroup	\$50,000
Mary Johnson	Deputy Justice Court Clerk	Southgroup	\$50,000
Reginle Booker	Deputy Justice Court Clerk	Southgroup	\$50,000
Hattie Shivers	Tax Collector-Assessor	Brierfield	\$100,000

## 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  
Coahoma 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 business-type activities, each major fund, and the aggregate remaining fund information of Coahoma County, Mississippi, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated April 19, 2017. Our report includes a reference to other auditor who audited the financial statements of Economic Development Authority of Coahoma County, as described in our report on the Coahoma County, Mississippi financial statements. This report does not included the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Coahoma 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.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be material weaknesses. [Finding 2015-001 and 2015-002.]

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Coahoma 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*.

## **Coahoma County's Responses to the Findings**

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

## **Purpose of this Report**

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

*Fortenberry & Ballard, PC*

Fortenberry & Ballard PC  
April 19, 2017

Certified Public Accountants

FORTENBERRY & BALLARD, PC  
CERTIFIED PUBLIC ACCOUNTANTS

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

Members of the Board of Supervisors  
Coahoma County, Mississippi

**Report on Compliance for Each Major Federal Program**

We have audited Coahoma County, Mississippi's compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2015. Coahoma County, Mississippi's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Coahoma County, Mississippi's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Coahoma County, Mississippi's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Coahoma County, Mississippi's compliance.

## Opinion on Each Major Federal Program

In our opinion, Coahoma County, Mississippi complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2015.

## Report on Internal Control Over Compliance

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

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

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

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

Fortenberry & Ballard, PC

Fortenberry & Ballard, PC  
April 19, 2017

Certified Public Accountants



FORTENBERRY & BALLARD, PC  
CERTIFIED PUBLIC ACCOUNTANTS

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

Members of the Board of Supervisors  
Coahoma County, Mississippi

We have examined Coahoma 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, 2015. The Board of Supervisors of Coahoma 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 such 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 Coahoma 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, Coahoma County, Mississippi, complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements for the year ended September 30, 2015.

The accompanying schedules of (1) Purchases Not Made from the Lowest Bidder, (2) Emergency Purchases and (3) Purchases Made Noncompetitively from a Sole Source are presented in accordance with Section 31-7-115, Miss. Code Ann. (1972). The information contained on these schedules has been subjected to procedures performed in connection with our aforementioned examination 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 Coahoma County, Mississippi's compliance with the aforementioned requirements, 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  
April 19, 2017

Certified Public Accountants

**Coahoma County, Mississippi**

**Schedule 1**

Schedule of Purchases Not Made From the Lowest Bidder  
For the Year Ended September 30, 2015

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

**Coahoma County, Mississippi**  
Schedule of Emergency Purchases  
For the Year Ended September 30, 2015

**Schedule 2**

Our test results did not identify any emergency purchases.

**Coahoma County, Mississippi**

**Schedule 3**

Schedule of Purchases Made Noncompetitively From a Sole Source  
For the Year Ended September 30, 2015

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  
Coahoma County, Mississippi

In planning and performing our audit of the financial statements of Coahoma County, Mississippi for the year ended September 30, 2015, we considered Coahoma 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 Coahoma 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 April 19, 2017, on the financial statements of Coahoma County, Mississippi.

Although no findings came to our attention as a result of these review procedures and compliance tests, these procedures and tests cannot and do not provide absolute assurance that all state legal requirements have been complied with. Also, our consideration of the internal control would not necessarily disclose all matters within the internal control that might be weaknesses. In accordance with Section 7-7-211, Miss. Code Ann. (1972), the Office of the State Auditor, when deemed necessary, may conduct additional procedures and tests of transactions for this or other fiscal years to ensure compliance with legal requirements.

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

*FORTENBERRY & BALLARD, PC*

Fortenberry & Ballard, PC  
April 19, 2017

Certified Public Accountants

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

## Coahoma County, Mississippi

### Schedule of Findings and Questioned Costs For the Year Ended September 30, 2015

#### Section I: Summary of Auditor's Results

##### Financial Statements:

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

##### Federal Awards:

4. Internal control over major federal programs:
  - a. Material weakness identified? No.
  - b. Significant deficiency identified? None reported.
5. Type of auditor's report issued on compliance for major federal programs: Unmodified.
6. Any audit findings disclosed that are required to be reported in accordance with Section \_\_\_\_\_.510(a) of OMB Circular A-133? No.
7. Identification of major federal programs:

##### CFDA Numbers

##### Name of Federal Program or Cluster

14.228

Community Development Block Grant

20.106

Airport Improvement Program

8. Dollar threshold used to distinguish between type A and type B programs: \$300,000.
9. Auditee qualified as a low-risk auditee? No.



## Section II: Financial Statement Findings

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

### **Material Weaknesses**

#### **Finding 2015-001**

##### Criteria:

An effective system of internal control over financial statement preparation and reporting in accordance with generally accepted accounting principles should include adequate detail to document the compilation of individual funds' balances and transactions.

##### Condition:

The County did not adjust the balances and transactions for a proper accrual of revenues and expenditures, proper classification of funds, accurate presentation of beginning fund balances/net position and the inclusion of all required disclosures in the notes to the financial statements.

##### Cause:

The system in place relies heavily on inputs and adjustments proposed by the external auditor primarily preparing the financial statements along with related notes and schedules.

##### Effect:

Audit adjustments were proposed and made to properly classify funds, properly accrue revenues and expenditures and to properly present beginning fund balances/net position.

##### Recommendation:

The Board of Supervisors should implement a system of internal control over financial statement preparation and reporting in accordance with generally accepted accounting principles that includes adequate detail to document the compilation of individual funds' balances and transactions.

#### **Finding 2015-002**

##### Criteria:

An effective system of internal control over federal grants should include adequate subsidiary records documenting all revenues and expenditures relating to each federal grant received.

##### Condition:

The County did not report all federal grant expenditures on the Schedule of Expenditures of Federal Awards for the year ended September 30, 2015. The County also included expenditures which were not expenditures of federal funds on the Schedule.

##### Cause:

The system in place relies on input and corrections proposed by the external auditor.

Effect:

Several corrections were proposed by the auditor and made to the Schedule of Expenditures of Federal Awards (SEFA). The failure to properly complete the SEFA increases the possibility of reporting incorrect amounts of federal expenditures as well as the possibility of excluding a federal grant on the SEFA.

Recommendation:

The County should properly maintain adequate subsidiary records documenting all revenues and expenditures relating to each federal grant received.

Section III: Federal Award Findings and Questioned Costs

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

## AUDITEE'S CORRECTIVE ACTION PLAN

## COAHOMA COUNTY

### Board of Supervisors

P.O. Box 579  
Clarksdale, MS 38614  
Ph (662) 624-3028  
Fax (662) 624-3029

**Paul Pearson, District 1**

**President**

Pat Davis, District 2

Derrell Washington, District 3

Johnny Newson, District 4

Will Young, District 5

Daniel Vassel

County Administrator

Tom T Ross, Jr.

Board Attorney

April 19, 2017

### AUDITEE'S CORRECTIVE ACTION PLAN

As required by Section 315(c) of OMB Circular A-133, Coahoma County has prepared and hereby submits the following corrective action plan for the findings included in the Schedule of Findings and Questioned Cost for the year ended September 30, 2015:

#### Finding

#### Corrective Action Plan Details

2015-001

a. Name of Contact Person Responsible for Corrective Action

Name: Daniel Vassel

Phone Number: (662) 624-3028

b. Corrective Action Planned:

The Board of Supervisors will implement a system of internal control over financial statement preparation and reporting in accordance with generally accepted accounting principles that includes adequate detail to document the compilation of individual funds' balances and transactions.

c. Anticipated Completion Date:

On-going throughout the fiscal year.

## AUDITEE'S CORRECTIVE ACTION PLAN (CONTINUE)

As required by Section 315(c) of OMB Circular A-133, Coahoma County has prepared and hereby submits the following corrective action plan for the findings included in the Schedule of Findings and Questioned Cost for the year ended September 30, 2015:

- |          |  |
|----------|--|
| 2014-002 | <p>a.      Name of Contact Person Responsible for Corrective Action</p> <p style="margin-left: 40px;">Name: Daniel Vassel<br/>Phone Number: (662) 624-3028</p> <p>b.      Corrective Action Planned:</p> <p style="margin-left: 40px;">The County will properly maintain adequate subsidiary records documenting all revenues and expenditures relating to each federal grant received.</p> <p>c.      Anticipated Completion Date:</p> <p style="margin-left: 40px;">On-going throughout the fiscal year.</p> |
|----------|--|