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WILKINSON COUNTY

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

WILKINSON COUNTY

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SHOEMAKER — & CO. —

CERTIFIED PUBLIC ACCOUNTANTS, PLLC


Members of the Board of Supervisors
Wilkinson County, Mississippi

Dear Board Members:

I am pleased to submit to you the 2015 financial and compliance audit report for Wilkinson County. This audit was performed pursuant to Section 7-7-211(e), Mississippi Code Ann. (1972). The audit was performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

I appreciate the cooperation and courtesy extended by the officials and employees of Wilkinson County throughout the audit. Thank you for working to move Mississippi forward by serving as a supervisor for Wilkinson County. If I can be of any further assistance, please contact me at (601) 397-4419.

Respectfully submitted,



SHOEMAKER & COMPANY, CPA PLLC
May 23, 2018

POST OFFICE BOX 2201 CLINTON, MISSISSIPPI 39060

T. 601.951.8318

WWW.SHOEMAKERCPA.NET

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WILKINSON COUNTY

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WILKINSON COUNTY

FINANCIAL SECTION

WILKINSON COUNTY

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SHOEMAKER — & CO. —

CERTIFIED PUBLIC ACCOUNTANTS, PLLC

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors
Wilkinson 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, the discretely presented component unit and the aggregate remaining fund information of Wilkinson 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 basic financial statements of the County's primary government as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Wilkinson County Industrial Development Authority component unit, which represent 100 percent of the assets, net position, and revenues of the component unit column. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aforementioned component unit, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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.

POST OFFICE BOX 2201 CLINTON, MISSISSIPPI 39060

T. 601.951.8318

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Basis for Qualified Opinion on Governmental Activities

As discussed in Note 7 to the financial statements, the county has not recorded depreciation expense on certain general infrastructure assets in governmental activities. Accounting principles generally accepted in the United States of America require that those general infrastructure assets be capitalized and depreciated. If these assets were properly recorded and depreciated, an adjustment to the assets, net assets, and expenses of the governmental activities may be necessary. The amounts recorded in Note 7 and in the Statement of Net Assets were estimates provided by the county, and we were not able to determine the accuracy of these estimates.

Qualified Opinion

In our opinion, except for the effects of the matters described in the “Basis for Qualified Opinions on Governmental Activities” paragraph, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities of Wilkinson County, Mississippi, as of September 30, 2015, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion on the General Fund

The county was not able to document the existence and valuation of fines receivable for Justice Court fines and the aging of fines receivable as of September 30, 2015. If fines receivable were properly documented and recorded, an adjustment to the assets, deferred inflows and fund balances may be required. The amounts recorded in the balance Sheet – Governmental Funds were estimates provided by the county, and we were not able to determine the accuracy of these estimates.

Qualified Opinion

In our opinion, except for the effects of the matters described in the “Basis for Qualified Opinions on the General Fund” paragraph, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the general fund of Wilkinson County, Mississippi, as of September 30, 2015, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, except for the effects of the matters discussed in the previous paragraphs, based on our audit and the reports of other auditors, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the business-type activities, the discretely presented component unit, fund and the aggregate remaining fund information of Wilkinson 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.

Other Matters

Required Supplementary Information

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

Omitted Required Supplementary Information

Wilkinson County has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operations, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Wilkinson County, Mississippi's basic financial statements.

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 May 23, 2018, on our consideration of Wilkinson 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 the effectiveness of Wilkinson County's internal control over financial reporting. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Wilkinson County, Mississippi's internal control over financial reporting and compliance.



SHOEMAKER & COMPANY, CPA PLLC
May 23, 2018

WILKINSON COUNTY

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WILKINSON COUNTY

FINANCIAL STATEMENTS

WILKINSON COUNTY

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WILKINSON COUNTY
Statement of Net Position
September 30, 2015

Exhibit 1

	Primary Government			Component Unit
	Governmental	Business-type		Wilkinson County
	Activities	Activities	Total	Industrial
				Development
				Authority
ASSETS				
Cash	\$ 2,380,663	5,090	2,385,753	334,403
Accrued interest receivable				263,201
Property tax receivable	4,178,563		4,178,563	
Accounts receivable (net of allowance for uncollectibles of \$404,392)		184,957	184,957	1,150,392
Fines receivable (net of allowance for uncollectibles of \$2,410,214)	622,977		622,977	
Loans receivable	410,000		410,000	
Lease receivable				20,100,000
Intergovernmental receivables	177,853		177,853	
Other receivables	339,305	32,714	372,019	
Internal balances	236,683	(236,683)	-	
Capital assets:				
Land and construction in progress	1,605,928		1,605,928	
Other capital assets, net	18,213,984	65,228	18,279,212	
Total Assets	28,165,956	51,306	28,217,262	21,847,996
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	1,003,816	28,167	1,031,983	
Total deferred outflows of resources	1,003,816	28,167	1,031,983	-
LIABILITIES				
Bank overdraft	1,169,069		1,169,069	
Claims payable	604,938	34,532	639,470	1,153,940
Intergovernmental payables	89,186		89,186	
Accrued interest payable	2,131		2,131	263,201
Other payables			-	
Amounts held in custody for others		12,173	12,173	
Certificates of participation				20,100,000
Long-term liabilities				
Pension liability	5,209,275	154,197	5,363,472	
Due within one year:				
Capital debt	438,952		438,952	
Non-capital debt	5,342	418	5,760	
Due in more than one year:				
Capital debt	2,787,577		2,787,577	
Non-capital debt	1,168,077	3,709	1,171,786	
Total Liabilities	11,474,547	205,029	11,679,576	21,517,141
DEFERRED INFLOWS OF RESOURCES				
Property taxes for future reporting periods	4,178,563		4,178,563	
Total deferred inflows of resources	4,178,563	-	4,178,563	-
NET POSITION				
Net investment in capital assets	16,593,383	65,228	16,658,611	
Restricted for:				
Loan receivable	410,000		410,000	
Expendable:				
General government	47,441		47,441	
Debt service	(253,498)		(253,498)	
Public safety	(15,572)		(15,572)	
Public works	323,487		323,487	
Unrestricted	(3,588,579)	(190,784)	(3,779,363)	330,855
Total Net Position	\$ 13,516,662	(125,556)	13,391,106	330,855

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

Component Unit		Wilkinson County Industrial Development Authority		Component Unit		Wilkinson County Industrial Development Authority	
Program Revenues		Primary government:		Business-type activities:		Total Primary Government	
Net (Expense) Revenue and Changes in Net Position	Capital	Operating		Charges for		Services	
		Grants and Contributions		Contributions		Contributions	
Primary Government		Governmental		Activities		Business-type Activities	
Total		Total		Total		Total	
General revenues: Property taxes Road & bridge privilege taxes Grants and contributions not restricted to specific programs Unrestricted interest income Miscellaneous Total General Revenues Changes in Net Position Net Position - Beginning, as restated Prior period adjustments Net Position - Beginning, as restated	\$ 3,717,064 112,724 788,313 40,354 596,054 5,254,509 17,466 17,396,185 13,499,196 13,516,662	(2,581,605) (680,364) (1,337,742) (59,293) (3,819) 270,765 (45,419) (155,288) (644,278) (5,237,043) (5,237,043)	265,822 84,661 884,556 19,029 322,466 <				

WILKINSON COUNTY
Balance Sheet - Governmental Funds
September 30, 2015

Exhibit 3

	<u>Major Funds</u>		
	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash	\$ 1,341,792	738,306	2,080,098
Property tax receivable	3,406,334	772,229	4,178,563
Fines receivable (net of allowance for uncollectibles of \$2,410,214)	622,977		622,977
Loans receivable		410,000	410,000
Intergovernmental receivables	136,526	41,327	177,853
Other receivables			-
Due from other funds	41,074	21,743	62,817
Advances to other funds	1,202,902	1,717,750	2,920,652
Total Assets	\$ <u>6,751,605</u>	<u>3,701,355</u>	<u>10,452,960</u>
LIABILITIES			
Liabilities:			
Bank overdraft	\$ 60,460	1,108,609	1,169,069
Claims payable	126,797	131,751	258,548
Intergovernmental payables	89,186		89,186
Due to other funds	255,158	18,272	273,430
Advances from other funds	1,302,815	1,160,767	2,463,582
Amounts held in custody for others			-
Other payables			-
Total Liabilities	\$ <u>1,834,416</u>	<u>2,419,399</u>	<u>4,253,815</u>
DEFERRED INFLOWS OF RESOURCES:			
Unavailable revenue - property taxes	3,406,334	772,229	4,178,563
Unavailable revenue - fines	622,977		622,977
Total deferred inflows of resources	\$ <u>4,029,311</u>	<u>772,229</u>	<u>4,801,540</u>
Fund balances:			
Nonspendable:			
Advances	1,202,902		1,202,902
Loan receivable		410,000	410,000
Assigned for:			
General Government		47,441	47,441
Public Safety		(15,572)	(15,572)
Public Works		323,487	323,487
Debt service		(255,629)	(255,629)
Unassigned	(315,024)		(315,024)
Total Fund Balances	\$ <u>887,878</u>	<u>509,727</u>	<u>1,397,605</u>
Total Liabilities, Deferred Inflows and Fund Balances	\$ <u>6,751,605</u>	<u>3,701,355</u>	<u>10,452,960</u>

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

WILKINSON COUNTY

Exhibit 3-1Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
September 30, 2015

	<u>Amount</u>
Total Fund Balance - Governmental Funds	\$ 1,397,605
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets are used in governmental activities and are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$22,488,186.	19,819,912
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	
Fines Receivable	622,977
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(4,399,948)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(5,209,275)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(2,131)
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 the governmental activities in the Statements of Net Position.	283,706
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:	
Deferred outflows of resources related to pensions	<u>1,003,816</u>
Total Net Position - Governmental Activities	\$ <u><u>13,516,662</u></u>

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

WILKINSON COUNTY

Exhibit 4

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Year Ended September 30, 2015

	<u>Major Funds</u>		
	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES			
Property taxes	\$ 3,112,671	604,393	3,717,064
Road and bridge privilege taxes		112,724	112,724
Licenses, commissions and other revenue	112,841	2,697	115,538
Fines and forfeitures	121,454	1,175	122,629
Intergovernmental revenues	916,374	1,755,540	2,671,914
Charges for services	7,040	80,436	87,476
Interest income	27,579	12,775	40,354
Miscellaneous revenues	88,274	63,511	151,785
Total Revenues	<u>4,386,233</u>	<u>2,633,251</u>	<u>7,019,484</u>
EXPENDITURES			
Current:			
General government	3,265,990	10,306	3,276,296
Public safety	770,971	97,381	868,352
Public works		2,103,093	2,103,093
Health and welfare	70,238	8,084	78,322
Culture and recreation	(551)		(551)
Conservation of natural resources	51,701		51,701
Economic development and assistance	24,552	215,726	240,278
Debt service:			
Principal		489,801	489,801
Interest	10,021	143,759	153,780
Fiscal agents' fees		2,000	2,000
Total Expenditures	<u>4,192,922</u>	<u>3,070,150</u>	<u>7,263,072</u>
Excess of Revenues over (under) Expenditures	<u>193,311</u>	<u>(436,899)</u>	<u>(243,588)</u>
OTHER FINANCING SOURCES (USES)			
Long-term capital debt issued		319,030	319,030
Proceeds from sale of capital assets		600	600
Compensation for loss of capital assets	2,792	246,988	249,780
Transfers in		1,055,000	1,055,000
Transfers out	(260,000)	(795,000)	(1,055,000)
Total Other Financing Sources and Uses	<u>(257,208)</u>	<u>826,618</u>	<u>569,410</u>
Net Changes in Fund Balances	<u>(63,897)</u>	<u>389,719</u>	<u>325,822</u>
Fund Balances - Beginning	<u>951,775</u>	<u>120,008</u>	<u>1,071,783</u>
Fund Balances - Ending	<u>\$ 887,878</u>	<u>509,727</u>	<u>1,397,605</u>

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

WILKINSON COUNTY

Exhibit 4-1

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

	<u>Amount</u>
Net Changes in Fund Balances - Governmental Funds	\$ 325,822
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Thus, the change in net position differs from the change in fund balances by the amount that depreciation of \$938,772 exceeded capital outlays of \$620,450 in the current period.	(318,322)
In the Statement of Activities, only gains and losses from the sale of capital assets are reported, whereas in the Governmental Funds, proceeds from the sale of capital assets increase financial resources. Thus, the change in net position differs from the change in fund balances by the amount of the net gain of \$42,461 in the current period	(42,461)
Fine revenue recognized on the modified accrual basis in the funds during the current year is reduced because prior year recognition would have been required on the Statement of Activities using the full-accrual basis of accounting.	(40,518)
Debt proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Thus, the change in net position differs from the change in fund balances by the amount that debt repayments of \$489,801 exceeded debt proceeds of \$319,030.	170,771
Under the modified accrual basis of accounting used in the Governmental Funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However, in the Statement of Activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is recognized under the modified accrual basis of accounting when due, rather than as it accrues. Thus, the change in net position differs from the change in fund balances by a combination of the following items:	
Increase in compensated absences	(6,198)
Decrease in accrued interest payable	492
Some items reported in the Statement of Activities relating to the implementation of GASB 68 are not reported in the governmental funds. These activities include:	
Recording of pension expense for the current year	(644,278)
Recording of contributions made for the current year	335,808
An Internal Service Fund is used by management to charge the cost of insurance to individual funds. The net revenue (expense) is reported within governmental activities.	<u>236,350</u>
Change in Net Position of Governmental Activities	\$ <u><u>17,466</u></u>

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

WILKINSON COUNTY
Statement of Net Position - Proprietary Fund
September 30, 2015

Exhibit 5

	Business-type Activites Enterprise Fund	Governmental Activities
	Solid Waste Services Fund	Internal Service Fund
ASSETS		
Current assets:		
Restricted assets - cash	\$ 5,090	486,741
Accounts receivable (net of allowance for uncollectibles of \$404,392)	184,957	
Other receivables	32,714	
Due from other funds		230,886
Total Current Assets	<u>222,761</u>	<u>717,627</u>
Noncurrent assets:		
Advances to other funds	3,038	575,065
Other capital assets, net	65,228	
Total Noncurrent Assets	<u>68,266</u>	<u>575,065</u>
Total Assets	<u>291,027</u>	<u>1,292,692</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred inflows related to pensions	28,167	
Total deferred outflows of resources	<u>28,167</u>	<u>-</u>
LIABILITIES		
Current liabilities:		
Claims payable	34,532	346,390
Refundable deposits	12,173	
Due to other funds	22,802	
Non-capital debt:		
Compensated absences payable	418	
Total Current Liabilities	<u>69,925</u>	<u>346,390</u>
Noncurrent liabilities:		
Pension expense	154,197	
Non-capital debt:		
Compensated absences payable	3,709	
Advances from other funds	216,919	662,596
Total Noncurrent Liabilities	<u>374,825</u>	<u>662,596</u>
NET POSITION		
Net investment in capital assets	65,228	
Unrestricted	(190,784)	283,706
Total Net Position	<u>\$ (125,556)</u>	<u>283,706</u>

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

WILKINSON COUNTY

Exhibit 6

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund
For the Year Ended September 30, 2015

	Business-type Activities Enterprise Fund	Governmental Activities Internal Service Fund
Operating Revenues		
Charges for services	\$ 514,955	
Premiums		808,518
Miscellaneous		5,495
Total Operating Revenues	514,955	814,013
Operating Expenses		
Cost of sales		
Personal services	77,516	
Contractual services	370,572	
Materials and supplies	13,826	
Depreciation expense	3,864	
Pension expense	18,634	
Indirect Cost	22,802	
Administrative		32,218
Insurance premiums		545,445
Total Operating Expenses	507,214	577,663
Operating Income (Loss)	7,741	236,350
Net Income (Loss) Before Capital Contributions, Special and Extraordinary Items and Transfers	7,741	236,350
Transfers in		
Changes in Net Position	7,741	236,350
Net Position - Beginning, as previously reported	(15,823)	47,356
Prior period adjustment	(117,474)	
Net Position - Beginning, as restated	(133,297)	47,356
Net Position - Ending	\$ (125,556)	283,706

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

WILKINSON COUNTY
Statement of Cash Flows - Proprietary Fund
For the Year Ended September 30, 2015

Exhibit 7

	Business-type Activities Enterprise Fund	Governmental Activities
	Solid Waste Services Fund	Internal Service Fund
Cash Flows From Operating Activities		
Receipts from customers	\$ 482,241	
Receipts for premiums		962,299
Payments to suppliers	(424,371)	
Payments to employees	(86,492)	
Payments to administrator for services		(32,218)
Payments for insurance premiums		(224,663)
Other operating cash receipts		5,495
Net Cash Provided (Used) by Operating Activities	(28,622)	710,913
Net Increase (Decrease) in Cash and Cash Equivalents	(28,622)	710,913
Cash and Cash Equivalents at Beginning of Year	33,712	(224,172)
Cash and Cash Equivalents at End of Year	\$ 5,090	\$ 486,741
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$ 7,741	\$ 236,350
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense	3,864	
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(998)	
(Increase) decrease in other receivables	(32,714)	140,977
Increase (decrease) in claims payable	(6,261)	346,390
Increase (decrease) in compensated absences liability	1,102	
Increase (decrease) in refundable deposits	(32,714)	
Increase (decrease) in pension expense	18,634	
Increase (decrease) in contributions made for the current year	(10,078)	
Increase (decrease) in interfund payables	22,802	(12,804)
Total Adjustments	(36,363)	474,563
Net Cash Provided (Used) by Operating Activities	\$ (28,622)	\$ 710,913

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

WILKINSON COUNTY
Statement of Fiduciary Assets and Liabilities
September 30, 2015

Exhibit 8

	<u>Agency Funds</u>
ASSETS	
Cash and investments	\$ 700,177
Advances to other funds	471,157
Due from other funds	2,529
Intergovernmental receivables	2,202
Total Assets	<u>\$ 1,176,065</u>
LIABILITIES	
Bank overdraft	9,876
Accounts payable	690
Intergovernmental payables	538,684
Advances from other funds	626,815
Total Liabilities	<u>\$ 1,176,065</u>

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

WILKINSON COUNTY

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

(1) See Summary of Significant Accounting Policies

A. Financial Reporting Entity

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

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

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

B. Individual Component Unit Disclosures

Discretely Presented Component Unit

The component unit column in the financial statements includes the financial data of the following component unit of the County. It is reported in a separate column to emphasize that it is legally separate from the County. A majority of the members of the governing body of this component unit are appointed by the County Board of Supervisors.

The Wilkinson County Industrial Development Authority is a legally separate entity organized under 19-5-99, Miss Code Ann. (1972). The Wilkinson County Industrial Development Authority was created to promote industrial development in Wilkinson County by whatever means necessary, including, but not limited to the development of an industrial park. The entity is governed by a five member board of directors, all appointed by the county Board of Supervisors. The county funds the entity's operations.

The discretely presented component unit is audited by an independent auditor, and its financial statements are issued under separate cover. The audited financial statements are available from Wilkinson County Industrial Development Authority.

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

WILKINSON COUNTY

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

and its component unit. For the most part, the effect of interfund activity has been removed from these statements.

Governmental activities and business type activities are generally financed through taxes, intergovernmental revenues and other nonexchange revenues. The primary government is reported separately from its legally separate component unit for which the primary government is financially accountable.

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

Fund Financial Statements:

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

D. Measurement Focus and Basis of Accounting.

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

The county's Proprietary Funds apply all applicable Governmental Accounting Standards Board (GASB) pronouncements and only the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

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

WILKINSON COUNTY

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

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 2015 liabilities existing at the end of the year. Available means collected in the current period or within 60 days after year end to liquidate 2015 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 all activities of the general government for which a separate fund has not been established.

The county reports the following major Proprietary Fund:

Solid Waste Fund – This fund is used to account for the County’s activities of disposal of solid waste within the county.

Additionally, the County reports the following fund types:

GOVERNMENTAL FUND TYPES

Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Special Revenue Funds account for, among others, certain federal grant programs, taxes levied with statutorily defined distributions and other resources restricted as to purpose.

Debt Service Funds - These funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

PROPRIETARY FUND TYPES

Enterprise Fund – 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 Funds – These funds are 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 self-insurance programs for employee medical benefits.

FIDUCIARY FUND TYPE

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

E. Account Classifications.

WILKINSON COUNTY

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

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

F. Deposits and Investments.

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

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

G. Receivables.

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

H. Interfund Transactions and Balances.

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

I. Prepaid Items.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

J. Capital Assets.

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

WILKINSON COUNTY

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

improvements are capitalized. Interest expenditures are not capitalized on capital assets.

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

The following schedule details those thresholds and estimated useful lives:

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

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

K. Deferred Outflows/Inflows of Resources.

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

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

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 15 for additional details.)

Deferred inflows related to pensions – This amount represents the County's proportionate share of the deferred inflows of resources reported by the pension plan in which the County participates. (See Note 15 for additional details.)

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

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

WILKINSON COUNTY

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

L. 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.

M. Long-term Liabilities.

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

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

In the fund financial statements, Governmental Fund Types recognize bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

N. Equity Classifications.

Government-wide Financial Statements:

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

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

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

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

Net Position Flow Assumption:

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

WILKINSON COUNTY

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

Assigned fund balance includes the 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 Board of Supervisors pursuant to authorization established by a board order established in the minutes of the Board of Supervisors meetings.

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

Fund Balance Flow Assumption:

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

O. 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 percent 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

WILKINSON COUNTY

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

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.

P. Intergovernmental Revenues in Governmental Funds.

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

Q. Compensated Absences.

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

R. 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*; GASB Statement No. 69, *Government Combinations and Disposal of Government Operations*; 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.

WILKINSON COUNTY

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

(2) Prior Period Adjustments.

A summary of significant net position adjustments are as follows:

Exhibit 2 - Statement of Activities

<u>Explanation</u>	<u>Amount</u>
<u>Governmental Activities:</u>	
GASB 68 adjustment	\$ 4,001,744
GASB 71 adjustment	(88,605)
An adjustment to correct a prior year error in recording a revenue or expenditure	(16,150)
Total Governmental Activities	<u>\$ 3,896,989</u>
<u>Business-type Activities - Enterprise Fund:</u>	
GASB 68 adjustment	\$ 120,135
GASB 71 adjustment	(2,661)
Total Business-type Activities	<u>\$ 117,474</u>
Total Exhibit 2	<u>4,014,463</u>

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

<u>Explanation</u>	<u>Amount</u>
<u>Business-type Activities - Enterprise Fund:</u>	
GASB 68 adjustment	\$ 120,135
GASB 71 adjustment	(2,661)
Subtotal	<u>\$ 117,474</u>
Total Exhibit 6	<u>117,474</u>

(3) Deposits and Investments.

Deposits:

The carrying amount of the County's total deposits with financial institutions at September 30, 2015, was \$1,211,594 (balance of \$2,380,663 less overdrafts of \$1,169,069) for governmental activities, \$5,090 for business-type activities, \$700,177 for agency funds, and the bank balance was \$623,794.85. The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC).

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

WILKINSON COUNTY

Notes to 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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 18,272
General Fund	Enterprise Fund	22,802
Other Governmental Funds	General Fund	21,743
Internal Service Fund	General Fund	230,886
Agency Funds	General Fund	2,529
Total		<u>\$ 296,232</u>

The receivables represent the tax revenue collected but not settled until October, 2015. All current interfund balances are expected to be repaid within one year from the date of the financial statements.

B. Advances From/To Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 127,017
General Fund	Enterprise Funds	31,015
General Fund	Internal Service Funds	662,596
General Fund	Agency Funds	382,274
Other Governmental Funds	General Funds	964,175
Other Governmental Funds	Other Governmental Funds	753,575
Enterprise Funds	General Funds	3,038
Internal Service Funds	General Funds	109,669
Internal Service Funds	Other Governmental Funds	86,364
Internal Service Funds	Enterprise Funds	157,428
Internal Service Funds	Agency Funds	221,604
Agency Funds	General Funds	225,933
Agency Funds	Other Governmental Funds	193,811
Agency Funds	Enterprise Funds	28,476
Agency Funds	Agency Funds	22,937
Total		<u>\$ 3,969,912</u>

Advances to other funds have generally been made to provide cash to funds to help fund operations.

C. Transfers In/Out:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Other Governmental Funds	General Fund	\$ 260,000
Other Governmental Funds	Other Governmental Funds	795,000
Total		<u>\$ 1,055,000</u>

The purpose of interfund transfers were to transfer revenues from other governmental funds to individual district road funds.

WILKINSON COUNTY

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

(5) Intergovernmental Receivables

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

Description	Amount
Governmental Activities:	
Legislative tag credit	\$ 49,257
Motor vehicle fuel tax	45,100
Oil and gas severance	77,367
Timber severance	1,572
Other state revenue	4,557
Total Governmental Activities	<u>\$ 177,853</u>

(6) Loans Receivable.

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

Description	Date of Loan	Interest Rate	Maturity Date	Balance
Low Income Housing Loan	12/01/2000	1%	12/01/2050	\$ 410,000
Total				<u>\$ 410,000</u>

(7) Capital Assets.

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

Governmental activities:

	Oct. 1, 2014	Additions	Deletions	Sept. 30, 2015
Non-depreciable capital assets:				
Land	126,921	6,100		133,021
Construction in progress	1,472,907			1,472,907
Total non-depreciable capital assets	<u>1,599,828</u>	<u>6,100</u>	<u>-</u>	<u>1,605,928</u>
Depreciable capital assets				
Infrastructure	29,659,272	303,432		29,962,704
Buildings	5,981,909			5,981,909
Improvements other than buildings	145,420	118,994		264,414
Mobile equipment	2,843,745	61,124	424,611	2,480,258
Furniture and equipment	394,724	130,800		525,524
Leased property under capital leases	1,487,361			1,487,361
Total depreciable capital assets	<u>40,512,431</u>	<u>614,350</u>	<u>424,611</u>	<u>40,702,170</u>

WILKINSON COUNTY

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

Governmental activities (continued):

	Oct. 1, 2014	Additions	Deletions	Sept. 30, 2015
Less accumulated depreciation for:				
Infrastructure	16,390,076	649,038		17,039,114
Buildings	2,276,187	51,334		2,327,521
Improvements other than buildings	56,363	13,826		70,189
Mobile equipment	2,341,478	86,053	382,150	2,045,381
Furniture and equipment	334,666	54,318		388,984
Leased property under capital leases	532,794	84,203		616,997
Total accumulated depreciation	21,931,564	938,772	382,150	22,488,186
Total depreciable capital assets, net	18,580,867	(324,422)	42,461	18,213,984
Governmental activities capital assets, net	20,180,695	(318,322)	42,461	19,819,912

Business-type activities:

	Oct. 1, 2014	Additions	Deletions	Adjustments	Sept. 30, 2015
Depreciable capital assets					
Mobile equipment	257,809			98,637	356,446
Leased property under capital leases	98,637			(98,637)	-
Total depreciable capital assets	356,446	-	-	-	356,446
Less accumulated depreciation for:					
Mobile equipment	232,028	3,864		55,326	291,218
Leased property under capital leases	55,326			(55,326)	-
Total accumulated depreciation	287,354	3,864	-	-	291,218
Total depreciable capital assets, net	69,092	(3,864)	-	-	65,228
Business-type capital assets, net	69,092	(3,864)	-	-	65,228

Depreciation expense was charged to the following functions:

Governmental activities:

General government	\$	18,748
Public safety		84,423
Public works		815,113
Health and welfare		4,370
Economic development and assistance		16,118
Total governmental activities depreciation expense	\$	938,772

Business-type activities:

Solid waste	\$	3,864
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(8) Claims and Judgments.

Risk Financing.

The County finances its exposure to risk of loss related to workers' compensation for injuries to its employees through the Mississippi Public Entity Workers' Compensation Trust, a public entity risk pool. The County pays premiums to the pool for its workers' compensation insurance coverage, and the participation agreement provides that the pool will be self-sustaining through member premiums. The retention for the pool is \$1,000,000 for each accident and completely covers statutory limits set by the Workers' Compensation Commission. Risk of loss is remote for claims exceeding the pool's retention liability. However, the pool also has catastrophic reinsurance coverage for statutory limits above the pool's retention, provided by Safety National Casualty Corporation, effective from January 1, 2015, to January 1,

WILKINSON COUNTY

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

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 finances its exposure to risk of loss relating to employee health and accident coverage through the Mississippi Public Entity Employee Benefit Trust, a public entity risk pool. The pool is a claims-serving organization with the county retaining the risk of loss on all claims to which the county is exposed. Premium payments to the pool are determined on an actuarial basis. The county has reinsurance 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 \$20,000, and the aggregate policy covers all submitted claims in excess of \$55,000. The reinsurance coverage limit is \$1,000,000. Claims expenses 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 (IBNRs). The following table provides changes in the balances of claims liabilities for fiscal years 2014 and 2015:

	2014	2015
Unpaid claims, beginning of the year	\$ 42,126	\$ 57,165
Adjustment	-	-
Est'd incurred but not reported	389,714	377,224
Plus incurred claims (including IBNR's)	91,657	89,523
Less claim payments	(466,332)	(471,541)
Unpaid claims, end of the year	\$ 57,165	\$ 52,371

(9) Capital Leases.

As Lessee:

The County is obligated for the following capital assets acquired through capital leases as of September 30, 2015:

Classes of Property	Amount
Mobile equipment	\$ 1,487,361
Less: accumulated depreciation	(616,997)
Leased property under capital lease	\$ 870,364

The following is a schedule by years of the total payments due as of September 30, 2015:

Year ended September 30,	Principal	Interest
2016	\$ 250,133	\$ 19,392
2017	68,914	7,833
2018	71,382	5,366
2019	170,960	1,910
	\$ 561,389	\$ 34,501

WILKINSON COUNTY

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

(10) Long-term Debt.

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

Description	Amount Outstanding	Interest Rate	Final Maturity
A. General Obligation Bonds:			
Certificate of Participation	\$ 2,530,000	3-5.25%	12/2029
	<u>\$ 2,530,000</u>		
B. Capital Leases			
District two equipment	\$ 5,689	9.90%	06/2016
District three equipment	44,850	4.50%	09/2018
District five equipment	3,345	4.50%	12/2015
District four equipment	17,707	5.00%	08/2016
District five equipment	44,612	4.50%	09/2018
District one equipment	70,572	3.25%	06/2019
District five equipment	76,808	2.89%	07/2016
District three equipment	76,808	2.89%	07/2016
District two equipment	220,998	2.25%	03/2019
	<u>\$ 561,389</u>		
C. Other Loans			
FEMA community disaster loan	\$ 1,120,000	0.75%	01/2017
Note payable	100,070	3.25%	04/2020
Note payable	35,070	2.95%	12/2015
	<u>\$ 1,255,140</u>		

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

Year ending September 30,	General Obligation Bonds		Other Loans	
	Principal	Interest	Principal	Interest
2016	\$ 135,000	119,338	53,819	3,776
2017	140,000	114,782	1,139,370	26,396
2018	145,000	109,672	19,994	2,013
2019	150,000	103,872	20,644	1,364
2020	155,000	97,572	21,313	694
2021-2025	905,000	371,308		
2026-2029	900,000	119,937		
	<u>\$ 2,530,000</u>	<u>1,036,481</u>	<u>1,255,140</u>	<u>34,243</u>

WILKINSON COUNTY

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

Legal Debt Margin - The amount of debt, excluding specific exempted debt that can be incurred by the County is limited by state statute. Total outstanding debt during a year can be no greater than 15% of assessed value of the taxable property within the County, according to the then last completed assessment for taxation. However, the limitation is increased to 20% whenever a County issues bonds to repair or replace washed out or collapsed bridges on the public roads of the County. As of September 30, 2015, the amount of outstanding debt was equal to 2% 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:

	Balance				Balance	Amount due
Governmental activities:	Oct. 1, 2014	Additions	Reductions	Adjustments	Sept. 30, 2015	Within one Year
Compensated absences	47,221	6,198			53,419	5,342
Certificates of participation	2,660,000		130,000		2,530,000	135,000
Capital leases	737,300	183,890	359,801		561,389	250,133
Other loans	1,120,000	135,140			1,255,140	53,819
	<u>4,564,521</u>	<u>325,228</u>	<u>489,801</u>	<u>-</u>	<u>4,399,948</u>	<u>444,294</u>

	Balance				Balance	Amount due
Business-type activities	Oct. 1, 2014	Additions	Reductions	Adjustments	Sept. 30, 2015	Within one Year
Compensated absences	3,025	1,102			4,127	418
	<u>3,025</u>	<u>1,102</u>	<u>-</u>	<u>-</u>	<u>4,127</u>	<u>418</u>

Compensated absences will be paid from the fund from which the employees' salaries were paid, which are generally the General Fund, District Funds, Road Maintenance Fund and Enterprise Fund.

(11) Deficit Fund Balances of Individual Funds

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

Fund	Deficit Amount
General Fund:	
General Fund	\$ 96,038
Reappraisal Maintenance Fund	72,187
Special Revenue Funds:	
Triad Grant	1,015
Hurricane Isaac	22,142
Law Library	3,982
Volunteer Fire Department	2,405
District One Road	287,419
District Two Road	130,526
District Three Road	154,861
District Four Road	193,639
District Five Road	157,475
Jail Construction Fund	255,629
Health Insurance Fund	87,531

WILKINSON COUNTY

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

(12) Contingencies

Federal Grants - The County has received federal grants for specific purposes that are subject to audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes.

Any disallowance resulting from a grantor audit may become a liability of the County. No provision for any liability that may result has been recognized in the County's financial statements.

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

Community Disaster Loan - During the year ending September 30, 2014, the County received \$100,000 from the Community Disaster Loan Program received from the United States Department of Homeland Security, Federal Emergency Management Agency. The County is approved for a total loan amount of \$1,270,089 at .75% interest. At year ended September 30, 2015 the principal balance was \$1,120,000.

The Community Disaster Loan Program is administered by the United States Department of Homeland Security, Federal Emergency Management Agency. Loans are made to local governments in designated major disaster areas. As a result of the 2011 Mississippi River Flood the County was designated a major disaster area.

In accordance with federal guidelines the loan will be forgiven if certain revenue criteria are met in future years. If the criteria are not met the loan and interest will be due on January 26, 2017 (See Note 10 - Long-term Debt and Note 16 - Subsequent Events).

(13) Joint Ventures.

The County participates in the following joint ventures:

Wilkinson County is a participant with Amite County in a joint venture, authorized by a Section 41-13-15, Miss. Code Ann. (1972), to operate the Field Memorial Community Hospital. The joint venture was created to provide medical services for the residents of the local area and is governed by five board members. Wilkinson County appoints three board members, while Amite County appoints two members. The hospital is basically self-supporting. However, the counties have the power to approve or disapprove the hospital's budget and are authorized to levy taxes for the maintenance and operation of the hospital. Complete financial statements for the Field Memorial Community Hospital can be obtained from 270 West Main Street, Centerville, MS 39631.

(14) Jointly Governed Organizations.

The County participates in the following jointly governed organizations:

Southwest Mississippi Planning and Development District operates in a district composed of the Counties of Adams, Wilkinson, Claiborne, Franklin, Jefferson, Lawrence, Lincoln, Pike, Walthall and Wilkinson. The Wilkinson County Board of Supervisors appoints four of the 40 members of the board of directors. The county contributes a small percentage of the district's total revenue. The county appropriated \$43,370 support of the district in fiscal year 2015.

WILKINSON COUNTY

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

Southwest Mississippi Mental Health Complex operates in a district composed of the Counties of Adams, Wilkinson, Claiborne, Franklin, Jefferson, Lawrence, Lincoln, Pike, Walthall and Wilkinson. The Wilkinson County Board of Supervisors appoints one of the ten members of the board of commissioners. The county appropriated \$16,875 for its support in fiscal year 2015.

Southwest Mississippi Community College operates in a district composed of the Counties of Wilkinson, Pike, Walthall and Wilkinson. The Wilkinson County Board of Supervisors appoints two of the 14 members of the college board of trustees. The county appropriated \$149,825 for the operation and maintenance of the college in fiscal year 2015.p

Southwest Mississippi Partnership operates in a district composed of the Counties of Adams, Amite, Claiborne, Franklin, Jefferson, Lawrence, Lincoln, Pike, Walthall and Wilkinson. The entity is governed by ten members, appointed by each county's lead industrial foundation or chamber of commerce. If no industrial foundation or chamber of commerce is present, the member is appointed by the county's Board of Supervisors. The member counties provided only modest financial support for the entity.

(15) Defined Benefit Pension Plan

General Information about the Pension Plan

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

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.

WILKINSON COUNTY

Notes to 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 years ending September 30, 2015, 2014 and 2013 were \$335,808, \$329,333, and \$318,467, 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 \$5,363,472 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 .034697 percent, which was an increase of .000739 percent from its proportion measured as of June 30, 2014.

For the year ended September 30, 2015, the County recognized pension expense of \$663,346. At September 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	82,541	
Net difference between projected and actual earnings on pension plan investments	313,820	
Changes of assumptions	462,045	
Changes in the proportion and differences between the County's contributions and proportionate share of contributions	65,588	
County contributions subsequent to the measurement date	107,989	
Total	1,031,983	-

\$107,989 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 amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2016	\$	302,784
2017		302,784
2018		239,972
2019		78,455
	\$	923,995

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

WILKINSON COUNTY

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

Inflation	3.00 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 as of June 30, 2015, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Broad	34.00 %	5.20 %
International Equity	19.00	5.00
Emerging Markets Equity	8.00	5.45
Fixed Income	20.00	0.25
Real Assets	10.00	4.00
Private Equity	8.00	6.15
Cash	1.00	(0.50)
Total	<u>100.00 %</u>	

Discount Rate. The discount rate used to measure the total pension liability was 7.75 percent. 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 to 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:

WILKINSON COUNTY

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

	<u>(6.75%)</u>	<u>(7.75%)</u>	<u>(8.75%)</u>
County's proportionate share of the net pension liability	\$ 7,069,547	5,363,472	3,947,748

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

(16) Subsequent Events

Events that occur after the Statement of Net Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of 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 Wilkinson County evaluated the activity of the County through May 23, 2018, the date the financial statements were available to be issued, and determined that the following subsequent events have occurred requiring disclosure in the notes to the financial statements:

On October 10, 2015, the board approved a short-term tax anticipation loan of \$375,000 with Concordia Bank at 2.79% interest rate.

On December 9, 2015, the board approved a short-term tax anticipation loan of \$375,000 with Concordia Bank at 2.79% interest rate.

On February 24, 2016, the board approved to borrow \$215,968 for a John Deere Motor Grader for District One at 3.25% interest.

On June 27, 2016, the board approved to borrow \$118,257 through United MS Bank for the county 911 system for 2.98% interest.

On June 27, 2016, the board approved to borrow \$22,500 through United MS Bank for a truck for District Two for 2.98% interest.

On July 6, 2016, the board approved to borrow \$109,110.24 through Concordia Bank for a tractor and boom mower for District two at 2.69% interest.

July 28, 2016, the board approved short-term financing of \$1,000,000 with United MS Bank at 1.75% interest, to meet financial obligations of the county.

On February 7, 2017, the board approved to borrow \$259,571 at 2.48% interest to purchase a fire truck on state contract.

On June 9, 2017, the board approved short-term financing of \$750,000 with United MS Bank at 2.25% interest, to meet financial obligations of the county.

Community Disaster Loan

During fiscal year end September 30, 2017, the Federal Emergency Management Agency forgave the County's outstanding Community Disaster Loan of \$1,120,000 and accrued interest of \$34,893. The County's balance as of September 30, 2017 was \$0. (See Note 10 – Long-term Debt and Note 12 – Contingencies)

WILKINSON COUNTY

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WILKINSON COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

WILKINSON COUNTY

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WILKINSON COUNTY
 Budgetary Comparison Schedule -
 Budget and Actual (Non-GAAP Basis)
 General Fund
 For the Year Ended September 30, 2015
 UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 3,100,000	2,980,661	2,980,661	-
Licenses, commissions and other revenue	230,000	112,841	112,841	-
Fines and forfeitures	140,000	121,454	121,454	-
Intergovernmental revenues		826,532	826,532	-
Charges for services		7,040	7,040	-
Interest income		27,579	27,579	-
Miscellaneous revenues		818,264	818,264	-
Total Revenues	<u>3,470,000</u>	<u>4,894,371</u>	<u>4,894,371</u>	<u>-</u>
EXPENDITURES				
Current:				
General government	1,996,500	2,906,635	2,906,635	-
Public safety	1,080,000	1,236,762	1,236,762	-
Health and welfare	178,419	171,114	171,114	-
Culture and recreation	109,000	93,667	93,667	-
Conservation of natural resources	66,050	56,925	56,925	-
Economic development and assistance	31,230	38,767	38,767	-
Total Expenditures	<u>3,461,199</u>	<u>4,503,870</u>	<u>4,503,870</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	<u>8,801</u>	<u>390,501</u>	<u>390,501</u>	<u>-</u>
Net Change in Fund Balance	8,801	390,501	390,501	-
Fund Balances - Beginning	<u>2,652,265</u>	<u>(370,891)</u>	<u>245,880</u>	<u>616,771</u>
Fund Balances - Ending	<u>\$ 2,661,066</u>	<u>19,610</u>	<u>636,381</u>	<u>616,771</u>

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

WILKINSON COUNTY
Schedule of the County's Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years*
For the Year Ended September 30, 2015

	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset)	0.034697%	0.033958%
County's proportionate share of the net pension liability (asset)	\$ 5,363,472	4,121,879
County's covered-employee payroll	\$ 2,132,114	2,091,003
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	251.56%	197.12%
Plan fiduciary net position as a percentage of the total pension liability	61.70%	67.21%

* The amounts presented for each fiscal year were determined as of the measurement date of June 30 prior to the fiscal year presented. This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement No. 68 was implemented for the fiscal year ended September 30, 2015, and, until a full 10 year trend is compiled, the County has only presented information for the years in which information is available.

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

WILKINSON COUNTY
 Schedule of County Contributions
 Last 10 Fiscal Years*
 For the Year Ended September 30, 2015

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 335,808	329,333
Contributions in relation to the contractually required contribution	<u>335,808</u>	<u>329,333</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>
County's covered-employee payroll	\$ 2,132,114	2,091,003
Contributions as a percentage of covered-employee payroll	15.75%	15.75%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement No. 68 was implemented for the fiscal year ended September 30, 2015, and, until, a full 10 year trend is compiled, the County has only presented information for the years in which information is available.

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

WILKINSON COUNTY

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WILKINSON COUNTY

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

Budgetary Comparison Schedule

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

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

B. Basis of Presentation.

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

C. Budget/GAAP Reconciliation.

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

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

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

		<u>Governmental activities:</u>
		<u>General Fund</u>
Budget (Cash Basis)	\$	390,501
Increase (Decrease)		
Net adjustment for revenue accruals		244,654
Net adjustment for expenditure accruals		<u>(699,052)</u>
GAAP Basis		<u><u>(63,897)</u></u>

WILKINSON COUNTY

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

Pension Schedules

A. Changes in Benefit Terms.

None

B. Changes in Assumptions.

In 2015 and later, the expectations 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 3.50% to 3.00% and 8.00% to 7.75% respectively.

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OTHER INFORMATION

WILKINSON COUNTY

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WILKINSON COUNTY
Schedule of Surety Bonds of County Officials
For the Year Ended September 30, 2015
UNAUDITED

Name	Position	Company	Bond
William Seal	Supervisor District One	Old Republic	100,000
Richard Hollins	Supervisor District Two	Western Surety	100,000
William Bankston	Supervisor District Three	Old Republic	100,000
Kenyon Jackson	Supervisor District Four	Western Surety	100,000
Jennings Nettles	Supervisor District Five	Old Republic	100,000
Thomas Tolliver	Chancery Clerk	Western Surety	100,000
Consandra Christmas	Purchase Clerk	Old Republic	75,000
Mona Whitaker	Assistant Purchase Clerk		No bond
Hazel Arbuthnot	Receiving Clerk		No bond
Thomas Tolliver	Inventory Control Clerk		No bond
Shirley Smith	Assistant Inventory Control Clerk		No bond
Carlos Lee	Constable	Western Surety	25,000
Willie Thompson	Constable	Western Surety	25,000
Jeanette Lynn Delaney	Circuit Clerk	Western Surety	100,000
Reginald Jackson	Sheriff		No bond
Robert Ward	Justice Court Judge	Western Surety	10,000
Earnest Smith	Justice Court Judge	Western Surety	10,000
Erica Johnson	Justice Court Clerk	Western Surety	100,000
Davasha Nelson	Deputy Justice Court Clerk		No bond
Jeremy Ephion	Tax Assessor-Collector	Western Surety	100,000
Domonique Anthony	Deputy Tax Collector		No bond
Kenodrio Brown	Deputy Tax Collector		No bond
Kelly Davis	Deputy Tax Collector		No bond
Tamekia Miles	Deputy Tax Collector	Western Surety	60,000
Debra Nettles	Deputy Tax Collector		No bond
Barbara Thomas	Deputy Tax Collector		No bond
Aleshia Palmer	Deputy Tax Collector	Western Surety	60,000

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WILKINSON COUNTY

SPECIAL REPORTS

WILKINSON COUNTY

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SHOEMAKER — & CO. —

CERTIFIED PUBLIC ACCOUNTANTS, PLLC

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

Members of the Board of Supervisors
Wilkinson County, Mississippi

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Wilkinson County, Mississippi, as of and for the year ended September 30, 2015, which collectively comprise the county's basic financial statements and have issued our report thereon dated May 23, 2018. Our report includes a qualified opinion on the governmental activities because the County did not record depreciation expense on certain general infrastructure assets as required by accounting principles generally accepted in the United States of America. Except for the limitation related to the qualified opinion on the governmental activities, we conducted our audit in accordance with auditing standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States. Also, our report includes a qualified opinion on the general fund because the County did not maintain and preserve adequate subsidiary records documenting the valuation of Justice Court fines receivable, net. Our report includes a reference to another auditor. 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. Another auditor audited the financial statements of the Wilkinson County Industrial Development Authority, as described in our report on Wilkinson County, Mississippi's financial statements. This report does not include the results of the other auditor's testing of internal control and on compliance and other matters that are reported separately by the other auditor.

Internal Control Over Financial Reporting

Management of the county is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Wilkinson County, Mississippi's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the county's internal control over financial reporting.

Our consideration of internal control over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as 2015-1, 2015-2, 2015-3, 2015-4 2015-5 and 2015-6 to be material weaknesses.

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Compliance and Other Matters

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

However, we noted certain matters that we reported to the management of Wilkinson County, Mississippi, in the Independent Accountant's Report on Central Purchasing System, Inventory Control System and Purchase Clerk Schedules and the Limited Internal Control and Compliance Review Management Report dated May 23, 2018, include within this document.

Wilkinson County's Response to Findings

Wilkinson County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. We did not audit Wilkinson County's responses, 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 result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.



SHOEMAKER & COMPANY, CPA PLLC
May 23, 2018

WILKINSON COUNTY

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SHOEMAKER — & CO. —

CERTIFIED PUBLIC ACCOUNTANTS, PLLC

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
Wilkinson County, Mississippi

We have examined Wilkinson 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 Wilkinson County, Mississippi is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the County's compliance with those requirements and performing other procedures as 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 Wilkinson 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 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.

The results of our audit procedures disclosed certain instances of noncompliance with the aforementioned code sections. Those instances of noncompliance were considered in forming our opinion of compliance. Our findings and recommendations and your responses are disclosed below:

1. Finding - Inventory Control Clerk:

- The county did not add capital asset acquisitions to the county capital asset register for the year ended September 30, 2015. If these assets were properly recorded and depreciated, an adjustment to the assets, net position, and expenses of the governmental activity may be necessary.
- The county has not recorded depreciation expense on certain general infrastructure assets in governmental activities. Accounting principles generally accepted in the United States of America require that those general infrastructure assets be capitalized and depreciated. If these assets were

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properly recorded and depreciated, an adjustment to the assets, net position, and expenses of the governmental activity may be necessary.

- As reported in prior years' audit reports, donated assets should be listed on the county's inventory at fair market value. In our review of the county's inventory, we noted several donated items listed with a value of \$1 and some assets do not have a date of acquisition or a cost assigned.
- As reported in the prior years' audit reports and per above stated code section, the inventory clerk must make a physical inventory of assets of the county on or before October 1 of each year. During our review of fixed assets, a copy of the annual physical inventory was not provided or approved by the board of supervisors.

Recommendation:

- The county should compute depreciation expenses, accumulated depreciation and net value of all assets, including general infrastructure assets.
- The board should set the value of donated items at the time they accept the donation and spread that value in the board minutes. The county may use whatever method it deems best to estimate the fair market value such as consulting an appraiser or person knowledgeable in the area, using computer-generated data such as Blue Book or other accepted methods of establishing fair market value. We recommend that the county implement policies and procedures for inventory control that would include complete recording of all necessary fixed asset information, including the acquisition date and cost.
- We recommend that all items be marked with an asset number, that any errors in the asset listing be corrected and that all of the county's assets be accounted for on the fixed asset listing. By conducting an annual physical audit, many of these problems could be identified and corrected.

Inventory Control Clerk's Response:

We will follow the recommendations.

2. Finding - Board of Supervisors

During our audit and as reported in the prior year's audit report, we noted that the county had deficit cash and the county held checks for the certain claims approved by the board due to lack of cash. Purchase requisitions and purchase orders were being approved without consulting cash and budget balances.

Recommendation:

We recommend that the purchase clerk sign off on a purchase order only after confirming that the cash balance and the budget balance to make sure there is sufficient cash in the bank and that the budget will not be overspent. We recommend that the board put procedures in place to ensure that purchase orders will not be issued without funding being available while remaining within budgeted amounts.

Board of Supervisors' Response:

We will follow the recommendations.

In our opinion, except for the noncompliance referred to in the preceding paragraphs, Wilkinson 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 of the purchasing system and, in our opinion, is fairly presented when considered in relation to that examination.

Wilkinson County's responses to the findings included in this report were not audited, and according, we express no opinion on them.

This report is intended for use in evaluating the central purchasing system and inventory control system of Wilkinson County, Mississippi, and is not intended to be and should not be relied upon for any other purpose. However, this report is a matter of public record and its distribution is not limited.

Shoemaker and Company

SHOEMAKER & COMPANY, CPA PLLC
May 23, 2018

WILKINSON COUNTY

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

Schedule 1

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

WILKINSON COUNTY
Schedule of Emergency Purchases
For the Year Ended September 30, 2015

Schedule 2

Our test results did not identify any emergency purchases.

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

Schedule 3

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

WILKINSON COUNTY

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SHOEMAKER — & CO. —

CERTIFIED PUBLIC ACCOUNTANTS, PLLC

LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors
Wilkinson County, Mississippi

In planning and performing our audit of the financial statements of Wilkinson County, Mississippi for the year ended September 30, 2015, we considered Wilkinson 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 Wilkinson 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 May 23, 2018, on the financial statements of Wilkinson County, Mississippi.

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

The results of our review of procedures and compliance tests identified certain immaterial instances of noncompliance with state laws and regulations that are opportunities for strengthening internal controls and operating efficiency. Our findings and recommendations and your responses are disclosed below:

1. Finding - Board of Supervisors

As reported in prior years' audit reports, the County has operated several of its funds at substantial cash deficits and has not raised sufficient revenues or other sources of cash to fund its expenditures in some funds, particularly the general fund. This situation has caused an illegal diversion of money from some special revenue funds into the general fund and into other special revenue funds.

Recommendation

We recommend the board of supervisors should take the necessary action to comply with laws regarding diversion of money and fund deficits.

Board of Supervisors' Response

We will follow the recommendation.

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2. Finding - Board of Supervisors

As reported in the previous audit report, in all departments, the bank statements were not being reviewed and approved by someone other than the reconciler. In most cases, the bank statements were not reconciled in a timely manner. This is an indication of the lack of internal control.

Recommendation

The county should ensure that all bank statements are reconciled timely, reviewed and approved by someone other than the person reconciling the bank statement and someone who is in a managerial or supervisory position.

Board of Supervisor's Response

We will follow the recommendation.

3. Finding - Board of Supervisors

During our examination of surety bonds, we noted there were several positions that were either not bonded or bond was insufficient as listed below:

Employees not bonded:

Position	Name	Amount	Code Section
County Administrator	Bruce Lewis	\$ 100,000	19-4-9
Sheriff	Reginald Jackson	\$ 100,000	19-25-5
Assistant Purchase Clerk	Mona Whitaker	\$ 50,000	31-7-124
Receiving Clerk	Hazel Arbuthnot	\$ 75,000	31-7-124
Inventory Control Clerk	Thomas Tolliver	\$ 75,000	31-7-124
Assistant Inventory Control Clerk	Shirley Smith	\$ 50,000	31-7-124
Deputy Justice Court Clerk	Oerk Davasha Nelson	\$ 50,000	19-11-29(2)
Deputy Tax Collector	Dominique Anthony	\$ 50,000	27-1-9
Deputy Tax Collector	Kelly Davis	\$ 50,000	27-1-9
Deputy Tax Collector	Barbara Thomas	\$ 50,000	27-1-9
Deputy Tax Collector	Aleshia Palrrer	\$ 50,000	27-1-9
Deputy Tax Collector	Kenodrio Brown	\$ 50,000	27-1-9

Employees with insufficient bonds:

Position	Name	Amount	Code Section
Constable	Carlos Lee	\$ 50,000 ¹	19-19-3
Constable	Willie Thompson	\$ 50,000 ¹	19-19-3
Justice Court Judge	Robert Ward	\$ 50,000 ²	9-11-7
Justice Court Judge	Eames Smith	\$ 50,000 ²	9-11-7

¹ Bonded for \$25,000

² Bonded for \$10,000

Recommendation

We recommend that the county purchase the required bond on each position as is required by state laws. The failure to bond employees for the required amount would limit the amount available for recovery if a loss occurred.

Board of Supervisor's Response

We will follow the recommendation.

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

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

Shoemaker and Company

SHOEMAKER & COMPANY, CPA PLLC
May 23, 2018

WILKINSON COUNTY

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WILKINSON COUNTY

SCHEDULE OF FINDINGS AND RESPONSES

WILKINSON COUNTY

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WILKINSON COUNTY

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

Section 1: Summary of Auditor's Results

Financial Statements:

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

Governmental Activities	Qualified
Discretely presented component unit	Unmodified
General Fund	Qualified
Business-type Activities	Unmodified
Aggregate remaining fund information	Unmodified

2. Internal control over financial reporting:

- | | |
|---|---------------|
| a. Material weaknesses identified? | Yes |
| b. Significant deficiencies identified that are not considered to be material weaknesses? | None Reported |

3. Noncompliance material to the financial statements noted? No

Section 2: Financial Statement Findings

Board of Supervisors

Material Weakness

2015-1 State laws should be followed for establishing interfund loans.

As reported in prior years' audit reports, the County has, in the past, made interfund loans. These loans were made when the County experienced negative cash flows in various funds. However, after many years, these loans have not been repaid. As a result, the County has outstanding inter-fund loans which are many years old.

Recommendation

Failure of the Board of Supervisors to ensure repayment of these loans is an illegal diversion of legally-restricted funds. For any interfund loan made, the Board of Supervisors should approve and record in the board minutes the reason for the loan, when the loan will be repaid and the source of the funds for the repayment. The Board of Supervisors should ensure that these old loans are repaid by approving and recording in the board minutes a repayment schedule and complying with the repayment schedule.

Board of Supervisors' Response

We will follow the recommendation.

Material Weakness

2015-2 Controls surrounding cash maintenance should be strengthened.

WILKINSON COUNTY

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

Section 19-13-43, Miss. Code Ann. (1972), requires that, before a warrant is issued, there must be sufficient money available in the fund upon which it is drawn to pay the same and all prior unpaid checks drawn on that fund. As reported in the nine prior years' audit reports, warrants were written on county funds which did not have sufficient cash balances. The following funds had a deficit cash balance at September 30, 2015: General Fund, Reappraisal Maintenance Fund, Triad Grant Fund, Fund, Hurricane Isaac Fund, Law Library Fund, Volunteer Fire Department Fund, District One Road Fund, District Two Road Fund, District Three Road Fund, District Four Road Fund, District Five Road Fund, Jail Construction Fund and Health Insurance Fund.

Recommendation

The county should ensure that no warrants are written on funds when cash is not available.

Board of Supervisors' Response

We will follow the recommendation.

Material Weakness

2015-3 Controls surrounding recording and reporting of financial information should be strengthened.

A critical aspect of effective financial management is the maintenance of accurate accounting records. Management does not have personnel that possess the necessary qualifications and training to prepare financial statements in accordance with generally accepted accounting principles. Therefore, since the county personnel lacked the skills and training to apply generally accepted accounting principles in recording the entity's financial transactions and adequate controls in place over the recording and reporting of financial records, the risk increases that inaccurate information may be reported and increases the possibility of the loss or misappropriation of public funds.

Recommendation

The Board of Supervisors should establish adequate controls and procedures to ensure the financial transactions are recorded, presented and disclosed in accordance with generally accepted accounting principles. While it is the auditor's responsibility to perform the annual audit, management of Wilkinson County is charged with the responsibility for preparing its financial statements in accordance with generally accepted accounting principles.

Board of Supervisors' Response

We will follow the recommendation.

Material Weakness

2015-4 Controls surrounding cash reconciliations should be strengthened.

An effective system of internal control should include an adequate segregation of duties and timely reconciliation of bank statements to the cash journals. As noted in audit procedures, bank statements were not reconciled monthly, there were inconsistencies in disbursement of checks from funds with no

WILKINSON COUNTY

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

available resources, therefore causing many funds to be overdrawn in the general ledger. Transfers were not made to compensate for this practice.

Recommendation

The county should implement effective internal control policies that allow for monthly bank reconciliations and tie the reconciled balances to the cash journals. No warrants should be issued from any fund if resources are not available in that fund. We also recommend that the county establish policies and procedures to address the need for transfers between funds when resources are not available in anyone fund, and that all transfers are approved by the Board as legally required.

Board of Supervisors' Response

We will follow the recommendation.

Material Weakness

2015-5 Internal Controls over capital assets.

For fiscal year ended September 30, 2015 we noted that the County did not record assets acquired during the year to the capital asset register. Accounting principles generally accepted in the United States of America require that those purchases that qualify as capital assets be capitalized and depreciated over the assets useful life. If these assets were properly recorded and depreciated, an adjustment to the assets, net position, and expenses of the governmental activity may be necessary. Therefore, the Independent Auditor's Report includes a qualified opinion on the Governmental Activities because we were not able to satisfy ourselves as to the fair presentation of capital assets.

Recommendation:

The county should ensure that the capital assets register accurately reflect the capital assets of the county.

Board of Supervisors' Response:

We will follow the recommendations.

Material Weakness

2015-6 Controls over fines receivable in the Justice Court offices should be strengthened.

An effective system of internal control over Justice Court fines receivables should include maintaining and preserving adequate subsidiary records to substantiate the total fines receivables balance and should ensure that fines receivable are properly aged in order to estimate collectability of these fines receivable and includes only fines due the County. Management was not able to provide subsidiary records documenting the existence and valuation of fines receivable for Justice Court fines and the aging of fines receivable at September 30, 2015. Failure to establish control procedures over aging of Justice Court fines receivable could result in erroneous amounts being reported in the financial statements. Therefore, the Independent Auditor's Report includes a qualified opinion on the General Fund because we were not able to satisfy ourselves as to the fair presentation of the Justice Court fines receivable.

WILKINSON COUNTY

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

Recommendation:

The Justice Court Clerk should ensure that control procedures are in place to allow for the preparation and preservation of a detailed aged fines receivable schedule for fines receivable to properly report the fines receivable due to the County at net realizable value in the financial statements.

Board of Supervisors' Response:

We will follow the recommendations.