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Copiah County, Mississippi

Audited Financial Statements and Special Reports
For the Year Ended September 30, 2016

Fortenberry & Ballard, PC
Certified Public Accountants

Copiah County, Mississippi
TABLE OF CONTENTS

	<u>PAGE #</u>
FINANCIAL SECTION	
Independent Auditor's Report.....	6
FINANCIAL STATEMENTS	
Statement of Net Position.....	10
Statement of Activities	11
Balance Sheet - Governmental Funds	12
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position.....	13
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	14
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	15
Statement of Fiduciary Assets and Liabilities	16
Notes to the Financial Statements	18
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule - General Fund.....	44
Budgetary Comparison Schedule - County Wide Road Maintenance Fund.....	45
Budgetary Comparison Schedule - Road Dept Overlay 2014/2015 Fund.....	46
Schedule of the County's Proportionate Share of the Net Pension Liability.....	47
Schedule of the County's Contributions	48
Notes to the Required Supplementary Information.....	49
OTHER INFORMATION	
Schedule of Surety Bonds for County Officials.....	52
SPECIAL REPORTS	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	54
Independent Accountants' Report on Central Purchasing System, Inventory Control System and Purchase Clerk Schedules (Required by Section 31-7-115, Miss. Code Ann. (1972)).....	56
Limited Internal Control and Compliance Review Management Report	61
Schedule of Findings and Responses.....	65
Auditee's Summary Schedule of Prior Audit Findings.....	72

Copiah County Location in Mississippi



Copiah County is located in the southwestern region of the United States state of Mississippi. As of 2010, the population was 29,449. Its county seat is Hazlehurst. Copiah County covers 779 square miles, of which 777 square miles is land and 2 square miles is water.

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FINANCIAL REPORT

FORTENBERRY & BALLARD, PC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors
Copiah County, Mississippi

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Copiah County, Mississippi (the County) as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the basic financial statements of the County's primary government as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Basis for Adverse Opinion on the Aggregate Discretely Presented Component Units

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

Adverse Opinion

In our opinion, because of the significance of the matter described in the "Basis for Adverse Opinion on the Aggregate Discretely Presented Component Units" paragraph, the financial statements referred to above do not present fairly, the financial position of the aggregate discretely presented component units of Copiah County, Mississippi, as of September 30, 2016, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Copiah County, Mississippi, as of September 30, 2016, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedules, the Schedule of the County's Proportionate Share of the Net Pension Liability, the Schedule of County's Contributions and corresponding notes be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Omission of Required Supplementary Information

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

Other Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 11, 2017 on our consideration of the Copiah County, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Copiah County, Mississippi's internal control over financial reporting and compliance.

Fortenberry & Ballard, PC

Fortenberry & Ballard, PC
July 11, 2017

Certified Public Accountants

FINANCIAL STATEMENTS

Copiah County, Mississippi
Statement of Net Position
September 30, 2016

Exhibit 1

	Governmental Activities
ASSETS	
Cash	\$ 6,792,346
Property tax receivable	10,742,507
Accounts receivable (net of allowance for uncollectibles of \$1,160,934)	625,119
Fines receivable (net of allowance for uncollectibles of \$960,501)	41,654
Capital leases receivable	2,527,161
Intergovernmental receivables	198,146
Other receivables	35,968
Restricted assets - cash	6,806
Capital assets:	
Land and construction in progress	1,536,646
Other capital assets, net	64,246,414
Total Assets	<u>86,752,767</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pension	2,603,366
Deferred amount on refunding	162,527
Total deferred outflows of resources	<u>2,765,893</u>
LIABILITIES	
Claims payable	520,261
Intergovernmental payables	657,042
Accrued interest payable	110,817
Unearned revenue	16,500
Amounts held in custody for others	92,633
Long-term liabilities	
Due within one year:	
Capital debt	1,237,598
Non-capital debt	243,730
Due in more than one year:	
Capital debt	19,661,589
Non-capital debt	5,137,621
Net pension liability	11,998,060
Total Liabilities	<u>39,675,851</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred revenue - property taxes	10,742,507
Deferred revenue - capital leases	528,417
Total deferred inflows of resources	<u>11,270,924</u>
NET POSITION	
Net investment in capital assets	45,046,400
Restricted for:	
Public safety	851,383
Public works	5,245,543
Culture and recreation	12,789
Economic development	99,500
Debt service	538,394
Unrestricted	(13,222,124)
Total Net Position	<u>\$ 38,571,885</u>

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

Copiah County, Mississippi
Statement of Activities
For the Year Ended September 30, 2016

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities
Governmental activities:					
General government	\$ 3,867,347	890,192	104,460		(2,872,695)
Public safety	3,864,101	495,061	190,458	204,338	(2,974,244)
Public works	14,650,674	1,243,726	780,894	238,906	(12,387,148)
Health and welfare	292,237		35,069	158,865	(98,303)
Culture and recreation	183,703	9,112	12,960		(161,631)
Education	26,595		26,595		0
Conservation of natural resources	77,084				(77,084)
Economic development and assistance	697,498				(697,498)
Interest on long-term debt	881,265				(881,265)
Bond issuance costs	88,913				(88,913)
Pension expense	1,806,900				(1,806,900)
Total Governmental Activities	<u>26,436,317</u>	<u>2,638,091</u>	<u>1,150,436</u>	<u>602,109</u>	<u>(22,045,681)</u>
General revenues:					
Property taxes				\$	10,609,021
Road & bridge privilege taxes					372,234
Grants and contributions not restricted to specific programs					549,606
Unrestricted interest income					605,709
Miscellaneous					255,906
Total General Revenues					<u>12,392,476</u>
Changes in Net Position					<u>(9,653,205)</u>
Net Position - Beginning					<u>48,225,090</u>
Net Position - Ending				\$	<u>38,571,885</u>

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

Copiah County, Mississippi
Balance Sheet - Governmental Funds
September 30, 2016

Exhibit 3

	Major Funds						
	General	Countywide	Road Dept	McNeely	Other	Total	
	Fund	Maintenance	Overlay	Plastic	Governmental	Governmental	
	Fund	Fund	2014/2015	CAP Loan	Funds	Funds	
	Fund	Fund	Fund	Fund			
ASSETS							
Cash	\$ 1,009,731	1,886,673	1,381,282	17,043	2,497,617	6,792,346	
Property tax receivable	5,757,764	2,345,367			2,639,376	10,742,507	
Accounts receivable (net of allowance for uncollectibles of \$1,160,934)					625,119	625,119	
Fines receivable (net of allowance for uncollectibles of \$960,501)	41,654					41,654	
Capital lease receivable				2,126,660	400,501	2,527,161	
Intergovernmental receivables	198,146					198,146	
Other receivables	35,968					35,968	
Due from other funds		121,155			1,461,265	1,582,420	
Advances to other funds	78,951	169,912			17,500	266,363	
Restricted assets - cash	6,806					6,806	
Total Assets	<u>7,129,020</u>	<u>4,523,107</u>	<u>1,381,282</u>	<u>2,143,703</u>	<u>7,641,378</u>	<u>22,818,490</u>	
LIABILITIES							
Liabilities:							
Claims payable	187,911	79,269			253,081	520,261	
Intergovernmental payables	456,531	158,293				614,824	
Due to other funds	942,675				681,963	1,624,638	
Advances from other funds	17,500				248,863	266,363	
Unearned revenue					16,500	16,500	
Amounts held in custody for others	92,633					92,633	
Total Liabilities	<u>1,697,250</u>	<u>237,562</u>	<u>0</u>	<u>0</u>	<u>1,200,407</u>	<u>3,135,219</u>	
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	5,757,764	2,345,367			2,639,376	10,742,507	
Unavailable revenue - accounts receivable					625,119	625,119	
Unavailable revenue - fines	41,654					41,654	
Unavailable revenue - capital lease				2,126,660	400,501	2,527,161	
Total deferred inflows of resources	<u>5,799,418</u>	<u>2,345,367</u>	<u>0</u>	<u>2,126,660</u>	<u>3,664,996</u>	<u>13,936,441</u>	
FUND BALANCES:							
Nonspendable:							
Advances	78,951					78,951	
Restricted for:							
Public safety	656				850,727	851,383	
Public works		1,940,178	1,381,282		1,924,083	5,245,543	
Culture and recreation					12,789	12,789	
Economic development					99,500	99,500	
Debt service	6,150			17,043	626,018	649,211	
Unassigned	(453,405)				(737,142)	(1,190,547)	
Total Fund Balances	<u>(367,648)</u>	<u>1,940,178</u>	<u>1,381,282</u>	<u>17,043</u>	<u>2,775,975</u>	<u>5,746,830</u>	
Total Liabilities, Deferred Inflows of Resources and Fund Balances							
\$	<u>7,129,020</u>	<u>4,523,107</u>	<u>1,381,282</u>	<u>2,143,703</u>	<u>7,641,378</u>	<u>22,818,490</u>	

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

Copiah County, MississippiExhibit 3-1Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
September 30, 2016

	<u>Amount</u>
Total Fund Balance of governmental funds	\$ 5,746,830
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 \$89,680,483.	65,783,060
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	
Solid waste accounts receivables	625,119
Fines receivables	41,654
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(26,280,538)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(11,998,060)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(110,817)
Capital leases are not available to pay for current period expenditures and, therefore, are deferred in the funds.	1,998,744
Deferred amount on refunding	162,527
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>2,603,366</u>
Net position of governmental activities	\$ <u><u>38,571,885</u></u>

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

Copiah County, MississippiExhibit 4

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

For the Year Ended September 30, 2016

	Major Funds					Total Governmental Funds
	General Fund	Countywide Road Maintenance Fund	Road Dept Overlay 2014/2015 Fund	McNeely Plastic CAP Loan Fund	Other Governmental Funds	
REVENUES						
Property taxes	\$ 5,481,297	2,155,320			2,972,404	10,609,021
Road and bridge privilege taxes		372,234				372,234
Licenses, commissions and other revenue	284,775				45,089	329,864
Fines and forfeitures	329,817				14,317	344,134
Intergovernmental revenues	762,802	1,043,744			495,605	2,302,151
Charges for services	459,228	3,150			1,470,746	1,933,124
Interest income	52,446			38,275	2,363	93,084
Miscellaneous revenues	105,107	2,467		17,043	8,318	132,935
Total Revenues	<u>7,475,472</u>	<u>3,576,915</u>	<u>0</u>	<u>55,318</u>	<u>5,008,842</u>	<u>16,116,547</u>
EXPENDITURES						
Current:						
General government	3,356,485				405,810	3,762,295
Public safety	3,144,071				628,926	3,772,997
Public works	269,079	2,976,402	8,436,503		2,489,127	14,171,111
Health and welfare	389,209					389,209
Culture and recreation	150,402				35,346	185,748
Education	26,595					26,595
Conservation of natural resources	77,084					77,084
Economic development and assistance	1,664,648					1,664,648
Debt service:						
Principal	276,732	233,582		48,089	833,725	1,392,128
Interest	203,977	24,756		36,151	759,570	1,024,454
Bond issue costs					88,913	88,913
Total Expenditures	<u>9,558,282</u>	<u>3,234,740</u>	<u>8,436,503</u>	<u>84,240</u>	<u>5,241,417</u>	<u>26,555,182</u>
Excess of Revenues over (under) Expenditures	<u>(2,082,810)</u>	<u>342,175</u>	<u>(8,436,503)</u>	<u>(28,922)</u>	<u>(232,575)</u>	<u>(10,438,635)</u>
OTHER FINANCING SOURCES (USES)						
Long-term capital debt issued	1,660,000	294,250				1,954,250
Refunding bonds issued					3,875,000	3,875,000
Premiums on bonds issued					59,291	59,291
Compensation for loss of capital assets	12,143					12,143
Transfers in					236,000	236,000
Transfers out					(236,000)	(236,000)
Lease principal payments				45,965	40,637	86,602
Payment to bond refunding escrow agent					(3,806,628)	(3,806,628)
Discount on bonds issued					(38,750)	(38,750)
Total Other Financing Sources and Uses	<u>1,672,143</u>	<u>294,250</u>	<u>0</u>	<u>45,965</u>	<u>129,550</u>	<u>2,141,908</u>
Net Changes in Fund Balances	<u>(410,667)</u>	<u>636,425</u>	<u>(8,436,503)</u>	<u>17,043</u>	<u>(103,025)</u>	<u>(8,296,727)</u>
Fund Balances - Beginning	<u>43,019</u>	<u>1,303,753</u>	<u>9,817,785</u>	<u>0</u>	<u>2,879,000</u>	<u>14,043,557</u>
Fund Balances - Ending	<u>\$ (367,648)</u>	<u>1,940,178</u>	<u>1,381,282</u>	<u>17,043</u>	<u>2,775,975</u>	<u>5,746,830</u>

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

Copiah County, Mississippi

Exhibit 4-1

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures
and Changes in Fund Balances to the Statement of Activities
For the Year Ended September 30, 2016

	Amount
Net Changes in Fund Balances - Governmental Funds	\$ (8,296,727)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Thus, the change in net position differs from the change in fund balances by the amount that capital outlays of \$632,971 did not exceed depreciation of \$1,944,659 in the current period.	(1,311,688)
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 loss of \$27,821 and the proceeds from compensation for loss of \$12,143 in the current period.	(39,964)
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.	(2,631)
Solid waste 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.	33,600
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 proceeds of \$1,954,250 exceeded debt repayments of \$1,392,128.	(562,122)
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:	
The amount of decrease in compensated absences liability	15,126
The amount of decrease in accrued interest payable	159,998
Issuance of general obligation refunding bonds	(3,875,000)
Principal amount on refunding	3,675,000
Deferred amount on refunding	131,628
Premium on general obligation refunding bonds	(59,291)
Discount on general obligation refunding bonds	38,750
The amortization of general obligation bonds premium	9,971
The amortization of general obligation bonds discount	(6,241)
The amortization of deferred refunding charges	(20,539)
In the Statement of Activities, only interest income from payments received on capital leases are reported, whereas in the governmental funds, both principal and interest payments received increase financial resources. Thus, the change in net position differs from change in fund balances by the principal collections on the capital leases.	86,602
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 period	(1,806,900)
Recording of contributions made from 10/01/2015 - 06/30/2016	513,334
Recording of contributions made subsequent to the measurement date	177,093
Adjustment for acquisition of McNeely Plastics property \$1,525,000 less interest payments made during fiscal year toward lease receivable (\$38,275) by the lessee.	1,486,725
Rounding differences	71
Change in Net Position of Governmental Activities	\$ (9,653,205)

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

Copiah County, Mississippi
Statement of Fiduciary Assets and Liabilities
September 30, 2016

Exhibit 5

		Agency Funds
ASSETS		
Cash	\$	511,740
Other receivables		899
Due from other funds		42,961
Total Assets	\$	<u>555,600</u>
LIABILITIES		
Intergovernmental payables	\$	250,779
Due to other funds		743
Amounts held in custody for others		304,078
Total Liabilities	\$	<u>555,600</u>

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

Copiah County, Mississippi

Notes to the Financial Statements
For the year ended September 30, 2016

COPIAH COUNTY, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2016

(1) Summary of Significant Accounting Policies.

A. Financial Reporting Entity.

Copiah County, Mississippi (the County) is a political subdivision of the State of Mississippi. The County is governed by an elected five-member Board of Supervisors. Accounting principles generally accepted in the United States of America require Copiah County to present these financial statements on the primary government and its component units which have significant operational or financial relationships with the County.

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

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

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

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

B. Individual Component Unit Disclosures.

Blended Component Unit

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

COPIAH COUNTY, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2016

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

C. Basis of Presentation

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

Government-wide Financial Statements:

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

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

Fund Financial Statements:

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

COPIAH COUNTY, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2016

presented in a single column as Other Governmental Funds.

D. Measurement Focus and Basis of Accounting.

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

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

The County reports the following major Governmental Funds:

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

Countywide Road Maintenance Fund - This fund is used to account for the maintenance and preservation of local roads financed with various revenue sources restricted for this purpose.

Road Dept Overlay 2014/2015 Fund - This fund is used to account for bond proceeds restricted for the construction and maintenance of roads and bridges.

McNeely Plastic CAP Loan Fund – This fund is used to account for capital lease payments restricted for the payment of principal and interest of a CAP loan.

Additionally, the County reports the following fund types:

COPIAH COUNTY, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2016

GOVERNMENTAL FUND TYPES

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

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

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

FIDUCIARY FUND TYPE

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

E. Account Classifications.

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

F. Deposits and Investments.

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

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

G. Receivables.

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

COPIAH COUNTY, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2016

H. Interfund Transactions and Balances.

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

I. Restricted Assets.

As approved by Section 91-13-8, Miss. Code Ann. (1972), cash that is managed through a trust indenture between the County and the Trustee related to the construction and debt payments of the new Copiah County Jail Project.

J. Capital Assets.

Capital acquisition and construction are reflected as expenditures in Governmental Funds statements and the related assets are reported as capital assets in the governmental activities column in the government-wide financial statements. All purchased capital assets are stated at historical cost where records are available and at an estimated historical cost where no records exist. Capital assets include significant amounts of infrastructure which have been valued at estimated historical cost. The estimated historical cost was based on replacement cost multiplied by the customer 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 the donation. The costs of normal maintenance and repairs that do not add to the value of assets or materially extend their respective lives are not capitalized; however, improvements are capitalized. Interest expenditures are not capitalized on capital assets.

Capitalization thresholds (dollar value above which asset acquisitions are added to the capital assets 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:

COPIAH COUNTY, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2016

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

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

K. Deferred Outflows/Inflows of Resources.

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

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

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 14 for additional details.

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

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

COPIAH COUNTY, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2016

Unavailable revenue – accounts 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.

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

Unavailable revenue – capital leases – 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.

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. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

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

COPIAH COUNTY, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2016

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 investments in capital assets”.

Net Position Flow Assumption:

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

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 unassigned) or amounts that are legally or contractually required to be maintained intact, such as a principal balance of a permanent fund.

COPIAH COUNTY, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2016

Restricted fund balance includes amounts that have constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.

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

Fund Balance Flow Assumption:

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

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% of the amount which resulted from the assessments of the previous year.

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

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

COPIAH COUNTY, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2016

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 accumulates 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.

(2) Deposits.

The carrying amount of the County's total deposits with financial institutions at September 30, 2016, was \$7,310,892, including restricted cash, and the bank balance was \$7,455,677. 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 for deposits 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. 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). Deposits above FDIC coverage are collateralized by the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on behalf of the County.

Restricted Cash:

As provided in Section 91-13-8, Miss. Code Ann. (1972), a cash balance amount of \$6,806 is managed through a trust indenture between the County and the trustee related to the construction

COPIAH COUNTY, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2016

and debt payments of the new Copiah County jail project. Accordingly, this cash is classified as restricted on the financial statements.

(3) Interfund Transactions and Balances.

The following is a summary of interfund balances at September 30, 2016:

A. Due From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Countywide Road Maintenance Fund	General Fund	\$ 121,155
Other Governmental Funds	General Fund	778,559
Other Governmental Funds	Other Governmental Funds	681,963
Other Governmental Funds	Agency Funds	743
Agency Funds	General Fund	<u>42,961</u>
Total		\$ <u><u>1,625,381</u></u>

The receivables represent the tax revenue collected in September, 2016 but not settled until October, 2016 and to cover cash deficits in the General Fund, Drug Court Fund, Airport Proj #3-28-0023-0203GRT Fund, Reappraisal Maintenance Fund, E-911 Service Fund, RIF-Rural Impact Fund, Tourism Dept Fund, Refunding Gen Obligation 2010 Fund, Copiah Co Jail Series 2012 Fund, Refunding Gen Obligation 2016 Fund and Clearing Fund-Schools & Cities. All 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	\$ 78,951
Countywide Road Maintenance Fund	Other Governmental Funds	169,912
Other Governmental Funds	General Fund	<u>17,500</u>
Total		\$ <u><u>266,363</u></u>

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

C. Transfers In/Out:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Other Governmental Funds	Other Governmental Funds	\$ <u><u>236,000</u></u>

COPIAH COUNTY, MISSISSIPPI

Notes to Financial Statements
For the Year Ended September 30, 2016

The principal purpose of interfund transfers was to provide funds for budgeted items. All interfund transfers were routine and consistent with the activities of the fund making the transfer.

(4) Intergovernmental Receivables.

Intergovernmental receivables at September 30, 2016, consisted of the following:

<u>Description</u>	<u>Amount</u>
Governmental Activities:	
Legislative tax credit	\$ 162,443
Emergency management performance grant	29,375
Reimbursement for housing prisoners	<u>6,328</u>
Total Governmental Activities	<u>\$ 198,146</u>

(5) Accounts and Fines Receivable.

At September 30, 2016, accounts and fines receivable consisted of:

		<u>Governmental Activities</u>		
		<u>Other</u>		
		<u>General</u>	<u>Governmental</u>	<u>Total</u>
		<u>Fund</u>	<u>Funds</u>	
Solid waste accounts receivable	\$		1,786,053	\$ 1,786,053
Allowance for uncollectibles			<u>(1,160,934)</u>	<u>(1,160,934)</u>
Accounts receivable, net	\$		<u>625,119</u>	<u>\$ 625,119</u>
Fines receivable	\$	1,002,155		\$ 1,002,155
Allowance for uncollectibles		<u>(960,501)</u>		<u>(960,501)</u>
Fines receivable, net	\$	<u>41,654</u>		<u>\$ 41,654</u>

COPIAH COUNTY, MISSISSIPPI

Notes to Financial Statements
For the Year Ended September 30, 2016

(6) Capital Assets.

The following is a summary of capital assets activity for the year ended September 30, 2016:

Governmental Activities:

	Balance Oct. 1, 2015	Additions	Deletions	Adjustments	Balance Sept. 30, 2016
Non-depreciable capital assets:					
Land	\$ 1,520,966	15,680			1,536,646
Total non-depreciable capital assets	<u>1,520,966</u>	<u>15,680</u>	<u>0</u>	<u>0</u>	<u>1,536,646</u>
Depreciable capital assets:					
Infrastructure	114,969,774				114,969,774
Buildings	19,684,089				19,684,089
Improvements other than buildings	7,379,405				7,379,405
Mobile equipment	7,370,831	308,293	144,589	201,644	7,736,179
Furniture and equipment	1,363,069	14,748	12,520		1,365,297
Leased property under capital leases	2,699,547	294,250		(201,644)	2,792,153
Total depreciable capital assets	<u>153,466,715</u>	<u>617,291</u>	<u>157,109</u>	<u>0</u>	<u>153,926,897</u>
Less accumulated depreciation for:					
Infrastructure	73,319,715	554,725			73,874,440
Buildings	5,626,501	395,769			6,022,270
Improvements other than buildings	1,323,676	295,184			1,618,860
Mobile equipment	5,452,247	381,436	105,877	145,208	5,873,014
Furniture and equipment	1,149,143	42,168	11,268		1,180,043
Leased property under capital leases	981,687	275,377		(145,208)	1,111,856
Total accumulated depreciation	<u>87,852,969</u>	<u>1,944,659</u>	<u>117,145</u>	<u>0</u>	<u>89,680,483</u>
Total depreciable capital assets, net	<u>65,613,746</u>	<u>(1,327,368)</u>	<u>39,964</u>	<u>0</u>	<u>64,246,414</u>
Governmental activities capital assets, net	<u>\$ 67,134,712</u>	<u>(1,311,688)</u>	<u>39,964</u>	<u>0</u>	<u>65,783,060</u>

*Adjustments to capital assets were for transfers of capital leases to the proper classification.

COPIAH COUNTY, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2016

Depreciation expense was charged to the following functions:

	<u>Amount</u>
Governmental Activities:	
General government	\$ 398,258
Public safety	418,790
Public works	1,036,285
Health and welfare	61,893
Economic development and assistance	<u>29,433</u>
Total governmental activities depreciation expense	\$ <u>1,944,659</u>

(7) Claims and Judgments.

Risk Financing.

The County finances its exposure to risk of loss related to workers' compensation for injuries to its employees through the Mississippi Public Entity Workers' Compensation Trust, a public entity risk pool. The County pays premiums to the pool for its workers' compensation insurance coverage, and the participation agreement provides that the pool will be self-sustaining through member premiums. The retention for the pool is \$1,000,000 for each accident and completely covers statutory limits set by the Workers' Compensation Commission. Risk of loss is remote for claims exceeding the pool's 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, 2016 to January 1, 2017. The pool may make an overall supplemental assessment or declare a refund depending on the loss experience of all the entities it insures.

(8) Capital Leases.

On December 1, 2015, Copiah County entered into a capital lease agreement with McNeely Plastics, Inc. for the lease of property. The capital lease stipulated that the lessee would pay approximately \$9,360 per month for a term of 20 years. At the end of the lease term, the property will be conveyed to McNeely Plastics, Inc.

COPIAH COUNTY, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2016

As Lessor:

The County leases the following property with varying terms and options as of September 30, 2016:

<u>Classes of Property</u>	<u>Amount</u>
Land	\$ 53,375
Industrial buildings	<u>2,738,773</u>
Total	\$ <u>2,792,148</u>

The future minimum lease receivables and the present value of the net minimum lease receivables as of September 30, 2016, are as follows:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 108,828	49,648
2018	110,810	47,666
2019	112,816	45,660
2020	115,398	43,078
2021	118,043	40,433
2022 - 2026	541,449	171,432
2027 - 2031	451,093	101,287
2032 - 2036	<u>440,307</u>	<u>29,213</u>
Total	\$ <u>1,998,744</u>	<u>528,417</u>

As Lessee:

The County is obligated for the following capital assets acquired through capital leases as of September 30, 2016:

<u>Classes of Property</u>	<u>Governmental Activities</u>
Mobile equipment	\$ 2,540,441
Furniture and equipment	251,712
Less: Accumulated depreciation	<u>1,111,856</u>
Leased Property Under Capital Leases	\$ <u>1,680,297</u>

COPIAH COUNTY, MISSISSIPPI

Notes to Financial Statements
For the Year Ended September 30, 2016

The following is a schedule by years of the total payments due as of September 30, 2016:

<u>Year Ending September 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2017	\$ 294,685	29,437
2018	300,221	23,902
2019	192,041	18,263
2020	748,404	5,597
2021	<u>40,831</u>	<u>285</u>
Total	\$ <u><u>1,576,182</u></u>	<u><u>77,484</u></u>

COPIAH COUNTY, MISSISSIPPI

Notes to Financial Statements
For the Year Ended September 30, 2016

(9) Long-term Debt.

Debt outstanding as of September 30, 2016, consisted of the following:

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
Governmental Activities:			
A. General Obligation Bonds:			
Road and bridge bonds - Series 2007	\$ 285,000	4.00/5.25%	03/2017
GO Refunding Bonds - Series 2010	1,015,000	2.00/4.75%	07/2021
GO Road and Bridge Bonds, Series 2014	5,880,000	2.625/3.75%	11/2034
GO Road and Bridge Bonds, Series 2015	5,880,000	3.00/3.50%	03/2035
GO Refunding Bonds - Series 2016	<u>3,875,000</u>	1.00/2.375%	03/2027
Total General Obligation Bonds	<u>\$ 16,935,000</u>		
B. Limited Obligation Bonds:			
Certificates of Participation, Jail project	<u>\$ 5,315,000</u>	2.50/5.00%	09/2032
C. Capital Leases:			
Three sheriff cars	\$ 54,909	1.79%	04/2018
Three Caterpillar 12 M3 motor graders	565,310	2.01%	12/2019
Four Caterpillar 420F loaders	310,056	2.01%	12/2019
Three Freightliners w/dump bodies	167,052	1.67%	08/2018
Microdata E-911 System	203,382	2.04%	11/2019
Five New Holland tractors	<u>275,473</u>	1.86%	05/2021
Total Capital Leases	<u>\$ 1,576,182</u>		
D. Other Loans:			
Sugar Farm Road CAP loan	\$ 76,249	3.00%	01/2021
Two fire trucks CAP loan	41,448	2.00%	10/2017
Two fire trucks CAP loan	413,397	2.00%	10/2025
McNeely Plastic CAP loan	<u>1,611,911</u>	3.00%	01/2036
Total Other Loans	<u>\$ 2,143,005</u>		

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

COPIAH COUNTY, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2016

Governmental Activities:

<u>Year Ending September 30</u>	<u>General Obligation Bonds</u>		<u>Limited Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 765,000	651,635	255,000	192,754
2018	775,000	478,962	265,000	186,254
2019	785,000	457,425	270,000	179,566
2020	805,000	433,326	280,000	172,691
2021	1,075,000	403,850	285,000	165,629
2022 - 2026	4,900,000	1,572,387	1,575,000	692,541
2027 - 2031	4,230,000	896,113	1,940,000	321,625
2032 - 2036	<u>3,600,000</u>	<u>248,025</u>	<u>445,000</u>	<u>8,900</u>
Total	\$ <u>16,935,000</u>	<u>5,141,723</u>	<u>5,315,000</u>	<u>1,919,960</u>

<u>Year Ending September 30</u>	<u>Other Loans</u>	
	<u>Principal</u>	<u>Interest</u>
2017	\$ 162,913	58,062
2018	126,093	54,274
2019	128,794	50,893
2020	132,260	47,341
2021	121,984	44,007
2022 - 2026	581,685	172,355
2027 - 2031	451,093	101,287
2032 - 2036	<u>438,183</u>	<u>29,214</u>
Total	\$ <u>2,143,005</u>	<u>557,433</u>

Legal Debt Margin - The amount of debt, excluding specific exempt 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 percent 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 percent 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, 2016, the amount of outstanding debt subject to the limit was equal to 7.8 percent of the latest property assessments.

Certificates of Participation - In accordance with Section 31-8-1 et seq. Miss. Code Ann. (1972), the County issued Certificates of Participation and transferred the proceeds to the Central Mississippi Public Improvement Corporation (Corporation). The funds are to be used to construct a new Copiah County jail facility. At completion, the Corporation will enter into a twenty year lease with the County. The County is obligated to pay rent equal to the principal and interest on the debt. At the completion of the lease, the County will assume ownership of the facility. The obligation is not a general obligation and does not constitute a pledge of full faith and credit of the County.

COPIAH COUNTY, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2016

Advance Refunding – On February 18, 2016, the County issued \$3,875,000 in general obligation refunding bonds with an average interest rate of 2.1% to advance refund \$3,675,000 of the following outstanding bond issue:

Issue	Average Interest Rate	Outstanding Amount Refunded
Road and bridge bonds - Series 2007	4.00/4.20%	\$ <u>3,675,000</u>

The Road and Bridge Bonds - Series 2007 had an outstanding balance of \$3,960,000 at the time of refunding, but only \$3,675,000 of the bond was refunded, leaving a remaining principal balance of \$285,000 which will be redeemed during fiscal year 2017.

The net proceeds of \$3,806,628 (after \$59,291 in issue premium and payment of \$127,663 in underwriting fees and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, those bonds are considered to be defeased, and the liability for those bonds has been removed from the Statement of Net Position.

The County advance refunded the above bonds to reduce its total debt service payments over the next 11 years by almost \$274,300 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$247,585.

The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2016:

	Balance Oct. 1, 2015	Additions	Reductions	Adjustments	Balance Sept. 30, 2016	Amount due within one year
Governmental Activities:						
Compensated absences	\$ 247,955		15,126		232,829	
General obligation bonds	17,425,000	3,875,000	690,000	(3,675,000)	16,935,000	765,000
Add:						
Premiums	78,021	59,291	9,971		127,341	9,971
Less:						
Discounts	(16,310)	(38,750)	(6,241)		(48,819)	(6,241)
Limited obligation bonds	5,565,000		250,000		5,315,000	255,000
Capital leases	1,588,179	294,250	306,247		1,576,182	294,685
Other loans	628,886	1,660,000	145,881		2,143,005	162,913
Total	\$ <u>25,516,731</u>	<u>5,849,791</u>	<u>1,410,984</u>	<u>(3,675,000)</u>	<u>26,280,538</u>	<u>1,481,328</u>

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

COPIAH COUNTY, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2016

(10) Deficit Fund Balances of Individual Funds

The following funds reported deficits fund balance at September 30, 2016:

Fund	Deficit Amount
General County Fund	\$ 367,648
Drug Court Fund	4,829
Airport Proj #3-28-0023-0203GRT Fund	177,058
EDA/Industrial Improvements Fund	57,393
2011 Housing Grant Fund	395
Reappraisal Maintenance Fund	11,088
E-911 Service Fund	403,047
RIF-Rural Impact Funds	41,635
Tourism Department Fund	3,470
Refunding Gen Oblig 2016 Fund	38,227

(11) Contingencies.

Federal Grants - The County has received federal grants for specific purposes that are subject to audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from an agency 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 ultimately liability resulting from these lawsuits will not have a material adverse effect on the financial condition of the County.

(12) Defined Benefit Pension Plan.

General Information about the Pension Plan

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

COPIAH COUNTY, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2016

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.

Contributions. At September 30, 2016, 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, 2016 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, 2016, 2015 and 2014 were \$690,427, \$653,344 and \$623,042, 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, 2016, the County reported a liability of \$11,998,060 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, 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. The County's proportionate share used to calculate the September 30, 2016 net pension liability was 0.067169 percent, which was based on a measurement date of June 30, 2016. This was an increase of 0.001727 percent from its proportionate share used to calculate the September 30, 2015 net

COPIAH COUNTY, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2016

pension liability, which was based on a measurement date of June 30, 2015.

For the year ended September 30, 2016, the County recognized pension expense of \$1,806,900. At September 30, 2016, the County reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Difference between expected and actual experience	\$ 353,611
Net difference between projected and actual earnings on pension plan investments	1,539,993
Change in assumption	839,580
Changes in proportion and differences between the County's contributions and proportionate share of contributions	(306,911)
County contributions subsequent to the measurement date	177,093
	<u>\$ 2,603,366</u>

\$177,093 reported as deferred outflows of resources related to pensions resulting from County's contributions subsequent to the measurement date will be recognized as a reduction to net pension liability in the year ended September 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending September 30</u>	
2017	\$ 923,995
2018	812,564
2019	452,689
2020	237,025

Actuarial Assumptions – The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods in the measurement:

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

COPIAH COUNTY, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2016

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, 2016 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, 2016, 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	100.00%	

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 of the County’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. – The following table 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:

COPIAH COUNTY, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2016

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
County's proportionate share of the net pension liability	\$ 15,384,204	11,998,060	9,188,660

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

(13) Jointly Governed Organizations.

The County participates in the following jointly governed organizations:

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

Copiah-Lincoln Community College operates in a district composed of the counties of Adams, Copiah, Franklin, Jefferson, Lawrence, Lincoln and Simpson. The Copiah County Board of Supervisors appoints six of the 27 members of the college board of trustees. The County appropriated \$786,697 for maintenance and support of the college in fiscal year 2016.

Hinds Community College operates in a district composed of the counties of Claiborne, Copiah, Hinds, Rankin and Warren. The Copiah County Board of Supervisors appoints one of the 15 members of the college board of trustees. The County appropriated \$150,046 for maintenance and support of the college in fiscal year 2016.

Region Eight Mental Health Commission operates in a district composed of the counties of Copiah, Madison, Rankin and Simpson. The Copiah County Board of Supervisors appoints one member of the board of commissioners. The County appropriated \$65,140 for support of the commission in fiscal year 2016.

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

(14) Effect of Deferred Amounts on Net Position.

The unrestricted net position amount of (\$13,222,124) in the governmental activities includes the effect of deferring the recognition of expenses resulting from a deferred outflow from pensions. A portion of the deferred outflow of resources related to pension in the amount of \$177,093 resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2017. The \$2,426,273

COPIAH COUNTY, MISSISSIPPI

Notes to Financial Statements For the Year Ended September 30, 2016

balance of the deferred outflow of resources related to pension at September 30, 2016, will be recognized in pension expense over the next 4 years.

The net investment in capital assets net position amount of \$45,046,400 includes the effect of deferring the recognition of expenses resulting from a deferred outflow on refunding of County debt. The \$162,527 balance of the deferred outflow of resources at September 30, 2016 will be recognized as an expense and will decrease the net investment in capital assets net position.

The unrestricted net position amount of (\$13,222,124) in the governmental activities includes the effect of deferring the recognition of revenue resulting from property taxes for a future reporting period. The \$10,742,507 balance of deferred inflow of resources in the governmental activities, at September 30, 2016 will be recognized as revenue and will increase the unrestricted net position next year.

(15) Subsequent Events.

Events that occur after the Statement of Net Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management of Copiah County evaluated the activity of the County through the date the financial statements were available to be issued, and determined that no subsequent event has occurred requiring disclosure in the notes to the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Copiah County, Mississippi
 Budgetary Comparison Schedule -
 Budget and Actual (Non-GAAP Basis)
 General Fund
 For the Year Ended September 30, 2016

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 5,659,262	5,559,931	5,559,931	-
Licenses, commissions and other revenue	309,400	285,627	285,627	-
Fines and forfeitures	340,000	333,113	333,113	-
Intergovernmental revenues	439,301	2,203,532	2,203,532	-
Charges for services	395,000	455,658	455,658	-
Interest income	20,000	52,419	52,419	-
Miscellaneous revenues	90,000	118,522	118,522	-
Total Revenues	<u>7,252,963</u>	<u>9,008,802</u>	<u>9,008,802</u>	<u>-</u>
EXPENDITURES				
Current:				
General government	3,190,680	3,322,398	3,322,398	-
Public safety	2,668,384	3,026,951	3,026,951	-
Public works	317,950	263,941	263,941	-
Health and welfare	232,584	230,664	230,664	-
Culture and recreation	147,214	149,925	149,925	-
Conservation of natural resources	86,556	80,384	80,384	-
Economic development and assistance	140,648	1,664,648	1,664,648	-
Debt service:				
Principal	477,259	276,732	276,732	-
Interest		203,978	203,978	-
Total Expenditures	<u>7,261,275</u>	<u>9,219,621</u>	<u>9,219,621</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	<u>(8,312)</u>	<u>(210,819)</u>	<u>(210,819)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Other financing sources	24,000	-	-	-
Total Other Financing Sources and Uses	<u>24,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>15,688</u>	<u>(210,819)</u>	<u>(210,819)</u>	<u>-</u>
Fund Balances - Beginning	262,059	27,008	(425,295)	(452,303)
Fund Balances - Ending	<u>\$ 277,747</u>	<u>(183,811)</u>	<u>(636,114)</u>	<u>(452,303)</u>

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

Copiah County, Mississippi
 Budgetary Comparison Schedule -
 Budget and Actual (Non-GAAP Basis)
 Countywide Road Maintenance Fund
 For the Year Ended September 30, 2016

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 2,271,420	2,003,165	2,003,165	-
Road and bridge privilege taxes	355,000	371,080	371,080	-
Intergovernmental revenues	951,000	1,092,099	1,092,099	-
Charges for services	-	3,150	3,150	-
Miscellaneous revenues	-	2,467	2,467	-
Total Revenues	<u>3,577,420</u>	<u>3,471,961</u>	<u>3,471,961</u>	<u>-</u>
EXPENDITURES				
Current:				
Public works	3,009,085	2,687,323	2,687,323	-
Debt service:				
Principal	237,781	233,646	233,646	-
Interest	-	24,692	24,692	-
Total Expenditures	<u>3,246,866</u>	<u>2,945,661</u>	<u>2,945,661</u>	<u>-</u>
Net Change in Fund Balance	<u>330,554</u>	<u>526,300</u>	<u>526,300</u>	<u>-</u>
Fund Balances - Beginning	1,356,247	1,360,373	1,360,377	4
Fund Balances - Ending	<u>\$ 1,686,801</u>	<u>1,886,673</u>	<u>1,886,677</u>	<u>4</u>

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

Copiah County, Mississippi
 Budgetary Comparison Schedule -
 Budget and Actual (Non-GAAP Basis)
 Road Dept Overlay 2014/2015
 For the Year Ended September 30, 2016

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
EXPENDITURES				
Current:				
Public works	\$ 10,909,329	8,436,503	8,436,503	-
Total Expenditures	<u>10,909,329</u>	<u>8,436,503</u>	<u>8,436,503</u>	<u>-</u>
Net Change in Fund Balance	<u>(10,909,329)</u>	<u>(8,436,503)</u>	<u>(8,436,503)</u>	<u>-</u>
Fund Balances - Beginning	<u>10,909,329</u>	<u>9,817,785</u>	<u>9,817,785</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>1,381,282</u>	<u>1,381,282</u>	<u>-</u>

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

Copiah County, Mississippi

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

PERS

Last 10 Fiscal Years*

	2016	2015	2014
County's proportion of the net pension liability (asset) \$	11,998,060	10,116,043	7,859,586
County's proportionate share of the net pension liability (asset)	0.067169%	0.065442%	0.064751%
County's covered - employee payroll	4,296,990	4,088,413	3,956,616
County's proportionate share of the net pension liability (asset) as a percentage of its covered - employee payroll	279.22%	247.43%	198.64%
Plan fiduciary net position as a percentage of the total pension liability	57.47%	61.70%	67.21%

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

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

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

Copiah County, Mississippi
Schedule of the County's Contributions
PERS
Last 10 Fiscal Years*

	2016	2015	2014
Contractually required contribution	\$ <u>690,427</u>	<u>653,344</u>	<u>623,042</u>
Contributions in relation to the contractually required contribution	<u>690,427</u>	<u>653,344</u>	<u>623,042</u>
Contribution deficiency (excess)	\$ <u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
County's covered - employee payroll	4,383,663	4,148,216	3,955,822
Contributions as a percentage of covered - employee payroll	15.75%	15.75%	15.75%

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

This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB 68 implemented in FYE 09/30/15, and, until a full 10-year is compiled, the County has only presented information for the years in which information is available.

COPIAH COUNTY, MISSISSIPPI

Notes to the Required Supplementary Information For the Year Ended September 30, 2016

Budgetary Comparison Schedules

A. Budgetary Information.

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

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

B. Basis of Presentation.

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

C. Budget/GAAP Reconciliation.

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

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

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

COPIAH COUNTY, MISSISSIPPI

Notes to the Required Supplementary Information
For the Year Ended September 30, 2016

	Governmental Fund Type		
	General Fund	Countywide Road Maintenance Fund	Road Dept Overlay 2014/2015 Fund
Budget (Cash Basis)	\$ (210,819)	526,300	(8,436,503)
Increase (Decrease)			
Net adjustments for revenue accruals	(53,516)	104,954	
Net adjustments for expenditure accruals	(49,688)	5,171	
Other reconciling items:			
Net change in jail construction project certificates of participation trust accounts	(96,644)		
GAAP Basis	\$ <u>(410,667)</u>	<u>636,425</u>	<u>(8,436,503)</u>

Pension Schedules

A. Changes in benefit provisions

Effective July 1, 2016, the interest rate on employee contributions shall be calculated based on the money market rate as published by the Wall Street Journal on December 31 of each preceding year with a minimum rate of one percent and a maximum rate of five percent.

B. Changes of assumptions

In 2015 and later, the expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Table projected to 2016 using Scale BB rather than the RP-2000 Mortality Table, which was used prior to 2015. In 2015, the expectation of disabled mortality was changed to the RP-2014 Disabled Retiree Table, rather than the RP-2000 Disabled Mortality Table, which was used prior to 2015. Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience. In 2015, assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience. Finally, the price inflation and investment rate of return assumptions were changed from 3.50% to 3.00% and 8.00% to 7.75% respectively.

The assumed rate of interest credited to employee contributions was changed from 3.50% to 2.00%.

OTHER INFORMATION

Copiah County, Mississippi

Schedule of Surety Bonds for County Officials

For the Year Ended September 30, 2016

UNAUDITED

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

Note: Brierfield Insurance Company is a member of FCCI Insurance Group

SPECIAL REPORTS

FORTENBERRY & BALLARD, PC
CERTIFIED PUBLIC ACCOUNTANTS

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

Members of the Board of Supervisors
Copiah County, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Copiah County, Mississippi, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated July 11, 2017. Our report includes an adverse opinion on the aggregate discretely presented component units due to the omission of the discretely presented component units which are required by accounting principles generally accepted in the United States of America to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units.

Internal Control Over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses as 2016-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses as 2016-002, 2016-003 and 2016-004 to be significant deficiencies.

Compliance and Other Matters

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

However, we noted certain matters that we reported to the management of Copiah County, Mississippi, in the Limited Internal Control and Compliance Review Management Report dated July 11, 2017, included within this document.

Copiah County's Responses to Findings

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

Purpose of this Report

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

Fortenberry & Ballard, PC

Fortenberry & Ballard PC
July 11, 2017

Certified Public Accountants

FORTENBERRY & BALLARD, PC
CERTIFIED PUBLIC ACCOUNTANTS

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

Members of the Board of Supervisors
Copiah County, Mississippi

We have examined Copiah County, Mississippi's (the County) compliance with establishing and maintaining a central purchasing system and inventory control system in accordance with Sections 31-7-101 through 31-7-127, Miss. Code Ann. (1972) and compliance with the purchasing requirements in accordance with the bid requirements of Section 31-7-13, Miss. Code Ann. (1972) during the year ended September 30, 2016. The Board of Supervisors of Copiah County, Mississippi, is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the County's compliance with those requirements and performing other procedures as we considered necessary in the circumstances. We believe our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the County's compliance with specified requirements. The Board of Supervisors of Copiah County, Mississippi, has established centralized purchasing for all funds of the County and has established an inventory control system. The objective of the central purchasing system is to provide reasonable, but not absolute, assurance that purchases are executed in accordance with state law.

Because of inherent limitations in any central purchasing system and inventory control system, errors or irregularities may occur and not be detected. Also, projection of any current evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

In our opinion, Copiah County, Mississippi, complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements for the year ended September 30, 2016.

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

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

This report is intended for use in evaluating Copiah County, Mississippi's compliance with the aforementioned requirements, and is not intended to be and should not be relied upon for any other purpose. However, this report is a matter of public record and its distribution is not limited.

FORTENBERRY & BALLARD, PC

Fortenberry & Ballard, PC
July 11, 2017

Certified Public Accountants

Copiah County, Mississippi

Schedule 1

Schedule of Purchases Not Made From the Lowest Bidder
For the Year Ended September 30, 2016

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

Copiah County, Mississippi
Schedule of Emergency Purchases
For the Year Ended September 30, 2016

Schedule 2

Our test results did not identify any emergency purchases.

Copiah County, Mississippi

Schedule 3

Schedule of Purchases Made Noncompetitively From a Sole Source
For the Year Ended September 30, 2016

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

FORTENBERRY & BALLARD, PC
CERTIFIED PUBLIC ACCOUNTANTS

LIMITED INTERNAL CONTROL
AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors
Copiah County, Mississippi

In planning and performing our audit of the financial statements of Copiah County, Mississippi (the County) for the year ended September 30, 2016, we considered Copiah County, Mississippi's internal control to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on internal control.

In addition, for areas not considered material to Copiah County, Mississippi's financial reporting, we have performed some additional limited internal control and state legal compliance review procedures as identified in the state legal compliance audit program issued by the Office of the State Auditor. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the County's compliance with these requirements. Accordingly, we do not express such an opinion. This report does not affect our report dated July 11, 2017, on the financial statements of Copiah County, Mississippi.

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

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

Board of Supervisors.

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

Finding:

Section 27-35-519, Miss. Code Ann. (1972), states that payments of rail car taxes determined by the State Tax Commission shall be sent to the clerk of the board of supervisors of the counties of the state to which payments have been allocated, and the respective clerks shall apportion the County payment to the municipalities and other taxing districts in proportion to the number of miles of railroad in the municipality or other taxing districts to the number of miles of railroad in the entire County. The results of our audit procedures disclosed that the County posted all of

the rail car in lieu taxes received to the County's general fund. None of the rail car taxes were settled to the appropriate taxing districts. Failure to settle the rail car in lieu taxes to the appropriate taxing district is a direct violation of state statute and could result in the misappropriation of public funds.

Recommendation:

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

Board of Supervisors' Response:

Will comply.

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

Finding:

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

Recommendation:

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

Board of Supervisors' Response:

Will comply.

Copiah County, Mississippi'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.

FORTENBERRY & BALLARD, PC

Fortenberry & Ballard, PC
July 11, 2017

Certified Public Accountants

SCHEDULE OF FINDINGS AND RESPONSES

Copiah County, Mississippi

Schedule of Findings and Responses For the Year Ended September 30, 2016

Section I: Summary of Auditor's Results

Financial Statements:

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

Governmental Activities: Unmodified
Aggregate Discretely Presented Component Units: Adverse
General Fund: Unmodified
Countywide Road Maintenance Fund: Unmodified
Road Dept Overlay 2014/2015 Fund: Unmodified
McNeely Plastic CAP Loan Fund: Unmodified
Aggregate remaining fund information: Unmodified
2. Internal control over financial reporting:
 - a. Material weaknesses identified? Yes
 - b. Significant deficiencies identified? Yes
3. Noncompliance material to the financial statements noted? No

Section II: Financial Statements Findings

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

Board of Supervisors.

Material Weakness

Finding 2016-001:

Criteria

Generally accepted accounting principles require the financial data of its component units to be reported with the financial data of the County's primary government unless the County issues financial statements for the financial reporting entity that include the financial data of its component units.

Condition

As reported in the prior nine years' audit reports, the County's financial statements do not include the financial data of the County's discretely presented component units.

Cause

The County did not provide audited financial statements for the required presentation of the aggregate discretely presented component units.

Effect

Failure to include the data required by generally accepted accounting principles resulted in an adverse opinion on the aggregate discretely presented component units.

Recommendation

The Board of Supervisors should provide the financial data of all its component units in accordance with generally accepted accounting principles.

Board of Supervisors' Response

The board of supervisors will comply.

Significant Deficiency

Finding 2016-002:

Criteria

Information technology standards along with best business practices dictate that obsolete hardware and software needs to be replaced. In conjunction with systems turnover, employee passwords should be strengthened and expire periodically to be replaced by new unique passwords.

Condition

As reported in the prior year audit report, the County uses in some instances obsolete hardware and software. Also, passwords are not set to expire and in some instances are not considered strong by industry standards.

Cause

The County currently runs operating systems as well as applications on some of its personal computers that might not be supported by their software vendors. Password security currently allows for passwords to be carried by individual users indefinitely. Password strength appears to be a limitation of the accounting system and the number of characters that can be used.

Effect

Use of obsolete equipment and software coupled with insufficient password strength and turnover created system vulnerabilities that can be exploited by outside activity such as system hacking and malware injected into the system.

Recommendation

The Board of Supervisors should institute a written plan of action on replacing obsolete hardware and software beginning this project as soon as possible. Also, the Board should institute a password policy allowing for frequent password change along with stronger password protections integrated into their software systems.

Board of Supervisors' Response

Our IT staff will inventory the network personal computers and upgrade where equipment is deemed obsolete. Quotes will be obtained for replacement of obsolete inventory items. A Microsoft Windows 2008 R2 Active Directory Server manages workplace credentials and has the capability to enforce password strength.

Significant Deficiency

Finding 2016-003:

Criteria

Best business practices as well as information technology standards dictate various guidelines for frequency and criteria for performing network reviews. The Mississippi Enterprise Security Policy requires network reviews to be performed, at minimum, every three years or more frequently whenever business situations change that may raise the level of risk for unauthorized access to data assets. Examples of which include:

- Major change(s) in network technology
- Implementation of new financial applications
- Length of time since the last network review
- Recent network penetration or malware infection (and possible data loss) due to unauthorized party activity
- Changes in support levels for hardware and software
- Lack of security event monitoring
- Insufficient anti-virus software

Network reviews should include vulnerability scans as well as penetration tests. A vulnerability scan or assessment looks for known system vulnerabilities and reports potential exposure threats. This test is designed to actually exploit weaknesses in the system architecture.

Condition

As noted in the prior year, factors noted during the Information Technology General Control (ITGC) assessment of the County indicated a network review was warranted.

Cause

The County has not performed a network review security assessment.

Effect

System data breaches can cost the County in fines levied, additional regulatory oversight, bad public relations, taxpayer distrust, and personnel time to correct issues caused by unauthorized access. Consequences can be short-term (e.g., notification of breached parties) and long-term (e.g., litigation).

Recommendation

The Board of Supervisors should perform a network security assessment as soon as possible. Any factors that might increase the risk of unauthorized access to the County's data assets should be considered when determining the exact scope of the network security review to be performed. This review should consist of risk assessments, vulnerability scans and penetration tests. These tests should be performed by qualified third party specialists.

Board of Supervisors' Response

Our IT staff is in the process of drafting a Disaster Recovery Plan. Particular emphasis will be stressed regarding the backup and safety of Mission Critical Data/Services as well as access to data in the event of a disaster.

Significant Deficiency

Finding 2016-004:

Criteria

Best business practices as well as information technology standards dictate the County should have a written disaster recovery process in the event of a system shutdown of any significant length of time. Disaster recovery involves defining and documenting plans to help sustain and recover critical information technology resources, information systems, and associated business functions. *Control Objectives for Information and Related Technology* (CobiT, Section DS4), requires a written disaster recovery plan be developed and tested regularly to provide orderly recovery of vital functions in the event of a hardware or environmental disaster.

Condition

As noted in the prior year, factors noted during the Information Technology General Control (ITGC) assessment of the County indicated the County used an automated system to perform daily backups of the AS400, but is not restoring such files as part of a formal, documented disaster recovery exercise.

Cause

The County can routinely back up data files and programs along with periodically restoring these files as part of a formal, documented disaster recovery exercise. This action, while currently not being performed, can maintain the County's ability to regain computer operations and have critical data that is up to date if a restoration needs to be performed after a disaster.

Effect

Failure to maintain an adequate recovery plan could impede the County's ability to regain computer operations in the event of a disaster. Data lost may be impossible to recreate. Risk and probability of material loss to the County escalates in relationship to the longer an exposure goes unmitigated.

Recommendation

The Board of Supervisors should develop, implement, and test a plan to ensure that critical data and applications are recoverable in case of a disaster scenario. Furthermore, the County should develop and implement a disaster recovery plan documenting procedures to be followed during an emergency. Once the plan is completed, it should be subject to proper testing. Employees should be aware of their responsibilities in the event of a disaster with frequent plan updates in order to maintain readiness.

Board of Supervisors' Response

With guidance from the IT staff, an Acceptable Use Policy will be developed to include the security nature and expected use of the County's Network to include internet use and use of all County network hardware and software.

AUDITEE'S SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

**BOARD OF SUPERVISORS
COPIAH COUNTY
P.O. BOX 551
HAZLEHURST, MS 39083
Tel:(601)-894-1858
Fax:(601)-894-1908**

AUDITEE'S SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

As required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (UG), the Copiah County has prepared and hereby submits the following summary schedule of prior audit findings as of September 30, 2016:

<u>Finding</u>	<u>Status</u>
2015-005	Corrected