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**BOLIVAR COUNTY, MISSISSIPPI**

**Audited Financial Statements and Special Reports**

**For the Year Ended September 30, 2017**



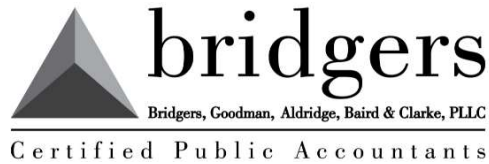
# BOLIVAR COUNTY

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# **BOLIVAR COUNTY**

## **FINANCIAL SECTION**



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GOVERNMENT AUDIT QUALITY CENTER  
PRIVATE COMPANIES PRACTICE SECTION

## INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors  
Bolivar County, Mississippi

### Report on the Financial Statements

We have audited the accompanying financial statements, of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Bolivar County, Mississippi, as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Bolivar County Port Commission and the Bolivar County Library System, which represent 22 percent, 20 percent, and 36 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the aforementioned component units, are based solely on the reports of the other auditors. However, we did audit the Bolivar Medical Center Foundation and the Bolivar County Economic Development District, component units, which represent 78 percent, 80 percent, and 64 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Our audit and the component unit audits of the Bolivar County Port Commission, Bolivar County Library System, the Bolivar Medical Center Foundation, and the Bolivar County Economic Development District were conducted 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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### **Opinions**

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Bolivar County, Mississippi, as of September 30, 2017, and the respective changes in financial position, and where applicable, cash flows, thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedules and corresponding notes, the Schedule of the County's Proportionate Share of the Net Pension Liability, and Schedule of the County's Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to this 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*

Bolivar 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.

*Supplementary and 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 December 5, 2018, on our consideration of Bolivar County, Mississippi's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Bolivar County, Mississippi's 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 Bolivar County, Mississippi's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Bridgers, Goodman, Aldridge, Baird & Clarke, PLLC". The signature is written in a cursive, flowing style.

Bridgers, Goodman, Aldridge, Baird & Clarke, PLLC  
Certified Public Accountants  
Vicksburg, Mississippi

December 5, 2018

## **BOLIVAR COUNTY**

## **FINANCIAL STATEMENTS**



**BOLIVAR COUNTY**  
**Statement of Net Position**  
**September 30, 2017**

**Exhibit 1**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash	\$ 13,822,039	6,947	13,828,986
Cash with fiscal agents		152,030	152,030
Investments			
Property tax receivable	14,874,884		14,874,884
Accounts receivable			
Fines receivable, net of allowance for uncollectibles of \$4,707,806	271,133		271,133
Loans receivable, net	-		-
Intergovernmental receivables	173,645		173,645
Other receivables	123,683		123,683
Internal balances	718,525	(718,525)	-
Prepaid bond insurance		26,528	26,528
Prepaid expenses			
Lease payments receivable	637,782		637,782
Land and construction in progress	3,620,759	3,878	3,624,637
Other capital assets, net	57,281,449	5,278,251	62,559,700
Total Assets	91,523,899	4,749,109	96,273,008
<b>Deferred Outflows of Resources</b>			
Deferred outflows related to pension	1,366,670	375,077	1,741,747
Total Deferred Outflows of Resources	1,366,670	375,077	1,741,747
<b>Liabilities</b>			
Claims payable	646,890	88,951	735,841
Intergovernmental payables	423,555		423,555
Accrued interest payable	16,875	27,836	44,711
Premium on bonds	2,555		2,555
Other payables	155,795		155,795
Unearned revenue			
Long-term liabilities			
Due within one year:			
Capital related debt	496,186	490,000	986,186
Non-capital debt	155,000		155,000
Due in more than one year:			
Capital related debt	1,189,143	3,370,063	4,559,206
Non-capital debt	162,971	25,044	188,015
Net pension liability	13,955,342	5,161,564	19,116,906
Total Liabilities	17,204,312	9,163,458	26,367,770
<b>Deferred Inflows of Resources</b>			
Deferred inflows related to pension	824,780	657,629	1,482,409
Deferred revenues - property tax	14,874,884		14,874,884
Deferred revenue - interest on capital leases	77,039		77,039
Total deferred inflows of resources	15,776,703	657,629	16,434,332
<b>Net Position</b>			
Net investment in capital assets	59,214,324	1,422,066	60,636,390
Restricted:			
Expendable:			
General government	452,788		452,788
Debt service	159,787		159,787
Public safety	1,076,857		1,076,857
Public works	3,046,093		3,046,093
Culture and recreation	625,416		625,416
Economic development	184,572		184,572
Unemployment			
Unrestricted	(4,850,283)	(6,118,967)	(10,969,250)
Total Net Position	\$ 59,909,554	(4,696,901)	55,212,653

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

**BOLIVAR COUNTY**  
**Statement of Net Position (Continued)**  
**September 30, 2017**

**Exhibit 1**

Component Units				
Bolivar County Port Comm.	Bolivar County ED District	Bolivar County Library System	Bolivar Medical Center Found.	Total
\$ 787,487	452,344	152,657	393,568	1,786,056
4,000,000			51,821,629	55,821,629
232,836		31,851		264,687
			30,000	30,000
873				873
6,002				6,002
69,514		13,349		82,863
4,704,918	405,428			5,110,346
4,620,640	287,312	131,005		5,038,957
14,422,270	1,145,084	328,862	52,245,197	68,141,413
72,940		120,876		193,816
72,940	-	120,876	-	193,816
950		7,417		8,367
98,874				98,874
	63,438			63,438
		13,748		13,748
	56,831			56,831
		13,747		13,747
772,489		831,170		1,603,659
872,313	120,269	866,082	-	1,858,664
16,871		18,152		35,023
16,871	-	18,152	-	35,023
9,325,558	572,471	131,005		10,029,034
	452,344			452,344
1,577				1,577
4,278,891		(565,501)	52,245,197	55,958,587
\$ 13,606,026	1,024,815	(434,496)	52,245,197	66,441,542

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

**BOLIVAR COUNTY**  
**Statement of Activities**  
**For the Year Ended September 30, 2017**

**Exhibit 2**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Bolivar County Port Comm.	Bolivar County ED District	Bolivar County Library	Bolivar Medical Center Found.	Total Component Units
					Governmental Activities	Business Type Activities	Total					
<b>Primary government:</b>												
Governmental activities:												
General government	\$ 5,936,420	802,845	194,213		(4,939,362)		(4,939,362)					
Public safety	4,835,896	545,111	273,101	33,646	(3,984,038)		(3,984,038)					
Public works	5,836,547	56,818		1,419,967	(4,359,762)		(4,359,762)					
Health and welfare	701,063				(701,063)		(701,063)					
Culture and recreation	468,276			9,759	(458,517)		(458,517)					
Conservation of natural resources	101,351				(101,351)		(101,351)					
Economic development and assistance	720,259			157,986	(562,273)		(562,273)					
Interest on long-term debt	61,809				(61,809)		(61,809)					
Pension expense	1,826,578				(1,826,578)		(1,826,578)					
Total Governmental Activities	20,488,199	1,404,774	467,314	1,621,358	(16,994,753)		(16,994,753)					
Business-type activities:												
Correctional facility	4,928,516	5,139,195				210,679	210,679					
Total Business-type Activities	4,928,516	5,139,195				210,679	210,679					
Total Primary Government	\$ 25,416,715	6,543,969	467,314	1,621,358	(16,994,753)	210,679	(16,784,074)					
<b>Component Units:</b>												
Bolivar County Port Comm.	\$ 1,095,473	1,097,026		1,385,098				1,386,651				1,386,651
Bolivar County ED District	576,599							(576,599)				(576,599)
Bolivar County Library System	800,086	22,804	125,557	14,018						(637,707)		(637,707)
Bolivar Medical Center Found.	652,385										(652,385)	(652,385)
Total Component Units	\$ 3,124,543	1,119,830	125,557	1,399,116								(480,040)
<b>General revenues:</b>												
Property taxes					\$ 15,564,669		15,564,669	60,385	560,090			620,475
Road & bridge privilege taxes					367,482		367,482					
Grants and contributions not restricted to specific programs					1,386,326		1,386,326			523,338		523,338
Unrestricted investment income					165,566	1,231	166,797	21,466	1,359	1,116	5,644,980	5,668,921
Miscellaneous					206,855		206,855	245,070				245,070
Gain (loss) on disposal of capital assets					(44,704)	5,813	(38,891)		16,226	11,128		27,354
Total General Revenues					17,646,194	7,044	17,653,238	326,921	577,675	535,582	5,644,980	7,085,158
<b>Changes in Net Position</b>					651,441	217,723	869,164	1,713,572	1,076	(102,125)	4,992,595	6,605,118
Net Position - Beginning, as previously reported					59,258,113	(4,914,624)	54,343,489	11,902,031	1,023,739	(329,435)	47,252,602	59,848,937
Prior period adjustment								(9,577)		(2,936)		(12,513)
Net Position - Beginning, as restated					59,258,113	(4,914,624)	54,343,489	11,892,454	1,023,739	(332,371)	47,252,602	59,836,424
<b>Net Position - Ending</b>					\$ 59,909,554	(4,696,901)	55,212,653	13,606,026	1,024,815	(434,496)	52,245,197	66,441,542

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

**BOLIVAR COUNTY**  
**Balance Sheet – Governmental Funds**  
**September 30, 2017**

**Exhibit 3**

	Major Funds				
	Countywide			Other	Total
	General	Road	Bridge &	Governmental	Governmental
	Fund	Maintenance	Culvert Fund	Funds	Funds
<b>ASSETS</b>					
Cash	\$ 7,954,685	1,559,552	424,947	3,882,855	13,822,039
Property tax receivable	9,336,569	1,733,968	1,785,078	2,019,269	14,874,884
Fines receivable, net of allowance for uncollectibles of \$4,707,806	271,133				271,133
Loans receivable, net				0	0
Intergovernmental receivables	173,645				173,645
Advances to other funds	675,959		61,653		737,612
Due from other funds	42,566	21,231	21,716	23,344	108,857
Other receivables	24,405	99,278			123,683
Lease payments receivable				637,782	637,782
Total Assets	<u>18,478,962</u>	<u>3,414,029</u>	<u>2,293,394</u>	<u>6,563,250</u>	<u>30,749,635</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Claims payable	176,355	167,722	4,229	298,584	646,890
Intergovernmental payables	423,555				423,555
Advances from other funds				61,653	61,653
Due to other funds	83,308				83,308
Other payables	138,778				138,778
Total Liabilities	<u>821,996</u>	<u>167,722</u>	<u>4,229</u>	<u>360,237</u>	<u>1,354,184</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	9,336,569	1,733,968	1,785,078	2,019,269	14,874,884
Unavailable revenue -lease payments				637,782	637,782
Unavailable revenue - fines	271,133				271,133
Total Deferred Inflows of Resources	<u>9,607,702</u>	<u>1,733,968</u>	<u>1,785,078</u>	<u>2,657,051</u>	<u>15,783,799</u>
<b>FUND BALANCES</b>					
Nonspendable:					
Advances	675,959		61,653		737,612
Restricted for:					
General government				452,788	452,788
Public safety				1,076,857	1,076,857
Public works		1,512,339	442,434	1,029,667	2,984,440
Culture and recreation				625,416	625,416
Economic development				184,572	184,572
Debt service				176,662	176,662
Unassigned	7,373,305				7,373,305
Total Fund Balances	<u>8,049,264</u>	<u>1,512,339</u>	<u>504,087</u>	<u>3,545,962</u>	<u>13,611,652</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 18,478,962</u>	<u>3,414,029</u>	<u>2,293,394</u>	<u>6,563,250</u>	<u>30,749,635</u>

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

**BOLIVAR COUNTY****Exhibit 3-1****Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position  
September 30, 2017**

	<u>Amount</u>
Total fund balance - Governmental Funds	\$ 13,611,652
Amounts reported for governmental services 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 \$90,968,667.	60,902,208
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	271,133
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(2,003,300)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(16,875)
Capital leases are not available to pay for current period expenditures and, therefore, are not reported in the funds.	560,743
Premium on bonds	(2,555)
Pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(13,955,342)
Deferred outflows and inflows of resources related to pension are applicable to future periods and, therefore, are not reported in the funds.	
Deferred outflows of resources related to pensions	1,366,670
Deferred inflows of resources related to pensions	(824,780)
Total Net Position - Governmental Activities	<u>\$ 59,909,554</u>

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

**BOLIVAR COUNTY****Exhibit 4****Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds  
For the Year Ended September 30, 2017**

	Major Funds				
	General	Countywide	Bridge &	Other	Total
	Fund	Road	Culvert	Governmental	Governmental
		Maintenance	Fund	Funds	Funds
REVENUES					
Property taxes	\$ 10,075,952	1,753,642	1,720,958	2,014,117	15,564,669
Road and bridge privilege taxes		367,482			367,482
Licenses, commissions and other revenue	496,664	2,020		9,358	508,042
Fines and forfeitures	261,500				261,500
Intergovernmental revenues	848,568	2,015,401		611,029	3,474,998
Charges for services		28,523		571,386	599,909
Interest income	104,855	15,214	4,405	41,092	165,566
Miscellaneous revenues	185,553	9,885		11,417	206,855
Total Revenues	11,973,092	4,192,167	1,725,363	3,258,399	21,149,021
EXPENDITURES					
Current:					
General government	5,333,267			444,202	5,777,469
Public safety	3,830,594			965,922	4,796,516
Public works		5,133,562	1,151,513	809,202	7,094,277
Health and welfare	664,163				664,163
Culture and recreation	462,024			5,474	467,498
Conservation of natural resources	111,831				111,831
Economic development and assistance	153,715			566,544	720,259
Debt service:					
Principal	14,742		177,585	512,544	704,871
Interest	5,190		8,069	57,554	70,813
Total Expenditures	10,575,526	5,133,562	1,337,167	3,361,442	20,407,697
Excess of Revenues over (under) Expenditures	1,397,566	(941,395)	388,196	(103,043)	741,324
OTHER FINANCING SOURCES ( USES)					
Proceeds from sale of capital assets	3,300	10,816			14,116
Transfers in				1,157,077	1,157,077
Transfers out	(1,157,077)				(1,157,077)
Lease principal payments				132,885	132,885
Total Other Financing Sources and Uses	(1,153,777)	10,816	0	1,289,962	147,001
Net Changes in Fund Balances	243,789	(930,579)	388,196	1,186,919	888,325
Fund Balances - Beginning	7,805,475	2,442,918	115,891	2,359,043	12,723,327
Fund Balances - Ending	\$ 8,049,264	1,512,339	504,087	3,545,962	13,611,652

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

**BOLIVAR COUNTY****Exhibit 4-1****Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended September 30, 2017**

	<u>Amount</u>
Net Change in Fund Balances - Governmental Funds	\$ 888,325
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 \$2,042,922 exceeded depreciation of \$1,870,697 in the current period.	172,225
In the Statement of Activities, only gains and losses from the sale of capital assets are reported, while in the governmental funds, the proceeds from the sale increases financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the assets sold.	(58,820)
Fine revenue recognized on the modified accrual basis in the funds during the current year is increased because prior year recognition would have been required on the Statement of Activities using the full-accrual basis of accounting.	35,323
Debt proceed provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Thus, the change in net position differs from the change in fund balances by the amount that debt repayments of \$704,871.	704,871
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. Thus, the change in net position differs from the change in fund balances by a combination of the following items:	
Principal payments received on capital leases receivable	(132,885)
Change in compensated absences	(4,394)
Change in accrued interest payable	6,449
Amortization of premiums	2,555
Items reported in the Statement of Activities relating to the implementation of GASB 68 are not reported in the governmental funds. These activities include:	
Recognition of pension expense for the current year	(1,826,578)
Recognition of contributions made for the current year	864,370
Change in Net Position of Governmental Activities	\$ <u>651,441</u>

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

**BOLIVAR COUNTY**  
**Statement of Net Position – Proprietary Funds**  
**September 30, 2017**

**Exhibit 5**

	Business-type Activities - Enterprise Funds
	<u>BCRCF Fund</u>
<b>ASSETS</b>	
Current assets:	
Cash	\$ 6,947
Cash with fiscal agents	152,030
Prepaid bond insurance	26,528
Total Current Assets	<u>185,505</u>
Noncurrent assets:	
Land and construction in progress	3,878
Capital assets, net	5,278,251
Total Noncurrent Assets	<u>5,282,129</u>
Total Assets	<u>5,467,634</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pensions	375,077
Total Deferred Outflows of Resources	<u>375,077</u>
<b>LIABILITIES</b>	
Current liabilities:	
Claims payable	88,951
Due to other funds	42,566
Advances from other funds	675,959
Accrued interest payable	27,836
Capital related debt - current	490,000
Total Current Liabilities	<u>1,325,312</u>
Noncurrent liabilities:	
Capital related debt:	
Other long-term liabilities	3,370,063
Non-capital debt:	
Compensated absences payable	25,044
Net pension liability	5,161,564
Total Noncurrent Liabilities	<u>8,556,671</u>
Total Liabilities	<u>9,881,983</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to pensions	657,629
Total Deferred Inflows of Resources	<u>657,629</u>
<b>NET POSITION</b>	
Net investment in capital assets	1,422,066
Unrestricted	<u>(6,118,967)</u>
Total Net Position	<u>\$ (4,696,901)</u>

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



**BOLIVAR COUNTY****Exhibit 6****Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds  
For the Year Ended September 30, 2017**

	<u>Business-type Activities - Enterprise Funds</u>
	<u>BCRCF Fund</u>
Operating Revenues	
Charges for services	\$ 5,139,195
Miscellaneous	5,813
Total Operating Revenues	<u>5,145,008</u>
Operating Expenses	
Personal services	2,965,902
Contractual services	558,252
Materials and supplies	649,189
Depreciation expense	237,603
Indirect administrative cost	42,566
Pension expense	349,246
Insurance premiums	6,445
Total Operating Expenses	<u>4,809,203</u>
Operating Income ( Loss )	<u>335,805</u>
Nonoperating Revenues ( Expenses )	
Interest income	1,231
Interest expense	<u>(119,313)</u>
Net Nonoperating Revenue ( Expenses)	<u>(118,082)</u>
Change in Net Position	217,723
Net Position - Beginning	<u>(4,914,624)</u>
Net Position - Ending	<u><u>\$ (4,696,901)</u></u>

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

**BOLIVAR COUNTY**  
**Statement of Cash Flows – Proprietary Funds**  
**For the Year Ended September 30, 2017**

**Exhibit 7**

	<u>Business-type Activities - Enterprise Funds</u>
	<u>BCRCF</u>
	<u>Fund</u>
Cash Flows From Operating Activities	
Receipts from customers	\$ 5,032,405
Payments to suppliers	(1,211,061)
Payments to employees for services	(3,292,732)
Other operating cash receipts	5,813
Net Cash Provided (Used) by Operating Activities	<u>534,425</u>
Cash Flows From Capital and Related Financing Activities	
Principal paid on debt	(490,000)
Interest paid on debt	(115,524)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(605,524)</u>
Cash Flows From Investing Activities	
Interest on deposits	1,231
Net Cash Provided (Used) by Noncapital Financing Activities	<u>1,231</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(69,868)
Cash and Cash Equivalents at Beginning of Year	<u>228,845</u>
Cash and Cash Equivalents at End of Year	<u>\$ 158,977</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating income (Loss)	\$ 335,805
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	237,603
Changes in assets and liabilities:	
(Increase) decrease in deferred outflows of resources	808,381
Increase (decrease) in claims payable	(103,968)
Increase (decrease) in compensated absences liability	(7,128)
Increase (decrease) in net pension liability	(481,198)
Increase (decrease) in interfund payables	42,566
Increase (decrease) in deferred inflows of resources	<u>(297,636)</u>
Total Adjustments	<u>198,620</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 534,425</u>

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

**BOLIVAR COUNTY**  
**Statement of Fiduciary Assets and Liabilities**  
**September 30, 2017**

**Exhibit 8**

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 7,821,742
Due from other funds	<u>17,017</u>
Total Assets	<u><u>7,838,759</u></u>
LIABILITIES	
Intergovernmental payables	17,017
Amounts held in custody for others	<u>7,821,742</u>
Total Liabilities	<u><u>\$ 7,838,759</u></u>

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

**BOLIVAR COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2017**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.**

**A. Financial Reporting Entity** - Bolivar 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 Bolivar County to present these financial statements on the primary government and its component units which have significant operational or financial relationships with the County.

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

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

**B. Individual Component Unit Disclosures**

**Discretely Presented Component Units** – The component units' columns in the financial statements include the financial data of the following component units of the County. They are reported in a separate column to emphasize that they are legally separate from the County.

Bolivar County Port Commission was created by a special act of the Mississippi Legislature in 1973, for the purpose of overseeing the operations of the Port. A seven-member board of commissioners is appointed by the Bolivar County Board of Supervisors.

Bolivar County Economic Development District is governed by a five-member board appointed by the Bolivar County Board of Supervisors. The purpose of the District is to promote economic growth in Bolivar County. They also operate and maintain three industrial parks in Bolivar County.

Bolivar County Library System consists of eight branches in Bolivar County. The mission of the library system is to promote and develop adequate library services throughout Bolivar County that meet the general and specialized needs of the citizens of the County. The Board of Supervisors of Bolivar County appoints the five members of the library's Board of Trustees.

Bolivar Medical Center Foundation is a non-profit foundation created to manage funds received by the County for the lease of hospital facilities. The County appoints 5 of the 11-member Board of Trustees. House Bill No. 1741, dated 5-20-2000, gave the County the authority to appoint the Board of Trustees, which would have the power to manage and invest funds. The overall mission of the Bolivar Medical Center Foundation is to take necessary actions to ensure that medical care offered in Bolivar County is maintained at the highest possible level.

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

**BOLIVAR COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2017**

**Government-wide Financial Statements:**

The Statement of Net Position and Statement of Activities display information concerning the County as a whole. The statements include all nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are generally financed through taxes, intergovernmental revenues and other nonexchange revenues and are reported separately from business-type activities. Business-type activities rely mainly on fees and charges for support. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

**Fund Financial Statements:**

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

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

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

Governmental financial statements are presented using a current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period when they are both measurable and available to finance operations during the year or to liquidate liabilities existing at the end of the year. Available means collected in the current period or within 60 days after

**BOLIVAR COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2017**

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 are expenditures related to compensated absences and claims and judgments, are recognized only when payment is due. Property taxes, state appropriations and federal awards are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period.

The County reports the following major governmental funds:

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

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

Bridge and Culvert Fund – This fund is used to account for monies from specific revenue sources that are restricted for bridge and culvert maintenance.

The County reports the following major Proprietary Fund:

Bolivar County Regional Correctional Facility (BCRCF) – This fund is used to account for the County's activities of operating the correctional facility.

Additionally, the County reports the following fund types:

**GOVERNMENTAL FUND TYPES**

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

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

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

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

**PROPRIETARY FUND TYPE**

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

**BOLIVAR COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2017**

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 Associations.

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

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

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

**H. Interfund Transactions and Balances** – Transactions between funds that represent 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 receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. Any outstanding balances between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

**I. Restricted Assets** – Proprietary fund and component unit assets required to be held and/or used as specified in bond indentures, bond resolutions, trustee agreements, board resolutions and donor specifications have been reported as restricted assets. When both restricted and nonrestricted assets are available for use, the policy is to use restricted assets first.

**J. Capital Assets** – Capital acquisition and construction are reflected as expenditures in Governmental Fund statements and the related assets are reported as capital assets in the governmental or business-type activities column in the government-wide financial statements. All purchased capital assets are stated at historical cost where records are available and at an estimated historical cost where no records exist. Capital assets include significant amounts of infrastructure which have been valued at estimated historical cost. The estimated historical cost was based on replacement cost multiplied by the consumer price index implicit price deflator for the year of acquisition. The extent to which capital assets costs have been estimated and the methods of estimation are not readily available. Donated capital assets are recorded at estimated fair market value at the time of donation. The cost of normal maintenance and

**BOLIVAR COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2017**

repairs that do not add to the value of assets or materially extend their respective lives are not capitalized; however, improvements are capitalized. Interest expenditures are not capitalized on capital assets.

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

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

	<u>Capitalization Thresholds</u>	<u>Estimated Service Life</u>
Land	\$ 0	N/A
Buildings	50,000	40 years
Improvements other than buildings	25,000	20 years
Mobile equipment	5,000	5 to 10 years
Furniture and equipment	5,000	3 to 7 years
Infrastructure	0	20 to 50 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 and so will not be recognized as an outflow of resources (expense/expenditure) until then.

Deferred outflows related to pensions – This amount represents the County's proportionate share of the deferred outflows of resources reported by the pension plan in which the County participates. See note 10 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.

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

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



**BOLIVAR COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2017**

Deferred revenue – interest on capital leases/unavailable revenue – lease payments – When an asset is recorded in the financial statements but the revenue is not available, the government should report a deferred inflow of resources until the revenue becomes available.

Deferred inflows related to pensions – This amount represents the County's proportionate share of the deferred inflows of resources reported by the pension plan in which the County participates. See note 10 for additional details.

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

**N. Equity Classifications**

Government-wide Financial Statements:

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

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

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

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

Net Position Flow Assumption – When an expense is incurred for purposes for which both restricted and unrestricted (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 (unassigned) resources

**BOLIVAR COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2017**

are available, and amounts in the unrestricted classification could be used, it is the County's general policy to spend unassigned amounts.

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

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

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

*Restricted fund balance* includes amount 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 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 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 (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 (unassigned) resources are available, it is the County's general policy to spend 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

**BOLIVAR COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2017**

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

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

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

**R. Changes in Accounting Standards** – The County implemented the following standards issued by the Governmental Accounting Standards Board (GASB) in the current fiscal year as required: GASB Statement No. 77, *Tax Abatement Disclosures* and GASB Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*. The provisions of these standards have been incorporated into the financial statements and notes; however, no disclosure for Statement No. 77 is required for the current fiscal year.

**NOTE 2 – DEPOSITS AND INVESTMENTS.**

The carrying amount of the County’s total deposits with financial institutions at September 30, 2017, was \$21,802,758, and the bank balance was \$22,243,651. The collateral for public entities’ deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entity’s funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC).

**Custodial Credit Risk – Deposits.** Custodial credit risk is the risk that in the event of the failure of a financial institution, the County will not be able to recover deposits or collateral securities that are in the possession of an outside party. The County does not have a formal policy for custodial credit risk. 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.

**BOLIVAR COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2017**

**NOTE 3 – INTERFUND TRANSACTIONS AND BALANCES.**

The following is a summary of interfund balances at September 30, 2017:

A. Due From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Enterprise Fund	\$ 42,566
Countywide Road Maintenance Fund	General Fund	21,231
Bridge and Culvert Fund	General Fund	21,716
Other Governmental Funds	General Fund	23,344
Agency Funds	General Fund	17,017
Total		<u>\$ 125,874</u>

The General Fund receivable is for indirect administrative cost due from BCRCF. All other receivables represent the tax revenue collected but not settled until October 2017. 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	Enterprise Fund	\$ 675,959
Bridge and Culvert Fund	Other Governmental Funds	61,653
Total		<u>\$ 737,612</u>

The General Fund receivable is the amount of indirect cost not paid within one year.

C. Transfers In/Out:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Other Governmental Funds	General Fund	\$ 1,157,077
Total		<u>\$ 1,157,077</u>

Transfers are for renovations to the Cleveland courthouse.

**NOTE 4 – INTERGOVERNMENTAL RECEIVABLES.**

At September 30, 2017, intergovernmental receivables consisted of:

<u>Governmental Activities:</u>	<u>Amount</u>
Legislative tax credit	\$ 173,645
Total Governmental Activities	<u>\$ 173,645</u>

**BOLIVAR COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2017**

**NOTE 5 – LOANS RECEIVABLE.**

At September 30, 2017, loans receivable consisted of:

	<u>Date of Loan</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Receivable Balance</u>
<b>Governmental Activities:</b>				
<b>Loans Receivable:</b>				
MDEZA - River Run	10-02	2.0%	09-37	\$ 137,679
CDBG - Knightline	10-02	4.0%	02-19	192,863
MDEZA - Knightline	05-03	4.0%	02-19	474,699
Less: Allowance for uncollectibles				(805,241)
Total loans receivable				\$ <u>0</u>

**NOTE 6 – CAPITAL ASSETS.**

The following is a summary of capital assets for the year ended September 30, 2017:

**Governmental activities:**

	<u>Balance Oct. 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	<u>Balance Sept. 30, 2017</u>
<b>Non-depreciable capital assets:</b>					
Land	\$ 1,256,270				1,256,270
Construction in progress	2,077,442	1,451,946		(1,164,899)	2,364,489
Total non-depreciable capital assets	<u>3,333,712</u>	<u>1,451,946</u>	<u>-</u>	<u>(1,164,899)</u>	<u>3,620,759</u>
<b>Depreciable capital assets:</b>					
Infrastructure	92,205,415			1,164,899	93,370,314
Buildings	38,915,511				38,915,511
Improvements other than buildings	1,128,504				1,128,504
Mobile equipment	10,372,313	499,701	76,000		10,796,014
Furniture and equipment	3,093,125	91,275	26,427		3,157,973
Capital leases	881,800				881,800
Total depreciable capital assets	<u>146,596,668</u>	<u>590,976</u>	<u>102,427</u>	<u>1,164,899</u>	<u>148,250,116</u>
<b>Less accumulated depreciation for:</b>					
Infrastructure	54,435,931	712,772			55,148,703
Buildings	23,746,158	355,755			24,101,913
Improvements other than buildings	409,223	35,257			444,480
Mobile equipment	7,588,345	584,640	20,520		8,152,465
Furniture and equipment	2,672,084	102,911	23,087		2,751,908
Capital leases	289,836	79,362			369,198
Total accumulated depreciation	<u>89,141,577</u>	<u>1,870,697</u>	<u>43,607</u>	<u>-</u>	<u>90,968,667</u>
Total depreciable capital assets, net	<u>57,455,091</u>	<u>(1,279,721)</u>	<u>58,820</u>	<u>1,164,899</u>	<u>57,281,449</u>
Governmental activities					
Capital assets, net	<u>\$ 60,788,803</u>	<u>172,225</u>	<u>58,820</u>	<u>-</u>	<u>60,902,208</u>

**BOLIVAR COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2017**

**Business-type activities:**

	Balance Oct. 1, 2016	Additions	Deletions	Adjustments	Balance Sept. 30, 2017
<b>Non-depreciable capital assets:</b>					
Land	\$ 3,878				3,878
Total Non-depreciable capital assets	<u>3,878</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,878</u>
<b>Depreciable capital assets:</b>					
Buildings	7,481,689				7,481,689
Improvements other than buildings	1,042,434				1,042,434
Mobile equipment	279,619				279,619
Furniture and equipment	295,151				295,151
Total depreciable capital assets	<u>9,098,893</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,098,893</u>
<b>Less accumulated depreciation for:</b>					
Buildings	2,500,443	149,636			2,650,079
Improvements other than buildings	646,190	41,701			687,891
Mobile equipment	217,149	25,479			242,628
Furniture and equipment	219,257	20,787			240,044
Total accumulated depreciation	<u>3,583,039</u>	<u>237,603</u>	<u>-</u>	<u>-</u>	<u>3,820,642</u>
Total depreciable capital assets, net	<u>5,515,854</u>	<u>(237,603)</u>	<u>-</u>	<u>-</u>	<u>5,278,251</u>
<b>Business -type activities</b>					
Capital assets, net	<u>\$ 5,519,732</u>	<u>(237,603)</u>	<u>-</u>	<u>-</u>	<u>5,282,129</u>

Depreciation expense was charged to the following functions:

**Governmental Activities:**

	Amount
General government	\$ 822,884
Public safety	623,464
Public works	385,414
Health & welfare	36,900
Culture & recreation	675
Economic development	1,360
Total governmental activities depreciation expense	<u>\$ 1,870,697</u>

**Business-type activities:**

Correctional facility	<u>\$ 237,603</u>
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Commitments with respect to unfinished capital projects at September 30, 2017, consisted of the following:

Description of Commitment	Remaining Financial Commitment	Expected Date of Completion
Cleveland Courthouse Project	\$ 33,313	February 2018

**BOLIVAR COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2017**

**Capital Assets - Component Units:**

<b><u>Bolivar County Port Commission</u></b>	Balance Oct. 1, 2016	Additions	Deletions	Balance Sept. 30, 2017
<b><u>Non-depreciable capital assets:</u></b>				
Land	\$ 3,109,720			3,109,720
Construction in progress		1,595,198		1,595,198
Total non-depreciable capital assets	<u>3,109,720</u>	<u>1,595,198</u>	<u>-</u>	<u>4,704,918</u>
<b><u>Depreciable capital assets:</u></b>				
Infrastructure	2,615,942			2,615,942
Buildings and improvements	4,971,732			4,971,732
Equipment and fixtures	1,360,292			1,360,292
Total depreciable capital assets	<u>8,947,966</u>	<u>-</u>	<u>-</u>	<u>8,947,966</u>
<b><u>Less accumulated depreciation for:</u></b>				
Infrastructure	1,454,780	71,411		1,526,191
Buildings and improvements	1,586,715	145,182		1,731,897
Equipment and fixtures	1,029,366	39,872		1,069,238
Total accumulated depreciation	<u>4,070,861</u>	<u>256,465</u>	<u>-</u>	<u>4,327,326</u>
Total depreciable capital assets, net	<u>4,877,105</u>	<u>(256,465)</u>	<u>-</u>	<u>4,620,640</u>
Component unit capital assets, net	<u>\$ 7,986,825</u>	<u>1,338,733</u>	<u>-</u>	<u>9,325,558</u>

**Bolivar County ED District**

<b><u>Non-depreciable capital assets:</u></b>				
Land	\$ 405,428			405,428
Total non-depreciable capital assets	<u>405,428</u>	<u>-</u>	<u>-</u>	<u>405,428</u>
<b><u>Depreciable capital assets:</u></b>				
Infrastructure	949,626			949,626
Equipment and fixtures	6,755			6,755
Total depreciable capital assets	<u>956,381</u>	<u>-</u>	<u>-</u>	<u>956,381</u>
<b><u>Less accumulated depreciation for:</u></b>				
Infrastructure	617,261	47,481		664,742
Equipment and fixtures	4,002	325		4,327
Total accumulated depreciation	<u>621,263</u>	<u>47,806</u>	<u>-</u>	<u>669,069</u>
Total depreciable capital assets, net	<u>335,118</u>	<u>(47,806)</u>	<u>-</u>	<u>287,312</u>
Component unit capital assets, net	<u>\$ 740,546</u>	<u>(47,806)</u>	<u>-</u>	<u>692,740</u>

**Bolivar County Library**

<b><u>Depreciable capital assets:</u></b>				
Equipment and fixtures	\$ 515,831	54,092		569,923
Total depreciable capital assets	<u>515,831</u>	<u>54,092</u>	<u>-</u>	<u>569,923</u>
<b><u>Less accumulated depreciation for:</u></b>				
Equipment and fixtures	398,713	40,205		438,918
Total accumulated depreciation	<u>398,713</u>	<u>40,205</u>	<u>-</u>	<u>438,918</u>
Component unit capital assets, net	<u>\$ 117,118</u>	<u>13,887</u>	<u>-</u>	<u>131,005</u>

**BOLIVAR COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2017**

**NOTE 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, 2017, to January 1, 2018. The pool may make an overall supplemental assessment or declare a refund depending on the loss experience of all the entities it insures.

**NOTE 8 – OPERATING LEASES.**

As Lessor:

On March 30, 2000, Bolivar County entered into a lease agreement with PHC-Cleveland, Inc., a wholly owned subsidiary of Province Healthcare Corporation to lease the Bolivar County Medical Center for 40 years. Bolivar County received prepaid lease payments of \$26,400,000 or \$660,000 per year. The lease term began April 15, 2000, and concludes April 14, 2040.

The Board of Supervisors, through an act of the legislature, created the Bolivar County Medical Foundation, a non-profit corporation, to manage the proceeds of the hospital lease and placed \$23,400,000 in the Foundation. The Bolivar Medical Center Foundation is a component unit of Bolivar County.



**BOLIVAR COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2017**

**NOTE 9 – CAPITAL LEASES.**

As Lessor:

The County has joined the City of Cleveland in building and leasing a building to Faurecia. The County's portion of the project was \$750,000, which was financed by a CAP loan in the amount of \$750,000. This loan is being paid by the County's portion of the lease payments.

The future minimum lease receivables and the present value of the net minimum lease receivable as of September 30, 2017, are as follows:

<u>Year Ending September 30:</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 59,645	2,507
2019	51,098	705
Total	<u>\$ 110,743</u>	<u>3,212</u>

The County has joined the City of Cleveland in the expansion and upgrading of the facilities and equipment located in an unincorporated area of the County, owned by the City of Cleveland and leased to Baxter Healthcare Corporation. The County's portion of the cost was financed by GO Bonds in the amount of \$1,035,000, in 2006, and is being paid by the County's portion of the lease payments.

The future minimum lease receivables and the present value of the net minimum lease receivable as of September 30, 2017, are as follows:

<u>Year Ending September 30:</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 80,000	25,675
2019	85,000	20,590
2020	90,000	15,120
2021	95,000	9,293
2022	100,000	3,150
Total	<u>\$ 450,000</u>	<u>73,828</u>

As Lessee:

The County is obligated for the following capital assets acquired through capital leases as of September 30, 2017:

<u>Class of Property</u>	<u>Governmental Activities</u>
Mobile equipment	\$ 881,800
Less: Accumulated depreciation	369,198
Leased Property Under Capital Leases	<u>\$ 512,602</u>

**BOLIVAR COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2017**

**NOTE 10 – DEFINED BENEFIT PENSION PLAN.**

*General Information about the Pension Plan*

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

Benefits Provided. Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi, state universities, community and junior colleges, and teachers and employees of the public school districts. For those persons employed by political subdivisions and instrumentalities of the State of Mississippi, membership is contingent upon approval of the entity's participation in PERS by the PERS' Board of Trustees. If approved, membership for the entity's employees is a condition of employment and eligibility is granted to those who qualify upon hiring. Participating members who are vested and retire at or after age 60 or those who retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.0 percent of their average compensation for each year of creditable service up to and including 30 years (25 years for those who became members of PERS before July 1, 2011), plus 2.5 percent for each addition 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 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, 2017, 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, 2017 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, 2017, 2016 and 2015 were \$1,184,067, \$1,192,579, and \$1,216,088, respectively, equal to the required contributions for each year.

**BOLIVAR COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2017**

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

At September 30, 2017, the County reported a liability of \$19,116,906 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, 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 participation entities, actuarially determined. At June 30, 2017, the County's proportion was 0.115 percent, which was a decrease of 0.002 percent from its proportion measured as of June 30, 2016.

For the year ended September 30, 2017, the County recognized pension expense of \$2,175,874. At September 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 284,464	139,491
Net difference between projected and actual earnings on pension plan investments	326,811	
Changes of assumptions	460,148	33,143
Changes in the proportion and differences between County contributions and proportionate share of contributions	352,574	1,309,775
County Contributions subsequent to the measurement date	317,750	
	<u>\$ 1,741,747</u>	<u>1,482,409</u>

\$317,750 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending September 30:	Amount
2018	\$ 275,336
2019	50,666
2020	(15,150)
2021	(369,264)
Total	<u>\$ (58,412)</u>

Actuarial Assumptions. The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods in the measurement:

Inflation	3.00 percent
Salary increases	3.25 - 18.5 percent, including inflation
Investment rate of return	7.75 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 Healthy Annuitant Blue Collar Table Projected with Scaled BB to 2022, with males' rates set forward one year.

**BOLIVAR COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2017**

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2016. The experience report is dated April 18, 2017.

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, 2017, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Broad	27.00 %	4.60 %
International Equity	18.00	4.50
Emerging Markets Equity	4.00	4.75
Global	12.00	4.75
Fixed Income	18.00	0.75
Real Assets	10.00	3.50
Private Equity	8.00	5.10
Emerging Debt	2.00	2.50
Cash	1.00	-
	<u>100.00 %</u>	

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

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

	1% Decrease (6.75%)	Discount Rate (7.75%)	1% Increase (8.75%)
County's proportionate share of the net pension liability	\$ 25,073,095	19,116,906	14,171,970

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

**BOLIVAR COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2017**

**COMPONENT UNITS**

**Bolivar County Port Commission**

Plan Description. The Bolivar County Port Commission contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing, multiple-employer, defined benefit pension plan.

Contributions. The Port's contributions (employer share only) to PERS for the years ending September 30, 2017, 2016 and 2015 were \$48,835, \$50,973, and \$47,328, 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, 2017, the Port reported a liability of \$772,489 for its proportionate share of the net pension liability. At June 30, 2017, the Port's proportion was 0.004647 percent, which was a decrease of 0.000318 percent from its proportion measured as of June 30, 2016. For the year ended September 30, 2017, the Port recognized pension expense of \$6,251. At September 30, 2017, the Port reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,098	5,637
Net difference between projected and actual earnings on pension plan investments		9,918
Changes of assumptions	17,170	1,316
Changes in the proportion and differences between Port contributions and proportionate share of contributions	30,112	
Contributions subsequent to the measurement date	14,560	
	<u>\$ 72,940</u>	<u>16,871</u>

\$14,560 reported as deferred outflows of resources related to pensions resulting from Port contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2018. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending September 30:	Amount
2018	\$ 23,094
2019	22,538
2020	10,798
2021	(14,921)
Total	<u>\$ 41,509</u>

**Sensitivity to the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.**

	1% Decrease (6.75%)	Discount Rate (7.75%)	1% Increase (8.75%)
Proportionate share of the net pension liability	\$ 1,013,171	772,489	572,671

**BOLIVAR COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2017**

**Bolivar County Library System**

Plan Description. The Bolivar County Library System contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing, multiple-employer, defined benefit pension plan.

Contributions. The System's contributions (employer share only) to PERS for the years ending September 30, 2017, 2016 and 2015 were \$53,008, \$45,239, and \$41,569, 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, 2017, the System reported a liability of \$831,170 for its proportionate share of the net pension liability. At June 30, 2017, the System's proportion was 0.0050 percent, which was an increase of 0.0007 percent from its proportion measured as of June 30, 2016. For the year ended September 30, 2017, the System recognized pension expense of \$133,762. At September 30, 2017, the System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,942	6,065
Net difference between projected and actual earnings on pension plan investments		10,671
Changes of assumptions	18,473	1,416
Changes in the proportion and differences between System contributions and proportionate share of contributions	76,621	
Contributions subsequent to the measurement date	13,840	
	<u>\$ 120,876</u>	<u>18,152</u>

\$13,840 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2018. 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>	<u>Amount</u>
2018	\$ 45,353
2019	43,982
2020	15,604
2021	(16,055)
Total	<u>\$ 88,884</u>

Sensitivity to the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.

	1% Decrease (6.75%)	Discount Rate (7.75%)	1% Increase (8.75%)
Proportionate share of the net pension liability	\$ 1,090,135	831,170	616,173

**BOLIVAR COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2017**

**NOTE 11 – LONG TERM DEBT.**

Debt outstanding as of September 30, 2017, consisted of the following:

Description and Purpose	Amount Outstanding	Interest Rate	Maturity Date
<b>Governmental Activities:</b>			
A. General Obligation Bonds:			
Jail Bonds, Series 2011	\$ 155,000	2.00 to 3.00	9/18
2006 Baxter Bonds	450,000	7.50 to 6.30	11/21
Total General Obligation Bonds	<u>\$ 605,000</u>		
B. Other Loans:			
CDBG Knight Line Products, Inc.	\$ 474,699	4.00	02/09
CAP Loan - Faurecia	110,743	3.00	07/19
DEQ - SRF-C280925-01-2	284,445	1.75	03/34
E-911 Special Equipment	47,258	2.32	05/19
Bridge and Culvert	178,332	2.23	02/18
Total Other Loans	<u>\$ 1,095,477</u>		
C. Capital Leases:			
Fire trucks	\$ 139,852	2.20	04/18
Total Capital Leases	<u>\$ 139,852</u>		
<b>Business-type Activities:</b>			
A. Limited Obligation Bonds:			
MS Development Bank special obligation bonds, Series 2012A	\$ 2,810,000	2.00/3.250	07/25
MS Development Bank special obligation bonds, Series 2012B	1,060,000	2.00/2.625	07/25
Total Limited Obligation Bonds	<u>\$ 3,870,000</u>		

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

**Governmental Activities:**

Year Ending September 30:	General Obligation Bonds		Other Loans		Capital Leases	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 235,000	30,325	276,334	12,581	139,852	3,077
2019	85,000	20,590	90,269	5,933		
2020	90,000	15,120	15,536	4,396		
2021	95,000	9,293	15,810	4,122		
2022	100,000	3,150	16,089	3,843		
2023-2027			84,805	14,858		
2028-2032			92,554	7,109		
2033-2034			504,080	518		
Total	<u>\$ 605,000</u>	<u>78,478</u>	<u>1,095,477</u>	<u>53,360</u>	<u>139,852</u>	<u>3,077</u>

**BOLIVAR COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2017**

**Business-type Activities:**

Year Ending September 30:	Limited Obligation Bonds	
	Principal	Interest
2018	\$ 490,000	111,344
2019	485,000	100,719
2020	510,000	86,994
2021	455,000	72,569
2022	475,000	59,350
2023-2025	1,455,000	91,713
Total	<u>\$ 3,870,000</u>	<u>522,689</u>

Legal Debt Margin - The amount of debt, excluding specific exempted debt that can be incurred by the County is limited by state statute. Total outstanding debt during a year can be no greater than 15% of assessed value of the taxable property within the County, according to the then last completed assessment for taxation. However, the limitation is increased to 20% whenever a county issues bonds to repair or replace washed out or collapsed bridges on the public roads of the County. As of September 30, 2017, the amount of outstanding debt was equal to 1.79% of the latest property assessments.

The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2017:

	Balance Oct. 1, 2016	Additions	Deletions	Balance Sept. 30, 2017	Amount due within one year
<b>Governmental Activities:</b>					
Compensated absences	\$ 158,577	4,394		162,971	-
General obligation bonds	900,000		295,000	605,000	235,000
Other loans	1,368,506		273,029	1,095,477	276,334
Capital leases	276,694		136,842	139,852	139,852
Total	<u>\$ 2,703,777</u>	<u>4,394</u>	<u>704,871</u>	<u>2,003,300</u>	<u>651,186</u>
<b>Business-type Activities:</b>					
Compensated absences	\$ 32,172		7,128	25,044	-
Limited obligation bonds	4,360,000		490,000	3,870,000	490,000
Less: Discount	(11,247)	1,310		(9,937)	-
Total	<u>\$ 4,380,925</u>	<u>1,310</u>	<u>497,128</u>	<u>3,885,107</u>	<u>490,000</u>

Compensated absences will be paid by the funds from which the employees' salaries were paid which are generally the General Fund, Co-Wide Road Maintenance Fund, Bridge and Culvert Fund and BCRCF Fund.



**BOLIVAR COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2017**

**Component Units**

**Bolivar County ED District:**

Debt outstanding as of September 30, 2017, consisted of the following:

Description and Purpose	Amount Outstanding	Interest Rate	Maturity Date
Notes Payable:			
Industrial park acquisition & development	\$ 60,823	5.00	07-19
Industrial park acquisition & development	11,056	5.00	07-19
Industrial park acquisition & development	48,390	6.38	08-20
Total	<u>\$ 120,269</u>		

Annual debt service requirements to maturity are as follows:

Year Ending September 30:	Notes Payable	
	Principal	Interest
2018	\$ 63,437	6,681
2019	41,686	3,289
2020	15,146	970
Total	<u>\$ 120,269</u>	<u>10,940</u>

The following is the summary of changes in long-term liabilities for the year ended September 30, 2017:

	Balance Oct. 1, 2016	Additions	Deletions	Balance Sept. 30, 2017	Amount due within one year
Notes Payable	\$ 180,566	-	60,297	120,269	63,438
Total	<u>\$ 180,566</u>	<u>-</u>	<u>60,297</u>	<u>120,269</u>	<u>63,438</u>

**Bolivar County Library System:**

Debt outstanding at September 30, 2017, consisted of the following:

	Balance Oct. 1, 2016	Additions	Deletions	Balance Sept. 30, 2017	Amount due within one year
Compensated Absences	\$ 20,701	6,794		27,495	13,748
Total	<u>\$ 20,701</u>	<u>6,794</u>	<u>-</u>	<u>27,495</u>	<u>13,748</u>

**BOLIVAR COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2017**

**NOTE 12 – CONTINGENCIES.**

Federal Grants - The County has received federal grants for specific purposes that are subject to audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a grantor audit may become a liability of the county. In fiscal years 2002 & 2003, grants were received for the purpose of making loans in the amount of \$841,528 to Knight-Line Products, Inc. and \$139,679 to River Run, for the purposes of economic development. These loans have become delinquent and the County is currently pursuing collection. It is unclear at this time, whether the County will incur any liability to repay the grant funds, should the loans prove to be uncollectible. No provision for any liability that may result has been recognized in the County's financial statement.

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

**NOTE 13 – EFFECT OF DEFERRED AMOUNTS ON NET POSITION.**

The governmental activities' unrestricted net position amount of (\$4,850,283) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflow of resources related to pensions in the amount of \$231,958 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, 2018. The \$1,134,712 balance of deferred outflow of resources related to pensions at September 30, 2017, will be recognized in pension expense over the next four years. The \$824,780 balance of the deferred inflow of resources related to pension at September 30, 2017, will be recognized in pension expense over the next three years.

The governmental activities' unrestricted net position amount of (\$4,850,283) includes the effect of deferring the recognition of revenue resulting from interest on capital leases receivable. The \$77,039 balance of deferred inflows of resources at September 30, 2017, will be recognized as revenue and will increase the unrestricted net position over the next five years.

The business-type activities' unrestricted net position amount of (\$6,118,967) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflow of resources related to pensions in the amount of \$85,792 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, 2018. The \$289,285 balance of the deferred outflow of resources related to pensions at September 30, 2017 will be recognized in pension expense over the next four years. The \$657,629 balance of the deferred inflow of resources related to pension at September 30, 2017, will be recognized in pension expense over the next three years.

**BOLIVAR COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2017**

**NOTE 14 – RELATED ORGANIZATIONS.**

The Bolivar County Board of Supervisors is responsible for appointing a voting majority of the members of the boards of the following organizations, but the County's accountability for these organizations does not extend beyond making the appointments and in making annual appropriations, if any, to these organizations:

Bogue Hasty Drainage District  
Northern Drainage District  
Sub-Drainage District Number 12  
Number 11 Drainage District

**NOTE 15 – JOINTLY GOVERNED ORGANIZATIONS.**

The County participates in the following jointly governed organizations:

Delta Community Mental Health Services operates in a district composed of the Counties of Bolivar, Issaquena, Sharkey and Washington. The Board of Commissioners is composed of one appointee from each county Board of Supervisors. The County appropriated \$243,080 for maintenance and support of the commission in fiscal year 2017.

The South Delta Planning and Development District operates in a district composed of the Counties of Bolivar, Humphreys, Issaquena, Sharkey, Sunflower and Washington. The governing body is a 22-member Board of Directors with 4 appointed by the Board of Supervisors of Bolivar County. The County appropriated \$15,556 for maintenance and support of the district in fiscal year 2017.

Mississippi Delta Community College operates in a district composed of the Counties of Bolivar, Humphreys, Issaquena, Leflore, Sharkey, Sunflower and Washington. The Bolivar County Board of Supervisors appoints 2 of the 20 members of the College Board of Trustees. The County levied \$341,171 in taxes for the maintenance and support of the college in the fiscal year 2017.

Coahoma Community College operates in a district composed of the Counties of Bolivar, Coahoma, Quitman, Tallahatchie and Tunica. The Bolivar County Board of Supervisors appoints 2 of the 12 members of the College Board of Trustees. The County levied \$341,343 in taxes for maintenance and support in the fiscal year 2017.

Yazoo-Mississippi Water Management District operates in a district composed of the Counties of Bolivar, Carroll, Coahoma, Desoto, Holmes, Humphreys, Issaquena, Leflore, Panola, Quitman, Sharkey, Sunflower, Tallahatchie, Tate, Tunica, Washington and Yazoo. The Bolivar County Board of Supervisors appoints 2 of 21 members of the Board of Commissioners. The County levied \$216,022 in taxes to support the district in fiscal year 2017.

Bolivar County Community Action Program, Inc. was created as a non-profit organization by non-government individuals in 1964 pursuant to federal community action legislation. The Bolivar County Board of Supervisors appoints 7 of the 21 board members. Most of the entity's revenues are derived from federal grants. The County appropriated \$50,000 for maintenance and support of the organization in the fiscal year 2017.

**BOLIVAR COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2017**

**NOTE 16 – SUBSEQUENT EVENTS.**

Events that occur after the statement of Net Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management of Bolivar County evaluated the activity of the County through December 5, 2018, (the date the financial statements were available to be issued), and determined that no subsequent events occurred requiring disclosure in the notes to the financial statements.

## **BOLIVAR COUNTY**

### **REQUIRED SUPPLEMENTARY INFORMATION**

**BOLIVAR COUNTY**  
**Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis)**  
**General Fund**  
**For the Year Ended September 30, 2017**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 9,637,591	10,084,404	10,084,404	-
Licenses, commissions and other revenue	436,000	517,661	517,661	-
Fines and forfeitures	275,000	254,799	254,799	-
Intergovernmental revenues	566,500	848,568	848,568	-
Interest income	25,000	97,512	97,512	-
Miscellaneous revenues	125,000	185,553	185,553	-
Total Revenues	11,065,091	11,988,497	11,988,497	-
<b>EXPENDITURES</b>				
General government	5,850,797	5,381,266	5,381,266	-
Public safety	3,155,124	3,885,399	3,885,399	-
Public works	19,933			-
Health and welfare	703,158	646,591	646,591	-
Culture and recreation	434,846	435,785	435,785	-
Conservation of natural resources	155,269	115,761	115,761	-
Economic development and assistance	217,508	153,715	153,715	-
Debt service		19,932	19,932	-
Total Expenditures	10,536,635	10,638,449	10,638,449	-
Excess of Revenues over (under) Expenditures	528,456	1,350,048	1,350,048	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Sources	496,949	3,300	3,300	-
Uses	(1,396,949)	(1,153,130)	(1,153,130)	-
Total Other Financing Sources and Uses	(900,000)	(1,149,830)	(1,149,830)	-
Net Change in Fund Balance	(371,544)	200,218	200,218	-
Fund Balance - Beginning	2,876,826	7,236,803	7,236,803	-
Fund Balance - Ending	\$ 2,505,282	7,437,021	7,437,021	-

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

**BOLIVAR COUNTY****Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis)****Countywide Road Maintenance Fund****For the Year Ended September 30, 2017**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 1,678,927	1,820,794	1,820,794	-
Road and bridge privilege taxes	305,000	367,482	367,482	-
Licenses, commissions and other revenue	1,000	2,020	2,020	-
Intergovernmental revenues	500,000	2,015,401	2,015,401	-
Interest income	5,000	14,463	14,463	-
Miscellaneous revenues	1,000	38,408	38,408	-
Total Revenues	2,490,927	4,258,568	4,258,568	-
<b>EXPENDITURES</b>				
Public works	3,622,943	5,178,394	5,178,394	-
Total Expenditures	3,622,943	5,178,394	5,178,394	-
Excess of Revenues over (under) Expenditures	(1,132,016)	(919,826)	(919,826)	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Sources		10,816	10,816	-
Uses				-
Total Other Financing Sources and Uses	-	10,816	10,816	-
Net Change in Fund Balance	(1,132,016)	(909,010)	(909,010)	-
Fund Balance - Beginning	(3,367,906)	1,309,416	1,309,416	-
Fund Balance - Ending	\$ (4,499,922)	400,406	400,406	-

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

**BOLIVAR COUNTY**  
**Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis)**  
**Bridge & Culvert Fund**  
**For the Year Ended September 30, 2017**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 1,729,196	1,722,487	1,722,487	-
Interest income		4,029	4,029	-
Total Revenues	1,729,196	1,726,516	1,726,516	-
<b>EXPENDITURES</b>				
Public works	1,729,196	1,154,528	1,154,528	-
Debt Service	-	185,654	185,654	-
Total Expenditures	1,729,196	1,340,182	1,340,182	-
Excess of Revenues over (under) Expenditures	-	386,334	386,334	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Sources				-
Uses				-
Total Other Financing Sources and Uses	-	-	-	-
Net Change in Fund Balance	-	386,334	386,334	-
Fund Balance - Beginning	1,773,627	38,215	38,215	-
Fund Balance - Ending	\$ 1,773,627	424,549	424,549	-

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



**BOLIVAR COUNTY****Schedule of the County's Proportionate Share of the Net Pension Liability****Last 10 Fiscal Years\*****For the Year Ended September 30, 2017****BOLIVAR COUNTY**

	2017	2016	2015	2014
County's proportion of the net pension liability (asset)	0.115%	0.117%	0.125%	0.132%
County's proportionate share of the net pension liability (asset)	\$ 19,116,906	20,899,122	19,322,535	16,022,383
County's covered payroll	\$ 7,394,866	7,485,190	7,787,473	8,081,035
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	258.52%	279.21%	248.12%	198.27%
Plan fiduciary net position as a percentage of the total pension liability	61.49%	57.47%	61.70%	67.21%

**COMPONENT UNITS****Bolivar County Port Commission**

Proportion of the net pension liability (asset)	0.004647%	0.004965%	0.004878%	
Proportionate share of the net pension liability (asset)	\$ 772,489	873,697	754,043	
Covered payroll	\$ 310,065	323,635	300,494	
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	249.14%	269.96%	250.93%	
Plan fiduciary net position as a percentage of the total pension liability	61.49%	57.47%	61.70%	

**Bolivar County Library System**

Proportion of the net pension liability (asset)	0.0050%	0.0043%	0.0043%	0.0043%
Proportionate share of the net pension liability (asset)	831,170	768,087	664,695	521,941
Covered payroll	325,382	287,227	263,929	274,106
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	255.44%	267.41%	251.85%	190.42%
Plan fiduciary net position as a percentage of the total pension liability	61.49%	57.47%	61.70%	67.21%

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

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

**BOLIVAR COUNTY**  
**Schedule of County Contributions**  
**Last 10 Fiscal Years\***  
**For the Year Ended September 30, 2017**

**BOLIVAR COUNTY**

	2017	2016	2015
Contractually required contribution	\$ 1,184,067	1,192,579	1,216,088
Contributions in relation to the contractually required contribution	1,184,067	1,192,579	1,216,088
Contribution deficiency (excess)	\$ -	-	-
County's covered payroll	\$ 7,517,883	7,571,920	7,721,194
Contributions as a percentage of covered payroll	15.75%	15.75%	15.75%

**COMPONENT UNITS**

**Bolivar County Port Commission**

Contractually required contribution	\$ 48,835	50,973	47,328
Contributions in relation to the contractually required contribution	48,835	50,973	47,328
Contribution deficiency (excess)	\$ -	-	-
Covered payroll	\$ 310,065	323,635	300,496
Contributions as a percentage of covered payroll	15.75%	15.75%	15.75%

**Bolivar County Library System**

Contractually required contribution	53,008	45,239	41,569
Contributions in relation to the contractually required contribution	53,008	45,239	41,569
Contribution deficiency (excess)	-	-	-
Covered payroll	336,557	287,227	263,929
Contributions as a percentage of covered payroll	15.75%	15.75%	15.75%

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

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

**BOLIVAR COUNTY, MISSISSIPPI**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**September 30, 2017**  
**UNAUDITED**

**Budgetary Comparison Schedule**

**A. Budgetary Information.**

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

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

**B. Basis of Presentation.**

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

	General Fund	Countywide Road Maintenance Fund	Bridge & Culvert Fund
Budget (Cash basis)	\$ 200,218	(909,010)	386,334
Increase (Decrease)			
Net adjustments for revenue accruals	60,556	(66,398)	(1,155)
Net adjustments for expenditure accruals	(16,985)	44,829	3,017
GAAP Basis	<u>\$ 243,789</u>	<u>(930,579)</u>	<u>388,196</u>

**BOLIVAR COUNTY, MISSISSIPPI**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**September 30, 2017**  
**UNAUDITED**

**Pension Schedules**

**A. Changes in benefit provisions.**

**2016**

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.**

**2015**

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.

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.

Assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

The price inflation and investment rate of return assumptions were changed from 3.50% to 3.00% and 8.00% to 7.75%, respectively.

**2016**

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

**2017**

The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Mortality Table projected with Scale BB to 2022. Small adjustments were also made to the Mortality Table for disabled lives.

The wage inflation assumptions was reduced from 3.75% to 3.25%

Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual and anticipated experience.

The percentage of active member disabilities assumed to be in the line of duty was increased from 6% to 7%.

## **BOLIVAR COUNTY**

## **OTHER INFORMATION**

**BOLIVAR COUNTY**  
**Schedule of Surety Bonds for County Officials**  
**For the Year Ended September 30, 2017**  
**"Unaudited"**

Name	Position	Company	Bond
Benitha Calvin Williams	Supervisor District 1	Brierfield Insurance	\$100,000
Donnie Whitten	Supervisor District 2	Brierfield Insurance	\$100,000
Preston Billings	Supervisor District 3	Brierfield Insurance	\$100,000
James McBride	Supervisor District 4	Brierfield Insurance	\$100,000
Larry King	Supervisor District 5	Western Surety	\$100,000
Willie L. Hooker	County Administrator	Brierfield Insurance	\$100,000
Brenett N Haynes	Chancery Clerk	Brierfield Insurance	\$100,000
Teddra Turner	Deputy Chancery Clerk	Western Surety	\$50,000
Elexo Robinson	Purchase Clerk	Brierfield Insurance	\$75,000
Sarah Holloway	Asst. Purchase Clerk	Brierfield Insurance	\$50,000
Brandie Hudson	Asst. Receiving Clerk	Travelers Insurance	\$50,000
Vivian Caston	Asst. Receiving Clerk	Brierfield Insurance	\$50,000
Clarence "Buck" Beckham	Inventory Control Clerk	Brierfield Insurance	\$75,000
Lee Chatman	Road Manager	Brierfield Insurance	\$50,000
James Pritchett	Road Manager	Brierfield Insurance	\$50,000
Joe Lee Bassie	Constable	Brierfield Insurance	\$50,000
Lorene Scott	Constable	Brierfield Insurance	\$50,000
Sam Toliver	Constable	Brierfield Insurance	\$50,000
Marilyn Kelly	Circuit Clerk	Brierfield Insurance	\$100,000
Kelvin Williams	Sheriff	Brierfield Insurance	\$100,000
James Michael Lamb	Sheriff's Deputy	Brierfield Insurance	\$50,000
Ramona Bates	Sheriff's Deputy	Brierfield Insurance	\$50,000
James Carmicle	Sheriff's Deputy	Western Surety	\$50,000
Kevin Craig	Sheriff's Deputy	Brierfield Insurance	\$50,000
Joey Davis	Sheriff's Deputy	Brierfield Insurance	\$50,000
Dave Dorsey	Sheriff's Deputy	Brierfield Insurance	\$50,000
Mark Hall Jr.	Sheriff's Deputy	Brierfield Insurance	\$50,000
Youlandar Harris	Sheriff's Deputy	Brierfield Insurance	\$50,000
Charles Morris	Sheriff's Deputy	Brierfield Insurance	\$50,000
Steven Rose	Sheriff's Deputy	Brierfield Insurance	\$50,000
Gerald Wesley	Sheriff's Deputy	Brierfield Insurance	\$50,000
Gerald Wesley Jr.	Sheriff's Deputy	Brierfield Insurance	\$50,000
Michael Williams	Sheriff's Deputy	Brierfield Insurance	\$50,000
Andrewl Stimage	Sheriff's Deputy	Brierfield Insurance	\$50,000
Michael Honorable	Sheriff's Deputy	Western Surety	\$50,000
Eugene Hall, Security	Sheriff's Deputy	Western Surety	\$50,000
Ora Starks	Warden	Brierfield Insurance	\$50,000
James Straight	Justice Court Judge	Brierfield Insurance	\$50,000
Harold Ward	Justice Court Judge	Brierfield Insurance	\$50,000
Betty Jean Taylor	Justice Court Judge	Brierfield Insurance	\$50,000
Gloria Klauder	Justice Court Clerk	Brierfield Insurance	\$50,000
Dorothy Lewis	Deputy Justice Court Clerk	Western Surety	\$50,000
Monika Locke	Deputy Justice Court Clerk	Brierfield Insurance	\$50,000
Sophia D. Shelton	Deputy Justice Court Clerk	Western Surety	\$50,000
Zina Williams	Deputy Justice Court Clerk	Western Surety	\$50,000
Nancy Havens	Tax Collector-Assessor	Brierfield Insurance	\$100,000
Lajan VanVulpen	Deputy Tax Collector-Assessor	Brierfield Insurance	\$100,000
Kay Sandra Anderson	Deputy Tax Collector-Assessor	Western Surety	\$50,000
Ebony Latham	Deputy Tax Collector-Assessor	Brierfield Insurance	\$10,000

## **BOLIVAR COUNTY**

## **SPECIAL REPORTS**

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PRIVATE COMPANIES PRACTICE SECTION

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

Members of the Board of Supervisors  
Bolivar County, Mississippi

We have audited, 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Bolivar County, Mississippi (the County), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 5, 2018. Other auditor's audited the financial statements of the Bolivar County Port Commission and Bolivar County Library System, as described in our report on Bolivar County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting and on compliance and other matters that are reported separately by those auditors.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Bolivar County, Mississippi'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 Bolivar County, Mississippi's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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



Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as 2017-001 and 2017-002 that we consider to be significant deficiencies.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Bolivar 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*.

### **Bolivar County's Responses to Findings**

Bolivar County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. Bolivar 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.

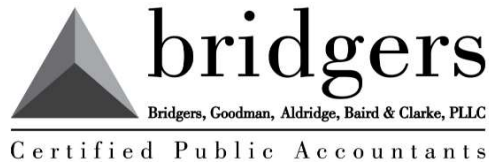
### **Purpose of this Report**

This 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.



Bridgers, Goodman, Aldridge, Baird & Clarke, PLLC  
Certified Public Accountants  
Vicksburg, Mississippi

December 5, 2018



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**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  
Bolivar County, Mississippi

We have examined Bolivar County, Mississippi's (the County) compliance with establishing and maintaining a central purchasing system and inventory control system in accordance with Section 31-7-101 through 31-7-127, Miss. Code Ann. (1972) and compliance with the purchasing requirements in accordance with the bid requirements of Section 31-7-13, Miss. Code Ann. (1972) during the year ended September 30, 2017. The Board of Supervisors of Bolivar 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 Bolivar 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, Bolivar County, Mississippi, complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements for the year ended September 30, 2017.

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

This report is intended for use in evaluating Bolivar 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.

*Bridgers, Goodman, Aldridge, Baird & Clarke, PLLC*

Bridgers, Goodman, Aldridge, Baird & Clarke, PLLC  
Certified Public Accountants  
Vicksburg, Mississippi

December 5, 2018

**BOLIVAR COUNTY****Schedule 1****Schedule of Purchases Not Made from the Lowest Bidder  
For the Year Ended September 30, 2017**

<u>Date</u>	<u>Item</u>	<u>Bid Accepted</u>	<u>Vendor</u>	<u>Lowest Bid</u>	<u>Reason for accepting other than Lowest Bid</u>
10/7/2016	Unleaded Gas	\$ 13,600.00	Serv-U	\$ 13,290.94	Can't deliver
3/31/2017	Cold Mix	\$ 79.00	Cold Mix	\$ 73.00	Lowest bidder ran out

**BOLIVAR COUNTY**  
**Schedule of Emergency Purchases**  
**For the Year Ended September 30, 2017**

Schedule 2

Our test results did not identify any emergency purchases.

**BOLIVAR COUNTY**Schedule 3**Schedule of Purchases Made Noncompetitively from a Sole Source  
For the Year Ended September 30, 2017**

<u>Date</u>	<u>Item Purchased</u>	<u>Amount</u>	<u>Vendor</u>
7/19/2017	Thermal Imagery Camera	\$ 12,520.00	Sunbelt fire

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## LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors  
Bolivar County, Mississippi

In planning and performing our audit of the financial statements of Bolivar County, Mississippi for the year ended September 30, 2017, we considered Bolivar 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 Bolivar 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 December 5, 2018, on the financial statements of Bolivar County, Mississippi.

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

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



Bridgers, Goodman, Aldridge, Baird & Clarke, PLLC  
Certified Public Accountants  
Vicksburg, Mississippi

December 5, 2018

## **BOLIVAR COUNTY**

### **SCHEDULE OF FINDINGS AND RESPONSES**



**BOLIVAR COUNTY**  
**Schedule of Findings and Responses**  
**For the Year Ended September 30, 2017**

Section 1: Summary of Auditor's Results

**Financial Statements:**

- |  |            |
|--|------------|
| 1. Type of auditor's report issued on the financial statements | Unmodified |
| 2. Internal control over financial reporting:                  |            |
| a. Material weaknesses identified?                             | No         |
| b. Significant deficiency identified?                          | Yes        |
| 3. Noncompliance material to the financial statements?         | No         |

Section 2: Financial Statement Findings

**Sheriff's Office**

**Significant Deficiency**

<b>2017-001.</b>	<u>Sheriff's Office is not making deposits timely.</u>
<b>Repeat Finding</b>	Yes
<b>Criteria</b>	Management is responsible for establishing a proper internal control system to ensure a strong financial accountability and safeguarding of assets and revenue.
<b>Condition</b>	As reported in the prior four years of audit reports, during the course of our test work, we found that the deposits are not being made in a timely manner. Failure to implement controls over cash could result in the loss or misappropriation of public funds, delay in the timely reconciliation of bank accounts, and settlement of funds to the County.
<b>Cause</b>	This is due to inadequate internal controls surrounding the depositing of revenue collected in the Sheriff's Office.
<b>Effect</b>	Inadequate controls surrounding the deposits of revenue collections could result in theft of assets and improper revenue recognition.
<b>Recommendation</b>	The Sheriff should ensure that the deposits are being made in a timely manner.
<b>Sheriff's Response</b>	We will put measures in place to make sure deposits are made in a timely manner.

**BOLIVAR COUNTY**  
**Schedule of Findings and Responses**  
**For the Year Ended September 30, 2017**

<b>2017-002.</b>	<u>Sheriff's Office is not making settlements timely.</u>
<b>Repeat Finding</b>	Yes
<b>Criteria</b>	Management is responsible for establishing a proper internal control system to ensure a strong financial accountability and safeguarding of assets and revenue.
<b>Condition</b>	As reported in the prior three years of audit reports, during the course of our test work, we found that the settlements to the County are not being made in a timely manner. A delay in settlements could result in the loss or misappropriation of public funds.
<b>Cause</b>	This is due to inadequate internal controls surrounding the settlements made by the Sheriff's Office.
<b>Effect</b>	Inadequate controls surrounding the settlement of revenue collections could result in theft of assets and improper revenue recognition.
<b>Recommendation</b>	The Sheriff should ensure that the settlements are being made in a timely manner.
<b>Sheriff's Response</b>	We will also insure that settlements are done on time, especially when nothing else interferes with their duties.