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FINANCIAL REPORT
TOMBIGBEE RIVER VALLEY WATER
MANAGEMENT DISTRICT

Tupelo, Mississippi

June 30, 2018

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CERTIFIED PUBLIC ACCOUNTANTS

204 South Main Street • P.O. Box 64
Amory, MS 38821
(662) 256-5603 • FAX (662) 256-5604
www.nmcpa.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
Tombigbee River Valley Water
Management District
Tupelo, Mississippi

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities of Tombigbee River Valley Water Management District, a component unit of the State of Mississippi, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Tombigbee River Valley Water Management District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tombigbee River Valley Water Management District as of June 30, 2018, and the changes in its financial position and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted 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.

Accounting principles generally accepted in the United States of America require that the schedule of required supplementary information included in Schedules 6 and 7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements. The supporting schedules 1 through 5 are presented for purposes of additional analysis and are not a required part of the basic financial statements of Tombigbee River Valley Water Management District.

The supporting schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supporting schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2018, on our consideration of Tombigbee River Valley Water Management District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 the District's internal control over financial reporting and compliance.

Nail McKinney Professional Association

Amory, Mississippi
December 10, 2018

BASIC FINANCIAL STATEMENTS

TOMBIGBEE RIVER VALLEY WATER MANAGEMENT DISTRICT

STATEMENT OF NET POSITION

June 30, 2018

ASSETS

Cash	\$ 4,660,609
Investments	4,753,507
Accounts receivable	55,308
Taxes receivable, member counties	39,223
Capital assets, net of accumulated depreciation	<u>2,347,197</u>
Total assets	<u>11,855,844</u>

DEFERRED OUTFLOWS OF RESOURCES

Collective deferred outflows of resources related to other postemployment benefits	4,088
Collective deferred outflows of resources related to pensions	<u>158,699</u>
Total deferred outflows of resources	<u>162,787</u>

LIABILITIES

Accounts payable	35,787
Accrued compensated absences	58,834
Other post-employment benefit liability	95,891
Pension liability	<u>1,690,932</u>
Total liabilities	<u>1,881,444</u>

DEFERRED INFLOWS OF RESOURCES

Collective deferred inflows of resources related to other postemployment benefit	5,981
Collective deferred inflows of resources related to pensions	<u>79,655</u>
Total deferred inflows of resources	<u>85,636</u>

NET POSITION

Invested in capital assets	2,347,197
Unrestricted	<u>7,704,354</u>
Total net position	<u>\$ 10,051,551</u>

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

TOMBIGBEE RIVER VALLEY WATER MANAGEMENT DISTRICT

STATEMENT OF ACTIVITIES

Year ended June 30, 2018

EXPENSES AND LOSSES

Personal service:

Salaries, wages, and fringe benefits \$ 892,198

Travel and subsistence 51,454

Contractual services 112,112

Commodities 152,179

Project costs and other outlays 222,276

Depreciation 255,321

Loss on sale or transfer of capital assets 298

Total expenses 1,685,838

REVENUES AND GAINS

Tax revenue, member counties 1,632,447

Interest income 74,380

Reimbursements:

Nonfederal 9,214Total revenues 1,716,041Change in net position 30,203

Net position, beginning - as previously stated 10,118,653

Cumulative effect of applying GASB 75 (97,305)Net position, beginning - as restated 10,021,348Net position, ending \$ 10,051,551

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

TOMBIGBEE RIVER VALLEY WATER MANAGEMENT DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2018

ASSETS

Cash	\$ 4,660,609
Investments	4,753,507
Accounts receivable	55,308
Taxes receivable, member counties	<u>39,223</u>
Total assets	<u>\$ 9,508,647</u>

LIABILITIES

Accounts payable	<u>\$ 35,787</u>
Total liabilities	<u>35,787</u>

FUND BALANCES

Committed	1,576,777
Unassigned	<u>7,896,083</u>
	<u>9,472,860</u>
Total liabilities and fund balances	<u>\$ 9,508,647</u>

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

TOMBIGBEE RIVER VALLEY WATER MANAGEMENT DISTRICT
RECONCILIATION OF GOVERNMENTAL FUND BALANCE TO NET POSITION

June 30, 2018

Fund balances - Governmental Fund (Exhibit C)	\$ 9,472,860
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	2,347,197
Collective deferred outflows related to pensions that are not a current use of funds and therefore are not reported in the governmental funds	162,787
The pension and other post employment benefit liabilities are not payable from current resources and therefore are not reported in the governmental funds	(1,786,823)
Collective deferred inflows of resources related to pensions that are not a current resource of funds and therefore are not reported in the governmental funds	(85,636)
Accrued compensated absences are not due and payable in the current year and therefore are not reported in the governmental funds.	<u>(58,834)</u>
Net position of governmental activities (Exhibit B)	<u>\$ 10,051,551</u>

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

TOMBIGBEE RIVER VALLEY WATER MANAGEMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
GOVERNMENTAL FUNDS

Year ended June 30, 2018

REVENUES

Tax revenue, member counties	\$ 1,632,447
Interest on investments	74,380
Reimbursements:	
Nonfederal	<u>9,215</u>
Total revenues	<u>1,716,042</u>

EXPENSES

Personal service:	
Salaries, wages, and fringe benefits	846,889
Travel and subsistence	51,454
Contractual services	112,112
Commodities	160,744
Project costs and other outlays	222,276
Machinery and equipment	<u>2,835</u>
Total expenditures	<u>1,396,310</u>
Excess of revenues over expenditures	319,732
Fund balance, beginning	<u>9,153,128</u>
Fund balance, ending	<u>\$ 9,472,860</u>

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

TOMBIGBEE RIVER VALLEY WATER MANAGEMENT DISTRICT
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE TO STATEMENT OF ACTIVITIES

Year ended June 30, 2018

Net change in fund balances - Total Governmental Funds (Exhibit E) \$ 319,732

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 as depreciation expense. This is the amount by which depreciation differed from capital outlays in the current period. Also, delivery and installation costs are included in the depreciable cost on the government-wide basis. The reclassification of these contractual and commodity expenditures is also included in this amount. (243,921)

Governmental funds report sales of assets as other income and do not report transfers of undepreciated capital assets to other agencies. Gains and losses on these transactions are recorded in the Statement of Activities. (298)

Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. (45,310)

Change in net position of governmental activities (Exhibit B) \$ 30,203

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

TOMBIGBEE RIVER VALLEY WATER MANAGEMENT DISTRICT

BUDGETARY COMPARISON STATEMENT

Year ended June 30, 2018

	BUDGETED AMOUNTS		ACTUAL AMOUNTS (BUDGETARY BASIS)		BUDGET TO GOVERNMEN- TAL FUND DIFFERENCES	ACTUAL AMOUNTS GOVERN- MENTAL FUND BASIS (EXHIBIT E)
	ORIGINAL	FINAL				
REVENUES:						
Tax revenue, member counties	\$ 2,000,000	\$ 2,000,000	\$ 1,639,709	(a)	\$ (7,262)	\$ 1,632,447
Interest on investments	150,000	150,000	39,309	(a)	35,071	74,380
Reimbursements:						
Federal	200,000	200,000	-		-	-
Nonfederal	200,000	200,000	9,216	(a)	(1)	9,215
Total revenues	2,550,000	2,550,000	1,688,234		27,808	1,716,042
EXPENSES:						
Personal service:						
Salaries, wages, and fringe benefits	1,151,376	1,151,376	847,609	(b)	(720)	846,889
Travel and subsistence	185,000	185,000	55,693	(b)	(4,239)	51,454
Contractual services	700,000	700,000	117,865	(b)	(5,753)	112,112
Commodities	550,000	550,000	166,704	(b)	(5,960)	160,744
Capital outlay:						
Project costs & other outlays	4,500,000	4,500,000	200,090	(b)	22,186	222,276
Machinery and equipment	1,177,100	1,177,100	2,835		-	2,835
Subsidies, loans, and grants	250,000	250,000	-		-	-
	8,513,476	8,513,476	1,390,796		5,514	1,396,310
Net change in fund balance	(5,963,476)	(5,963,476)	297,438		22,294	319,732
Fund balance, beginning	9,116,677	9,116,677	9,116,677		36,451	9,153,128
Fund balance, ending	\$ 3,153,201	\$ 3,153,201	\$ 9,414,115		\$ 58,745	\$ 9,472,860

The District prepares its budget on the cash basis of accounting, budgeting for revenues expected to be received and expenditures expected to be spent during the year. Differences between the budgetary accounting basis and the Governmental Fund basis shown in Exhibit E result from:

- a) Tax revenues, interest, and other receivables accrued at the beginning and end of each year.
- b) Accounts payable accrued at the beginning and end of each year.

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

TOMBIGBEE RIVER VALLEY WATER MANAGEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Tombigbee River Valley Water Management District was organized in 1963, as authorized by the Legislature of the State of Mississippi, for the purpose of developing and conserving the human and natural resources of Mississippi counties in which the Tombigbee River or any of its tributaries lie. The twelve member counties are Alcorn, Chickasaw, Clay, Itawamba, Kemper, Lee, Lowndes, Monroe, Noxubee, Pontotoc, Prentiss, and Tishomingo. The District is a component unit of the State of Mississippi.

A. Use of Estimates in the Preparation of Financial Statements

In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

B. Basis of Presentation, Measurement Focus, and Basis of Accounting

Government-Wide Financial Statements: The Statement of Net Position and the Statement of Activities display information about a reporting government as a whole. In the District's case, the reporting government consists entirely of a single fund, a governmental general fund. Government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized when the liability is incurred or when economic assets are used.

Fund Financial Statements: The Balance Sheet-Governmental Funds and the Statement of Revenues, Expenditures and Changes in Fund Balance-Governmental Funds display information about individual funds, which are separate accounting entities, each of which has a separate set of self-balancing accounts that constitute the fund's assets, liabilities, fund equity, revenues and expenditures/expenses. The District has only one fund. This general operating fund is used to account for all current financial resources of the District. Fund financial statements of governmental funds are presented using the current financial resources measurement focus and the modified accrual basis. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. Expenditures, including capital outlays, are recorded when the related fund liability is incurred.

Other Financial Statements: The Budgetary Comparison Statement presents the District's originally and finally approved budget compared to actual revenues and expenditures. Actual revenues and expenditures are presented on the District's budgetary basis of accounting, the cash basis of accounting. The District's budget procedures are described below.

NOTES TO FINANCIAL STATEMENTS - (Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

C. Capital Assets and Depreciation

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the District. When purchased, such assets are recorded as expenditures in the governmental fund and capitalized. The valuation basis for general capital assets is historical cost.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives are as follows: Buildings, 20 to 40 years; machinery and equipment, 4 to 10 years.

D. Budgets

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Approximately one year before a fiscal year begins, the agency prepares a proposed operating budget for that year. The operating budget includes proposed expenditures and the means of financing them.
2. During August, this proposed budget for the fiscal year, commencing the following July, is submitted to the Fiscal Management Board and the Legislative Budget Office. Budget hearings are conducted resulting in recommendations for changes or approval of the request as submitted.
3. In January, the proposed budget and any recommendations proposed by the Legislative Budget Commission, are presented to the legislature. The legislature makes any revisions it deems necessary or appropriate. Prior to March 30, the budget is legally enacted through passage of a statute.
4. The District is authorized to transfer budgeted amounts between major expenditure classifications on a limited basis subject to approval by the Fiscal Management Board. The final amended budget is used for budget comparison purposes in this report.
5. The budget for the General Fund is adopted on a cash basis. Exhibit G compares actual expenditures on the budgetary basis to original and final budgets and reconciles revenues and expenditures for the year from the budgetary basis to a modified accrual basis used in governmental fund financial statements.

E. Compensated Absences

Section 25-3-97, Miss. Code Ann. (1972), authorizes payment for a maximum of 30 days accrued personal leave in a lump sum upon termination of employment. No payment is authorized for accrued major medical leave unless the employee presents medical evidence that his or her physical condition is such that he or she can no longer work in a capacity of state government.

NOTES TO FINANCIAL STATEMENTS - (Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The liability for compensated absences reported in the government-wide Statement of Net Assets consists of unpaid, accumulated annual personal leave balances. The District has not classified any of the liability for compensated absences as current due to the immateriality of the amount.

F. Risk

The District participates in the State of Mississippi Tort Claims Board insurance pool and purchases commercial insurance in order to limit its exposure to risk.

G. Evaluation of Subsequent Events

In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through the date of the Independent Auditors' Report, which is the date the financial statements were available to be issued.

H. Fund Balance Reporting in Governmental Funds

Nonspendable fund balances reported in the governmental fund balance sheet are associated with assets that are not in spendable form, such as inventories, prepaid items, and the long-term portion of loans and notes receivable, or items that are legally required to be maintained intact.

Spendable fund balances in the governmental fund balance sheet are classified as restricted, committed, assigned or unassigned based upon the extent to which the District is bound to observe constraints imposed on the use of the resources reported in the governmental funds. Restricted fund balances represent amounts that are constrained by external parties, such as creditors, grantors, or contributors, or through constitutional provisions or enabling legislation. Committed fund balances represent amounts that are usable only for specific purposes by formal action of the District's board of directors. Assigned fund balances represent amounts that are intended to be used for specific purposes, but are neither restricted nor committed. Unassigned fund balances represent the residual classification for the District.

I. 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's fiduciary 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.

J. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the District's OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the State of Mississippi State and School Employees' Life and Health Insurance Plan

NOTES TO FINANCIAL STATEMENTS - (Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

(the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

NOTE 2. PENSION PLAN

A. General Information about the Pension Plan

Plan description

The Public Employee's Retirement System of Mississippi (PERS or the System) was created with the purpose to provide pension benefits for all state and public education employees, sworn officers of the Mississippi Highway Safety Patrol, or other public employees whose employers have elected to participate in the System and elected members of the State Legislature and the President of the Senate. The System administers a cost-sharing, multiple employer defined benefit pension plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans*.

Benefits provided

For the cost-sharing plan 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 2.00% 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 2.50% for each additional year of creditable service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age that the member is below 65, whichever is less. Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service. A member may elect a reduced retirement allowance payable for life with a provision that, after death, a beneficiary receives benefits for life or for a specified number of years. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. In the event of death prior to retirement of any member whose spouse and/or children are not entitled to a retirement allowance, the deceased member's accumulated contributions and interest are paid to the designated beneficiary.

Contributions

Pursuant to Miss. Code Ann. § 25-11-123 (1972, as amended), the Board of Trustees of the Public Employees' Retirement System of Mississippi is authorized to set the contribution rates for both employee and employer contributions based on the basis of the liabilities of the retirement system as shown by the actuarial valuation. Effective July 1, 2010 and continuing thereafter until amended by the Board of Trustees of the Public Employees' Retirement System of Mississippi, the employee contribution rate

NOTES TO FINANCIAL STATEMENTS - (Continued)

NOTE 2. PENSION PLAN – (Continued)

was fixed at 9.00 percent of earned compensation. The District's contractually required contribution rate, effective July 1, 2013 and continuing thereafter until amended by the Board of Trustees of the Public Employees' Retirement System of Mississippi, was fixed at 15.75 percent of earned compensation. Contributions to the pension plan from the District were \$ 96,823 for the year ended June 30, 2018.

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

At June 30, 2018, the District reported a liability of \$ 1,690,932 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 District's proportion of the net pension liability was based on the ratio of the District's actual contribution to the System's total actual contributions as of and for the System's fiscal year ended June 30, 2017. At June 30, 2017, the District's proportion was 0.010172%, which was an increase of .00062% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$ 152,004. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 24,293	\$ 12,338
Changes in assumptions	37,583	2,881
Net difference between projected and actual earnings on pension plan investments	-	21,710
Changes in proportion and differences between District contributions and proportionate share of contributions	-	42,726
District contributions subsequent to the measurement date	96,823	-
	<u>\$ 158,699</u>	<u>\$ 79,655</u>

Deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the following fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

NOTES TO FINANCIAL STATEMENTS - (Continued)

NOTE 2. PENSION PLAN – (Continued)

Years ended June 30,	
2019	\$ 16,734
2020	13,944
2021	(11,103)
2022	(37,354)
2023	-
Therafter	-
	<u>\$ (17,779)</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 included in the measurement:

Inflation	3.00%
Salary increases	3.75% - 18.50%, average, including inflation
Investment rate of return	7.75%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the June 30, 2017 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:

NOTES TO FINANCIAL STATEMENTS - (Continued)

NOTE 2. PENSION PLAN – (Continued)

Asset Class	Target Allocation	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	2.25
Cash	1.00	-
	100.00 %	

Discount rate

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

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate

The following table presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.75%, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher than the current rate (8.75%):

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 2,217,770	\$ 1,690,932	\$ 1,253,542

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report, which can be obtained at www.pers.ms.gov.

NOTES TO FINANCIAL STATEMENTS - (Continued)

NOTE 3. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. General Information about the OPEB Plan

Plan description

State law mandates that all state, public education, library, junior and community college and retiring employees be offered health and life benefit coverage through the State and School Employees' Life and Health Insurance Plan (the Plan). The Plan was established by Section 25-15-3 et seq., Mississippi Code Ann. (1972), which may be amended only by the State Legislature. The State and School Employees' Health Insurance Management Board (the Board) administers the Plan. The Board has the sole legal authority to promulgate rules and regulations governing the operations of the Plan within the confines of the law governing the Plan. The Plan is self-insured and is financed through premiums collected from employers, employees, retirees and COBRA participants. The Plan provides for Other Postemployment Benefits (OPEB) as multiple-employer defined benefit OPEB plan. A trust was created June 28, 2018 for the OPEB Plan and, while no trust was in place for the June 30, 2017 plan year-end, for purposes of comparability for future periods, terminology used herein is based on the plan being a cost-sharing multiple-employer defined benefit OPEB plan. The plan does not issue a stand-alone financial report.

Benefits provided

The Plan was formed by the State Legislature to provide group health and life benefits to full-time active and retired employees of the State, agencies, universities, community/junior colleges, public school districts and public libraries. In addition, the spouse and/or children of covered employees and retirees, as well as surviving spouses and COBRA participants, may be eligible for health insurance coverage under the Plan. Benefits of the OPEB Plan consist of an implicit rate subsidy, which is essentially the difference between the average cost of providing health care benefits to retirees under age 65 and the average cost of providing health care benefits to all participants when premiums paid by retirees are not age adjusted. Employees' premiums are funded primarily by their employers. Retirees must pay their own premiums, as do active employees for spouse and dependent medical coverage. The Board has the sole authority for setting life and health insurance premiums for the Plan. Per Section 12-15-15 (10) Mississippi Code Ann. (1972), a retired employee electing to purchase retiree life and health insurance must pay the full cost of such insurance premium. If the Board determined actuarially that the premium paid by the participating retirees adversely affects the overall cost of the Plan to the State, then the Board may impose a premium surcharge, not to exceed 15%, upon such participating retired employees who are under the age for Medicare eligibility and who are initially employed on or after January 1, 2006. For participating retired employees who are under the age for Medicare eligibility, and who are initially employed on or after January 1, 2006, the Board may impose a premium surcharge in an amount the Board determined actuarially to cover the full cost of insurance. The Plan offers a Base option and a Select option for health benefits for non-Medicare participants. The Plan includes a separate coverage level for Medicare eligible retirees, Medicare eligible surviving spouses, and Medicare eligible dependents of retirees and surviving spouses.

Contributions

The Board has the sole authority for setting life and health insurance premiums for the Plan. The required premiums vary based on the plan selected and the type of participant. Employers pay no

NOTES TO FINANCIAL STATEMENTS - (Continued)

NOTE 3. OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)

premiums for retirees while employees' premiums are funded primarily by their employer.

Contributions to the OPEB plan from the District were \$ 51,601 for the year ended June 30, 2018.

B. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB

At June 30, 2018, the District reported a liability of \$ 95,891 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The basis for the District's proportion is determined by comparing the employer's average monthly employees participating in the Plan with the total average employees participating in the Plan in the fiscal year of all employers. The allocation was utilized because the level of premiums contributed by each employer is the same for any employee regardless of plan participation elections made by the employee. At the measurement date of June 30, 2017, the District's proportion was .01222156 percent. This was a decrease of .00015798 percent from the proportionate share as of the measurement date of June 30, 2016.

For the year ended June 30, 2018, the District recognized OPEB expense of \$ 4,567. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	4,883
Net difference between projected and actual earnings on OPEB plan investments	-	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	1,098
District contributions subsequent to the measurement date	4,088	-
	<u>\$ 4,088</u>	<u>\$ 5,981</u>

\$ 4,088 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction to the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

NOTES TO FINANCIAL STATEMENTS - (Continued)

NOTE 3. OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)

Years ended June 30,	
2019	\$ (1,049)
2020	(1,049)
2021	(1,049)
2022	(1,049)
2023	(1,049)
Therafter	<u>(736)</u>
	<u>\$ (5,981)</u>

Actuarial assumptions

The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00 percent
Salary increases	3.25-18.50 percent, including wage inflation
Long-term Investment Rate of Return, net of OPEB plan investment expense, including inflation	N/A
Municipal Bond Index Rate	
Measurement Date	3.56 percent
Prior Measurement Date	3.01 percent
Year FNP is projected to be depleted	
Measurement Date	2017
Prior Measurement Date	2016
Single Equivalent Interest Rate, net of OPEB plan investment expense, including inflation	
Measurement Date	3.56 percent
Prior Measurement Date	3.01 percent
Health Care Cost Trends	
Medicare Supplement Claims and Pre-Medicare	7.75 percent for 2017 decreasing to an ultimate rate of 5.00 percent by 2023

Both pre-retirement and post-retirement mortality rates were based on the RP 2014 Healthy Annuitant Blue Collar Table projected with Scale BB to 2022, male rates set forward 1 year and adjusted by 106% for males at all ages, and females adjusted to 90% for ages less than 76, 95% for age 76, 105% for age 78, and 110% for ages 79 and greater. Post-disability mortality rates were based on the RP 2014 Disabled Retiree Mortality Table set forward 4 years for males and 3 years for females.

The demographic actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study dated April 18, 2017.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan

NOTES TO FINANCIAL STATEMENTS - (Continued)

NOTE 3. OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)

participation, rates of plan election, etc.) used in the June 30, 2017 valuation were based on a review of recent plan experience done concurrently with the June 30, 2017 valuation.

The Plan had no assets as of the measurement date of 2017.

Discount rate

The discount rate used to measure the total OPEB liability at June 30, 2017 was 3.56 percent. Since the Prior Measurement Date, the Discount Rate has changed from 3.01% to 3.56%.

Since no trust was set up as of June 30, 2017, there was no projection of cash flows for the Plan and the Plan was projected to be depleted in 2017.

The discount rate determination will use a municipal bond rate to the extent the trust is projected to run out of money before all benefits are paid. The rate used, if necessary, for this purpose is the average of the Bond Buyer General Obligation 20-year Municipal Bond Index Rates during the month of June published at the end of each week by the Bond Buyer.

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount rate

The following presents the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.56 percent) or 1 percentage point higher (4.56 percent) than the current discount rate:

	<u>1%</u> <u>Decrease</u>	<u>Current</u> <u>Discount</u> <u>Rate</u>	<u>1%</u> <u>Increase</u>
Net OPEB liability	\$ 98,424	\$ 95,891	\$ 94,006

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the healthcare cost trend rates

The following presents the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	<u>1%</u> <u>Decrease</u>	<u>Current</u> <u>Discount</u> <u>Rate</u>	<u>1%</u> <u>Increase</u>
Net OPEB liability	\$ 88,562	\$ 95,891	\$ 104,259

NOTES TO FINANCIAL STATEMENTS - (Continued)

NOTE 3. OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)

OPEB plan fiduciary net position

The fiduciary net position for the OPEB plan was zero as of June 30, 2017, the measurement date. Therefore, no separately issued financials were prepared. Detailed information about the OPEB plan's fiduciary net position for June 30, 2018 and going forward will be available in separately issued financial reports available on the Mississippi Department of Finance and Administration's website.

NOTE 4. CHANGES IN NONCURRENT LIABILITIES

Noncurrent liabilities (excluding the pension liability described in Note 2) consisted entirely of accrued compensated absences which decreased by \$ 10,351 compared to the July 1, 2017, balance of \$ 69,185.

NOTE 5. COMMITMENTS AND COMMITTED FUND BALANCE

Projects of a Local Nature

In accordance with House Bill No. 179 enacted by the Mississippi Legislature in 1962, the District receives ad valorem taxes from each participating county. The District is obligated to spend for projects of a local nature in each participating county an amount based on that county's 1965 ad valorem tax assessment. The total amount of unexpended project costs for which the District was obligated by this Bill at June 30, 2018 was \$ 21,704. Also, in 2010 and 2011, the District was repaid for bonds redeemed on behalf of Yellow Creek Port Authority. The District's Board of Directors voted to commit these funds to be added to projects of a local nature. The balance of these committed funds as of June 30, 2018 was \$ 601,719. During fiscal year ended June 30, 2018, the District's Board of Directors voluntarily voted to commit an additional \$ 1,000,000 to these funds. The balance of these committed funds as of June 30, 2018 was \$ 953,354. The Projects are to be financed out of ad valorem taxes of the participating counties during the period they are members of the District. The total of these commitments by the District's Board of Directors of \$ 1,576,777 is included in committed fund balances in the balance sheet-governmental funds.

The District has entered into several agreements with the Natural Resource Conservation Service to share 25% of the cost of certain emergency watershed projects. The District's share of the cost may be either a cash or in-kind contribution. The District intends to use its maintenance personnel and equipment as its share of the cost.

In addition to the above commitments, the District is obligated by resolutions to maintain the tributaries of the Tombigbee River that are improved by the United States Army Corps of Engineers.

NOTES TO FINANCIAL STATEMENTS - (Continued)

NOTE 6. CAPITAL ASSETS

The following is a summary of changes in capital assets:

	BALANCE JULY 1, 2017	INCREASES	DECREASES	BALANCE JUNE 30, 2018
Assets not being depreciated:				
Land	\$ 929,831	\$ -	\$ -	\$ 929,831
	<u>929,831</u>	<u>-</u>	<u>-</u>	<u>929,831</u>
Other capital assets:				
Buildings and improvements	965,841	1,463	-	967,304
Machinery and equipment	4,045,383	9,936	19,250	4,036,069
	<u>5,011,224</u>	<u>11,399</u>	<u>19,250</u>	<u>5,003,373</u>
Accumulated depreciation:				
Buildings and improvements	313,606	31,086	-	344,692
Machinery and equipment	3,036,030	224,235	18,950	3,241,315
	<u>3,349,636</u>	<u>255,321</u>	<u>18,950</u>	<u>3,586,007</u>
Net other capital assets	<u>1,661,588</u>	<u>(243,922)</u>	<u>300</u>	<u>1,417,366</u>
Net capital assets	<u>\$ 2,591,419</u>	<u>\$ (243,922)</u>	<u>\$ 300</u>	<u>\$ 2,347,197</u>

NOTE 7. CASH AND INVESTMENTS

The District's deposits and investments, as listed below, at June 30, 2018 were entirely covered by federal depository insurance or by collateral through the statewide collateral pool administered by the State Treasurer.

State law authorizes the District to invest in obligations of the U. S. Treasury and U. S. Agencies; obligations of the Tennessee Valley Authority; obligations of the State of Mississippi and its agencies, municipalities or political subdivisions; obligations of any state or its divisions that are rated "A" or better; and certain surety bonds.

Since the District was invested in interest-bearing accounts at June 30, 2018, the investments' carrying values approximate their fair values. Amounts on deposit at June 30, 2018 are as follows:

	AMOUNT
Cash:	
Petty cash fund	\$ 200
Checking account (before deducting outstanding checks)	36,444
Money market	<u>4,656,911</u>
	<u>\$ 4,693,555</u>
Investments:	
Certificates of deposit	<u>\$ 4,753,507</u>
	<u>\$ 4,753,507</u>

NOTES TO FINANCIAL STATEMENTS - (Continued)

NOTE 8. CUMULATIVE EFFECT ADJUSTMENT

During the year ended June 30, 2018, Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* was implemented. This standard requires the liability of employer and nonemployer contributing entities to employees for postemployment benefits other than pensions (OPEB) to be measured as the District's portion of the actuarially calculated liability for OPEB. Transition guidance in GASB No. 75 requires that accounting changes adopted to conform to the provisions of that Statement should be applied retroactively by restating financial statements, if practical, for all periods presented. If restatement is not practical, the cumulative effect of applying this Statement should be reported as a restatement of beginning net position for the earliest period presented. Based on the foregoing, the cumulative effect adjustment is reflected on the statement of activities for the year ended June 30, 2018.

SUPPORTING SCHEDULES

TOMBIGBEE RIVER VALLEY WATER MANAGEMENT DISTRICT

SCHEDULE OF SURETY BONDS

June 30, 2018

NAME AND POSITION	SURETY	SERIAL NUMBER	AMOUNT
Directors:			
Jerry D. Keith, President	Western Surety	18117508	\$ 20,000
Rex Mooney, Vice President	Western Surety	18117508	\$ 20,000
Dr. L. J. Goodgame, Secretary	Western Surety	18117508	\$ 20,000
Robert A. Godfrey, Treasurer	Western Surety	18117508	\$ 20,000
	Travelers Casualty & Surety	105472665	\$ 50,000
Joe Brooks	Western Surety	18117508	\$ 20,000
Julian Chancellor	Western Surety	18117508	\$ 20,000
Ken Cooley	Western Surety	18117508	\$ 20,000
Joe Duncan	Western Surety	18117508	\$ 20,000
Jerry Mack Etheridge	Western Surety	18117508	\$ 20,000
Donald G. Goodwin	Western Surety	18117508	\$ 20,000
Carl "Fox" Haas	Western Surety	18117508	\$ 20,000
Tommy Johnson	Western Surety	18117508	\$ 20,000
Peggy Jolly	Western Surety	18117508	\$ 20,000
Stacy Lewis	Western Surety	18117508	\$ 20,000
Perry R. Lucas	Western Surety	18117508	\$ 20,000
Sandy Mitchell	Western Surety	18117508	\$ 20,000
Nicky Nichols	Western Surety	18117508	\$ 20,000
Rayburn Parks	Western Surety	18117508	\$ 20,000
Larry Pugh	Western Surety	18117508	\$ 20,000
Stanley D. Pulliam	Western Surety	18117508	\$ 20,000
Tim Rakestraw	Western Surety	18117508	\$ 20,000
Jack Savely	Western Surety	18117508	\$ 20,000
Ralph Smith	Western Surety	18117508	\$ 20,000
Brad Stevens	Western Surety	18117508	\$ 20,000
Earl Thomas	Western Surety	18117508	\$ 20,000
Paul Vickers	Western Surety	18117508	\$ 20,000
Wesley Webb	Western Surety	18117508	\$ 20,000
Richard M. Whitfield	Western Surety	18117508	\$ 20,000
Walt Willis	Western Surety	18117508	\$ 20,000
Employees:			
David Kennard, Executive Director	Western Surety	18117508	\$ 20,000
	Travelers Casualty & Surety	106928596	\$ 5,000
All other employees	Western Surety	18117508	\$ 20,000

SCHEDULE 2

TOMBIGBEE RIVER VALLEY WATER MANAGEMENT DISTRICT

CASH BASIS SCHEDULE OF PER DIEM AND
TRAVEL PAID TO BOARD MEMBERS

Year ended June 30, 2018

NAME	PER DIEM	TRAVEL	TOTAL
Joe Brooks	\$ 560	\$ 3,500	\$ 4,060
Jullian W. Chancellor, Jr.	120	168	288
Kenneth S. Cooley	200	363	563
Joe Duncan	840	1,248	2,088
Jerry Mack Etheridge	120	140	260
Robert A. Godfrey	1,040	430	1,470
Dr. L. J. Goodgame	1,440	6,647	8,087
Donald G. Goodwin	-	-	-
James E. Granger	1,240	5,319	6,559
Carl Haas	120	124	244
Tommy Johnson	600	1,200	1,800
Peggy Jolly	1,040	7,037	8,077
Jerry D. Keith	3,360	8,402	11,762
R. Perry Lucas	-	-	-
Sandy Mitchell	200	214	414
Rex Mooney	720	415	1,135
Nicky Nichols	40	13	53
Rayburn Parks	720	1,716	2,436
Larry Pugh	-	-	-
Stanley D. Pulliam	120	113	233
Tim Rakestraw	640	367	1,007
Jack Savely	1,040	6,953	7,993
Ralph Smith	440	1,639	2,079
Brad Stevens	720	4,242	4,962
Paul Vickers	200	75	275
Wesley Webb	120	36	156
Richard M. Whitfield	280	85	365
Walton Willis	600	4,183	4,783
	<u>\$ 16,520</u>	<u>\$ 54,629</u>	<u>\$ 71,149</u>

TOMBIGBEE RIVER VALLEY WATER MANAGEMENT DISTRICT

SCHEDULE OF CHANGES IN LAND AND OTHER PROJECT COSTS

Year ended June 30, 2018

	BALANCE 6/30/2017	NET INCREASE (DECREASE)	BALANCE 6/30/2018
PROJECTS OF A LOCAL NATURE:			
Alcorn County	\$ 676,787	\$ -	\$ 676,787
Chickasaw County	446,461	16,299	462,760
Clay County	653,162	-	653,162
Itawamba County	338,604	2,538	341,142
Kemper County	379,319	-	379,319
Lee County	1,591,653	39,747	1,631,400
Lowndes County	1,777,197	22,186	1,799,383
Monroe County	1,156,406	-	1,156,406
Noxubee County	422,033	14,491	436,524
Pontotoc County	377,415	57,011	434,426
Prentiss County	366,251	-	366,251
Tishomingo County	312,924	16,904	329,828
Total projects of a local nature	<u>8,498,212</u>	<u>169,176</u>	<u>8,667,388</u>
DISTRICT PROJECTS:			
Alcorn County	786,256	29,600	815,856
Chickasaw County	1,117,688	76,604	1,194,292
Clay County	699,768	49,517	749,285
Itawamba County	1,514,151	130,215	1,644,366
Kemper County	667,183	16,850	684,033
Lee County	2,107,987	68,790	2,176,777
Lowndes County	1,946,721	102,610	2,049,331
Monroe County	660,713	-	660,713
Noxubee County	351,233	33,669	384,902
Pontotoc County	716,647	48,042	764,689
Prentiss County	764,614	10,337	774,951
Tishomingo County	698,957	51,177	750,134
Non-designated expenditures	<u>3,592,222</u>	<u>73,099</u>	<u>3,665,321</u>
Total district projects	<u>15,624,140</u>	<u>690,510</u>	<u>16,314,650</u>
Items reclassified as buildings, land and equipment	<u>(1,333,036)</u>	<u>-</u>	<u>(1,333,036)</u>
Totals	<u>\$ 22,789,316</u>	<u>\$ 859,686</u>	<u>\$ 23,649,002</u>

TOMBIGBEE RIVER VALLEY WATER MANAGEMENT DISTRICT

SCHEDULE OF TAX REVENUE FROM MEMBER COUNTIES

Year ended June 30, 2018

	CASH BASIS	INCREASE/ (DECREASE) IN RECEIVABLE	ACCRUAL BASIS
Alcorn County	\$ 93,544	(2,184)	\$ 91,360
Chickasaw County	100,122	(966)	99,156
Clay County	121,696	919	122,615
Itawamba County	39,609	-	39,609
Kemper County	41,840	-	41,840
Lee County	249,594	8,936	258,530
Lowndes County	373,232	(1,979)	371,253
Monroe County	182,617	(411)	182,206
Noxubee County	58,709	(12,387)	46,322
Pontotoc County	167,064	792	167,856
Prentiss County	60,132	(75)	60,057
Tishomingo County	151,550	93	151,643
Total	<u>\$ 1,639,709</u>	<u>\$ (7,262)</u>	<u>\$ 1,632,447</u>

TOMBIGBEE RIVER VALLEY WATER MANAGEMENT DISTRICT

STATUS OF FUNDS FOR PROJECTS OF A LOCAL NATURE

June 30, 2018

	TOTAL FUNDS COMMITTED THROUGH 6/30/2017	ADDITIONAL COMMITMENT YEAR ENDED 6/30/2018	TOTAL DISBURSED THROUGH 6/30/2018	TOTAL TO BE DISBURSED
Alcorn County	\$ 748,800	\$ 61,698	\$ 676,787	\$ 133,711
Chickasaw County	446,461	56,039	462,760	39,740
Clay County	653,162	69,608	653,162	69,608
Itawamba County	385,148	33,323	341,142	77,329
Kemper County	416,377	31,200	379,319	68,258
Lee County	1,719,868	200,099	1,631,400	288,567
Lowndes County	1,835,015	214,970	1,799,383	250,602
Monroe County	1,320,787	114,655	1,156,406	279,036
Noxubee County	450,182	34,343	436,524	48,001
Pontotoc County	466,883	74,883	434,426	107,340
Prentiss County	420,264	47,519	366,251	101,532
Tishomingo County	381,218	61,663	329,828	113,053
	<u>\$ 9,244,165</u>	<u>\$ 1,000,000</u>	<u>\$ 8,667,388</u>	<u>\$ 1,576,777</u>

SCHEDULE 6

TOMBIGBEE RIVER VALLEY WATER MANAGEMENT DISTRICT

SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION-PENSIONS

Last 5 Fiscal Years*

Schedule of the District's Proportionate Share of the Net Pension Liability					
	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.010%	0.010%	0.010%	0.011%	0.011%
District's proportionate share of the net pension liability	\$ 1,690,932	\$ 1,706,226	\$ 1,617,064	\$ 1,340,661	\$ 1,533,159
District's covered-employee payroll	\$ 614,750	\$ 652,528	\$ 611,061	\$ 653,533	\$ 674,904
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	275.06%	261.48%	264.63%	205.14%	227.17%
Plan fiduciary net position as a percentage of the total pension liability	61.49%	57.47%	61.70%	67.21%	61.02%

*-The amounts presented for each fiscal year were determined as of 6/30

Schedule of District Contributions - PERS					
	2018	2017	2016	2015	2014
Contractually required contribution	\$ 96,823	\$ 102,773	\$ 96,243	\$ 102,931	\$ 106,297
Contributions in relation to the contractually required contribution	(96,823)	(102,773)	(96,243)	(102,931)	(106,297)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 614,750	\$ 652,528	\$ 611,061	\$ 653,533	\$ 674,904
Contributions as a percentage of covered-employee payroll	15.75%	15.75%	15.75%	15.75%	15.75%

The accompanying notes to required supplementary information are an integral part of these schedules.

TOMBIGBEE RIVER VALLEY WATER MANAGEMENT DISTRICT

SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION-OPEB

Last 2 Fiscal Years*

Schedule of the District's Proportionate Share of the Net OPEB Liability

	2018	2017
District's proportion of the net OPEB liability	0.0122%	0.0124%
District's proportionate share of the net OPEB liability	\$ 95,891	\$ 101,078
District's covered-employee payroll	\$ 614,750	\$ 652,528
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	15.60%	15.49%
Plan fiduciary net position as a percentage of the total pension liability	0.00%	0.00%

*-The amounts presented for each fiscal year were determined as of 6/30

Schedule of District Contributions - OPEB

	2018	2017
Contractually required contribution	\$ 51,601	\$ 57,767
Contributions in relation to the contractually required contribution	(51,601)	(57,767)
Contribution deficiency (excess)	\$ -	\$ -
District's covered-employee payroll	\$ 614,750	\$ 652,528
Contributions as a percentage of covered-employee payroll	8.39%	8.85%

The accompanying notes to required supplementary information are an integral part of these schedules.

TOMBIGBEE RIVER VALLEY WATER MANAGEMENT DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2018

NOTE 1. PENSION SCHEDULES

CHANGES IN BENEFIT TERMS

None identified during periods presented in the required supplementary information.

CHANGES IN ASSUMPTIONS

In 2018, the actuarial assumption for salary increases was modified from 3.75% - 19.00% to 3.75% - 18.50%. In addition, the expectation of retired life mortality was changed to the RP-2014 Annuitant Blue Collar Mortality Table projected with Scale BB to 2022.

CHANGES IN SIZE OR COMPOSITION OF THE POPULATION COVERED BY THE BENEFIT TERMS

None identified during periods presented in the required supplementary information.

NOTE 2. OPEB SCHEDULES

CHANGES OF ASSUMPTIONS

In 2018, the discount rate was changed from 3.01% for the prior Measurement Date to 3.56% for the current Measurement Date

CHANGES IN BENEFIT TERMS

None identified during period presented in the required supplementary information.



CERTIFIED PUBLIC ACCOUNTANTS

204 South Main Street • P.O. Box 64
Amory, MS 38821
(662) 256-5603 • FAX (662) 256-5604
www.nmcpa.com

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

Board of Directors
Tombigbee River Valley Water
Management District
Tupelo, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Tombigbee River Valley Water Management District, a component unit of the State of Mississippi, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Tombigbee River Valley Water Management District's basic financial statements, and have issued our report thereon dated December 10, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Tombigbee River Valley Water Management District'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Tombigbee River Valley Water Management District's internal control. Accordingly, we do not express an opinion on the effectiveness of Tombigbee River Valley Water Management District'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 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. Given these limitations, during our audit we did not identify any

deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Tombigbee River Valley Water Management District's basic 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*.

Purpose of this Report

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

Nail McKinney Professional Association

Amory, Mississippi
December 10, 2018