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**BOLIVAR COUNTY, MISSISSIPPI**

**Audited Financial Statements and Special Reports**

**For the Year Ended September 30, 2019**



# **BOLIVAR COUNTY**

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# **BOLIVAR COUNTY**

## **FINANCIAL SECTION**



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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, (the County) as of and for the year ended September 30, 2019, 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 Library System, which represents 0.5 percent, (1.0) percent, and 5.8 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the aforementioned component unit, is based solely on the report of the other auditors. However, we did audit the Bolivar Medical Center Foundation, Bolivar County Economic Development District and Bolivar County Port Commission, component units, which represent 99.5 percent, 101 percent, and 94.2 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, 2019, 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, Schedule of the County's Contributions, Schedule of Proportionate Share of Net OPEB Liability, and Schedule of OPEB 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.

#### *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 March 3, 2021, 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 solely 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.

*Bridgers, Goodman, Baird & Clarke, PLLC*

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

March 3, 2021

## **BOLIVAR COUNTY**

## **FINANCIAL STATEMENTS**

**BOLIVAR COUNTY**  
**Statement of Net Position**  
**September 30, 2019**

**Exhibit 1**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash	\$ 20,146,428	14,209	20,160,637
Cash with fiscal agents		180,031	180,031
Investments			
Property tax receivable	15,696,461		15,696,461
Accounts receivable			
Fines receivable, net of allowance for uncollectibles of \$5,708,764	519,554		519,554
Loans receivable, net	-		-
Intergovernmental receivables	206,743		206,743
Other receivables	69,635		69,635
Internal balances	777,038	(777,038)	-
Prepaid bond insurance		16,258	16,258
Prepaid expenses			
Lease payments receivable	312,561		312,561
Land and construction in progress	3,064,486	3,878	3,068,364
Other capital assets, net	62,238,756	4,869,703	67,108,459
Total Assets	103,031,662	4,307,041	107,338,703
<b>Deferred Outflows of Resources</b>			
Deferred outflows related to pension	832,595	307,947	1,140,542
Deferred outflows related to OPEB			
Total Deferred Outflows of Resources	832,595	307,947	1,140,542
<b>Liabilities</b>			
Claims payable	711,326	146,531	857,857
Intergovernmental payables	694,049		694,049
Accrued interest payable	19,946	21,749	41,695
Other payables	146,651		146,651
Unearned revenue			
Long-term liabilities			
Due within one year:			
Capital related debt	435,935	510,000	945,935
Due in more than one year:			
Capital related debt	1,249,093	2,377,683	3,626,776
Non-capital debt	145,736	10,867	156,603
Net pension liability	15,282,145	5,652,299	20,934,444
Net OPEB liability			-
Total Liabilities	18,684,881	8,719,129	27,404,010
<b>Deferred Inflows of Resources</b>			
Deferred inflows related to pension	483,899	178,975	662,874
Deferred inflows related to OPEB			-
Deferred revenues - property tax	15,696,461		15,696,461
Deferred revenue - interest on capital leases	27,561		27,561
Total deferred inflows of resources	16,207,921	178,975	16,386,896
<b>Net Position</b>			
Net investment in capital assets	63,618,214	1,985,898	65,604,112
Restricted:			
Expendable:			
General government	370,457		370,457
Debt service	132,905		132,905
Public safety	1,492,836		1,492,836
Public works	6,530,595		6,530,595
Culture and recreation	703,018		703,018
Economic development	281,643		281,643
Grants management			
Unemployment			
Unrestricted	(4,158,213)	(6,269,014)	(10,427,227)
Total Net Position	\$ 68,971,455	(4,283,116)	64,688,339

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

**BOLIVAR COUNTY**  
**Statement of Net Position (Continued)**  
**September 30, 2019**

**Exhibit 1**

	Component Units				Total
	Bolivar County Port Comm.	Bolivar County ED District	Bolivar County Library System	Bolivar Medical Center Found.	
\$	593,194	503,277	131,410	158,672	1,386,553
				55,697,339	55,697,339
	4,150,000				4,150,000
	108,111		36,138		144,249
					-
	860				860
	30,922				30,922
	33,499		11,552		45,051
	3,109,720	405,428			3,515,148
	6,207,826	191,698	146,401		6,545,925
	<u>14,234,132</u>	<u>1,100,403</u>	<u>325,501</u>	<u>55,856,011</u>	<u>71,516,047</u>
	45,037		23,077		68,114
			20,990		20,990
	<u>45,037</u>	<u>-</u>	<u>44,067</u>	<u>-</u>	<u>89,104</u>
	1,852		15,273		17,125
	155,971				155,971
		16,340			16,340
					-
			24,687		24,687
	861,831		879,598		1,741,429
			84,197		84,197
	<u>1,019,654</u>	<u>16,340</u>	<u>1,003,755</u>	<u>-</u>	<u>2,039,749</u>
	23,926		16,879		40,805
			17,792		17,792
					-
	<u>23,926</u>	<u>-</u>	<u>34,671</u>	<u>-</u>	<u>58,597</u>
	9,317,546	580,786	146,401		10,044,733
		503,277			503,277
			11,822		11,822
	1,583				1,583
	3,916,460		(827,081)	55,856,011	58,945,390
\$	<u>13,235,589</u>	<u>1,084,063</u>	<u>(668,858)</u>	<u>55,856,011</u>	<u>69,506,805</u>

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

**BOLIVAR COUNTY**  
**Statement of Activities**  
**For the Year Ended September 30, 2019**

**Exhibit 2**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating	Capital Grants	Primary Government		
			Grants and Contributions	and Contributions	Governmental Activities	Business Type Activities	Total
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 6,393,627	777,707	202,630		(5,413,290)		(5,413,290)
Public safety	4,463,148	587,691	220,846		(3,654,611)		(3,654,611)
Public works	5,637,184	44,423		5,704,106	111,345		111,345
Health and welfare	716,447		28,003		(688,444)		(688,444)
Culture and recreation	1,043,978				(1,043,978)		(1,043,978)
Conservation of natural resources	102,526				(102,526)		(102,526)
Economic development and assistance	775,427			455,017	(320,410)		(320,410)
Interest on long-term debt	49,318				(49,318)		(49,318)
Pension expense	1,513,044				(1,513,044)		(1,513,044)
Total Governmental Activities	20,694,699	1,409,821	451,479	6,159,123	(12,674,276)		(12,674,276)
Business-type activities:							
Correctional facility	4,823,790	4,406,921				(416,869)	(416,869)
Total Business-type Activities	4,823,790	4,406,921				(416,869)	(416,869)
Total Primary Government	\$ 25,518,489	5,816,742	451,479	6,159,123	(12,674,276)	(416,869)	(13,091,145)
<b>Component Units:</b>							
Bolivar County Port Comm.	\$ 1,212,362	927,141					
Bolivar County ED District	599,725						
Bolivar County Library System	794,607	20,101	147,306	0			
Bolivar Medical Center Found.	1,527,076						
Total Component Units	\$ 4,133,770	947,242	147,306	0			
<b>General revenues:</b>							
Property taxes					\$ 16,537,199		16,537,199
Road & bridge privilege taxes					368,729		368,729
Grants and contributions not restricted to specific programs					1,125,527		1,125,527
Unrestricted investment income					321,048	368	321,416
Internal balances					(436,374)	436,374	-
Miscellaneous					175,113	112,334	287,447
Gain (loss) on disposal of capital assets					95,303		95,303
Total General Revenues					18,186,545	549,076	18,735,621
<b>Changes in Net Position</b>					5,512,269	132,207	5,644,476
Net Position - Beginning, as previously reported					63,245,529	(4,415,323)	58,830,206
Prior period adjustment					213,657		213,657
Net Position - Beginning, as restated					63,459,186	(4,415,323)	59,043,863
<b>Net Position - Ending</b>					\$ 68,971,455	(4,283,116)	64,688,339

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

**BOLIVAR COUNTY**  
**Statement of Activities**  
**For the Year Ended September 30, 2019**

**Exhibit 2**

Component Units				
Bolivar County Port Comm.	Bolivar County ED District	Bolivar County Library	Bolivar Medical Center	Total Component Units
<u>(285,221)</u>				(285,221)
	<u>(599,725)</u>			(599,725)
		<u>(627,200)</u>		(627,200)
			<u>(1,527,076)</u>	(1,527,076)
				<u>(3,039,222)</u>
64,408				64,408
	614,889	533,545		1,148,434
97,506	1,409	1,557	9,626,080	9,726,552
				-
243,316	16,226	10,527	4,868	274,937
11,491				11,491
<u>416,721</u>	<u>632,524</u>	<u>545,629</u>	<u>9,630,948</u>	<u>11,225,822</u>
<u>131,500</u>	<u>32,799</u>	<u>(81,571)</u>	<u>8,103,872</u>	<u>8,186,600</u>
13,160,758	1,051,264	(582,947)	47,752,139	61,381,214
(56,669)		(4,340)		(61,009)
<u>13,104,089</u>	<u>1,051,264</u>	<u>(587,287)</u>	<u>47,752,139</u>	<u>61,320,205</u>
<u>13,235,589</u>	<u>1,084,063</u>	<u>(668,858)</u>	<u>55,856,011</u>	<u>69,506,805</u>

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

**BOLIVAR COUNTY**  
**Balance Sheet – Governmental Funds**  
**September 30, 2019**

**Exhibit 3**

	Major Funds					
	Countywide				Other	Total
	General	Road	Bridge &	Pemle	Governmental	Governmental
	Fund	Maintenance	Culvert Fund	Project	Funds	Funds
<b>ASSETS</b>						
Cash	\$ 10,298,555	1,330,625	143,706	1,997,001	6,376,541	20,146,428
Property tax receivable	9,981,915	1,844,210	1,892,651		1,977,685	15,696,461
Fines receivable, net of allowance for uncollectibles of \$5,708,764	519,554					519,554
Loans receivable, net					0	0
Intergovernmental receivables	206,743					206,743
Advances to other funds	751,204		61,653			812,857
Due from other funds	25,834	27,636	23,826		22,562	99,858
Other receivables	18,503	51,132				69,635
Lease payments receivable					312,561	312,561
Total Assets	<u>21,802,308</u>	<u>3,253,603</u>	<u>2,121,836</u>	<u>1,997,001</u>	<u>8,689,349</u>	<u>37,864,097</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Claims payable	269,697	269,709	12,698		159,222	711,326
Intergovernmental payables	674,495					674,495
Advances from other funds					61,653	61,653
Due to other funds	93,578					93,578
Other payables	146,651					146,651
Total Liabilities	<u>1,184,421</u>	<u>269,709</u>	<u>12,698</u>	<u>0</u>	<u>220,875</u>	<u>1,687,703</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - property taxes	9,981,915	1,844,210	1,892,651		1,977,685	15,696,461
Unavailable revenue -lease payments					312,561	312,561
Unavailable revenue - fines	519,554					519,554
Total Deferred Inflows of Resources	<u>10,501,469</u>	<u>1,844,210</u>	<u>1,892,651</u>	<u>0</u>	<u>2,290,246</u>	<u>16,528,576</u>
<b>FUND BALANCES</b>						
Nonspendable:						
Advances	751,204					751,204
Restricted for:						
General government					370,457	370,457
Public safety					1,492,836	1,492,836
Public works		1,139,684	216,487	1,997,001	3,177,423	6,530,595
Culture and recreation					703,018	703,018
Economic development					281,643	281,643
Debt service					152,851	152,851
Unassigned	9,365,214					9,365,214
Total Fund Balances	<u>10,116,418</u>	<u>1,139,684</u>	<u>216,487</u>	<u>1,997,001</u>	<u>6,178,228</u>	<u>19,647,818</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 21,802,308</u>	<u>3,253,603</u>	<u>2,121,836</u>	<u>1,997,001</u>	<u>8,689,349</u>	<u>37,864,097</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, 2019**

	<u>Amount</u>
Total fund balance - Governmental Funds	\$ 19,647,818
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 \$94,217,899.	65,303,242
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	519,554
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(1,830,764)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(19,946)
Capital leases are not available to pay for current period expenditures and, therefore, are deferred in the funds.	285,000
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(15,282,145)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	
Deferred outflows of resources related to pensions	832,595
Deferred inflows of resources related to pensions	(483,899)
Total Net Position - Governmental Activities	\$ <u>68,971,455</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, 2019**

	Major Funds				Other Governmental Funds	Total Governmental Funds
	General Fund	Countywide Road Maintenance	Bridge & Culvert Fund	Pemle Project		
<b>REVENUES</b>						
Property taxes	\$10,728,582	1,890,352	1,909,526		2,008,739	16,537,199
Road and bridge privilege taxes		368,729				368,729
Licenses, commissions and other revenue	491,981	2,169			8,216	502,366
Fines and forfeitures	239,278					239,278
Intergovernmental revenues	724,615	1,743,516		2,126,551	3,141,447	7,736,129
Charges for services		3,293	1,594		625,058	629,945
Interest income	246,140	11,722	8,741		54,445	321,048
Miscellaneous revenues	153,578	310			21,225	175,113
Total Revenues	12,584,174	4,020,091	1,919,861	2,126,551	5,859,130	26,509,807
<b>EXPENDITURES</b>						
Current:						
General government	5,819,168				266,899	6,086,067
Public safety	3,795,772				901,388	4,697,160
Public works		3,403,590	1,987,965	129,550	1,396,949	6,918,054
Health and welfare	681,185					681,185
Culture and recreation	488,637				554,536	1,043,173
Conservation of natural resources	115,267					115,267
Economic development and assistance	159,390				614,677	774,067
Debt service:						
Principal	15,267	328,847			160,001	504,115
Interest	4,667	22,647			25,717	53,031
Total Expenditures	11,079,353	3,755,084	1,987,965	129,550	3,920,167	20,872,119
Excess of Revenues over (under) Expenditures	1,504,821	265,007	(68,104)	1,997,001	1,938,963	5,637,688
<b>OTHER FINANCING SOURCES ( USES)</b>						
Proceeds from sale of capital assets	5,820	134,323				140,143
Transfers in	76,774					76,774
Transfers out	(436,374)				(76,774)	(513,148)
Lease principal payments					136,098	136,098
Total Other Financing Sources and Uses	(353,780)	134,323	0	0	59,324	(160,133)
Net Changes in Fund Balances	1,151,041	399,330	(68,104)	1,997,001	1,998,287	5,477,555
Fund Balances - Beginning	8,965,377	740,354	284,591	0	4,179,941	14,170,263
Fund Balances - Ending	\$ 10,116,418	1,139,684	216,487	1,997,001	6,178,228	19,647,818

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, 2019**

	<u>Amount</u>
Net Change in Fund Balances - Governmental Funds	\$ 5,477,555
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 \$2,780,234 exceeded depreciation of \$2,538,040 in the current period.	242,194
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 of capital assets increase the financial resources. Thus, the change in net position differs from the change in fund balance by the amount of the net gain of \$95,303 and the proceeds from the sale of \$140,143 in the current period.	(44,840)
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.	38,233
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 of debt repayments of \$504,115.	504,115
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	(136,098)
Change in compensated absences	17,034
Change in accrued interest payable	3,713
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	(1,513,044)
Recognition of contributions made for the current year	923,407
Change in Net Position of Governmental Activities	\$ <u>5,512,269</u>

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

**BOLIVAR COUNTY**  
**Statement of Net Position – Proprietary Funds**  
**September 30, 2019**

**Exhibit 5**

	Business-type Activities - Enterprise Funds
	<u>BCRCF Fund</u>
<b>ASSETS</b>	
Current assets:	
Cash	\$ 14,209
Cash with fiscal agents	180,031
Prepaid bond insurance	16,258
Total Current Assets	<u>210,498</u>
Noncurrent assets:	
Land and construction in progress	3,878
Capital assets, net	4,869,703
Total Noncurrent Assets	<u>4,873,581</u>
Total Assets	<u>5,084,079</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pensions	307,947
Total Deferred Outflows of Resources	<u>307,947</u>
<b>LIABILITIES</b>	
Current liabilities:	
Claims payable	146,531
Due to other funds	25,834
Advances from other funds	751,204
Accrued interest payable	21,749
Capital related debt - current	510,000
Total Current Liabilities	<u>1,455,318</u>
Noncurrent liabilities:	
Capital related debt:	
Other long-term liabilities	2,377,683
Non-capital debt:	
Compensated absences payable	10,867
Net pension liability	5,652,299
Total Noncurrent Liabilities	<u>8,040,849</u>
Total Liabilities	<u>9,496,167</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to pensions	178,975
Total Deferred Inflows of Resources	<u>178,975</u>
<b>NET POSITION</b>	
Net investment in capital assets	1,985,898
Unrestricted	<u>(6,269,014)</u>
Total Net Position	<u>\$ (4,283,116)</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, 2019**

	<u>Business-type Activities - Enterprise Funds</u>
	<u>BCRCF Fund</u>
Operating Revenues	
Charges for services	\$ 4,406,921
Miscellaneous	112,334
Total Operating Revenues	<u>4,519,255</u>
Operating Expenses	
Personal services	2,569,858
Contractual services	803,957
Materials and supplies	713,877
Depreciation expense	199,674
Indirect administrative cost	25,834
Pension expense	402,977
Insurance premiums	6,445
Total Operating Expenses	<u>4,722,622</u>
Operating Income ( Loss )	<u>(203,367)</u>
Nonoperating Revenues ( Expenses )	
Interest income	368
Interest expense	(101,168)
Transfers in	436,374
Net Nonoperating Revenue ( Expenses)	<u>335,574</u>
Change in Net Position	132,207
Net Position - Beginning	<u>(4,415,323)</u>
Net Position - Ending	<u>\$ (4,283,116)</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, 2019**

**Exhibit 7**

	<u>Business-type Activities - Enterprise Funds</u>
	<u>BCRCF</u>
	<u>Fund</u>
Cash Flows From Operating Activities	
Receipts from customers	\$ 4,518,684
Payments to suppliers	(1,471,707)
Payments to employees for services	(2,921,382)
Other operating cash receipts	571
Net Cash Provided (Used) by Operating Activities	<u>126,166</u>
Cash Flows From Noncapital Financing Activities	
Transfers in	<u>436,374</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>436,374</u>
Cash Flows From Capital and Related Financing Activities	
Principal paid on debt	(485,000)
Interest paid on debt	(104,599)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(589,599)</u>
Cash Flows From Investing Activities	
Interest on deposits	<u>368</u>
Net Cash Provided (Used) by Investing Activities	<u>368</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(26,691)
Cash and Cash Equivalents at Beginning of Year	<u>220,931</u>
Cash and Cash Equivalents at End of Year	<u>\$ 194,240</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)	
by Operating Activities:	
Operating income (Loss)	\$ (203,367)
Adjustments to reconcile operating income to net cash	
provided (used) by operating activities:	
Depreciation expense	199,674
Amortization expense	6,445
Changes in assets and liabilities:	
(Increase) decrease in deferred outflows of resources	36,888
Increase (decrease) in claims payable	46,126
Increase (decrease) in compensated absences liability	(9,988)
Increase (decrease) in net pension liability	173,399
Increase (decrease) in interfund payables	25,834
Increase (decrease) in deferred inflows of resources	<u>(148,845)</u>
Total Adjustments	<u>329,533</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 126,166</u>

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

**BOLIVAR COUNTY**  
**Statement of Fiduciary Assets and Liabilities**  
**September 30, 2019**

**Exhibit 8**

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 7,847,787
Due from other funds	<u>19,554</u>
Total Assets	<u><u>7,867,341</u></u>
LIABILITIES	
Intergovernmental payables	19,554
Amounts held in custody for others	<u>7,847,787</u>
Total Liabilities	\$ <u><u>7,867,341</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, 2019**

**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 May 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.

**BOLIVAR COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2019**

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

**Government-wide Financial Statements:**

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

**BOLIVAR COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2019**

Governmental fund financial statements are presented using a current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period when they are both measurable and available to finance operations during the year or to liquidate liabilities existing at the end of the year. Available means collected in the current period or within 60 days after year end to liquidate liabilities existing at the end of the year. Measurable means knowing or being able to reasonably estimate the amount. Expenditures are recognized in the accounting period when the related fund liabilities are incurred. Debt service expenditures 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.

Pemle Project Fund – This fund is used to account for the monies from specific revenue sources that are restricted for the Pemle bridge project.

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.

**BOLIVAR COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2019**

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.

**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

**BOLIVAR COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2019**

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 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 11 for additional details.

**BOLIVAR COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2019**

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.

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 11 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:

**BOLIVAR COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2019**

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

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

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

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

*Restricted fund balance* includes 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, committed or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds if expenditures incurred for specific purposes exceeded the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

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

**BOLIVAR COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2019**

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

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

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

**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.

**NOTE 2 -PRIOR PERIOD ADJUSTMENTS.**

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

**Governmental Activities.**

Explanation	Amount
Governmental Activities	
To correct prior years fines receivable.	213,657
Total prior period adjustments	<u>\$ 213,657</u>

**BOLIVAR COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2019**

**Component Unit – Bolivar County Port Commission.**

Explanation	Amount
Bolivar County Port Commission	
To adjust net pension liability and related deferred outflows and inflows	(9,591)
To adjust prior year other accounts receivable	(1,413)
To adjust unearned revenue - leases	(52,454)
To adjust prior year liabilities	4,129
To adjust fixed asseets to asset schedules	2,628
To adjust prior year petty cash	32
Total prior period adjustments	<u>\$ (56,669)</u>

**Component Unit – Bolivar County Library System**

Explanation	Amount
Bolivar County Library System	
Overstatement of accounts receivable	(300)
Understatement of expenses	(4,040)
Total prior period adjustments	<u>\$ (4,340)</u>

**NOTE 3 – DEPOSITS AND INVESTMENTS.**

The carrying amount of the County's total deposits with financial institutions at September 30, 2019, was \$28,188,455, and the bank balance was \$29,183,899. 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**  
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**NOTE 4– INTERFUND TRANSACTIONS AND BALANCES.**

The following is a summary of interfund balances at September 30, 2019:

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Enterprise Fund	\$ 25,834
Countywide Road Maintenance Fund	General Fund	27,636
Bridge and Culvert Fund	General Fund	23,826
Other Governmental Funds	General Fund	22,562
Agency Funds	General Fund	19,554
Total		<u>\$ 119,412</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 2019. 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	\$ 751,204
Bridge and Culvert Fund	Other Governmental Funds	61,653
Total		<u>\$ 812,857</u>

The General Fund receivable is the amount of indirect cost not paid within one year. The Bridge and Culvert Fund receivable is from the Hazard Mitigation Grant Fund.

**C. Transfers In/Out:**

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 76,774
Enterprise Fund	General Fund	436,374
Total		<u>\$ 513,148</u>

Transfers are for operations of Enterprise Fund.

**NOTE 5 – INTERGOVERNMENTAL RECEIVABLES.**

At September 30, 2019, intergovernmental receivables consisted of:

<u>Governmental Activities:</u>	<u>Amount</u>
Legislative tax credit	\$ 206,743
Total Governmental Activities	<u>\$ 206,743</u>

**BOLIVAR COUNTY, MISSISSIPPI**  
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**NOTE 6 – LOANS RECEIVABLE.**

At September 30, 2019, 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 7 – CAPITAL ASSETS.**

The following is a summary of capital assets for the year ended September 30, 2019:

**Governmental activities:**

	<u>Balance Oct. 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	<u>Balance Sept. 30, 2019</u>
<b>Non-depreciable capital assets:</b>					
Land	\$ 1,256,270	100,000			1,356,270
Construction in progress	1,667,360	791,717		(750,861)	1,708,216
Total non-depreciable capital assets	<u>2,923,630</u>	<u>891,717</u>	<u>-</u>	<u>(750,861)</u>	<u>3,064,486</u>
<b>Depreciable capital assets:</b>					
Infrastructure	97,865,673	915,306		750,861	99,531,840
Buildings	38,915,511		67,960		38,847,551
Improvements other than buildings	1,128,504				1,128,504
Mobile equipment	12,715,340	143,254			12,858,594
Furniture and equipment	3,260,209	829,957			4,090,166
Total depreciable capital assets	<u>153,885,237</u>	<u>1,888,517</u>	<u>67,960</u>	<u>750,861</u>	<u>156,456,655</u>
<b>Less accumulated depreciation for:</b>					
Infrastructure	55,987,450	862,183			56,849,633
Buildings	24,457,620	354,117	23,120		24,788,617
Improvements other than buildings	479,737	35,257			514,994
Mobile equipment	7,969,523	1,110,917			9,080,440
Furniture and equipment	2,808,649	175,566			2,984,215
Total accumulated depreciation	<u>91,702,979</u>	<u>2,538,040</u>	<u>23,120</u>	<u>-</u>	<u>94,217,899</u>
Total depreciable capital assets, net	<u>62,182,258</u>	<u>(649,523)</u>	<u>44,840</u>	<u>750,861</u>	<u>62,238,756</u>
Governmental activities capital assets, net	<u>\$ 65,105,888</u>	<u>242,194</u>	<u>44,840</u>	<u>-</u>	<u>65,303,242</u>

\*Adjustments are to reclassify completed construction in progress to appropriate asset classification.

**BOLIVAR COUNTY, MISSISSIPPI**  
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**Business-type activities:**

	Balance Oct. 1, 2018	Additions	Deletions	Adjustments	Balance Sept. 30, 2019
<u>Non-depreciable capital assets:</u>					
Land	\$ 3,878				3,878
Total Non-depreciable capital assets	3,878	-	-	-	3,878
<u>Depreciable capital assets:</u>					
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	285,156				285,156
Total depreciable capital assets	9,088,898	-	-	-	9,088,898
<u>Less accumulated depreciation for:</u>					
Buildings	2,799,715	149,636			2,949,351
Improvements other than buildings	729,592	41,645			771,237
Mobile equipment	251,656				251,656
Furniture and equipment	238,558	8,393			246,951
Total accumulated depreciation	4,019,521	199,674	-	-	4,219,195
Total depreciable capital assets, net	5,069,377	(199,674)	-	-	4,869,703
Business -type activities Capital assets, net	\$ 5,073,255	(199,674)	-	-	4,873,581

Depreciation expense was charged to the following functions:

	Amount
<b>Governmental Activities:</b>	
General government	\$ 1,003,597
Public safety	687,388
Public works	809,758
Health & welfare	35,262
Culture & recreation	675
Economic development	1,360
Total governmental activities depreciation expense	\$ 2,538,040
<b>Business-type activities:</b>	
Correctional facility	\$ 199,674

Commitments with respect to unfinished capital projects at September 30, 2019, consisted of the following:

Description of Commitment	Remaining Financial Commitment	Expected Date of Completion
Cleveland Courthouse Project	\$ 36,217	2,020

**BOLIVAR COUNTY, MISSISSIPPI**  
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**Capital Assets - Component Units:**

<b>Bolivar County Port Commission</b>	Balance				Balance
	Oct. 1, 2018	Additions	Deletions	Adjustments	Sept. 30, 2019
<u>Non-depreciable capital assets:</u>					
Land	\$ 3,109,720				3,109,720
Total non-depreciable capital assets	3,109,720	0	-	-	3,109,720
<u>Depreciable capital assets:</u>					
Infrastructure	3,151,336			(1)	3,151,335
Buildings and improvements	6,577,600			1	6,577,601
Equipment and fixtures	1,389,072	6,500	40,008		1,355,564
Total depreciable capital assets	11,118,008	6,500	40,008	-	11,084,500
<u>Less accumulated depreciation for:</u>					
Infrastructure	1,604,295	83,585		(2,623)	1,685,257
Buildings and improvements	1,895,664	181,145		(5)	2,076,804
Equipment and fixtures	1,111,421	42,676	39,484		1,114,613
Total accumulated depreciation	4,611,380	307,406	39,484	(2,628)	4,876,674
Total depreciable capital assets, net	6,506,628	(300,906)	524	2,628	6,207,826
Component unit capital assets, net	\$ 9,616,348	(300,906)	524	2,628	9,317,546

**Bolivar County ED District**

<u>Non-depreciable capital assets:</u>					
Land	\$ 405,428				405,428
Total non-depreciable capital assets	405,428	-	-	-	405,428
<u>Depreciable capital assets:</u>					
Infrastructure	949,626				949,626
Equipment and fixtures	6,755				6,755
Total depreciable capital assets	956,381	-	-	-	956,381
<u>Less accumulated depreciation for:</u>					
Infrastructure	712,224	47,482			759,706
Equipment and fixtures	4,652	325			4,977
Total accumulated depreciation	716,876	47,807	-	-	764,683
Total depreciable capital assets, net	239,505	(47,807)	-	-	191,698
Component unit capital assets, net	\$ 644,933	(47,807)	-	-	597,126

**Bolivar County Library**

<u>Depreciable capital assets:</u>					
Equipment and fixtures	\$ 617,615	50,335	4,065		663,885
Total depreciable capital assets	617,615	50,335	4,065	-	663,885
<u>Less accumulated depreciation for:</u>					
Equipment and fixtures	479,325	42,224	4,065		517,484
Total accumulated depreciation	479,325	42,224	4,065	-	517,484
Component unit capital assets, net	\$ 138,290	8,111	-	-	146,401

**BOLIVAR COUNTY, MISSISSIPPI**  
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**NOTE 8 – CLAIMS AND JUDGMENTS.**

Risk Financing.

The County finances its exposure to risk of loss related to workers' compensation for injuries to its employees through the Mississippi Public Entity Workers' Compensation Trust, a public entity risk pool. The County pays premiums to the pool for its workers' compensation insurance coverage, and the participation agreement provides that the pool will be self-sustaining through member premiums. The retention for the pool is \$1,000,000 for each accident and completely covers statutory limits set by the Workers' Compensation Commission. Risk of loss is remote for claims exceeding the pool's retention liability. However, the pool also has catastrophic reinsurance coverage for statutory limits above the pool's retention, provided by Safety National Casualty Corporation, effective from January 1, 2019, to January 1, 2020. The pool may make an overall supplemental assessment or declare a refund depending on the loss experience of all the entities it insures.

**NOTE 9– 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.

**NOTE 10 – CAPITAL LEASES.**

As Lessor:

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.

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The future minimum lease receivables and the present value of the net minimum lease receivable as of September 30, 2019, are as follows:

<u>Year Ending September 30:</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 90,000	15,120
2021	95,000	9,291
2022	100,000	3,150
Total	<u>\$ 285,000</u>	<u>27,561</u>

**NOTE 11 – 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. Plan provisions and the Board of Trustees’ authority to determine contribution rates are established by Miss. Code Ann. Section 25-11-1 et seq., (1972, as amended) and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to Public Employees’ Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling 1-800-444-PERS.

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

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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, 2019, 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, 2019 was 17.40% of annual covered payroll. This rate increased as of July 1, 2019 from 15.75%. 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, 2019, 2018 and 2017 were \$1,264,945, \$1,220,283, and \$1,184,067, 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, 2019, the County reported a liability of \$20,934,444 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, 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. The County's proportionate share used to calculate the September 30, 2019 net pension liability was 0.119 percent, which was based on a measurement date of June 30, 2019. This was a decrease of 0.003 percent from its proportionate share used to calculate the September 30, 2018 net pension liability, which was based on a measurement date of June 30, 2018.

For the year ended September 30, 2019, the County recognized pension expense of \$1,916,021. At September 30, 2019, 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	\$ 12,697	21,777
Net difference between projected and actual earnings on pension plan investments		217,133
Changes of assumptions	205,138	
Changes in the proportion and differences between County contributions and proportionate share of contributions	566,900	423,964
County Contributions subsequent to the measurement date	355,807	
	<u>\$ 1,140,542</u>	<u>662,874</u>

\$355,807 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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<u>Year ending September 30:</u>	<u>Amount</u>
2020	\$ 226,842
2021	(157,304)
2022	(43,254)
2023	95,577
Total	<u>\$ 121,861</u>

Actuarial Assumptions. The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods in the measurement:

Inflation	2.75 percent
Salary increases	3.00 - 18.25 percent, including inflation
Investment rate of return	7.75 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the PubS.H-2010(B) Retiree Table with the following adjustments: For males, 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119. For females, 85% of the female rates from ages 18 to 65 scaled up to 102% for ages 75 to 119. Mortality rates will be projected generationally using the MP-2018 projection scale to account for future improvements in life expectancy.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. The experience report is dated April 2, 2019.

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, 2019, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	27.00 %	4.90 %
International Equity	22.00	4.75
Global Equity	12.00	5.00
Fixed Income	20.00	1.50
Real Estate	10.00	4.00
Private Equity	8.00	6.25
Cash	1.00	0.25
	<u>100.00 %</u>	

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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 contribution rate (17.40%). 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	\$	27,519,057	20,934,444	15,499,444

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

## **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, 2019, 2018 and 2017 were \$53,798, \$48,938, and \$48,835, 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, 2019, the Port reported a liability of \$861,831 for its proportionate share of the net pension liability. At June 30, 2019, the Port's proportion was 0.004899 percent, which was a decrease of 0.000025 percent from its proportion measured as of June 30, 2018. For the year ended September 30, 2019, the Port recognized pension expense of \$74,598. At September 30, 2019, the Port reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 508	927
Net difference between projected and actual earnings on pension plan investments		9,429
Changes of assumptions	8,319	
Changes in the proportion and differences between Port contributions and proportionate share of contributions	21,364	13,570
Contributions subsequent to the measurement date	14,846	
	<u>\$ 45,037</u>	<u>23,926</u>

\$14,846 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, 2020. 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
2020	\$ 4,986
2021	(4,254)
2022	1,599
2023	3,934
Total	<u>\$ 6,265</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	\$ 1,132,906	861,831	638,082

**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, 2019, 2018 and 2017 were \$54,542, \$53,780, and \$53,008, 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, 2019, the System reported a liability of \$879,598 for its proportionate share of the net pension liability. At June 30, 2019, the System's proportion was 0.0050 percent, which was an decrease of 0.0005 percent from its proportion measured as of June 30, 2018. For the year ended September 30, 2019, the System recognized pension expense of \$113,971. At September 30, 2019, the System reported

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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	\$ 520	947
Net difference between projected and actual earnings on pension plan investments		9,623
Changes of assumptions	8,624	
Changes in the proportion and differences between System contributions and proportionate share of contributions		6,309
Contributions subsequent to the measurement date	13,933	
	<u>\$ 23,077</u>	<u>16,879</u>

\$13,933 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, 2020. 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
2020	\$ 18,115
2021	(15,673)
2022	(14,193)
2023	4,016
Total	<u>\$ (7,735)</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	\$ 1,156,263	879,598	651,237

**NOTE 12 – Other Postemployment Benefits (OPEB)**

**General Information about the OPEB Plan.**

**Component Unit – Bolivar County Library System**

*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

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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 a 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 OPEB Plan issues a publicly available financial report that may be obtained at <http://knowyourbenefits.dfa.ms.gov/>.

*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 before 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 premiums for retirees while employees' premiums are funded primarily by their employer. The Library System's contributions to the OPEB plan for the year ended September 30, 2019 were \$3,373 which was equal to the required contributions for the year.

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

At September 30, 2019, the Library System reported a liability of \$84,197 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability

**BOLIVAR COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2019**

used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The basis for the Library System'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, 2019, the Library System's proportion was 0.0099 percent. This was a decrease of 0.0018 percent from the proportionate share as of the measurement date of June 30, 2018.

For the year ended September 30, 2019, the Library System recognized OPEB expense of \$6,015. At September 30, 2019, the Library System 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	\$ 127	1,205
Changes of assumptions	6,277	4,366
Changes in the proportion and differences between Library System contributions and proportionate share of contributions	14,586	12,221
Total	\$ 20,990	17,792

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ending September 30:</u>	<u>Amount</u>
2020	\$ (548)
2021	(548)
2022	(548)
2023	(340)
2024	(182)
Thereafter	5,364
Total	\$ 3,198

**BOLIVAR COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2019**

*Actuarial assumptions.* The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Salary increases	3.00-18.20%, including wage inflation
Long-term Investment Rate of Return, net of OPEB plan investment expense, including inflation	4.50%
Municipal Bond Index Rate	
Measurement Date	3.50%
Prior Measurement Date	3.89%
Year FNP is projected to be depleted	
Measurement Date	2019
Prior Measurement Date	2018
Single Equivalent Interest Rate, Net of OPEB Plan investment expense, including inflation	
Measurement Date	3.50%
Prior Measurement Date	3.89%
Health Care Cost Trends	
Medicare Supplement Claims Pre-Medicare	7.00% for 2019 decreasing to an ultimate rate of 4.75% by 2028

Mortality rates were based on the PubS.H-2010(B) Retiree Table with the following adjustments: For males, 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119. For females, 85% of the female rates from ages 18 to 65 scaled up to 102% for ages 75 to 119. Mortality rates will be projected generationally using the MP-2018 projection scale to account for future improvements in life expectancy.

The demographic actuarial assumptions used in the June 30, 2019 valuation were based on the results of the last actuarial experience study, dated April 2, 2019.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2019 valuation were based on a review of recent plan experience done concurrently with the June 30, 2019 valuation.

As of June 30, 2019, 100 percent of the net assets of the plan were invested in the State of Mississippi's internal investment pool.

The long-term expected rate of return on OPEB plan investments is 4.50%.

**BOLIVAR COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2019**

*Discount rate.* The discount rate used to measure the total OPEB liability at June 30, 2019 was 3.50 percent. Since the Prior Measurement Date, the Discount Rate has changed from 3.89% to 3.50%.

The trust was established on June 28, 2018 with an initial contribution of \$1,000,000. As of June 30, 2019, the trust has \$1,017,904. The fiduciary net position is projected to be depleted immediately, therefore, the Municipal Bond Index Rate is used in the determination of the discount rate for both the June 30, 2018 and the June 30, 2019 total OPEB liability. The discount rate used to measure the total OPEB liability at June 30, 2019 was based on a monthly average of the Bond Buyers General Obligation 20-year Municipal Bond Index Rate.

*Sensitivity of the Library System's proportionate share of the net OPEB liability to changes in the discount rate.* The following presents the Library System's proportionate share of the net OPEB liability, as well as what the Library System's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current discount rate:

		1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Net OPEB Liability	\$	93,528	84,197	76,213

*Sensitivity of the Library System's proportionate share of the net OPEB liability to changes in the healthcare cost trend rates.* The following presents the Library System's proportionate share of the net OPEB liability, as well as what the Library System'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:

		1% Decrease	Healthcare Cost Trend Rates Current	1% Increase
Net OPEB Liability	\$	78,021	84,197	91,193

*OPEB plan fiduciary net position.* The fiduciary net position for the OPEB plan was \$1,018,000 as of June 30, 2019, the measurement date. Detailed information about the OPEB plan's fiduciary net position is available in separately issued financial report that can be found at <http://knowyourbenefits.dfa.ms.gov/>.

**BOLIVAR COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2019**

**NOTE 13 – LONG TERM DEBT.**

Debt outstanding as of September 30, 2019, consisted of the following:

Description and Purpose	Amount Outstanding	Interest Rate	Maturity Date
<b>Governmental Activities:</b>			
A. General Obligation Bonds:			
2006 Baxter Bonds	\$ 285,000	7.50 to 6.30	11/21
Total General Obligation Bonds	<u>\$ 285,000</u>		
B. Other Loans:			
CDBG Knight Line Products, Inc.	\$ 474,699	4.00	02/09
DEQ - SRF-C280925-01-2	254,176	1.75	03/34
Road Grader Loan	671,153	3.10	08/21
Total Other Loans	<u>\$ 1,400,028</u>		
<b>Business-type Activities:</b>			
A. Limited Obligation Bonds:			
MS Development Bank special obligation bonds, Series 2012A	\$ 2,165,000	2.00/3.250	07/25
MS Development Bank special obligation bonds, Series 2012B	730,000	2.00/2.625	07/25
Total Limited Obligation Bonds	<u>\$ 2,895,000</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	
	Principal	Interest	Principal	Interest
2020	\$ 90,000	15,120	345,935	25,491
2021	95,000	9,293	356,565	14,862
2022	100,000	3,150	16,089	3,843
2023			16,373	3,560
2024			16,662	3,271
2025-2029			87,823	11,840
2030-2034			560,581	3,815
Total	<u>\$ 285,000</u>	<u>27,563</u>	<u>1,400,028</u>	<u>66,682</u>

**BOLIVAR COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2019**

**Business-type Activities:**

Year Ending September 30:	Limited Obligation Bonds	
	Principal	Interest
2020	\$ 510,000	86,994
2021	455,000	72,569
2022	475,000	59,350
2023	475,000	45,100
2024	495,000	30,850
2025	485,000	15,763
Total	<u>\$ 2,895,000</u>	<u>310,626</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, 2019, the amount of outstanding debt was equal to 1.33% of the latest property assessments.

The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2019:

	Balance Oct. 1, 2018	Additions	Deletions	Balance Sept. 30, 2019	Amount due within one year
<b>Governmental Activities:</b>					
Compensated absences	\$ 162,770		17,034	145,736	-
General obligation bonds	370,000		85,000	285,000	90,000
Other loans	1,819,143		419,115	1,400,028	345,935
Total	<u>\$ 2,351,913</u>	<u>-</u>	<u>521,149</u>	<u>1,830,764</u>	<u>435,935</u>
<b>Business-type Activities:</b>					
Compensated absences	\$ 20,855		9,988	10,867	-
Limited obligation bonds	3,380,000		485,000	2,895,000	510,000
Less: Discount	<u>(8,627)</u>	<u>1,310</u>		<u>(7,317)</u>	<u>-</u>
Total	<u>\$ 3,392,228</u>	<u>1,310</u>	<u>494,988</u>	<u>2,898,550</u>	<u>510,000</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, 2019**

**Component Units**

**Bolivar County ED District:**

Debt outstanding as of September 30, 2019, consisted of the following:

<u>Description and Purpose</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
Notes Payable:			
Industrial park acquisition & development	\$ 16,340	6.38	08-20
Total	<u>\$ 16,340</u>		

Annual debt service requirements to maturity are as follows:

<u>Year Ending September 30:</u>	<u>Notes Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 16,340	866
Total	<u>\$ 16,340</u>	<u>866</u>

The following is the summary of changes in long-term liabilities for the year ended September 30, 2019:

	<u>Balance Oct. 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Sept. 30, 2019</u>	<u>Amount due within one year</u>
Notes Payable	\$ 57,143	-	40,803	16,340	16,340
Total	<u>\$ 57,143</u>	<u>-</u>	<u>40,803</u>	<u>16,340</u>	<u>16,340</u>

**Bolivar County Library System:**

Debt outstanding at September 30, 2019, consisted of the following:

	<u>Balance Oct. 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Sept. 30, 2019</u>
Compensated Absences	\$ 24,058	629		24,687
Total	<u>\$ 24,058</u>	<u>629</u>	<u>-</u>	<u>24,687</u>

**NOTE 14 – CONTINGENCIES.**

Federal Grants - The County has received federal grants for specific purposes that are subject to audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a grantor audit may become a liability of the county. In fiscal years 2002 & 2003, grants were received for the purpose of making loans

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**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2019**

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 15 – EFFECT OF DEFERRED AMOUNTS ON NET POSITION.**

The governmental activities' deficit unrestricted net position amount of (\$4,158,213) 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 \$259,739 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, 2020. The \$572,856 balance of deferred outflow of resources related to pensions at September 30, 2019, will be recognized in pension expense over the next four years. The \$483,899 balance of the deferred inflow of resources related to pension at September 30, 2019, will be recognized in pension expense over the next three years.

The governmental activities' deficit unrestricted net position amount of (\$4,158,213) includes the effect of deferring the recognition of revenue resulting from interest on capital leases receivable. The \$27,561 balance of deferred inflows of resources at September 30, 2019, will be recognized as revenue and will increase the unrestricted net position over the next three years.

The business-type activities' deficit unrestricted net position amount of (\$6,269,014) 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 \$96,068 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, 2020. The \$211,879 balance of the deferred outflow of resources related to pensions at September 30, 2019 will be recognized in pension expense over the next four years. The \$178,975 balance of the deferred inflow of resources related to pension at September 30, 2019, will be recognized in pension expense over the next three years.

**NOTE 16 – 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:

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**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2019**

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

**NOTE 17 – 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 2019.

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 four appointed by the Board of Supervisors of Bolivar County. The County appropriated \$12,167 for maintenance and support of the district in fiscal year 2019.

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 two of the 20 members of the College Board of Trustees. The County levied \$363,859 in taxes for the maintenance and support of the college in the fiscal year 2019.

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 two of the 12 members of the College Board of Trustees. The County levied \$363,859 in taxes for maintenance and support in the fiscal year 2019.

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 two of 21 members of the Board of Commissioners. The County levied \$230,500 in taxes to support the district in fiscal year 2019.

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 seven of the 21 board members. Most of the entity's revenues are derived from federal grants. The County appropriated \$40,000 for maintenance and support of the organization in the fiscal year 2019.

**NOTE 18 – TAX ABATEMENTS**

For the year beginning October 1, 2016, the Governmental Accounting Standards Board (GASB) implemented Statement No. 77, Tax Abatement Disclosures. This statement requires governmental entities to disclose the reduction in tax revenues resulting from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax

**BOLIVAR COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2019**

revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The Bolivar County Board of Supervisors negotiates property tax abatements on an individual basis. Abatements are for five to ten years and are for economic development purposes. The County had tax abatement agreements with three entities as of September 30, 2019.

The County had abatements under Section 27-31-101, Miss. Code Ann. (1972), which does not provide for the abatement of school or state tax levies:

Category	Percent of Taxes Abated During the Fiscal Year	Amount of Taxes Abatd During the Fiscal Year
Construction and expansion of a manufacturing facility	71%	\$ 457,937

**NOTE 19 – SUBSEQUENT EVENTS.**

Events that occur after the statement of Net Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management of Bolivar County evaluated the activity of the County through March 3, 2021, (the date the financial statements were available to be issued) and determined that the following subsequent events occurred requiring disclosure in the notes to the financial statements.

Issue Date	Interest Rate	Issue Amount	Type of Financing
11/25/2019	2.40%	\$ 3,300,000	Bolivar County Expo Renovation

Management is continuing to evaluate the impact of the coronavirus disease 2019 (COVID-19), which was declared a pandemic by the World Health Organization in March 2020, on the County's operations. This situation has depressed the tax bases and other areas in which the County received revenue during fiscal year 2019. As such, our financial position, operations, and cash flows will be negatively impacted for the fiscal year 2020 and may hinder the County's ability to meet the needs of its constituents. Management has and will take the necessary actions to marginalize the disruption caused by the outbreak. The specific impact on our financial position, operations, and cash flows is not readily determinable as of the date of these financial statements, therefore, the financial statements do not include any adjustments that might result from the outcome of this uncertainty.

## **BOLIVAR COUNTY**

### **REQUIRED SUPPLEMENTARY INFORMATION**

**BOLIVAR COUNTY**  
**Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis)**  
**General Fund**  
**For the Year Ended September 30, 2019**

**UNAUDITED**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 10,416,914	10,697,626	10,697,626	-
Licenses, commissions and other revenue	465,000	481,325	481,325	-
Fines and forfeitures	221,000	239,909	239,909	-
Intergovernmental revenues	535,500	724,615	724,615	-
Interest income	150,000	245,009	245,009	-
Miscellaneous revenues	118,000	163,785	163,785	-
<b>Total Revenues</b>	<b>11,906,414</b>	<b>12,552,269</b>	<b>12,552,269</b>	<b>-</b>
<b>EXPENDITURES</b>				
General government	6,148,771	5,849,215	5,849,215	-
Public safety	3,213,697	3,820,421	3,820,421	-
Public works	19,933			-
Health and welfare	663,840	631,861	631,861	-
Culture and recreation	436,251	436,561	436,561	-
Conservation of natural resources	156,915	113,980	113,980	-
Economic development and assistance	231,346	159,390	159,390	-
Debt service		19,933	19,933	-
<b>Total Expenditures</b>	<b>10,870,753</b>	<b>11,031,361</b>	<b>11,031,361</b>	<b>-</b>
Excess of Revenues over (under) Expenditures	<b>1,035,661</b>	<b>1,520,908</b>	<b>1,520,908</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sources	532,872	82,594	82,594	-
Uses	(1,432,872)	(436,374)	(436,374)	-
<b>Total Other Financing Sources and Uses</b>	<b>(900,000)</b>	<b>(353,780)</b>	<b>(353,780)</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>135,661</b>	<b>1,167,128</b>	<b>1,167,128</b>	<b>-</b>
<b>Fund Balance - Beginning</b>	<b>2,269,791</b>	<b>8,361,521</b>	<b>8,361,521</b>	<b>-</b>
<b>Fund Balance - Ending</b>	<b>\$ 2,405,452</b>	<b>9,528,649</b>	<b>9,528,649</b>	<b>-</b>

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, 2019**

**UNAUDITED**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 2,037,733	1,880,571	1,880,571	-
Road and bridge privilege taxes	380,000	368,729	368,729	-
Licenses, commissions and other revenue		2,169	2,169	-
Charges for services		3,293	3,293	-
Intergovernmental revenues	525,000	1,691,838	1,691,838	-
Interest income	19,000	11,147	11,147	-
Miscellaneous revenues	500	310	310	-
Total Revenues	<u>2,962,233</u>	<u>3,958,057</u>	<u>3,958,057</u>	<u>-</u>
<b>EXPENDITURES</b>				
Public works	4,090,325	3,338,439	3,338,439	-
Debt service		351,494	351,494	-
Total Expenditures	<u>4,090,325</u>	<u>3,689,933</u>	<u>3,689,933</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	<u>(1,128,092)</u>	<u>268,124</u>	<u>268,124</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sources	<u>-</u>	<u>134,323</u>	<u>134,323</u>	<u>-</u>
Total Other Financing Sources and Uses	<u>-</u>	<u>134,323</u>	<u>134,323</u>	<u>-</u>
Net Change in Fund Balance	(1,128,092)	402,447	402,447	-
Fund Balance - Beginning	<u>(5,812,350)</u>	<u>(366,756)</u>	<u>(366,756)</u>	<u>-</u>
Fund Balance - Ending	<u>\$ (6,940,442)</u>	<u>35,691</u>	<u>35,691</u>	<u>-</u>

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, 2019**

**UNAUDITED**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 1,852,850	1,903,822	1,903,822	-
Charges for services	-	1,594	1,594	-
Interest income	-	8,879	8,879	-
Total Revenues	<u>1,852,850</u>	<u>1,914,295</u>	<u>1,914,295</u>	<u>-</u>
EXPENDITURES				
Public works	1,852,850	2,028,455	2,028,455	-
Total Expenditures	<u>1,852,850</u>	<u>2,028,455</u>	<u>2,028,455</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	<u>-</u>	<u>(114,160)</u>	<u>(114,160)</u>	<u>-</u>
Net Change in Fund Balance	-	(114,160)	(114,160)	-
Fund Balance - Beginning	<u>2,105,959</u>	<u>257,674</u>	<u>257,674</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 2,105,959</u>	<u>143,514</u>	<u>143,514</u>	<u>-</u>

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, 2019**

**UNAUDITED**

	2019	2018	2017	2016	2015	2014
<b>Bolivar County</b>						
County's proportion of the net pension liability (asset)	0.119%	0.122%	0.115%	0.117%	0.125%	0.132%
County's proportionate share of the net pension liability (asset)	\$ 20,934,444	20,292,224	19,116,906	20,899,122	19,322,535	16,022,383
County's covered payroll	\$ 7,769,146	7,768,442	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	269.46%	261.21%	258.52%	279.21%	248.12%	198.27%
Plan fiduciary net position as a percentage of the total pension liability	61.59%	62.54%	61.49%	57.47%	61.70%	67.21%
<b>COMPONENT UNITS</b>						
<b>Bolivar County Port Commission</b>						
Proportion of the net pension liability (asset)	0.004899%	0.004924%	0.004647%	0.004965%	0.004878%	
Proportionate share of the net pension liability (asset)	\$ 861,831	819,007	772,489	873,697	754,043	
Covered payroll	\$ 319,091	310,720	310,065	323,635	300,494	
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	270.09%	263.58%	249.14%	269.96%	250.93%	
Plan fiduciary net position as a percentage of the total pension liability	61.59%	62.54%	61.49%	57.47%	61.70%	
<b>Bolivar County Library System</b>						
Proportion of the net pension liability (asset)	0.0050%	0.0055%	0.0050%	0.0043%	0.0043%	0.0043%
Proportionate share of the net pension liability (asset)	\$ 879,598	914,813	831,170	768,087	664,695	521,941
Covered payroll	\$ 325,014	351,752	325,382	287,227	263,929	274,106
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	270.63%	260.07%	255.44%	267.41%	251.85%	190.42%
Plan fiduciary net position as a percentage of the total pension liability	61.59%	62.54%	61.49%	57.47%	61.70%	67.21%

\* The amounts presented for each fiscal year were determined as of the twelve months ended at 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's Contributions**  
**Last 10 Fiscal Years\***  
**For the Year Ended September 30, 2019**

**UNAUDITED**

	2019	2018	2017	2016	2015
<b>Bolivar County</b>					
Contractually required contribution	\$ 1,264,945	1,220,283	1,184,067	1,192,579	1,216,088
Contributions in relation to the contractually required contribution	<u>1,264,945</u>	<u>1,220,283</u>	<u>1,184,067</u>	<u>1,192,579</u>	<u>1,216,088</u>
Contribution deficiency (excess)	\$ -	-	-	-	-
County's covered payroll	\$ 7,817,907	7,747,826	7,517,883	7,571,920	7,721,194
Contributions as a percentage of covered payroll	16.18%	15.75%	15.75%	15.75%	15.75%
<b>COMPONENT UNITS</b>					
<b>Bolivar County Port Commission</b>					
Contractually required contribution	\$ 53,798	48,938	48,835	50,973	47,328
Contributions in relation to the contractually required contribution	<u>53,798</u>	<u>48,938</u>	<u>48,835</u>	<u>50,973</u>	<u>47,328</u>
Contribution deficiency (excess)	\$ -	-	-	-	-
Covered payroll	\$ 332,636	310,720	310,065	323,635	300,496
Contributions as a percentage of covered payroll	16.17%	15.75%	15.75%	15.75%	15.75%
<b>Bolivar County Library System</b>					
Contractually required contribution	54,542	53,780	53,008	45,239	41,569
Contributions in relation to the contractually required contribution	<u>54,542</u>	<u>53,780</u>	<u>53,008</u>	<u>45,239</u>	<u>41,569</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered payroll	327,511	341,461	336,557	287,227	263,929
Contributions as a percentage of covered payroll	16.65%	15.75%	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.

Note A - The 2019 contributions as a percentage of covered payroll will be an average of the former contribution rate of 15.75% and the current contribution rate of 17.40%.

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

**BOLIVAR COUNTY**  
**Schedule of Proportionate Share of Net OPEB Liability**  
**Last 10 Fiscal Years\***  
**For the Year Ended September 30, 2019**

**UNAUDITED**

**COMPONENT UNIT**

**Bolivar County Library System**

	2019	2018
Proportion of the net OPEB liability	0.0099%	0.0117%
Proportionate share of the net OPEB liability	\$ 84,197	90,303
Covered-employee payroll	\$ 325,014	351,752
Proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	25.91%	25.67%
Plan fiduciary net position as a percentage of the total OPEB liability	0.12%	0.13%

\* 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. 75 was implemented for the fiscal year ended September 30, 2018, 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 OPEB Contributions**  
**Last 10 Fiscal Years\***  
**For the Year Ended September 30, 2019**

**UNAUDITED**

**COMPONENT UNIT**

**Bolivar County Library System**

	2019	2018
Contractually required contribution	\$ 3,373	4,022
Contributions in relation to the contractually required contribution	3,373	4,022
Contribution deficiency (excess)	\$ -	-
Covered-employee payroll	\$ 327,511	341,461
Contributions as a percentage of covered-employee payroll	1.03%	1.18%

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement No. 75 was implemented for the fiscal year ended September 30, 2018, 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**  
**For the Year Ended September 30, 2019**

**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 supplementary information.

**C. Budget/GAAP Reconciliation.**

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

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

The following schedule reconciles the budgetary basis 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)	\$ 1,167,128	402,447	(114,160)
Increase (Decrease)			
Net adjustments for revenue accruals	31,902	62,033	5,567
Net adjustments for expenditure accruals	(47,989)	(65,150)	40,489
GAAP Basis	\$ 1,151,041	399,330	(68,104)

**BOLIVAR COUNTY, MISSISSIPPI**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended September 30, 2019**

**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 rather than projected with Scale BB to 2016, which was used prior to 2017. Small adjustments were also made to the Mortality Table for disabled lives.

The wage inflation assumptions were 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 experience.

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

**BOLIVAR COUNTY, MISSISSIPPI**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended September 30, 2019**

**UNAUDITED**

2019

The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:

For males, 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119.

For females, 85% of the female rates from ages 18 to 65 scaled up to 102% for ages 75 to 119.

Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.

The expectation of disabled mortality was changed to PubT.H-2010 Disabled Retiree Table for disabled retirees with the following adjustments:

For males, 137% of male rates at all ages.

For females, 115% of female rates at all ages.

Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.

The price inflation assumption was reduced from 3.00% to 2.75%.

The wage inflation assumption was reduced from 3.25% to 3.00%.

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

The percentage of active member disabilities assumed to be in the line of duty was increased from 7% to 9%.

Method and assumptions used in calculations of actuarially determined contributions. The actuarially determined contribution rates in the schedule of employer contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported (June 30, 2017 valuation for the June 30, 2019 fiscal year end). The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in that schedule:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	38.4 years
Asset valuation method	5-year smoothed market
Price Inflation	3.00 percent
Salary increase	3.25 percent to 18.50 percent, including inflation
Investment rate of return	7.75 percent, net of pension plan investment expense, including inflation

**BOLIVAR COUNTY, MISSISSIPPI**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended September 30, 2019**

**UNAUDITED**

OPEB Schedules

(1) *Changes of assumptions*

2017: The discount rate was changed from 3.01% for the prior Measurement Date to 3.56% for the current Measurement Date.

2018: The discount rate was changed from 3.56% for the prior Measurement Date to 3.89% for the current Measurement Date.

2019: The discount rate was changed from 3.89% for the prior Measurement Date to 3.50% for the current Measurement Date.

(2) *Changes in benefit provisions*

2017: None

2018: None

2019: None

(3) Methods and assumptions used in calculations of Actuarially Determined Contributions. The Actuarially Determined Contributions rates, as a percentage of payroll, used to determine the Actuarially Determined Contribution amounts in the Schedule of Employer Contributions are calculated as of the most recent Valuation Date. The following actuarial methods and assumptions (from the June 30, 2018 actuarial valuation) were used to determine contribution rates reported in that schedule for the year ending June 30, 2019:

Actuarial cost method	Entry age
Amortization method	Level dollar
Amortization period	30 years, open
Asset valuation method	Market Value of Assets
Price inflation	3%
Salary increases, including wage inflation	3.25% to 18.50%
Initial health care cost trend rates	
Medicare Supplement Claims	7.25%
Pre-Medicare	
Ultimate health care cost trend rates	
Medicare Supplement Claims	4.75%
Pre-Medicare	
Year of ultimate trend rates	
Medicare Supplement Claims	2028
Pre-Medicare	

**BOLIVAR COUNTY, MISSISSIPPI**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended September 30, 2019**

**UNAUDITED**

Long-term investment rate of return, net of  
OPEB plan investment expense, 3.89%  
including price inflation

## **BOLIVAR COUNTY**

## **OTHER INFORMATION**

**BOLIVAR COUNTY**  
**Schedule of Surety Bonds for County Officials**  
**For the Year Ended September 30, 2019**  
**“Unaudited”**

Name	Position	Company	Bond
Benitha Calvin Williams	Supervisor District 1	Western Surety	\$100,000
Donnie Whitten	Supervisor District 2	FCCI Insurance	\$100,000
Preston Billings	Supervisor District 3	FCCI Insurance	\$100,000
James McBride	Supervisor District 4	FCCI Insurance	\$100,000
Larry King	Supervisor District 5	Western Surety	\$100,000
Will L. Hooker	County Administrator	Brierfield Insurance	\$100,000
Brenett N Haynes	Chancery Clerk	FCCI Insurance	\$100,000
Elexo Robinson	Purchase Clerk	Brierfield Insurance	\$75,000
Sarah Holloway	Asst. Purchase Clerk	Brierfield Insurance	\$50,000
Lee Chatman	Receiving Clerk	FCCI Insurance	\$75,000
Sharron Hurns	Asst. Receiving Clerk	Western Surety	\$50,000
Deborah Lucas	Asst. Receiving Clerk	FCCI Insurance	\$50,000
Booker Coleman	Asst. Receiving Clerk	FCCI Insurance	\$50,000
Brandie Hudson	Asst. Receiving Clerk	Travelers Insurance	\$50,000
Clarence "Buck" Beckham	Inventory Control Clerk	Brierfield Insurance	\$75,000
Lee Chatman	Asst. Road Manager	FCCI Insurance	\$50,000
James Pritchett	Road Manager	FCCI Insurance	\$50,000
Joe Lee Bassie	Constable	FCCI Insurance	\$50,000
Sam Toliver	Constable	FCCI Insurance	\$50,000
Marilyn Kelly	Circuit Clerk	FCCI Insurance	\$100,000
Darshanisha Warren	Deputy Circuit Clerk	Western Surety	\$50,000
Judith Weatherspoon	Deputy Circuit Clerk	FCCI Insurance	\$50,000
Marsh Cherry	Deputy Circuit Clerk	FCCI Insurance	\$50,000
Florida McNeal	Deputy Circuit Clerk	FCCI Insurance	\$50,000
Kelvin Williams	Sheriff	Brierfield Insurance	\$100,000
James Michael Lamb	Sheriff's Deputy	FCCI Insurance	\$50,000
Joey Davis	Sheriff's Deputy	FCCI Insurance	\$50,000
Youlandar Harris	Sheriff's Deputy	Western Surety	\$50,000
Charles Morris	Sheriff's Deputy	FCCI Insurance	\$50,000
Steven Rose	Sheriff's Deputy	FCCI Insurance	\$50,000
Gerald Wesley Jr.	Sheriff's Deputy	FCCI Insurance	\$50,000
Michael Williams	Sheriff's Deputy	FCCI Insurance	\$50,000
Kevin Craig	Sheriff's Deputy	FCCI Insurance	\$50,000
Andrew I Stimage	Sheriff's Deputy	FCCI Insurance	\$50,000
Michael Honorable	Sheriff's Deputy	Western Surety	\$50,000
Christopher McCain	Sheriff's Deputy	Western Surety	\$50,000
Gloria Wesley	Sheriff's Deputy	Western Surety	\$50,000
Cortez Hibbler	Sheriff's Deputy	Western Surety	\$50,000
Jonathan Trotter	Sheriff's Deputy	Western Surety	\$50,000
Jamarick Davis	Sheriff's Deputy	FCCI Insurance	\$50,000
K.T. Chase, Jr.	Sheriff's Deputy	Western Surety	\$50,000
James T. Griffin	Sheriff's Deputy	Western Surety	\$50,000
Benn E. Walker	Sheriff's Deputy	FCCI Insurance	\$50,000
James E. Winston, Jr.	Sheriff's Deputy	Western Surety	\$50,000
Martavis Atkins	Sheriff's Deputy	Western Surety	\$50,000
Jennifer Bracey	Sheriff's Deputy	Western Surety	\$50,000
Clint Hadley, Jr.	Sheriff's Deputy	Western Surety	\$50,000
Stephanie Hunter	Sheriff's Deputy	Western Surety	\$50,000
Touman Reed	Sheriff's Deputy	Western Surety	\$50,000
Yolanda W. Foster	Sheriff's Deputy	Western Surety	\$50,000
Paul Lawrence Medders	Sheriff's Deputy	Western Surety	\$50,000
Leighton Aldridge	Sheriff's Deputy	Western Surety	\$50,000
James Straight	Justice Court Judge	FCCI Insurance	\$50,000
Harold Ward	Justice Court Judge	FCCI Insurance	\$50,000
Betty Jean Taylor	Justice Court Judge	FCCI Insurance	\$50,000
Dorothy Lewis	Justice Court Clerk	Western Surety	\$50,000
Monika Locke	Deputy Justice Court Clerk	FCCI Insurance	\$50,000
Sophia D. Shelton	Deputy Justice Court Clerk	Western Surety	\$50,000
Nancy Havens	Tax Collector-Assessor	FCCI Insurance	\$100,000
Kay Sandra Anderson	Deputy Tax Collector	Western Surety	\$50,000
Patricia Pates	Deputy Tax Collector	Western Surety	\$50,000
Kim Beamon	Deputy Tax Collector	Western Surety	\$50,000
Jennifer Robinson	Deputy Tax Collector	FCCI Insurance	\$50,000
Jacqueline Crockam	Deputy Tax Collector	FCCI Insurance	\$50,000
Elexus Denise Morgan	Deputy Tax Assessor	Western Surety	\$10,000
Tiffany White	Deputy Tax Assessor	Western Surety	\$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, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 3, 2021. Other auditors audited the financial statements of the 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 2019-001, 2019-002 and 2019-003 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, Baird & Clarke, PLLC*

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

March 3, 2021



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PRIVATE COMPANIES PRACTICE SECTION

**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, 2019. 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, 2019.

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

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, Baird & Clarke, PLLC*

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

March 3, 2021

**BOLIVAR COUNTY**Schedule 1**Schedule of Purchases Not Made from the Lowest Bidder  
For the Year Ended September 30, 2019**

<u>Date</u>	<u>Item Purchased</u>	<u>Bid Accepted</u>	<u>Vendor</u>	<u>Lowest Bid</u>	<u>Reason for accepting other than Lowest Bid</u>
10/9/2018	Diesel	\$ 19,360.80	Serv U Petroleum	\$ 19,265.04	Can't deliver
10/12/2018	Gasoline	\$ 15,601.68	Serv U Petroleum	\$ 15,526.54	Can't deliver
3/13/2019	Sand	\$ 3.00/T	Memphis Stone	\$ 2.60/T	Gravel in Sand
3/20/2019	Diesel	\$ 16,988.40	Serv U Petroleum	\$ 16,593.84	Can't deliver
6/17/2019	Gasoline	\$ 13,928.40	Serv U Petroleum	\$ 13,926.96	Can't deliver

**BOLIVAR COUNTY**  
**Schedule of Emergency Purchases**  
**For the Year Ended September 30, 2019**

Schedule 2

<u>Date</u>	<u>Item Purchased</u>	<u>Amount</u>	<u>Vendor</u>	<u>Reason for Emergency Purchase</u>
6/20/2019	40 Hp Motor	\$ 6,165.00	Mid So. Water	Storm Damage
6/21/2019	Generator for Water	\$ 1,500.00	Robinson Electric	Storm Damage

**BOLIVAR COUNTY**

Schedule 3

**Schedule of Purchases Made Noncompetitively from a Sole Source  
For the Year Ended September 30, 2019**

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



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PRIVATE COMPANIES PRACTICE SECTION

## 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, 2019, 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 March 3, 2021, 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, Baird & Clarke, PLLC*

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

March 3, 2021

## **BOLIVAR COUNTY**

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

**BOLIVAR COUNTY**  
**Schedule of Findings and Responses**  
**For the Year Ended September 30, 2019**

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 deficiencies identified?                        | Yes        |
| 3. Noncompliance material to the financial statements?         | No         |

Section 2: Financial Statement Findings

**Tax Collector's Office**

**Significant Deficiency**

**2019-001.**      Tax Collector's Office is not making deposits timely.

**Repeat Finding**      No

**Criteria**      Management is responsible for establishing a proper internal control system to ensure a strong financial accountability and safeguarding of assets and revenue.

**Condition**      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.

**Cause**      This is due to inadequate internal controls surrounding the depositing of revenue collected in the Tax Collector's Office.

**Effect**      Inadequate controls surrounding the deposits of revenue collections could result in theft of assets and improper revenue recognition.

**Recommendation**      The Tax Collector should ensure that the deposits are being made in a timely manner.

**Tax Collector's Response**      I was not the Tax Collector for the fiscal year 2018-2019 during the time of this audit. Therefore, I cannot respond to the practice performed in deposits during this time period.

**BOLIVAR COUNTY**  
**Schedule of Findings and Responses**  
**For the Year Ended September 30, 2019**

**Sheriff's Office**

**Significant Deficiency**

<b>2019-002.</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 six 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>	Protocol has been established to ensure that deposits are made daily for all cash received. Increasing the frequency of deposits will reduce the potential for theft.
<b>2019-003.</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 five 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.

**BOLIVAR COUNTY**  
**Schedule of Findings and Responses**  
**For the Year Ended September 30, 2019**

<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>	Supervisors will monitor and ensure that settlements are completed in a timely manner.