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BOLIVAR COUNTY, MISSISSIPPI

Audited Financial Statements and Special Reports

For the Year Ended September 30, 2020



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, 2020, 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 0.48 percent, (0.85) percent, and 6.99 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 99.52 percent, 100.85 percent, and 93.01 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, 2020, 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 Proportionate Share of the Net Pension Liability, Schedule of Pension 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 October 28, 2021, on our consideration of Bolivar County, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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

October 28, 2021

BOLIVAR COUNTY

FINANCIAL STATEMENTS

BOLIVAR COUNTY
Statement of Net Position
September 30, 2020

Exhibit 1

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash	\$ 19,402,636	40,960	19,443,596
Cash with fiscal agents		220,027	220,027
Investments			
Property tax receivable	15,951,471		15,951,471
Accounts receivable			
Fines receivable, net of allowance for uncollectibles of \$5,809,154	487,804		487,804
Loans receivable, net	-		-
Intergovernmental receivables	424,762		424,762
Other receivables	34,228		34,228
Internal balances	795,341	(795,341)	-
Prepaid bond insurance		11,123	11,123
Prepaid expenses			
Lease payments receivable	207,441		207,441
Land and construction in progress	8,533,843	3,878	8,537,721
Other capital assets, net	62,435,513	4,703,499	67,139,012
Total Assets	108,273,039	4,184,146	112,457,185
Deferred Outflows of Resources			
Deferred outflows related to pension	1,382,815	511,453	1,894,268
Deferred outflows related to OPEB			
Total Deferred Outflows of Resources	1,382,815	511,453	1,894,268
Liabilities			
Claims payable	652,918	114,940	767,858
Intergovernmental payables	588,129		588,129
Accrued interest payable	78,679	18,142	96,821
Other payables	167,920		167,920
Unearned revenue			
Long-term liabilities			
Due within one year:			
Capital related debt	1,555,446	455,000	2,010,446
Non-capital debt			
Due in more than one year:			
Capital related debt	2,993,647	1,923,993	4,917,640
Non-capital debt	200,303	21,646	221,949
Net pension liability	16,534,382	6,115,455	22,649,837
Net OPEB liability			-
Total Liabilities	22,771,424	8,649,176	31,420,600
Deferred Inflows of Resources			
Deferred inflows related to pension	369,846	136,791	506,637
Deferred inflows related to OPEB			-
Deferred revenues - property tax	15,951,471		15,951,471
Deferred revenue - interest on capital leases	12,441		12,441
Total deferred inflows of resources	16,333,758	136,791	16,470,549
Net Position			
Net investment in capital assets	66,420,263	2,328,384	68,748,647
Restricted:			
Expendable:			
General government	319,238		319,238
Debt service	99,882		99,882
Public safety	2,873,683		2,873,683
Public works	6,395,230		6,395,230
Culture and recreation	2,503,863		2,503,863
Economic development	29,338		29,338
Grants management			
Unemployment			
Unrestricted	(8,090,825)	(6,418,752)	(14,509,577)
Total Net Position	\$ 70,550,672	(4,090,368)	66,460,304

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

BOLIVAR COUNTY
Statement of Net Position (Continued)
September 30, 2020

Exhibit 1

	Component Units				Total
	Bolivar County Port Comm.	Bolivar County ED District	Bolivar County Library System	Bolivar Medical Center Found.	
\$	285,921	581,947	167,075	90,384	1,125,327
	4,675,000			61,691,575	66,366,575
	59,629		32,129		91,758
					-
	431,369				431,369
	13,732				13,732
	34,474		12,051		46,525
	3,109,720	405,428			3,515,148
	6,973,547	143,891	167,233		7,284,671
	15,583,392	1,131,266	378,488	61,781,959	78,875,105
	73,197		65,551		138,748
			22,313		22,313
	73,197	-	87,864	-	161,061
	434,558		7,099		441,657
	155,971				155,971
			15,867		15,867
			15,866		15,866
	943,163		929,224		1,872,387
			72,412		72,412
	1,533,692	-	1,040,468	-	2,574,160
	6,143		45,635		51,778
			29,944		29,944
					-
	6,143	-	75,579	-	81,722
	10,083,267	549,319	167,233		10,799,819
		581,947			581,947
			11,822		11,822
	1,587				1,587
	4,031,900		(828,750)	61,781,959	64,985,109
\$	14,116,754	1,131,266	(649,695)	61,781,959	76,380,284

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

BOLIVAR COUNTY
Statement of Activities
For the Year Ended September 30, 2020

Exhibit 2

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business Type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 6,737,380	688,555	434,920		(5,613,905)		(5,613,905)
Public safety	4,536,611	640,018	231,176		(3,665,417)		(3,665,417)
Public works	9,775,403	52,136	7,598	4,108,542	(5,607,127)		(5,607,127)
Health and welfare	621,572		23,699		(597,873)		(597,873)
Culture and recreation	441,806				(441,806)		(441,806)
Conservation of natural resources	88,585				(88,585)		(88,585)
Economic development and assistance	914,338			471,427	(442,911)		(442,911)
Interest on long-term debt	101,284				(101,284)		(101,284)
Pension expense	1,588,543				(1,588,543)		(1,588,543)
Total Governmental Activities	24,805,522	1,380,709	697,393	4,579,969	(18,147,451)		(18,147,451)
Business-type activities:							
Correctional facility	4,999,827	5,113,445				113,618	113,618
Total Business-type Activities	4,999,827	5,113,445				113,618	113,618
Total Primary Government	\$ 29,805,349	6,494,154	697,393	4,579,969	(18,147,451)	113,618	(18,033,833)
Component Units:							
Bolivar County Port Comm.	\$ 1,161,655	631,993					
Bolivar County ED District	611,419						
Bolivar County Library System	711,899	15,258	148,403				
Bolivar Medical Center Found.	1,147,699						
Total Component Units	\$ 3,632,672	647,251	148,403	0			
General revenues:							
Property taxes					\$ 17,190,555		17,190,555
Road & bridge privilege taxes					323,212		323,212
Grants and contributions not restricted to specific programs					1,461,300		1,461,300
Unrestricted investment income					355,699	413	356,112
Miscellaneous					389,852	78,717	468,569
Gain (loss) on disposal of capital assets					6,050		6,050
Total General Revenues					19,726,668	79,130	19,805,798
Changes in Net Position					1,579,217	192,748	1,771,965
Net Position - Beginning, as previously reported					68,971,455	(4,283,116)	64,688,339
Prior period adjustments							
Net Position - Beginning, as restated					68,971,455	(4,283,116)	64,688,339
Net Position - Ending					\$ 70,550,672	(4,090,368)	66,460,304

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

Exhibit 2

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BOLIVAR COUNTY
Balance Sheet – Governmental Funds
September 30, 2020

Exhibit 3

	Major Funds					
	Countywide					
	General Fund	Road Maintenance Fund	Expo Renovation Fund	Volunteer Fire Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash	\$ 6,854,464	1,252,439	1,711,250	2,385,385	7,199,098	19,402,636
Property tax receivable	10,340,859	1,809,005		512,200	3,289,407	15,951,471
Fines receivable, net of allowance for uncollectibles of \$5,809,154	487,804					487,804
Loans receivable, net					0	0
Intergovernmental receivables	403,248	21,514				424,762
Advances to other funds	777,038					777,038
Due from other funds	18,303	27,987		8,731	50,320	105,341
Other receivables	7,473	26,755				34,228
Lease payments receivable					207,441	207,441
Total Assets	<u>18,889,189</u>	<u>3,137,700</u>	<u>1,711,250</u>	<u>2,906,316</u>	<u>10,746,266</u>	<u>37,390,721</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Claims payable	269,352	295,290		2,496	85,780	652,918
Intergovernmental payables	588,129					588,129
Due to other funds	113,440					113,440
Other payables	141,518					141,518
Total Liabilities	<u>1,112,439</u>	<u>295,290</u>	<u>0</u>	<u>2,496</u>	<u>85,780</u>	<u>1,496,005</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	10,340,859	1,809,005		512,200	3,289,407	15,951,471
Unavailable revenue -lease payments					207,441	207,441
Unavailable revenue - fines	487,804					487,804
Total Deferred Inflows of Resources	<u>10,828,663</u>	<u>1,809,005</u>	<u>0</u>	<u>512,200</u>	<u>3,496,848</u>	<u>16,646,716</u>
FUND BALANCES						
Nonspendable:						
Advances	777,038					777,038
Restricted for:						
General government					319,238	319,238
Public safety				2,391,620	482,063	2,873,683
Public works		1,033,405			5,361,825	6,395,230
Culture and recreation			1,711,250		792,613	2,503,863
Economic development					29,338	29,338
Debt service					178,561	178,561
Unassigned	6,171,049					6,171,049
Total Fund Balances	<u>6,948,087</u>	<u>1,033,405</u>	<u>1,711,250</u>	<u>2,391,620</u>	<u>7,163,638</u>	<u>19,248,000</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 18,889,189</u>	<u>3,137,700</u>	<u>1,711,250</u>	<u>2,906,316</u>	<u>10,746,266</u>	<u>37,390,721</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, 2020**

	<u>Amount</u>
Total fund balance - Governmental Funds	\$ 19,248,000
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 \$96,701,783.	70,969,356
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	487,804
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(4,749,396)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(78,679)
Capital leases are not available to pay for current period expenditures and, therefore, are deferred in the funds.	195,000
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(16,534,382)
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	1,382,815
Deferred inflows of resources related to pensions	(369,846)
Total Net Position - Governmental Activities	<u>\$ 70,550,672</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, 2020**

	Major Funds					Total Governmental Funds
	General Fund	Countywide Road Maintenance	Expo Renovation Fund	Volunteer Fire Fund	Other Governmental Funds	
REVENUES						
Property taxes	\$11,148,830	1,956,718		560,152	3,524,855	17,190,555
Road and bridge privilege taxes		323,212				323,212
Licenses, commissions and other revenue	512,680	2,016			6,363	521,059
Fines and forfeitures	201,262					201,262
Intergovernmental revenues	901,780	1,908,145	471,427	61,963	3,395,347	6,738,662
Charges for services		7,354			682,784	690,138
Interest income	258,130	10,067			87,502	355,699
Miscellaneous revenues	94,223	109,627			186,002	389,852
Total Revenues	13,116,905	4,317,139	471,427	622,115	7,882,853	26,410,439
EXPENDITURES						
Current:						
General government	6,051,206				220,291	6,271,497
Public safety	3,788,170			1,286,091	622,829	5,697,090
Public works		4,071,923			6,137,292	10,209,215
Health and welfare	586,310					586,310
Culture and recreation	443,886		5,514,518			5,958,404
Conservation of natural resources	102,292					102,292
Economic development and assistance	193,441				720,897	914,338
Debt service:						
Principal	15,536	330,399			90,000	435,935
Interest	4,395	21,096			17,060	42,551
Total Expenditures	11,185,236	4,423,418	5,514,518	1,286,091	7,808,369	30,217,632
Excess of Revenues over (under) Expenditures	1,931,669	(106,279)	(5,043,091)	(663,976)	74,484	(3,807,193)
OTHER FINANCING SOURCES (USES)						
Long-term capital debt issued			3,300,000			3,300,000
Proceeds from sale of capital assets					17,375	17,375
Transfers in			3,200,000	1,900,000		5,100,000
Transfers out	(5,100,000)					(5,100,000)
Lease principal payments					90,000	90,000
Total Other Financing Sources and Uses	(5,100,000)	0	6,500,000	1,900,000	107,375	3,407,375
Net Changes in Fund Balances	(3,168,331)	(106,279)	1,456,909	1,236,024	181,859	(399,818)
Fund Balances - Beginning, as previously reported	10,116,418	1,139,684			8,391,716	19,647,818
Fund reclassification			254,341	1,155,596	(1,409,937)	0
Fund Balances - Beginning, as restated	10,116,418	1,139,684	254,341	1,155,596	6,981,779	19,647,818
Fund Balances - Ending	\$ 6,948,087	1,033,405	1,711,250	2,391,620	7,163,638	19,248,000

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, 2020**

	<u>Amount</u>
Net Change in Fund Balances - Governmental Funds	\$ (399,818)
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 \$8,177,809 exceeded depreciation of \$2,500,370 in the current period.	5,677,439
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 increases financial resources. Thus, the change in net position differs from the change in fund balance by the amount of the net gain of \$6,050 and the proceeds from the sale of capital assets of \$17,375 in the current period.	(11,325)
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.	(31,750)
Debt proceed provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Thus, the change in net position differs from the change in fund balances by the amount that debt proceeds of \$3,300,000 exceeded debt repayments of \$435,935.	(2,864,065)
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	(90,000)
Change in compensated absences	(54,567)
Change in accrued interest payable	(58,733)
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	(1,588,543)
Recognition of contributions made for the current year	1,000,579
Change in Net Position of Governmental Activities	<u>\$ 1,579,217</u>

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

BOLIVAR COUNTY
Statement of Net Position – Proprietary Fund
September 30, 2020

Exhibit 5

	<u>Business-type Activities - Enterprise Fund</u>
	<u>Major Fund</u>
	<u>BCRCF Fund</u>
ASSETS	
Current assets:	
Cash	\$ 40,960
Cash with fiscal agents	220,027
Prepaid bond insurance	11,123
Total Current Assets	<u>272,110</u>
Noncurrent assets:	
Land and construction in progress	3,878
Capital assets, net	4,703,499
Total Noncurrent Assets	<u>4,707,377</u>
Total Assets	<u>4,979,487</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	511,453
Total Deferred Outflows of Resources	<u>511,453</u>
LIABILITIES	
Current liabilities:	
Claims payable	114,940
Due to other funds	18,303
Advances from other funds	777,038
Accrued interest payable	18,142
Capital related debt - current	455,000
Total Current Liabilities	<u>1,383,423</u>
Noncurrent liabilities:	
Capital related debt:	
Other long-term liabilities	1,923,993
Non-capital debt:	
Compensated absences payable	21,646
Net pension liability	6,115,455
Total Noncurrent Liabilities	<u>8,061,094</u>
Total Liabilities	<u>9,444,517</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	136,791
Total Deferred Inflows of Resources	<u>136,791</u>
NET POSITION	
Net investment in capital assets	2,328,384
Unrestricted	<u>(6,418,752)</u>
Total Net Position	<u>\$ (4,090,368)</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 Fund
For the Year Ended September 30, 2020**

	<u>Business-type Activities - Enterprise Fund</u>
	<u>Major Fund</u>
	<u>BCRCF</u>
	<u>Fund</u>
Operating Revenues	
Charges for services	\$ 5,113,445
Miscellaneous	78,717
Total Operating Revenues	<u>5,192,162</u>
Operating Expenses	
Personal services	2,391,908
Contractual services	946,647
Materials and supplies	795,509
Depreciation expense	166,204
Indirect administrative cost	18,303
Pension expense	587,543
Insurance premiums	6,445
Total Operating Expenses	<u>4,912,559</u>
Operating Income (Loss)	<u>279,603</u>
Nonoperating Revenues (Expenses)	
Interest income	413
Interest expense	<u>(87,268)</u>
Net Nonoperating Revenue (Expenses)	<u>(86,855)</u>
Change in Net Position	192,748
Net Position - Beginning	<u>(4,283,116)</u>
Net Position - Ending	<u>\$ (4,090,368)</u>

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

BOLIVAR COUNTY
Statement of Cash Flows – Proprietary Fund
For the Year Ended September 30, 2020

Exhibit 7

	<u>Business-type Activities - Enterprise Fund</u>
	<u>Major Fund</u>
	<u>BCRCF</u>
	<u>Fund</u>
Cash Flows From Operating Activities	
Receipts from customers	\$ 5,113,445
Payments to suppliers	(819,934)
Payments to employees for services	(3,705,020)
Other operating cash receipts	78,717
Net Cash Provided (Used) by Operating Activities	<u>667,208</u>
Cash Flows From Capital and Related Financing Activities	
Principal paid on debt	(510,000)
Interest paid on debt	(90,874)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(600,874)</u>
Cash Flows From Investing Activities	
Interest on deposits	413
Net Cash Provided (Used) by Investing Activities	<u>413</u>
Net Increase (Decrease) in Cash and Cash Equivalents	66,747
Cash and Cash Equivalents at Beginning of Year	<u>194,240</u>
Cash and Cash Equivalents at End of Year	<u>\$ 260,987</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating income (Loss)	\$ 279,603
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	166,204
Amortization expense	6,445
Changes in assets and liabilities:	
(Increase) decrease in deferred outflows of resources	(203,506)
Increase (decrease) in claims payable	(31,592)
Increase (decrease) in compensated absences liability	10,779
Increase (decrease) in net pension liability	463,156
Increase (decrease) in interfund payables	18,303
Increase (decrease) in deferred inflows of resources	<u>(42,184)</u>
Total Adjustments	<u>387,605</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 667,208</u>

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

BOLIVAR COUNTY
Statement of Fiduciary Assets and Liabilities
September 30, 2020

Exhibit 8

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 8,091,928
Due from other funds	<u>26,402</u>
Total Assets	<u><u>8,118,330</u></u>
LIABILITIES	
Intergovernmental payables	26,402
Amounts held in custody for others	<u>8,091,928</u>
Total Liabilities	\$ <u><u>8,118,330</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, 2020

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, 2020

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, 2020

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

The County reports the following major governmental funds:

General Fund – This fund is used to account for 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.

Expo Renovation Fund – This fund is used to account for monies from specific revenue sources that are restricted for the renovation of the Expo Center.

Volunteer Fire Fund – This fund is used to account for the monies from specific revenue sources that are restricted for volunteer fire.

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, 2020

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."

BOLIVAR COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

I. 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 applicable 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.

J. 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, 2020

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.

K. 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.

L. 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.

M. 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, 2020

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 (committed, assigned, or unassigned) resources are available, it is the County’s general policy to use restricted resources first. When expenses are incurred for purposes for which unrestricted (committed, assigned 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, 2020

N. 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.

O. 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.

P. 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.

Q. Changes in Accounting Standards.

The Governmental Accounting Standards Board issued GASB 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* in May 2020. The objective of this Statement was to provide temporary relief to governments in light of the COVID-19 pandemic by postponing effective dates of certain Statements and Implementation Guides. The effective dates of GASB 83-84, GASB 88-93, and Implementation Guides No. 2017-3, 2018-1, 2019-1, and 2019-2 were postponed one year. The effective dates of GASB 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, were postponed eighteen months.

BOLIVAR COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

NOTE 2 -PRIOR PERIOD ADJUSTMENTS.

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

Component Unit – Bolivar County Port Commission.

Explanation	Amount
Bolivar County Port Commission	
To adjust net position for unrecorded grant income received in prior year	\$ 38,097
Total prior period adjustments	<u>\$ 38,097</u>

Component Unit – Bolivar County Economic Development District

Explanation	Amount
Bolivar County Economic Development District	
To correct prior errors	\$ 2,061
Total prior period adjustments	<u>\$ 2,061</u>

NOTE 3 – DEPOSITS AND INVESTMENTS.

The carrying amount of the County's total deposits with financial institutions at September 30, 2020, was \$27,755,551, and the bank balance was \$27,514,988. The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC).

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of the failure of a financial institution, the County will not be able to recover deposits or collateral securities that are in the possession of an outside party. The County does not have a formal policy for custodial credit risk. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC). Deposits above FDIC coverage are collateralized by the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on behalf of the County.

BOLIVAR COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

NOTE 4 – INTERFUND TRANSACTIONS AND BALANCES.

The following is a summary of interfund balances at September 30, 2020:

A. Due From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	BCRCF Fund	\$ 18,303
Countywide Road Maintenance Fund	General Fund	27,987
Volunteer Fire Fund	General Fund	8,731
Other Governmental Funds	General Fund	50,320
Agency Funds	General Fund	26,402
Total		<u>\$ 131,743</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 2020. 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	BCRCF Fund	\$ 777,038
Total		<u>\$ 777,038</u>

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

C. Transfers In/Out:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Expo Renovation Fund	General Fund	\$ 3,200,000
Volunteer Fire Fund	General Fund	1,900,000
Total		<u>\$ 5,100,000</u>

These transfers were for the renovation of the Expo Building and the construction of new fire house.

NOTE 5 – INTERGOVERNMENTAL RECEIVABLES.

At September 30, 2020, intergovernmental receivables consisted of:

<u>Governmental Activities:</u>	<u>Amount</u>
Legislative tax credit	\$ 143,967
Cares Act funds	259,281
TEA-LU grant match from municipalities	21,514
Total Governmental Activities	<u>\$ 424,762</u>

BOLIVAR COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

NOTE 6 – LOANS RECEIVABLE.

At September 30, 2020, loans receivable consisted of:

	<u>Date of Loan</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Receivable Balance</u>
Governmental Activities:				
Loans Receivable:				
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, 2020:

	<u>Balance Oct. 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	<u>Balance Sept. 30, 2020</u>
Non-depreciable capital assets:					
Land	\$ 1,356,270				1,356,270
Construction in progress	1,708,216	7,264,282		(1,794,925)	7,177,573
Total non-depreciable capital assets	<u>3,064,486</u>	<u>7,264,282</u>	<u>-</u>	<u>(1,794,925)</u>	<u>8,533,843</u>
Depreciable capital assets:					
Infrastructure	99,531,840			870,720	100,402,560
Buildings	38,847,551			924,205	39,771,756
Improvements other than buildings	1,128,504				1,128,504
Mobile equipment	12,858,594	688,069			13,546,663
Furniture and equipment	4,090,166	225,458	27,811		4,287,813
Total depreciable capital assets	<u>156,456,655</u>	<u>913,527</u>	<u>27,811</u>	<u>1,794,925</u>	<u>159,137,296</u>
Less accumulated depreciation for:					
Infrastructure	56,849,633	862,183			57,711,816
Buildings	24,788,617	352,757			25,141,374
Improvements other than buildings	514,994	35,257			550,251
Mobile equipment	9,080,440	1,054,802			10,135,242
Furniture and equipment	2,984,215	195,371	16,486		3,163,100
Total accumulated depreciation	<u>94,217,899</u>	<u>2,500,370</u>	<u>16,486</u>	<u>-</u>	<u>96,701,783</u>
Total depreciable capital assets, net	<u>62,238,756</u>	<u>(1,586,843)</u>	<u>11,325</u>	<u>1,794,925</u>	<u>62,435,513</u>
Governmental activities					
Capital assets, net	<u>\$ 65,303,242</u>	<u>5,677,439</u>	<u>11,325</u>	<u>-</u>	<u>70,969,356</u>

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

BOLIVAR COUNTY, MISSISSIPPI
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For the Year Ended September 30, 2020

	Balance Oct. 1, 2019	Additions	Deletions	Adjustments	Balance Sept. 30, 2020
Non-depreciable capital assets:					
Land	\$ 3,878				3,878
Total Non-depreciable capital assets	3,878	-	-	-	3,878
Depreciable capital assets:					
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
Less accumulated depreciation for:					
Buildings	2,949,351	149,636			3,098,987
Improvements other than buildings	771,237	10,349			781,586
Mobile equipment	251,656	6,219			257,875
Furniture and equipment	246,951				246,951
Total accumulated depreciation	4,219,195	166,204	-	-	4,385,399
Total depreciable capital assets, net	4,869,703	(166,204)	-	-	4,703,499
Business -type activities					
Capital assets, net	\$ 4,873,581	(166,204)	-	-	4,707,377

Depreciation expense was charged to the following functions:

Governmental Activities:	Amount
General government	\$ 1,012,448
Public safety	667,959
Public works	784,026
Health & welfare	35,262
Culture & recreation	675
Total governmental activities depreciation expense	\$ 2,500,370
Business-type activities:	
Correctional facility	\$ 166,204

Commitments with respect to unfinished capital projects at September 30, 2020, consisted of the following:

Description of Commitment	Remaining Financial Commitment	Expected Date of Completion
Expo Center renovation	\$ 2,748,480	2021
Fire house	1,682,588	2021

BOLIVAR COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

Capital Assets - Component Units:

<u>Bolivar County Port Commission</u>	Balance Oct. 1, 2019	Additions	Deletions	Adjustments	Balance Sept. 30, 2020
<u>Non-depreciable capital assets:</u>					
Land	\$ 3,109,720				3,109,720
Construction in progress	0	549,542		(549,542)	0
Total non-depreciable capital assets	3,109,720	549,542	-	(549,542)	3,109,720
<u>Depreciable capital assets:</u>					
Infrastructure	3,151,335	471,389		588,024	4,210,748
Buildings and improvements	6,577,601				6,577,601
Equipment and fixtures	1,355,564	21,100			1,376,664
Total depreciable capital assets	11,084,500	492,489	-	588,024	12,165,013
<u>Less accumulated depreciation for:</u>					
Infrastructure	1,685,257	94,258			1,779,515
Buildings and improvements	2,076,804	179,938			2,256,742
Equipment and fixtures	1,114,613	40,596			1,155,209
Total accumulated depreciation	4,876,674	314,792	-	-	5,191,466
Total depreciable capital assets, net	6,207,826	177,697	-	588,024	6,973,547
Component unit capital assets, net	\$ 9,317,546	727,239	-	38,482	10,083,267

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	759,706	47,482			807,188
Equipment and fixtures	4,977	325			5,302
Total accumulated depreciation	764,683	47,807	-	-	812,490
Total depreciable capital assets, net	191,698	(47,807)	-	-	143,891
Component unit capital assets, net	\$ 597,126	(47,807)	-	-	549,319

Bolivar County Library

<u>Depreciable capital assets:</u>					
Equipment and fixtures	\$ 663,885	68,121			732,006
Total depreciable capital assets	663,885	68,121	-	-	732,006
<u>Less accumulated depreciation for:</u>					
Equipment and fixtures	517,484	47,289			564,773
Total accumulated depreciation	517,484	47,289	-	-	564,773
Component unit capital assets, net	\$ 146,401	20,832	-	-	167,233

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, 2020, to January 1, 2021. 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.

BOLIVAR COUNTY, MISSISSIPPI
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The future minimum lease receivables and the present value of the net minimum lease receivable as of September 30, 2020, are as follows:

<u>Year Ending September 30:</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 95,000	9,291
2022	100,000	3,150
Total	<u>\$ 195,000</u>	<u>12,441</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 compounded for each fiscal year thereafter. Plan provisions are established and may be amended only by the State of Mississippi Legislature.

BOLIVAR COUNTY, MISSISSIPPI
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Contributions. At September 30, 2020, 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, 2020, was 17.40% of annual covered payroll. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature.

The County's contributions (employer share only) to PERS for the years ending September 30, 2020, 2019 and 2018 were \$1,370,656, \$1,264,945, and \$1,220,283, 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, 2020, the County reported a liability of \$22,649,837 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, 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, 2020, net pension liability was 0.117 percent, which was based on a measurement date of June 30, 2020. This was a decrease of 0.002 percent from its proportionate share used to calculate the September 30, 2019, net pension liability, which was based on a measurement date of June 30, 2019.

For the year ended September 30, 2020, the County recognized pension expense of \$2,176,086. At September 30, 2020, 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	\$ 196,850	
Net difference between projected and actual earnings on pension plan investments	934,130	
Changes of assumptions	128,869	
Changes in the proportion and differences between County contributions and proportionate share of contributions	268,531	506,637
County Contributions subsequent to the measurement date	365,888	
	<u>\$ 1,894,268</u>	<u>506,637</u>

\$365,888 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, 2021. 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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For the Year Ended September 30, 2020

<u>Year ending September 30:</u>	<u>Amount</u>
2021	\$ 115,252
2022	229,302
2023	377,390
2024	299,799
Total	\$ <u>1,021,743</u>

Actuarial Assumptions. The total pension liability in the June 30, 2020, 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 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 most recent target asset allocation and best estimates of arithmetic real rates of return for each major asset class 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	0.50
Real Estate	10.00	4.00
Private Equity	8.00	6.25
Cash	<u>1.00</u>	0.00
Total	<u>100.00 %</u>	

Discount Rate. The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00%) and that employer contributions will be made at the

BOLIVAR COUNTY, MISSISSIPPI
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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%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
County's proportionate share of the net pension liability	\$	29,317,435	22,649,837	17,146,396

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, 2020, 2019 and 2018 were \$53,415, \$53,798, and \$48,938, 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, 2020, the Port reported a liability of \$943,163 for its proportionate share of the net pension liability. At June 30, 2020, the Port's proportion was 0.004872 percent, which was a decrease of 0.000027 percent from its proportion measured as of June 30, 2019. For the year ended September 30, 2020, the Port recognized pension expense of \$88,803. At September 30, 2020, 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	\$ 8,042	
Net difference between projected and actual earnings on pension plan investments	38,679	
Changes of assumptions	5,304	
Changes in the proportion and differences between Port contributions and proportionate share of contributions	9,362	6,143
Contributions subsequent to the measurement date	11,810	
	<u>\$ 73,197</u>	<u>6,143</u>

\$11,810 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, 2021. 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
2021	\$ 9,744
2022	15,597
2023	17,418
2024	12,485
Total	<u>\$ 55,244</u>

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Proportionate share of the net pension liability	\$ 1,220,808	943,163	713,994

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, 2020, 2019 and 2018 were \$55,909, \$54,542, and \$53,780, 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, 2020, the System reported a liability of \$929,224 for its proportionate share of the net pension liability. At June 30, 2020, the System's proportion was 0.0048 percent, which was a decrease of 0.0002 percent from its proportion measured as of June 30, 2019. For the year ended September 30, 2020,

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the System recognized pension expense of \$91,817. At September 30, 2020, the System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,066	
Net difference between projected and actual earnings on pension plan investments	38,169	
Changes of assumptions	5,198	
Changes in the proportion and differences between System contributions and proportionate share of contributions		45,635
Contributions subsequent to the measurement date	14,118	
	<u>\$ 65,551</u>	<u>45,635</u>

\$14,118 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending September 30:</u>	<u>Amount</u>
2021	\$ (9,560)
2022	(8,683)
2023	11,742
2024	12,299
Total	<u>\$ 5,798</u>

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Proportionate share of the net pension liability	\$ 1,202,767	929,224	703,442

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 Insurance Management Board (the Board) administers the Plan. The Board has the sole legal authority to

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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. 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, 2020, were \$2,889 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, 2020, the Library System reported a liability of \$72,412 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The basis for the 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

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employer is the same for any employee regardless of plan participation elections made by the employee. At the measurement date of June 30, 2020, the Library System's proportion was 0.0093 percent. This was a decrease of 0.0006 percent from the proportionate share as of the measurement date of June 30, 2019.

For the year ended September 30, 2020, the Library System recognized OPEB expense of \$1,933. At September 30, 2020, 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	\$ 92	12,602
Changes of assumptions	11,243	3,060
Net difference between projected and actual earnings on OPEB plan investments	2	
Changes in the proportion and differences between Library System contributions and proportionate share of contributions	10,976	14,282
Total	\$ <u>22,313</u>	<u>29,944</u>

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>
2021	\$ (691)
2022	(691)
2023	(1,051)
2024	(2,734)
2025	(2,464)
Total	\$ <u>(7,631)</u>

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Actuarial assumptions. The total OPEB liability in the June 30, 2020, 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	3.00-18.25%, 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	2.19%
Prior Measurement Date	3.50%
Year FNP is projected to be depleted	
Measurement Date	2020
Prior Measurement Date	2019
Single Equivalent Interest Rate, Net of OPEB Plan investment expense, including inflation	
Measurement Date	2.19%
Prior Measurement Date	3.50%
Health Care Cost Trends	
Medicare Supplement Claims Pre-Medicare	7.00% for 2020 decreasing to an ultimate rate of 4.50% by 2030

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, 2020, 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, 2020, valuation were based on a review of recent plan experience done concurrently with the June 30, 2020, valuation.

Discount rate. The discount rate used to measure the total OPEB liability at June 30, 2020, was 2.19 percent. Since the Prior Measurement Date, the Discount Rate has changed from 3.50% to 2.19%.

The trust was established on June 28, 2018 with an initial contribution of \$1,000,000. As of June 30, 2020, the trust has \$1,037,000. 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, 2019, and the June 30, 2020, total OPEB liability. The discount rate used to measure the total OPEB liability at June 30, 2020, 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

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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 (1.19%)	Current Discount Rate (2.19%)	1% Increase (3.19%)
Net OPEB Liability	\$	80,020	72,412	65,886

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	\$	66,861	72,412	78,700

OPEB plan fiduciary net position. The fiduciary net position for the OPEB plan was \$1,037,000 as of June 30, 2020, 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, 2020

NOTE 13 – LONG TERM DEBT.

Debt outstanding as of September 30, 2020, consisted of the following:

Description and Purpose	Amount Outstanding	Interest Rate	Maturity Date
Governmental Activities:			
A. General Obligation Bonds:			
2006 Baxter Bonds	\$ 195,000	7.50 to 6.30	11/21
Total General Obligation Bonds	<u>\$ 195,000</u>		
B. Other Loans:			
CDBG Knight Line Products, Inc.	\$ 474,699	4.00	02/09
DEQ - SRF-C280925-01-2	238,640	1.75	03/34
Road Grader Loan	340,754	3.10	08/21
Expo Renovation	3,300,000	2.40	11/24
Total Other Loans	<u>\$ 4,354,093</u>		
Business-type Activities:			
A. Limited Obligation Bonds:			
MS Development Bank special obligation bonds, Series 2012A	\$ 1,830,000	2.00/3.250	07/25
MS Development Bank special obligation bonds, Series 2012B	555,000	2.00/2.625	07/25
Total Limited Obligation Bonds	<u>\$ 2,385,000</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
2021	\$ 95,000	15,120	1,460,446	94,502
2022	100,000	9,293	659,922	68,833
2023		3,150	675,872	52,883
2024			692,209	36,546
2025			708,895	19,860
2026-2030			89,373	10,290
2031-2034			67,376	2,388
Total	<u>\$ 195,000</u>	<u>27,563</u>	<u>4,354,093</u>	<u>285,302</u>

BOLIVAR COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

Business-type Activities:

Year Ending September 30:	Limited Obligation Bonds	
	Principal	Interest
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>\$ 2,385,000</u>	<u>223,632</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, 2020, the amount of outstanding debt was equal to 2.00% of the latest property assessments.

The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2020:

	Balance Oct. 1, 2019	Additions	Deletions	Balance Sept. 30, 2020	Amount due within one year
Governmental Activities:					
Compensated absences	\$ 145,736	54,567		200,303	-
General obligation bonds	285,000		90,000	195,000	95,000
Other loans	<u>1,400,028</u>	<u>3,300,000</u>	<u>345,935</u>	<u>4,354,093</u>	<u>1,460,446</u>
Total	<u>\$ 1,830,764</u>	<u>3,354,567</u>	<u>435,935</u>	<u>4,749,396</u>	<u>1,555,446</u>
Business-type Activities:					
Compensated absences	\$ 10,867	10,779		21,646	-
Limited obligation bonds	2,895,000		510,000	2,385,000	455,000
Less: Discount	<u>(7,317)</u>	<u>1,310</u>		<u>(6,007)</u>	-
Total	<u>\$ 2,898,550</u>	<u>12,089</u>	<u>510,000</u>	<u>2,400,639</u>	<u>455,000</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, 2020

Component Units

Bolivar County ED District:

The following is the summary of changes in long-term liabilities for the year ended September 30, 2020:

	Balance Oct. 1, 2019	Additions	Deletions	Balance Sept. 30, 2020	Amount due within one year
Notes Payable	\$ 16,340	-	16,340	-	-
Total	\$ 16,340	-	16,340	-	-

Bolivar County Library System:

Debt outstanding at September 30, 2020, consisted of the following:

	Balance Oct. 1, 2019	Additions	Deletions	Balance Sept. 30, 2020	Amount due within one year
Compensated Absences	\$ 24,687	7,046		31,733	15,867
Total	\$ 24,687	7,046	-	31,733	15,867

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 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 (\$8,090,825) 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 \$267,099 resulting from County contributions subsequent

BOLIVAR COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2021. The \$1,115,716 balance of deferred outflow of resources related to pensions at September 30, 2020, will be recognized in pension expense over the next four years. The \$369,846 balance of the deferred inflow of resources related to pension at September 30, 2020, will be recognized in pension expense over the next three years.

The governmental activities' deficit unrestricted net position amount of (\$8,090,825) includes the effect of deferring the recognition of revenue resulting from interest on capital leases receivable. The \$12,441 balance of deferred inflows of resources at September 30, 2020, will be recognized as revenue and will increase the unrestricted net position over the next two years.

The business-type activities' deficit unrestricted net position amount of (\$6,418,752) 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 \$98,789 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, 2021. The \$412,664 balance of the deferred outflow of resources related to pensions at September 30, 2020, will be recognized in pension expense over the next four years. The \$136,791 balance of the deferred inflow of resources related to pension at September 30, 2020, 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:

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 2020.

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 \$15,556 for maintenance and support of the district in fiscal year 2020.

BOLIVAR COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

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 \$376,855 in taxes for the maintenance and support of the college in the fiscal year 2020.

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 \$376,747 in taxes for maintenance and support in the fiscal year 2020.

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 \$237,331 in taxes to support the district in fiscal year 2020.

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 \$50,000 for maintenance and support of the organization in the fiscal year 2020.

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 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, 2020.

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:

<u>Category</u>	<u>Percent of Taxes Abated During the Fiscal Year</u>	<u>Amount of Taxes Abated During the Fiscal Year</u>
Construction and expansion of a manufacturing facility	100%	\$ 584,245

BOLIVAR COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

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 October 28, 2021, (the date the financial statements were available to be issued) and determined that no subsequent events occurred requiring disclosure in the notes to the financial statements.

BOLIVAR COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

BOLIVAR COUNTY
Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis)
General Fund
For the Year Ended September 30, 2020

UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 10,631,915	11,113,832	11,113,832	-
Licenses, commissions and other revenue	442,200	530,165	530,165	-
Fines and forfeitures	222,000	202,312	202,312	-
Intergovernmental revenues	536,500	642,498	642,498	-
Interest income	225,000	274,489	274,489	-
Miscellaneous revenues	118,000	96,588	96,588	-
Total Revenues	<u>12,175,615</u>	<u>12,859,884</u>	<u>12,859,884</u>	<u>-</u>
EXPENDITURES				
General government	6,476,824	6,037,172	6,037,172	-
Public safety	3,301,019	3,797,208	3,797,208	-
Public works	19,933			-
Health and welfare	655,040	588,661	588,661	-
Culture and recreation	457,645	466,903	466,903	-
Conservation of natural resources	158,359	102,116	102,116	-
Economic development and assistance	250,703	191,894	191,894	-
Debt service		19,933	19,933	-
Total Expenditures	<u>11,319,523</u>	<u>11,203,887</u>	<u>11,203,887</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	<u>856,092</u>	<u>1,655,997</u>	<u>1,655,997</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Sources	543,938	-	-	-
Uses	<u>(1,443,938)</u>	<u>(5,101,000)</u>	<u>(5,101,000)</u>	<u>-</u>
Total Other Financing Sources and Uses	<u>(900,000)</u>	<u>(5,101,000)</u>	<u>(5,101,000)</u>	<u>-</u>
Net Change in Fund Balance	(43,908)	(3,445,003)	(3,445,003)	-
Fund Balance - Beginning	<u>2,405,452</u>	<u>9,528,649</u>	<u>9,528,649</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 2,361,544</u>	<u>6,083,646</u>	<u>6,083,646</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)****Countywide Road Maintenance Fund****For the Year Ended September 30, 2020****UNAUDITED**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 1,872,710	1,956,718	1,956,718	-
Road and bridge privilege taxes	350,000	323,212	323,212	-
Licenses, commissions and other revenue		2,016	2,016	-
Charges for services		7,354	7,354	-
Intergovernmental revenues	525,000	1,974,119	1,974,119	-
Interest income	10,000	11,642	11,642	-
Miscellaneous revenues	3,000	109,627	109,627	-
Total Revenues	<u>2,760,710</u>	<u>4,384,688</u>	<u>4,384,688</u>	<u>-</u>
EXPENDITURES				
Public works	4,073,471	4,046,343	4,046,343	-
Debt service		351,494	351,494	-
Total Expenditures	<u>4,073,471</u>	<u>4,397,837</u>	<u>4,397,837</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	<u>(1,312,761)</u>	<u>(13,149)</u>	<u>(13,149)</u>	<u>-</u>
Net Change in Fund Balance	(1,312,761)	(13,149)	(13,149)	-
Fund Balance - Beginning	<u>(6,940,442)</u>	<u>35,691</u>	<u>35,691</u>	<u>-</u>
Fund Balance - Ending	<u>\$ (8,253,203)</u>	<u>22,542</u>	<u>22,542</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)
Expo Renovation Fund
For the Year Ended September 30, 2020

UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental revenues	\$	471,427	471,427	-
Total Revenues	-	471,427	471,427	-
EXPENDITURES				
Culture and recreation		5,514,518	5,514,518	-
Total Expenditures	-	5,514,518	5,514,518	-
Excess of Revenues over (under) Expenditures	-	(5,043,091)	(5,043,091)	-
OTHER FINANCING SOURCES (USES)				
Sources	-	6,500,000	6,500,000	-
Total Other Financing Sources and Uses	-	6,500,000	6,500,000	-
Net Change in Fund Balance	-	1,456,909	1,456,909	-
Fund Balance - Beginning	460,400	254,342	254,342	-
Fund Balance - Ending	\$ 460,400	1,711,251	1,711,251	-

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)
Volunteer Fire Fund
For the Year Ended September 30, 2020

UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 529,488	557,095	557,095	-
Intergovernmental revenues		61,963	61,963	-
Total Revenues	529,488	619,058	619,058	-
EXPENDITURES				
Public safety	397,281	1,286,727	1,286,727	-
Total Expenditures	397,281	1,286,727	1,286,727	-
Excess of Revenues over (under) Expenditures	132,207	(667,669)	(667,669)	
OTHER FINANCING SOURCES (USES)				
Sources	-	1,900,000	1,900,000	-
Total Other Financing Sources and Uses	-	1,900,000	1,900,000	-
Net Change in Fund Balance	132,207	1,232,331	1,232,331	-
Fund Balance - Beginning	1,200,178	1,155,596	1,155,596	-
Fund Balance - Ending	\$ 1,332,385	2,387,927	2,387,927	-

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

BOLIVAR COUNTY
Schedule of Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years*
For the Year Ended September 30, 2020

UNAUDITED

Bolivar County	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset)	0.117%	0.119%	0.122%	0.115%	0.117%	0.125%	0.132%
County's proportionate share of the net pension liability (asset)	\$ 22,649,837	20,934,444	20,292,224	19,116,906	20,899,122	19,322,535	16,022,383
County's covered payroll	\$ 7,820,148	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	289.63%	269.46%	261.21%	258.52%	279.21%	248.12%	198.27%
Plan fiduciary net position as a percentage of the total pension liability	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%	67.21%

COMPONENT UNITS

Bolivar County Port Commission

Proportion of the net pension liability (asset)	0.004872%	0.004899%	0.004924%	0.004647%	0.004965%	0.004878%	
Proportionate share of the net pension liability (asset)	\$ 943,163	861,831	819,007	772,489	873,697	754,043	
Covered payroll	\$ 324,424	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	290.72%	270.09%	263.58%	249.14%	269.96%	250.93%	
Plan fiduciary net position as a percentage of the total pension liability	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%	

Bolivar County Library System

Proportion of the net pension liability (asset)	0.0048%	0.0050%	0.0055%	0.0050%	0.0043%	0.0043%	0.0043%
Proportionate share of the net pension liability (asset)	929,224	879,598	914,813	831,170	768,087	664,695	521,941
Covered payroll	320,255	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	290.15%	270.63%	260.07%	255.44%	267.41%	251.85%	190.42%
Plan fiduciary net position as a percentage of the total pension liability	58.97%	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 Pension Contributions
Last 10 Fiscal Years*
For the Year Ended September 30, 2020

UNAUDITED

Bolivar County	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,370,656	1,264,945	1,220,283	1,184,067	1,192,579	1,216,088
Contributions in relation to the contractually required contribution	1,370,656	1,264,945	1,220,283	1,184,067	1,192,579	1,216,088
Contribution deficiency (excess)	\$ -	-	-	-	-	-
County's covered payroll	\$ 7,877,342	7,817,907	7,747,826	7,517,883	7,571,920	7,721,194
Contributions as a percentage of covered payroll	17.40%	16.18%	15.75%	15.75%	15.75%	15.75%

COMPONENT UNITS

Bolivar County Port Commission

Contractually required contribution	\$ 53,415	53,798	48,938	48,835	50,973	47,328
Contributions in relation to the contractually required contribution	53,415	53,798	48,938	48,835	50,973	47,328
Contribution deficiency (excess)	\$ -	-	-	-	-	-
Covered payroll	\$ 306,981	332,636	310,720	310,065	323,635	300,496
Contributions as a percentage of covered payroll	17.40%	16.17%	15.75%	15.75%	15.75%	15.75%

Bolivar County Library System

Contractually required contribution	55,909	54,542	53,780	53,008	45,239	41,569
Contributions in relation to the contractually required contribution	55,909	54,542	53,780	53,008	45,239	41,569
Contribution deficiency (excess)	-	-	-	-	-	-
Covered payroll	321,315	327,511	341,461	336,557	287,227	263,929
Contributions as a percentage of covered payroll	17.40%	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.

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, 2020

UNAUDITED

COMPONENT UNIT

Bolivar County Library System	<u>2020</u>	<u>2019</u>	<u>2018</u>
Proportion of the net OPEB liability	0.0093%	0.0099%	0.0117%
Proportionate share of the net OPEB liability	\$ 72,412	84,197	90,303
Covered-employee payroll	\$ 320,255	325,014	351,752
Proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	22.61%	25.91%	25.67%
Plan fiduciary net position as a percentage of the total OPEB liability	0.13%	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, 2020

UNAUDITED

COMPONENT UNIT

Bolivar County Library System

	2020	2019	2018
Contractually required contribution	\$ 2,889	3,373	4,022
Contributions in relation to the contractually required contribution	2,889	3,373	4,022
Contribution deficiency (excess)	\$ -	-	-
Covered-employee payroll	\$ 321,315	327,511	341,461
Contributions as a percentage of covered-employee payroll	0.90%	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, 2020

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	Expo Renovation Fund	Volunteer Fire Fund
Budget (Cash basis)	\$ (3,445,003)	(13,149)	1,456,909	1,232,331
Increase (Decrease)				
Net adjustments for revenue accruals	258,024	(67,197)		3,057
Net adjustments for expenditure accruals	18,648	(25,933)		636
GAAP Basis	\$ (3,168,331)	(106,279)	1,456,909	1,236,024

BOLIVAR COUNTY, MISSISSIPPI
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2020

UNAUDITED

Pension Schedules

A. Changes in benefit provisions.

2016

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

B. Changes of assumptions.

2015

The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Table projected to 2016 using Scale BB rather than the RP-2000 Mortality Table, which was used prior to 2015.

The expectation of disabled mortality was changed to the RP-2014 Disabled Retiree Table, rather than the RP-2000 Disabled Mortality Table, which was used prior to 2015.

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

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

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

2016

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

2017

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

The wage inflation assumptions 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, 2020

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, 2018, valuation for the June 30, 2020, 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	30.9 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, 2020

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.

2020: The discount rate was changed from 3.50% for the prior Measurement Date to 2.19% for the current Measurement Date.

(2) *Changes in benefit provisions*

2017: None

2018: None

2019: None

2020: The schedule of monthly retiree contributions was increased as of January 1, 2021. In addition, the deductibles and coinsurance maximums were increased for the Select coverage and the coinsurance maximums were increased for the Base Coverage beginning January 1, 2021.

(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, 2019, actuarial valuation) were used to determine contribution rates reported in that schedule for the year ending June 30, 2020:

Actuarial cost method	Entry age
Amortization method	Level dollar
Amortization period	30 years, open
Asset valuation method	Market Value of Assets
Price inflation	2.75%
Salary increases, including wage inflation	3.00% to 18.25%
Initial health care cost trend rates	
Medicare Supplement Claims	7.00%
Pre-Medicare	

BOLIVAR COUNTY, MISSISSIPPI
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2020

UNAUDITED

Ultimate health care cost trend rates	
Medicare Supplement Claims	4.75%
Pre-Medicare	
Year of ultimate trend rates	
Medicare Supplement Claims	2028
Pre-Medicare	
Long-term investment rate of return, net of	
OPEB plan investment expense, including price inflation	3.50%

BOLIVAR COUNTY

OTHER INFORMATION

BOLIVAR COUNTY
Schedule of Surety Bonds for County Officials
For the Year Ended September 30, 2020
"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
Deborah Lucas	Asst. Receiving Clerk	FCCI Insurance	50,000
Brandie Hudson	Asst. Receiving Clerk	Travelers Insurance	50,000
Steven Rose	Asst. Receiving Clerk	FCCI Insurance	50,000
Clarence "Buck" Beckham	Inventory Control Clerk	FCCI Insurance	75,000
Lee Chatman	Asst. Road Manager	FCCI Insurance	50,000
James Pritchett	Road Manager	FCCI Insurance	50,000
Billy F. Trotter	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 Straight	Justice Court Judge	FCCI Insurance	50,000
Harold Ward, Sr.	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
Rina Kelly	Deputy Justice Court Clerk	Western Surety	50,000
Shonya Bovan	Deputy Justice Court Clerk	FCCI Insurance	50,000
Susan Rocconi	Deputy Justice Court Clerk	Western Surety	50,000
Nancy Havens	Tax Collector-Assessor	FCCI Insurance	100,000
Will L. Hooker	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
Barbara Carter	Deputy Tax Collector	Western Surety	50,000
Sharron Hurns	Deputy Tax Collector	Western Surety	100,000
Karmen Thomson	Deputy Tax Collector	Western Surety	50,000
Elexus Denise Morgan	Deputy Tax Assessor	Western Surety	10,000
Tiffany White	Deputy Tax Assessor	Western Surety	10,000
Alicia Milum	Deputy Tax Assessor	Western Surety	10,000

BOLIVAR COUNTY

SPECIAL REPORTS



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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, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated October 28, 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.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Responses as 2020-001, 2020-002 and 2020-003 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Responses as 2020-004 and 2020-005 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*.

We noted certain matters that we reported to the management of Bolivar County, Mississippi, in the Limited Internal Control and Compliance Review Management Report dated October 28, 2021, included within this document.

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

October 28, 2021



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

Members of the Board of Supervisors
Bolivar County, Mississippi

We have examined Bolivar County, Mississippi's (the County) compliance with establishing and maintaining a central purchasing system and inventory control system in accordance with Section 31-7-101 through 31-7-127, Miss. Code Ann. (1972) and compliance with the purchasing requirements in accordance with the bid requirements of Section 31-7-13, Miss. Code Ann. (1972) during the year ended September 30, 2020. 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, 2020.

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

October 28, 2021

BOLIVAR COUNTY**Schedule 1****Schedule of Purchases Not Made from the Lowest Bidder
For the Year Ended September 30, 2020**

<u>Date</u>	<u>Item</u>	<u>Bid Accepted</u>	<u>Vendor</u>	<u>Lowest Bid</u>	<u>Reason for accepting other than Lowest Bid</u>
12/3/2019	Driveway materials	\$ 78,750	Greenville Gravel	\$ 76,500	Can't deliver
1/7/2020	Limestone	83,500	Greenville Gravel	76,500	Out of stock
7/14/2020	Limestone	89,250	Greenville Gravel	83,250	Out of stock

BOLIVAR COUNTY
Schedule of Emergency Purchases
For the Year Ended September 30, 2020

Schedule 2

<u>Date</u>	<u>Item Purchased</u>	<u>Amount</u>	<u>Vendor</u>	<u>Reason for Emergency Purchase</u>
1/14/2020	Pilings	\$ 43,694	McBride Co LLC	Tornado Damage
5/1/2020	Disinfecting	6,108	Johnny Rybolt	Coronavirus
5/1/2020	Disinfecting	3,960	Johnny Rybolt	Coronavirus
5/5/2020	Repeater	8,267	Jackson Communication	Storm Damage
5/5/2020	Repeater	9,712	Jackson Communication	Storm Damage

BOLIVAR COUNTY

Schedule 3

**Schedule of Purchases Made Noncompetitively from a Sole Source
For the Year Ended September 30, 2020**

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



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LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors
Bolivar County, Mississippi

In planning and performing our audit of the financial statements of Bolivar County, Mississippi for the year ended September 30, 2020, 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 October 28, 2021, on the financial statements of Bolivar County, Mississippi.

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

The results of our review procedures and compliance tests identified certain immaterial instance of noncompliance with state laws and regulations that is an opportunity for strengthening internal controls and operating efficiency. Our finding, recommendation, and your response are disclosed below:

All supervisors must file with the Clerk of the Board, under oath, the condition of the roads and bridges inspected by him with recommendations for a four-year road plan.

Repeat Finding	No
Criteria	§65-7-117, Mississippi Code Annotated (1972), states “Each member of the Board of Supervisors shall inspect every road and bridge in the County under the jurisdiction of the County not less than once each fiscal year. Each member shall file with the Clerk of the Board a report, under oath, of the condition of the roads and bridges inspected by him or her with recommendations for a four-year plan for construction and major maintenance of such roads and bridges.”
Condition	Although the members of the Board of Supervisors did inspect the roads and bridges in the County and a four-year plan was prepared as required, we noted that there were no certifications or affidavits from supervisors indicating they had examined the roads and bridges in their district filed as required.
Cause	Annual inspections of the roads and bridges in the County have not been attested to as required by state law.
Effect	The completed annual inspections and recommendations for a four-year plan were not certified under oath in accordance with state law.
Recommendation	The Board of Supervisors should ensure that after they complete the requisite inspections of the roads and bridges in their jurisdiction, that they include a certification or affidavit regarding the condition of the roads and bridges inspected with recommendations for a four-year plan.
Response	Due to the 2020 COVID Pandemic safety restrictions, each member of Bolivar County’s Board of Supervisors individually inspected their county road and bridges with the road manager in 2020. The members were not aware that an affidavit/certification was required to be submitted along with annual inspection. The Board was first made aware of the statutory affidavit requirement in October of 2021. Moving forward, the affidavit will be submitted by the Board at the time of inspection. A 2020 four-year plan was submitted by the Road Manager and approved by the Board. We have provided the 2020 approved plan for the record.

Bolivar County’s response to the finding included in this report was not audited, and accordingly, we express no opinion on it.

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

October 28, 2021

BOLIVAR COUNTY

SCHEDULE OF FINDINGS AND RESPONSES

BOLIVAR COUNTY
Schedule of Findings and Responses
For the Year Ended September 30, 2020

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? | Yes |
| b. Significant deficiency identified? | Yes |
| 3. Noncompliance material to the financial statements? | No |

Section 2: Financial Statement Findings

Tax Collector's Office

Material Weakness

2020-001. Tax Collector's Office is not making settlements 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 settlements to the County are not being made timely.

Cause This is due to inadequate internal controls surrounding the settlements made by the Tax Collector's Office.

Effect Inadequate controls surrounding the settlement of revenue collections could result in improper revenue recognition.

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

Tax Collector's Response Since entering office in January of 2020, the Tax Collector's monthly settlements have been dispersed on or before the 19th of each month. The Tax Office hasn't missed the mandated date for settling monthly revenue. Unable to make any response for October thru December 2019.

BOLIVAR COUNTY
Schedule of Findings and Responses
For the Year Ended September 30, 2020

Material Weakness

2020-002.	<u>Tax Collector's Office is not performing bank reconciliations timely.</u>
Repeat Finding	No
Criteria	An effective system of internal controls requires the bank reconciliations be prepared accurately and timely and any identified unreconciled differences be resolved in a timely manner.
Condition	During the course of our test work, we noted that the bank reconciliations were not being completed accurately and in a timely manner.
Cause	The Tax Collector's office has not established a system of internal control to ensure cash accounts are accurately and timely reconciled.
Effect	Not performing accurate and timely bank reconciliations creates a weakness in the system of internal controls over cash.
Recommendation	The Tax Collector's office should implement an effective internal control system to increase accuracy in accounting for receipts and disbursements and to ensure that all bank accounts are reconciled monthly in an accurate and timely manner.
Tax Collector's Response	Since entering office in January of 2020, the Tax Collector has performed monthly bank reconciliations. The Tax Collector has established effective internal controls which strongly meet the time frame for monthly bank reconciliations. Unable to make any response for October thru December 2019.

Material Weakness

2020-003.	<u>Tax Collector has not made final settlement after leaving office.</u>
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 previous Tax Collector still has bank accounts open with a total of \$372,693.51 as of September 30, 2020.

BOLIVAR COUNTY
Schedule of Findings and Responses
For the Year Ended September 30, 2020

Cause	This is due to inadequate internal controls surrounding the settlements made by the Tax Collector's Office.
Effect	Inadequate controls surrounding the settlement of revenue collections could result in improper revenue recognition.
Recommendation	The previous Tax Collector should settle the funds remaining in the accounts to the County and close the bank accounts.
Tax Collector's Response	This finding is not applicable to the current Tax Collector.

Significant Deficiency

2020-004.	<u>Tax Collector's Office is not making deposits timely.</u>
Repeat Finding	Yes – 2019
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 a 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 improper revenue recognition.
Recommendation	The Tax Collector should ensure that the deposits are being made in a timely manner.
Tax Collector's Response	In January on 2020, a Global Pandemic (COVID) engulfed the country. Unfortunately, the County Tax Office was affected and forced to close for two weeks. The office also experienced a program failure and didn't have access to our county processing program for a week. This caused not only a major inconvenience, but the day-to-day operations were stalled and limited. Due to these major events in 2020, the Tax Office was unable to deposit daily on

BOLIVAR COUNTY
Schedule of Findings and Responses
For the Year Ended September 30, 2020

numerous occasions. The Tax Office makes every effort to ensure that deposits are made in a timely manner. Internal controls have been established to ensure the safeguarding of assets and revenue.

Justice Court.

Significant Deficiency

2020-005.	<u>Justice Court is not making deposits timely.</u>
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 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 Justice Court.
Effect	Inadequate controls surrounding the deposits of revenue collections could result in improper revenue recognition.
Recommendation	The Justice Court Clerk should ensure that the deposits are being made in a timely manner.
Justice Court Clerk's Response	The month of April was the peak of Covid. Many businesses were short staffed. There also was a holiday in that month.