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WILKINSON COUNTY, MISSISSIPPI

**Audited Financial Statements and Special Reports
For the Year Ended September 30, 2008**

WILKINSON COUNTY

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WILKINSON COUNTY

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT
ON
THE BASIC FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION

July 2, 2010

Members of the Board of Supervisors
Wilkinson County, Mississippi

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 Wilkinson County, Mississippi, as of and for the year ended September 30, 2008, which collectively comprise the basic financial statements of the county, as listed in the table of contents. These financial statements are the responsibility of the county's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Wilkinson County Industrial Development Authority, component unit, which represents 100 percent of the assets and revenues of the Wilkinson County Industrial Development Authority. Those statements were audited by other auditors whose report thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for the aforementioned component unit, are based on the report of the other auditors.

Except as discussed in the following paragraphs, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. However, the financial statements of Wilkinson County Industrial Development Authority, component unit, audited by other auditors, were not audited in accordance with *Governmental Audit Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

Management did not provide adequate records documenting the fines receivable and the related allowance for uncollectibles amount of the Circuit Clerk. Due to the lack of records, we were unable to satisfy ourselves as to the fair presentation of fines receivable and the related allowance for uncollectible amount, net reported on the Statement of Net Assets and in the General Fund at \$208,654, as of September 30, 2008. Also, because of the lack of records documenting the fines receivable and the related uncollectibles, we could not satisfy ourselves as to the fair presentation of the related transactions of the Governmental Activities and the General Fund.

As discussed in Note 7 to the financial statements, the county has not recorded certain general infrastructure assets in governmental activities, and accordingly, has not recorded depreciation expense on those assets. Accounting principles generally accepted in the United States of America require that those general infrastructure assets be capitalized and depreciated, which would increase the assets, net assets, and expenses of the governmental activities. The amounts recorded in Note 7 and in the Statement of Net Assets were estimates provided by the county, and we were not able to determine the accuracy of these estimates.

The financial statements referred to above do not include all revenues and claims payments of the health insurance internal service fund. Accounting principles generally accepted in the United States of America require that an adequate record of revenues and expenditures be maintained the absence of which would cause the assets, net assets, and revenues and expenditures in the health insurance internal service fund to be misstated. The amount by which this departure would affect

the assets and expenses of the health insurance internal service fund is not reasonably determinable.

In our opinion, except for the effects of the matters discussed in the third and fourth paragraphs, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of Wilkinson County, Mississippi, as of September 30, 2008, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In addition, in our opinion, except for the effects of the matters discussed in the fifth paragraph, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities and the aggregate remaining fund information of Wilkinson County, Mississippi, as of September 30, 2008, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the county-wide Bridge Fund and the Solid Waste Services Fund of Wilkinson County, Mississippi, as of September 30, 2008, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 2, 2010, on our consideration of Wilkinson County, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Wilkinson County, Mississippi, has not presented Management's Discussion and Analysis that is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board.

The Budgetary Comparison Schedules and corresponding notes are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Sincerely,



D. Scott Nieman, CPA
Dribben & Associates, Ltd
McComb, MS

WILKINSON COUNTY

FINANCIAL STATEMENTS

WILKINSON COUNTY

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WILKINSON COUNTY
Statement of Net Assets
September 30, 2008

Exhibit 1

	<u>Primary Government</u>			<u>Wilkinson County Industrial Development Authority</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	
ASSETS				
Cash	\$ 697,768	(116,493)	581,275	146,520
Accrued interest receivable	-	-	-	232,134
Property tax receivable	3,155,250	-	3,155,250	-
Accounts receivable (net of allowance for uncollectibles of \$269,536)	-	121,096	121,096	1,084,803
Fines receivable (Net of allowance for uncollectibles of \$1,127,457)	208,654	-	208,654	-
Lease receivable	-	-	-	16,160,000
Loans receivable	410,000	-	410,000	10,130
Intergovernmental receivables	44,084	-	44,084	-
Other receivables	54,298	-	54,298	-
Internal balances	50,518	(50,518)	-	-
Capital assets, net	12,918,753	88,479	13,007,232	-
Total Assets	17,539,325	42,564	17,581,889	17,633,587
LIABILITIES				
Claims payable	133,360	11,321	144,681	1,093,469
Claims and judgements payable	135,100	-	135,100	-
Intergovernmental payables	310,820	-	310,820	-
Short-term debt	636,901	-	636,901	-
Accrued interest payable	22,530	-	22,530	223,620
Certificates of participation	-	-	-	16,160,000
Deferred revenue	3,155,250	35,390	3,190,640	-
Other accrued liabilities	301,914	-	301,914	-
Other payables - amounts held in custody	60,457	-	60,457	-
Long-term liabilities				
Due within one year:				
Capital debt	165,312	28,238	193,550	-
Non-capital debt	-	142	142	-
Due beyond one year:				
Capital debt	775,477	-	775,477	-
Non-capital debt	49,543	4,602	54,145	-
Total Liabilities	5,746,664	79,693	5,826,357	17,477,089
NET ASSETS				
Invested in capital assets, net of related debt	11,977,964	55,496	12,033,460	-
Restricted:				
Expendable:				
Debt service	467,195	-	467,195	-
Public safety	76,654	-	76,654	-
Public works	(159,059)	(92,625)	(251,684)	-
Conservation of natural resources	(49,145)	-	(49,145)	-
Economic development	(9,682)	-	(9,682)	-
Other purposes	(6,285)	-	(6,285)	-
Unrestricted	(504,981)	-	(504,981)	156,498
Total Net Assets	\$ 11,792,661	(37,129)	11,755,532	156,498

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

WILKINSON COUNTY

Statement of Activities

For the Year Ended September 30, 2008

Exhibit 2

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component unit Wilkinson County Industrial Development Authority
	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	\$ 3,330,124	585,560	1,432	-	(2,743,132)		(2,743,132)	
Public safety	1,256,009	113,215	235,655	-	(907,139)		(907,139)	
Public works	1,721,148	-	706,254	869	(1,014,025)		(1,014,025)	
Health and welfare	182,496	-	39,604	-	(142,892)		(142,892)	
Culture and recreation	256,991	-	-	111,592	(145,399)		(145,399)	
Conservation of natural resources	83,048	-	-	-	(83,048)		(83,048)	
Economic development and assistance	453,829	-	-	382,186	(71,643)		(71,643)	
Interest on long-term debt	61,263	-	-	-	(61,263)		(61,263)	
Total Governmental Activities	<u>7,344,908</u>	<u>698,775</u>	<u>982,945</u>	<u>494,647</u>	<u>(5,168,541)</u>		<u>(5,168,541)</u>	
Business-type activities:								
Solid Waste Services	357,452	305,246	-	-	-	(52,206)	(52,206)	
Total Primary Government	<u>\$ 7,702,360</u>	<u>1,004,021</u>	<u>982,945</u>	<u>494,647</u>	<u>(5,168,541)</u>	<u>(52,206)</u>	<u>(5,220,747)</u>	
Component unit:								
Solid Waste Services	13,972,678	12,795,407	-	-	-			(1,177,271)
Total Component Units	<u>\$ 21,675,038</u>	<u>13,799,428</u>	<u>982,945</u>	<u>494,647</u>	<u>(5,168,541)</u>			<u>(1,177,271)</u>
General revenues:								
Property taxes					\$ 3,365,658	-	3,365,658	
Road & bridge privilege taxes					138,699	-	138,699	
Grants and contributions not restricted to specific programs					568,798	-	568,798	74,000
Unrestricted investment income (expense)					44,191	-	44,191	969,103
Miscellaneous					315,615	-	315,615	
Total General Revenues and Transfers					<u>4,432,961</u>	<u>-</u>	<u>4,432,961</u>	<u>1,043,103</u>
Changes in Net Assets					(735,580)	(52,206)	(787,786)	(134,168)
Net Assets - Beginning					12,911,177	15,077	12,926,254	290,666
Prior period adjustment					(382,936)	-	(382,936)	-
Net Assets - Beginning, as restated					<u>12,528,241</u>	<u>15,077</u>	<u>12,543,318</u>	<u>290,666</u>
Net Assets - Ending					<u>\$ 11,792,661</u>	<u>(37,129)</u>	<u>11,755,532</u>	<u>156,498</u>

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

WILKINSON COUNTY
Balance Sheet - Governmental Funds
September 30, 2008

Exhibit 3

	<u>Major Funds</u>			
	General Fund	County-Wide Bridge Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash	\$ 938,044	152,833	(592,535)	498,342
Property tax receivable	2,498,750	315,000	341,500	3,155,250
Fines receivable, net	208,654	-	-	208,654
Intergovernmental receivables	44,084	-	-	44,084
Due from other funds	-	5,381	15,886	21,267
Advances to other funds	33,140	173,965	1,026,538	1,233,643
Loans receivable, net	-	-	410,000	410,000
Other assets	10,102	-	-	10,102
Total Assets	<u>3,732,774</u>	<u>647,179</u>	<u>1,201,389</u>	<u>5,581,342</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Claims payable	84,718	3,489	45,153	133,360
Intergovernmental payables	84,931	-	225,889	310,820
Due to other funds	23,968	-	-	23,968
Advances from other funds	1,252,815	110,649	269,170	1,632,634
Deferred revenue	2,707,404	315,000	341,500	3,363,904
Amounts held in custody for others	60,457	-	-	60,457
Other accrued liabilities	24,082	-	-	24,082
Total Liabilities	<u>4,238,375</u>	<u>429,138</u>	<u>881,712</u>	<u>5,549,225</u>
Fund balances:				
Reserved for:				
Advances	-	-	199,614	199,614
Loans receivable	-	-	410,000	410,000
Unreserved:				
Undesignated, reported in:				
General funds	(505,601)	-	-	(505,601)
Special revenue funds	-	218,041	(289,937)	(71,896)
Total Fund Balances	<u>(505,601)</u>	<u>218,041</u>	<u>319,677</u>	<u>32,117</u>
Total Liabilities and Fund Balances	<u>\$ 3,732,774</u>	<u>647,179</u>	<u>1,201,389</u>	<u>5,581,342</u>

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

WILKINSON COUNTY

Exhibit 3-1

Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Assets
September 30, 2008

	<u>Amount</u>
Total Fund Balance - Governmental Funds	\$ 32,117
Amounts reported for net assets in the Statement of Net Assets are different because:	
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$12,402,856.	12,918,753
Fines receivable are not available to pay for current period expenditures and therefore are deferred in the general funds.	208,654
Interest payable used in the governmental activities are not payable from current resources and, therefore, are not reported in the governmental funds.	(22,530)
Short-term debt used in the governmental activities are not payable from current resources and therefore are not reported in the governmental funds.	(636,901)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(990,332)
Internal Service Funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the Internal Service Funds are included in the governmental activities in the Statement of Net Assets.	282,900
Total Net Assets	<u>\$ 11,792,661</u>

WILKINSON COUNTY
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Year Ended September 30, 2008

Exhibit 4

	Major Funds			Total Governmental Funds
	General Fund	County-Wide Bridge Fund	Other Governmental Funds	
REVENUES				
Property taxes	\$ 2,624,194	324,338	417,123	3,365,655
Road and bridge privilege taxes	-	-	138,699	138,699
Licenses, commissions and other revenue	49,055	-	4,212	53,267
Fines and forfeitures	207,637	-	877	208,514
Intergovernmental revenues	736,488	53,092	1,195,509	1,985,089
Charges for services	6,536	-	93,696	100,232
Interest income	62,171	1,350	-	63,521
Miscellaneous revenues	28,488	17,789	-	46,277
Total Revenues	3,714,569	396,569	1,850,116	5,961,254
EXPENDITURES				
Current:				
General government	2,760,491	-	5,363	2,765,854
Public safety	911,959	-	268,463	1,180,422
Public works	-	371,549	1,334,341	1,705,890
Health and welfare	176,432	-	4,997	181,429
Culture and recreation	256,991	-	-	256,991
Conservation of natural resources	83,048	-	-	83,048
Economic development and assistance	112,862	-	340,967	453,829
Debt service:				
Principal	394,796	-	367,349	762,145
Interest	7,964	-	35,466	43,430
Total Expenditures	4,704,543	371,549	2,356,946	7,433,038
Excess of Revenues over (under) Expenditures	(989,974)	25,020	(506,830)	(1,471,784)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	168,000	168,000
Inception of capital leases	669,018	-	-	669,018
Proceeds of loans	950,000	-	-	950,000
Insurance recoveries	1,000	-	-	1,000
Total Other Financing Sources and Uses	1,620,018	-	168,000	1,788,018
Net Changes in Fund Balances	630,044	25,020	(338,830)	316,234
Fund Balances - Beginning	(795,039)	193,021	638,880	36,862
Prior period adjustments	(340,606)	-	19,627	(320,979)
Fund balance - beginning of year, as restated	(1,135,645)	193,021	658,507	(284,117)
Fund Balances - Ending	\$ (505,601)	218,041	319,677	32,117

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

WILKINSON COUNTY

Exhibit 4-1

Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balance of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2008

	<u>Amounts</u>
Net Changes in Fund Balance - Governmental Funds	\$ 316,234
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 assets differs from the change in fund balances by the amount that depreciation of \$692,949 exceeded capital outlays of \$581,594 in the current period.	(111,355)
In the Statement of Activities, only gains and losses from the sale of capital assets are reported, whereas in governmental funds, proceeds from the sale of capital assets increase financial resources. Thus, the change in net assets differs from the change in fund balances by the amount of the loss of \$70,229 and the proceeds from the sale of \$0 in the current period.	70,229
Fine revenue recognized on the modified accrual basis in the funds during the current year is reduced because prior year recognition would have been required on the Statement of Activities using the full-accrual basis of accounting.	(102,236)
Accrued interest expense reported in the Statement of Net Assets does not require the use of current financial resources and is therefore not reported as expenditures in the governmental funds.	(17,833)
Debt proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. Thus, the change in net assets differs from the change in fund balances but the amount that debt proceeds of \$1,619,018, was exceeded by debt payments of \$762,145.	(856,873)
Under the modified accrual basis of accounting used in the Governmental Funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However, in the Statement of Activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long term debt is recognized under the modified accrual basis of accounting when due, rather than as it accrues. Thus the change in net assets differs from the change in fund balances by the following item:	
The amount of increase in compensated absences	4,829
An Internal Service Fund is used by management to charge the cost of insurance to individual funds. The net revenue (expense) is reported within governmental activities.	(38,575)
Change in Net Assets of Governmental Activities	<u>\$ (735,580)</u>

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

WILKINSON COUNTY
Statement of Net Assets - Proprietary Funds
September 30, 2008

Exhibit 5

	Business-type Activities- Enterprise Fund	Governmental Activities
	Solid Waste Services Fund	Internal Service Fund
ASSETS		
Current assets:		
Cash	\$ (116,493)	199,426
Accounts receivable, net	121,096	-
Total Current Assets	<u>4,603</u>	<u>199,426</u>
Noncurrent assets:		
Advances to other funds	3,038	218,574
Capital assets, net	88,479	-
Total Noncurrent Assets	<u>91,517</u>	<u>218,574</u>
 Total Assets	 <u>96,120</u>	 <u>418,000</u>
LIABILITIES		
Current liabilities:		
Claims payable	11,321	77,232
Claims and judgements payable	-	57,868
Due to other funds	-	-
Refundable deposits	35,390	-
Capital related debt - current	32,982	-
Total Current Liabilities	<u>79,693</u>	<u>135,100</u>
Noncurrent liabilities:		
Advances from other funds	53,556	-
Total Noncurrent Liabilities	<u>53,556</u>	<u>-</u>
 Total Liabilities	 <u>133,249</u>	 <u>135,100</u>
NET ASSETS		
Invested in capital assets, net of related debt	55,496	-
Restricted for public works	(92,625)	-
Unrestricted	-	282,900
Total Net Assets	<u>\$ (37,129)</u>	<u>282,900</u>

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

WILKINSON COUNTY

Exhibit 6

Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds
For the Year Ended September 30, 2008

	Business-type Activities- Enterprise Fund	Governmental Activities
	Solid Waste Services Fund	Internal Service Fund
Operating Revenues		
Charges for services	\$ 305,246	-
Miscellaneous revenues	-	6,656
Premiums		500,302
Total Operating Revenues	<u>305,246</u>	<u>506,958</u>
Operating Expenses		
Personal Services	166,607	-
Contractual services	84,942	-
Material and supplies	74,518	-
Depreciation expense	29,032	-
Administrative Fees	-	36,100
Claims payments	-	362,212
Insurance premiums	-	151,344
Total Operating Expenses	<u>355,099</u>	<u>549,656</u>
Operating Income (Loss)	<u>(49,853)</u>	<u>(42,698)</u>
Nonoperating Revenues (Expenses)		
Interest income	-	4,124
Interest expense	(2,353)	-
Net Nonoperating Revenue (Expenses)	<u>(2,353)</u>	<u>4,124</u>
Changes in Net Assets	<u>(52,206)</u>	<u>(38,574)</u>
Net Assets - Beginning	15,077	202,735
Prior period adjustments	-	118,739
Net Assets - Beginning, as restated	<u>15,077</u>	<u>321,474</u>
Net Assets Ending	<u>\$ (37,129)</u>	<u>282,900</u>

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

WILKINSON COUNTYStatement of Cash Flows - Proprietary Funds
For the Year Ended September 30, 2008Exhibit 7

	Business-type Activities- Enterprise Fund	Governmental Activities
	Solid Waste Services Fund	Internal Service Fund
Cash Flows From Operating Activities		
Receipts from customers	\$ 305,246	6,656
Receipts for premiums	-	500,302
Payments to suppliers	(155,840)	-
Payments to employees	(166,607)	-
Administrative fees	-	(36,100)
Payments for claims	-	(276,516)
Payments for insurance premiums	-	(151,344)
Net Cash Provided (Used) by Operating Activities	<u>(17,201)</u>	<u>42,998</u>
Cash Flows From Capital and Related Financing Activities		
Principal paid on long-term debt	(54,792)	-
Interest expense	(2,353)	-
Refunds	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(57,145)</u>	<u>-</u>
Cash Flows From Investing Activities		
Interest on investments	-	4,124
Net Cash Provided (Used) by Investing Activities	<u>-</u>	<u>4,124</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(74,346)	47,122
Cash and Cash Equivalents at Beginning of Year, as previously reported	(42,147)	33,565
Prior period adjustments to cash	-	118,739
Cash and Cash Equivalents at Beginning of Year, as restated	<u>(42,147)</u>	<u>152,304</u>
Cash and Cash Equivalents at End of Year	<u>\$ (116,493)</u>	<u>199,426</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$ (49,853)	(42,698)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense	29,032	-
Changes in assets and liabilities:		
Increase (decrease) in claims payable	3,015	85,696
Increase (decrease) in compensated absences payables	605	-
Total Adjustments	<u>32,652</u>	<u>85,696</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (17,201)</u>	<u>42,998</u>

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

WILKINSON COUNTY
Statement of Fiduciary Assets and Liabilities
September 30, 2008

Exhibit 8

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 195,863
Other receivables	24,939
Intergovernmental receivables	500
Due from other funds	2,701
Advances to other funds	255,997
Total Assets	<u><u>480,000</u></u>
LIABILITIES	
Advances from other funds	25,062
Intergovernmental payables	297,173
Other accrued liabilities	157,765
Total Liabilities	<u><u>\$ 480,000</u></u>

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

WILKINSON COUNTY

(1) Summary of Significant Accounting Policies.

A. Financial Reporting Entity.

Wilkinson 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 Wilkinson 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 financial statements.

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

B. Individual Component Unit Disclosures.

Discretely Presented Component Units

The component unit 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. A majority of the members of the governing bodies of these component units are appointed by the county Board of Supervisors.

- Wilkinson County Industrial Development Authority is a legally separate entity organized under Section 19-5-99, Miss. Code Ann. (1972). The Wilkinson County Industrial Development Authority was created to promote industrial development in Wilkinson County by whatever means necessary, including, but not limited to the development of an industrial park. The entity is governed by a five member board of directors, all appointed by the county Board of Supervisors. The county funds the entity's operations.

C. Basis of Presentation.

The county's basic financial statements consist of government-wide statements, including a Statement of Net Assets and a Statement of Activities and fund financial statements, which provide a detailed level of financial information.

WILKINSON COUNTY

Government-wide Financial Statements:

The Statement of Net Assets 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 Assets 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, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other revenues not classified as program revenues are presented as general revenues of the county, with certain limited exceptions. Internal service fund balances have been eliminated against the expenses and program revenue. 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, liabilities, fund equity, 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.

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 county's Proprietary Funds apply all applicable Governmental Accounting Standards Board (GASB) pronouncements and only the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

The revenues and expenses of Proprietary Funds are classified as operating or nonoperating. 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 nonoperating.

WILKINSON COUNTY

Governmental financial statements are presented using a current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period when they are both measurable and available to finance operations during the year or to liquidate liabilities existing at the end of the year. Available means collected in the current period or within 60 days after 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 all activities of the general government for which a separate fund has not been established.

County-Wide Bridge Fund – This fund is used to account for monies from specific revenue sources that are restricted for bridge maintenance in the county.

The county reports the following major Proprietary Fund:

Solid Waste Fund –This fund is used to account for all activities related to the disposal of solid waste within the county.

Additionally, the county reports the following fund types:

GOVERNMENTAL FUND TYPES

Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Special Revenue Funds account for, among others, certain federal grant programs, taxes levied with statutorily defined distributions and other resources restricted as to purpose.

Debt Service Funds - These funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

PROPRIETARY FUND TYPES

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.

Internal Service Funds –These funds are used to account for those operations that provide services to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis. The county's internal service fund reports on self-insurance programs for employee medical benefits.

FIDUCIARY FUND TYPES

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.

WILKINSON COUNTY

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 2005 by the Government Finance Officers Association.

F. Deposits and Investments.

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

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

G. Receivables.

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

H. Interfund Transactions and Balances.

Transactions between funds that are representative of short-term lending/borrowing arrangements and transactions that have not resulted in the actual transfer of cash at the end of the fiscal year are referred to as "due to/from other funds." Noncurrent portions of interfund receivables and payables are reported as "advances to/from other funds." Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable Governmental Funds to indicate that they are not available for appropriation and are not expendable available financial resources. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Assets. Any outstanding balances between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

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. However, the capital assets amount reported on the accompanying Statement of Net Assets is not fairly presented because the county did not maintain adequate subsidiary records documenting the existence, completeness and valuation of capital assets. 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 costs of normal maintenance and repairs that do not add to the value of assets or materially extend their respective lives are not capitalized; however, improvements are capitalized. Interest expenditures are not capitalized on capital assets.

Governmental accounting and financial reporting standards allow governments meeting certain criteria to retroactively report major general infrastructure assets by September 30, 2008. Current year general infrastructure assets are required to be reported. General infrastructure assets acquired after September 30, 1980, are reported on the government-wide financial statements. General infrastructure assets include all roads and bridges and other infrastructure assets.

WILKINSON COUNTY

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.

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

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

J. 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 in the 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 Assets.

K. Equity Classifications.

Government-wide Financial Statements:

Equity is classified as net assets and displayed in three components:

Invested in capital assets, net of related debt - 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 assets - Consists of net assets 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 assets - All other net assets not meeting the definition of "restricted" or "invested in capital assets, net of related debt."

WILKINSON COUNTY

Fund Financial Statements:

Governmental fund equity is classified as fund balance. Fund balance is classified as reserved or unreserved with unreserved classified as designated and undesignated.

Unreserved fund balance represents the amount available for budgeting future operations. Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose.

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

M. 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.

N. 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, Governmental Funds report the compensated absence liability payable only if the payable has matured, for example an employee resigns or retires.

WILKINSON COUNTY

(2) Changes in Accounting Standards.

For the fiscal year ended September 30, 2008, the county implemented Governmental Accounting Standards Board (GASB) Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. GASB Statement No. 42 requires governments to report the effects of capital asset impairment in their financial statements when impairment occurs. The provisions of this new statement have been incorporated into the financial statements and accompanying notes.

(3) Prior Period Adjustment.

A summary of significant fund equity adjustments is as follows:

Exhibit 2 Statement of Activities Explanation	Amount
Governmental Activities	
An adjustment to correct an error in recording a prior year claim payable.	(384,388)
Total	\$ (384,388)
Exhibit 4 Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	
Explanation	Amount
An adjustment to correct an error in recording a prior year revenue or expenditure	\$ (320,979)
Total	\$ (320,979)
Other Governmental Funds	
An adjustment to correct an error in recording a prior year revenue or expenditure	19,627
Total	\$ 19,627
Exhibit 6 Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds	
Explanation	Amount
Governmental Activities - Internal Service Fund	
An adjustment to correct an error in recording a prior year liability in the internal service fund	\$ 118,739
Total	\$ 118,739
Exhibit 7 Statement of Cash Flows - Proprietary Funds	
Explanation	Amount
Governmental Activities - Internal Service Fund	
An adjustment to correct an error in recording and reconciling cash	\$ 118,739
Total	\$ 118,739

WILKINSON COUNTY

(4) Deposits and Investments.

The carrying amount of the county's total deposits with financial institutions at September 30, 2008, was \$776,888, and the bank balance was \$828,349. The collateral for public entities' deposits in financial institutions are 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 Depository Insurance Corporation.

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. However, the Mississippi State Treasurer manages that risk on behalf of the county. 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 country.

Investments.

As of September 30, 2008, the county had no investments.

(5) Interfund Transactions and Balances.

The following is a summary of interfund balances at September 30, 2008:

A. Due From/To Other Funds:

Receivable Fund	Payable Fund	Amount
Bridges Fund	General fund	\$ 5,381
Other governmental funds	General fund	15,886
Agency funds	General fund	2,701
Total		\$ 23,968

The payable amounts represent the tax revenue collected but not settled until October, 2008. All interfund balances are expected to be repaid within one year from the date of the financial statements.

WILKINSON COUNTY

B. Advances From/To Other Funds:

Advances from/Advances To

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Enterprise fund	\$ 31,015
General fund	Agency funds	2,125
Non-major special revenue fund	General fund	294,182
Bridges fund	General fund	111,885
Bridges fund	Non-major special revenue fund	62,080
Non-major special revenue fund	Non-major special revenue fund	4,500
Non-major debt service funds	General fund	558,108
Non-major debt service funds	Non-major special revenue fund	137,143
Non-major debt service funds	Non-major debt service funds	32,605
Enterprise fund	General fund	3,038
Agency fund	General fund	175,933
Agency fund	Non-major special revenue fund	29,947
Agency fund	Non-major debt service funds	27,180
Agency fund	Agency fund	22,937
Internal service fund	General fund	109,669
Internal service fund	Non-major special revenue fund	86,364
Internal service fund	Enterprise fund	22,541
Total		<u>\$ 1,711,252</u>

Advances to other funds have generally been made to provide cash to funds to help fund operations.

(6) Intergovernmental Receivables.

Intergovernmental receivables at September 30, 2008, consisted of the following:

<u>Description</u>	<u>Amount</u>
Governmental Activities:	
Legislative Tag Credit	\$ 44,084
Total	<u>\$ 44,084</u>
Fiduciary Activities:	
Due from local governmental agency	\$ 500
Total	<u>\$ 500</u>

WILKINSON COUNTY

(7) Capital Assets.

The following is a summary of capital assets activity for the year ended September 30, 2008:

Governmental activities:

Governmental Activities						
	Balance Oct 1, 2007	Additions	Deletions	Completed Construction	Adjustments*	Balance Sept 30, 2008
<u>Non-depreciable capital assets:</u>						
Land	\$ 131,435	-	-	-	-	131,435
Construction in progress	368,439	581,594	-	(490,329)	32,581	492,285
Total non-depreciable capital assets	499,874	581,594	-	(490,329)	32,581	623,720
<u>Depreciable capital assets:</u>						
Infrastructure	18,437,206	-	-	490,329	-	18,927,535
Buildings	2,676,542	-	-	-	-	2,676,542
Improvements other than buildings	64,591	-	-	-	-	64,591
Mobile equipment	2,198,307	-	(33,410)	-	-	2,164,897
Furniture and equipment	199,405	-	-	-	-	199,405
Leased property under capital leases	664,918	-	-	-	-	664,918
Total depreciable capital assets	24,240,969	-	(33,410)	490,329	-	24,697,888
<u>Less accumulated depreciation for:</u>						
Infrastructure	(7,716,205)	(424,118)	-	-	(226,456)	(8,366,779)
Buildings	(1,878,635)	(7,957)	-	-	-	(1,886,592)
Improvements other than buildings	(10,336)	(2,584)	-	-	-	(12,920)
Mobile equipment	(1,640,978)	(128,552)	21,049	-	(3,009)	(1,751,490)
Furniture and equipment	(159,769)	(6,255)	-	-	-	(166,024)
Leased property under capital leases	(178,157)	(123,483)	82,590	-	-	(219,050)
Total accumulated depreciation	(11,584,080)	(692,949)	103,639	-	(229,465)	(12,402,855)
Total depreciable capital assets, net	12,656,889	(692,949)	70,229	490,329	(229,465)	12,295,033
Governmental activities capital assets, net	13,156,763	(111,355)	70,229	-	(196,884)	12,918,753

WILKINSON COUNTY

Business-type activities:

	Balance Oct 1, 2007	Additions	Deletions	Adjustments*	Balance Sept 30, 2008
<u>Depreciable capital assets:</u>					
Mobile equipment	\$ 142,498	-	-	-	142,498
Leased property under capital leases	161,173	-	-	-	161,173
Total depreciable capital assets	<u>303,671</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>303,671</u>
<u>Less accumulated depreciation for:</u>					
Mobile equipment	(128,247)	-	-	(1)	(128,248)
Leased property under capital leases	(57,913)	(29,011)	-	(20)	(86,944)
Total accumulated depreciation	<u>(186,160)</u>	<u>(29,011)</u>	<u>-</u>	<u>(21)</u>	<u>(215,192)</u>
Enterprise activities capital assets, net	<u>117,511</u>	<u>(29,011)</u>	<u>-</u>	<u>(21)</u>	<u>88,479</u>

*Adjustments were made for the following:

- (a) Correct beginning Construction-in-progress for prior costs
- (b) \$226,453 prior year depreciation corrected
- (c) \$3,007 depreciation adjustment for removed assets disposed or junked
- (d) \$1 and \$20 adjustments to accumulated depreciation

Depreciation expense was charged to the following functions:

	Amount
<u>Governmental Activities:</u>	
General government	\$ 19,443
Public safety	75,587
Public works	596,852
Health and welfare	1,067
Total governmental activities depreciation expense	<u>\$ 692,949</u>
<u>Business-type Activities:</u>	
Solid Waste	<u>\$ 29,011</u>

The county has not recorded certain infrastructure and related depreciation expense in the capital assets of the county. The amounts recorded in the above schedules were from estimates provided by county personnel, prior auditor's estimates and the data from the county's engineering contractors. We were not able to verify the accuracy of these amounts or trace these amounts to the county's asset records.

WILKINSON COUNTY

COMPONENT UNIT - WILKINSON COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

Note – this component unit had no capital assets reported as of the end of its financial year – September 30, 2008.

(8) Loans Receivable

Loans receivable at September 30, 2008, consist of the following:

<u>Description</u>	<u>Date of Loan</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance Receivable</u>
Low income housing loan	12/1/2000	1%	12/1/2050	<u>\$ 410,000</u>

(9) 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, 2008, to January 1, 2009. The pool may make an overall supplemental assessment or declare a refund depending on the loss experience of all the entities it insures.

WILKINSON COUNTY

The county finances its exposure to risk of loss relating to employee health, accident and dental coverage. Beginning in October 2003 and pursuant to Section 25-15-101, Miss. Code Ann. (1972), the county established a risk management fund (included as an Internal Service Fund) to account for and finance its uninsured risk of loss.

Under the plan, amounts payable to the risk management fund are based on actuarial estimates. The count pays the premium on a single coverage policy for its employees. Employees desiring additional and/or dependent coverage pay the additional premium through a payroll deduction. Premium payments to the risk management fund are determined on an actuarial basis. The county has minimum uninsured risk retention to the extent that actual claims submitted exceed the predetermined premium. The county has implemented the following plan to minimize this potential loss:

The county has purchased coinsurance which functions on two separate stop loss coverages: specific and aggregate. This coverage was purchased from an outside commercial carrier. For the current fiscal year, the specific coverage begins when an individual participant’s claim exceeds \$20,000, and the aggregate policy covers all submitted claims in excess of \$55,000. The reinsurance coverage limit is \$1,000,000.

Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The following table provides changes in the balances of claims liabilities for fiscal years 2007 and 2008:

	2007	2008
Unpaid claims, beginning of year	\$ 65,590	49,404
Plus incurred claims (including IBNR's)	489,069	451,175
Less claims payments	<u>(505,255)</u>	<u>(365,479)</u>
Unpaid claims, end of year	<u>\$ 49,404</u>	<u>135,100</u>

(10) Capital Leases.

As Lessee:

The county leases the following property with varying terms and options as of September 30, 2008:

<u>Classes of Property</u>	<u>Governmental Activities</u>
Mobile Equipment	\$ 664,918
Less: Accumulated depreciation	<u>(219,051)</u>
Leased property under capital leases	<u>\$ 445,867</u>
<u>Classes of Property</u>	<u>Business-type Activities</u>
Mobile Equipment	\$ 161,173
Less: Accumulated depreciation	<u>(86,944)</u>
Leased property under capital leases	<u>\$ 74,229</u>

WILKINSON COUNTY

Governmental activities repayment schedule by Year Ended September 30	Principal	Interest
2009	\$ 125,312	28,245
2010	123,284	23,728
2011	82,142	18,954
2012	61,649	16,484
2013	283,497	11,369
2014	140,000	383
Total	\$ 815,884	99,163

Business-type activities repayment schedule by Year Ended September 30	Principal	Interest
2009	\$ 28,238	334
Total	\$ 28,238	334

(11) Short-term debt

The following is a summary of short-term debt activity for the year ended September 30, 2008:

	Balance Oct. 1, 2007	Adjustment	Additions	Reductions	Balance Sept. 30, 2008
Tax anticipation	\$ 80,644	-	950,000	393,743	636,901
Loan for road improvement	16,188	(16,188)		-	-
Total	\$ 96,832	(16,188)	950,000	393,743	636,901

During the month of November 2007 and September 2008, the county issued \$475,000 and \$475,000, respectively, of tax anticipation notes with an interest rate of 4.45% and 4.50%, respectively, and maturity dates of October 30, 2008 and September 28, 2009, respectively, in order to alleviate a temporary operating cash flow deficiency.

WILKINSON COUNTY

(12) Long-term Debt.

Debt outstanding as of September 30, 2008, consisted of the following:

<u>Description and Purpose</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>	<u>Final Maturity Date</u>
Governmental Activities:			
A. General Obligation Bonds			
Field Memorial Community Hospital	\$ 125,000	7.00%	06/01/11
Total General Obligation Bonds	<u>\$ 125,000</u>		
B. Capital Leases:			
District 2 motor grader	\$ 72,985	4.42%	11/25/10
District 3 2007 Intl Dump Truck	34,777	4.37%	02/25/11
District 3 Cat Motor Grader	179,334	3.84%	05/25/13
District 3 Front End Wheel Loader	149,234	3.29%	10/25/13
District 4 2006 Ford F250 pickup	7,273	4.15%	03/25/10
District 4 2008 Intl dump truck	37,094	4.37%	06/10/11
District 5 2006 Ford F350 pickup	6,524	4.15%	11/25/09
District 5 Cat Motor Grader	179,334	3.84%	05/25/13
District 3 Front End Wheel Loader	149,234	3.29%	10/20/13
Total Governmental activities Capital Leases	<u>\$ 815,789</u>		
Business-type activities			
Solid Waste garbage trucks (2)	\$ 16,587	4.05%	03/25/09
Solid Waste Pac-Mac base units (2)	11,651	4.05%	03/25/09
Total Business-type activities Capital Leases	<u>\$ 28,238</u>		

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

Governmental Activities:

<u>Year Ending September 30</u>	<u>General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2009	\$ 40,000	8,750
2010	40,000	5,950
2011	45,000	3,150
	<u> </u>	<u> </u>
Total	<u>\$ 125,000</u>	<u>17,850</u>

WILKINSON COUNTY

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, 2008, the amount of outstanding debt was equal to .16% of the latest property assessments.

The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2008:

	Balance Oct. 1, 2007	Additions	Reductions	Balance Sept. 30, 2008	Amount Due Within One Year
Governmental Activities:					
Compensated absences	\$ 54,372	-	(4,829)	49,543	
General obligation bonds	245,000	-	(120,000)	125,000	40,000
Capital leases	395,173	669,018	(248,307)	815,884	125,312
Total	\$ 694,545	669,018	(373,136)	990,427	165,312
Business-type Activities					
Capital leases	\$ 83,029	-	(54,791)	28,238	28,238
Compensated absences	4,140	605	-	4,745	142
Total	\$ 87,169	605	(54,791)	32,983	28,380

(13) Deficit Fund Balances of Individual Funds

The following individual funds reported deficits in fund balances at September 30, 2008:

Fund	Deficit Amount
General Funds	\$ (505,601)
Special Revenue Funds:	
Triad Fund	(47)
Fire Department Rebate Fund	(22,553)
Fire Grant Fund	(8,094)
Homeland Security Fund	(112,408)
River Flood Fund	(17,216)
Tire Waste Disposal	(67,247)
Law Library Fund	(6,285)
Courthouse Restoration Fund	(49,145)
Industrial Development Fund	(10,882)
District 1 Road	(186,657)
District 2 Road	(300,670)
District 4 Road	(222,514)
District 5 Road	(64,869)
Reappraisal Fund	(33,000)
Fruit of the Loom Bond Fund	(4,574)
Business-type Activities Fund:	
Solid Waste Fund	(37,129)

WILKINSON COUNTY

(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. No provision for any liability that may result has been recognized in the county's financial statements.

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

(15) Joint Venture.

The county participates in the following joint venture:

Wilkinson County is a participant with Amite County in a joint venture, authorized by Section 41-13-15, Miss. Code Ann.(1972), to operate the Field Memorial Community Hospital. The joint venture was created to provide medical services for the residents of the local area and is governed by five board members. Wilkinson County appoints three board members, while Amite County appoints two members. The hospital is basically self-supporting. However, the counties have the power to approve or disapprove the hospital's budget and are authorized to levy taxes for the maintenance and operation of the hospital. Complete financial statements for the Field Memorial Community Hospital can be obtained from 270 West Main Street, Centerville, MS 39631.

(16) Jointly Governed Organizations.

The county participates in the following jointly governed organizations:

Southwest Mississippi Planning and Development District operates in a district composed of the Counties of Adams, Wilkinson, Claiborne, Franklin, Jefferson, Lawrence, Lincoln, Pike, Walthall and Wilkinson. The Wilkinson County Board of Supervisors appoints four of the 40 members of the board of directors. The county contributes a small percentage of the district's total revenue. The county appropriated \$28,932 for support of the district in fiscal year 2008.

Southwest Mississippi Mental Health Complex operates in a district composed of the Counties of Adams, Wilkinson, Claiborne, Franklin, Jefferson, Lawrence, Lincoln, Pike, Walthall and Wilkinson. The Wilkinson County Board of Supervisors appoints one of the ten members of the board of commissioners. The county appropriated \$25,312 for its support in fiscal year 2008.

Southwest Mississippi Community College operates in a district composed of the Counties of Wilkinson, Pike, Walthall and Wilkinson. The Wilkinson County Board of Supervisors appoints two of the 14 members of the college board of trustees. The county appropriated \$159,646 for the operation and maintenance of the college in fiscal year 2008.

Southwest Mississippi Partnership operates in a district composed of the Counties of Adams, Amite, Claiborne, Franklin, Jefferson, Lawrence, Lincoln, Pike, Walthall, and Wilkinson. The entity is governed by ten members, appointed by each county's lead industrial foundation or chamber of commerce. If no industrial foundation or chamber of commerce is present, the member is appointed by the county's Board of Supervisors. The member counties provided only modest financial support for the entity.

WILKINSON COUNTY

(17) Defined Benefit Pension Plan.

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

Funding Policy. PERS members are required to contribute 7.25% of their annual covered salary, and the county is required to contribute at an actuarially determined rate. The current rate is 11.85% of annual covered payroll. The contribution requirements of PERS members 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, 2008, 2007 and 2006 were \$380,781, \$221,553, and \$196,351, respectively, equal to the required contributions for each year.

(18) Subsequent Events.

Subsequent to September 30, 2008, the county issued the following debt obligations:

On October 20, 2008, the Board of Supervisors approved the sole bid for a track hoe from Deviney Equipment of \$90,815. Bancorp South is financing the lease purchase for 4 years.

On February 23, 2009, the Board approved the purchase of an excavator for \$90,815, with 3.34% financing from Bancorp.

On March 23, 2009, the Board approved the bid of Coleman Construction of \$36,184 for bank stabilization work on Leake Road.

On May 4, 2009, the following State Aid bridge replacement projects were approved by the Board: Willie Neyland Road - \$538,500; Donegal Road - \$311,000, and Possum Corner Road - \$451,450. The Board also approved \$60,000 for programming maintenance on a pond on Pickneyville Road.

On June 1, 2009, the Fire Wise Education Program with Mississippi State University Forestry program was approved in the amount of \$28,831. The Board also approved the purchase of (4) generators at a cost of \$134,048.

On June 22, 2009, a bid of \$108,000 from Cochern Engineering and Services was approved for mapping the county; there will be (4) annual payments of \$27,000 made for this service.

On July 7, 2009, Austin Electric's bid of \$89,900 was accepted to install the (4) new generators at various sites in the county.

On August 3, 2009, the bid of \$40,535 for a tractor and \$6,975 for a side mower from Seal Tractor Company was accepted.

On August 24, 2009, the Board approved a State Aid bridge project of \$504,250, awarding Dozer, LLC the contract. A transfer of \$284,900 from Wilkinson County road fund to the project fund for the above was also approved.

On September 8, 2009, the Board accepted a bid for courthouse renovations from Scarbrough Construction of \$122,000.

WILKINSON COUNTY

On September 21, 2009, accepted the proposal of Bancorp South for financing of \$675,000, with an interest rate 4.5% at a term of (12) months. The proceeds of the loan are for general operating expenses and the need to meet financial obligations.

On December 21, 2009, the Board approved paying \$41,941 to Southwest MS Planning & Development District.

On February 22, 2010, the Board approved a \$29,800 quote from Deviney Equipment for a used tractor with boom mower.

On March 1, 2010, the Board approved payment of \$134,048, to Power Systems of MS for (2) 100 kilowatt and (2) 50 kilowatt generators and a payment of \$89,900 for installation of the generators to Austin Electric.

On May 3, 2010, the county received the second reimbursement in the amount of \$56,862 from the Mississippi Emergency Management Agency from an emergency generators grant.

On May 24, 2010, the county received a \$12,000 donation from the Lake Mary Civic Association for the specific purpose of assisting the District 4 with rental proceeds on a temporary detour bridge in place on the Possum Corner Road.

WILKINSON COUNTY

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WILKINSON COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

WILKINSON COUNTY

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WILKINSON COUNTY
 Budgetary Comparison Schedule -
 Budget and Actual (Non-GAAP Basis)
 General Fund
 For the Year Ended September 30, 2008

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 2,462,500	2,623,708	2,624,194	486
Licenses, commissions and other revenue	93,500	93,058	49,055	(44,003)
Fines and forfeitures	165,100	209,408	207,637	(1,771)
Intergovernmental revenues	627,000	736,488	736,488	-
Charges for services	6,500	6,186	6,536	350
Interest income	45,000	40,131	62,171	22,040
Miscellaneous revenues	38,400	50,592	28,488	(22,104)
Total Revenues	<u>3,438,000</u>	<u>3,759,571</u>	<u>3,714,569</u>	<u>(45,002)</u>
EXPENDITURES				
Current:				
General government	1,715,605	1,968,293	2,678,393	(710,100)
Public safety	851,000	899,910	911,959	(12,049)
Health and welfare	167,375	175,795	176,432	(637)
Culture and recreation	122,000	256,991	256,991	-
Conservation of natural resources	78,512	83,739	83,048	691
Economic development and assistance	100,230	111,501	112,862	(1,361)
Debt service:				
Principal	389,645	486,594	475,440	11,154
Interest	-	-	7,964	(7,964)
Total Expenditures	<u>3,424,367</u>	<u>3,982,823</u>	<u>4,703,089</u>	<u>(720,266)</u>
Excess of Revenues over (under) Expenditures	<u>13,633</u>	<u>(223,252)</u>	<u>(988,520)</u>	<u>(765,268)</u>
OTHER FINANCING SOURCES (USES)				
Inception of capital leases	-	-	667,564	667,564
Proceeds of loans	-	-	950,000	950,000
Insurance recoveries	12,000	1,000	1,000	-
Total Other Financing Sources and Uses	<u>12,000</u>	<u>1,000</u>	<u>1,618,564</u>	<u>1,617,564</u>
Net Change in Fund Balance	<u>25,633</u>	<u>(222,252)</u>	<u>630,044</u>	<u>852,296</u>
Fund balances:				
October 1, 2007, as previously stated	(72,802)	471,392	(795,039)	(1,266,431)
Prior period adj. & reclassifications	-	-	(340,606)	(340,606)
October 1, 2007, as restated	<u>(72,802)</u>	<u>471,392</u>	<u>(1,135,645)</u>	<u>(1,607,037)</u>
September 30, 2008	<u>(47,169)</u>	<u>249,140</u>	<u>(505,601)</u>	<u>(754,741)</u>

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

Budgetary Comparison Schedule -
 Budget and Actual (Non-GAAP Basis)
 Bridge Fund
 For the Year Ended September 30, 2008

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 305,000	324,294	324,338	44
Intergovernmental revenues	75,000	53,278	53,092	(186)
Interest income			1,350	1,350
Miscellaneous revenues	-	19,139	17,789	(1,350)
Total Revenues	<u>380,000</u>	<u>396,711</u>	<u>396,569</u>	<u>(142)</u>
EXPENDITURES				
Current:				
Public works	<u>345,000</u>	<u>370,442</u>	<u>371,549</u>	<u>1,107</u>
Total Expenditures	<u>345,000</u>	<u>370,442</u>	<u>371,549</u>	<u>1,107</u>
Excess of Revenues over (under) Expenditures	<u>35,000</u>	<u>26,269</u>	<u>25,020</u>	<u>(965)</u>
Net Change in Fund Balance	35,000	26,269	25,020	(965)
Fund Balances:				
October 1, 2007	(72,802)	471,392	193,021	(278,371)
Prior period adj. & reclassifications			-	-
October 1, 2007, as restated	<u>(72,802)</u>	<u>471,392</u>	<u>193,021</u>	<u>(278,371)</u>
September 30, 2008	<u>\$ (37,802)</u>	<u>\$ 497,661</u>	<u>\$ 218,041</u>	<u>\$ (279,336)</u>

WILKINSON COUNTY

Notes to the Required Supplementary Information
For the Year Ended September 30, 2008

A. Budgetary Information.

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

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

B. Basis of Presentation.

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

C. Budget/GAAP Reconciliation.

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

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

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

	Governmental Fund Type	
	General Fund	Bridge Fund
Budget (Cash Basis)	\$ (248,674)	14,779
Increase(Decrease)		
Net adjustments for revenue accruals	(209)	152,806
Net adjustments for expenditure accruals	29,347	(146,960)
GAAP Basis	\$ (219,536)	20,625

WILKINSON COUNTY

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WILKINSON COUNTY

SPECIAL REPORTS

WILKINSON COUNTY

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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*

July 2, 2010

Members of the Board of Supervisors
Wilkinson County, Mississippi

We have audited 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 Wilkinson County, Mississippi, as of and for the year ended September 30, 2008, which collectively comprise the county's basic financial statements and have issued our report thereon dated July 2, 2010. The auditor's report is qualified on the Governmental Activities, the General Fund and the aggregate remaining fund information because the county did not provide adequate records documenting fines receivable and the related allowance for uncollectible amounts of the Circuit Clerk, did not report certain general infrastructure assets and related depreciation in the governmental activities and did not record all revenues and expenditures in the health insurance internal service fund as required by accounting principles generally accepted in the United States of America. Except for the limitations related to the qualified opinions, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Wilkinson County, Mississippi's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the county's internal control over reporting. Accordingly, we do not express an opinion on the effectiveness of the county's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the county's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the county's financial statements that is more than inconsequential will not be prevented or detected by the county's internal control. We consider the deficiencies described in the accompanying Schedule of Findings and Responses to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the county's internal control.

Our consideration of the internal control over financial reporting was for limited purposes described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider items 08-1, 08-2, 08-3, 08-4, 08-5, 08-6, 08-7, and 08-8 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Wilkinson County, Mississippi's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain matters that we reported to the management of Wilkinson County, Mississippi, in the Independent Auditor's Report on Central Purchasing System, Inventory Control System and Purchase Clerk Schedules and the Limited Internal Control and Compliance Review Management Report dated July 2, 2010, included within this document.

Wilkinson County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. We did not audit Wilkinson County's response, and accordingly, we express no opinion on it.

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

Sincerely,



D. Scott Nieman, CPA
Dribben & Associates, Ltd
McComb, MS

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

July 2, 2010

Members of the Board of Supervisors
Wilkinson County, Mississippi

We have made a study and evaluation of the central purchasing system and inventory control system of Wilkinson County, Mississippi, as of and for the year ended September 30, 2008. Our study and evaluation included tests of compliance of the Purchase Clerk and Inventory Control Clerk records and such other auditing procedures as we considered necessary in the circumstances.

The Board of Supervisors of Wilkinson County, Mississippi, is responsible for establishing and maintaining a central purchasing system and inventory control system in accordance with Sections 31-7-101 through 31-7-127, Miss. Code Ann. (1972). In addition, the Board of Supervisors is responsible for purchasing in accordance with the bid requirements of Section 31-7-13, Miss. Code Ann. (1972). The Board of Supervisors of Wilkinson 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.

The county did not maintain adequate subsidiary records documenting the existence, completeness and valuation of capital assets.

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 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.

The results of our audit procedures disclosed certain instances of noncompliance with the aforementioned code sections. Those instances of noncompliance were considered in forming our opinion on compliance. Our findings and recommendations and your responses are disclosed below:

1. Finding – Inventory Control Clerk:

- A. As reported in prior years' audit reports and per Section 31-7-107 of the Miss. Code Ann. (1972), the county's computer data base of asset inventory did not include acquisition date or acquisition costs for many assets. These exceptions relate primarily to infrastructure.
- B. The inventory control clerk filed an incomplete annual report with the board of supervisors and with the state of the general fixed assets, additions, deletions and correct ending inventory values.
- C. As reported in prior years, donated assets should be listed on the county's inventory at fair market value. In our review of the county's inventory, we noted several donated items listed at a value of \$1.

- D. Per above stated code section, the inventory clerk must make a physical inventory of assets of the county on or before October 1 of each year. Annual inventory of all assets not done. Per Chancery Clerk, they did sample testing only.

Recommendation:

- A. The county should seek the help of the county engineer to add its entire infrastructure to its computer data base with the acquisition dates and costs in order to compute depreciation expenses, accumulated depreciation and net value.
- B. After completing the annual inventory, the county's inventory clerk should compile the data required and submit an accurate annual report of its general fixed assets to the board of supervisors and to the state.
- C. The board should set the value of donated items at the time it accepts the donation and place that value in the board minutes. The county may use whatever method it deems best to estimate the fair market value—consulting an appraiser or person knowledgeable in the area, using computer-generated data such as Blue Book or other accepted methods.
- D. The county should conduct a complete inventory of all its assets. This would be accomplished with issuing a blank inventory form to each department head. Each department head should list each item of equipment in his department, including a brief description of the item, condition, serial number and property number. After these forms are returned to the inventory control clerk, the inventory should then be reconciled to the existing inventory records and any differences should be investigated and necessary adjustments made to the inventory records.

Inventory Control Clerk's Response

The findings have been addressed, completed and filed with the appropriate departments or agencies. The County Engineer assisted in the compilations of this expensive data.

2. Finding – Purchase Clerk

Bridge load signs were purchased for \$6,796 without obtaining written quotes as required by the State Purchasing Law.

Recommendation

Two or more written quotes are required for all purchases over \$5,000 and within the outlined limits as described in the purchase law.

Purchase Clerk Response

The purchase clerk has been alerted to this finding and will comply.

3. Finding – Purchase Clerk.

During our audit, we noted that the county had deficit cash and the county held checks for the certain claims approved by the board due to lack of cash. Purchase requisitions and purchase orders were being approved without consulting cash and budget balances.

Recommendation

We recommend that the purchase clerk sign off on a purchase order only after confirming that the cash balance and the budget balance to make sure there is sufficient cash in the bank and that the budget will not be overspent. Per our conversation with the purchase clerk, she does not have access to the computer records needed so that she can determine the cash or budget balances. We recommend that the board make this available to the purchase clerk so that purchase orders will not be issued without funding being available while remaining within budgeted amounts.

Purchase Clerk Response

The purchase clerk will comply.

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 study and evaluation of the purchasing system and, in our opinion, is fairly presented when considered in relation to that study and evaluation.

Wilkinson County's responses to the findings included in this report were not audited, and accordingly, we express no opinion on them.

This report is intended for use in evaluating the central purchasing system and inventory control system of Wilkinson County, Mississippi, 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.

Sincerely,



D. Scott Nieman, CPA
Dribben & Associates, Ltd
McComb, MS

WILKINSON COUNTY

Schedule of Purchases Not Made From the Lowest Bidder
For the Year Ended September 30, 2008

Schedule 1

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

WILKINSON COUNTY

Schedule 2

Schedule of Emergency Purchases
For the Year Ended September 30, 2008

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>	<u>Reason for Emergency Purchase</u>
-------------	---------------------------	------------------------	---------------	------------------------------------------

Our test results did not identify any emergency purchases.

WILKINSON COUNTY

Schedule 3

Schedule of Purchases Made Noncompetitively From a Sole Source
For the Year Ended September 30, 2008

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>
-------------	---------------------------	------------------------	---------------

Our test results did not identify any sole source purchases.

LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW
MANAGEMENT REPORT

July 2, 2010

**Members of the Board of Supervisors:
Wilkinson County, Mississippi**

In planning and performing our audit of the financial statements of Wilkinson County, Mississippi for the year ended September 30, 2008, we considered Wilkinson County, Mississippi's internal control to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

In addition, for areas not considered material to Wilkinson County, Mississippi's financial reporting, we have performed some additional limited internal control and state legal compliance review procedures as identified in the state legal compliance audit program issued by the Office of the State Auditor. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the county's compliance with these requirements. Accordingly, we do not express such an opinion. This report does not affect our report dated July 2, 2010, on the financial statements of Wilkinson 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 the internal control would not necessarily disclose all matters within the internal control that might be weaknesses. In accordance with Section 7-7-211, Miss. Code Ann. (1972), the Office of the State Auditor, when deemed necessary, may conduct additional procedures and tests of transactions for this or other fiscal years to ensure compliance with legal requirements.

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

1. Finding – Board of Supervisors

Section 27-39-329(2)b, Miss. Code Ann. (1972), requires the Board of Supervisors to levy each year an ad valorem tax of one (1) mill to be used for any purpose allowed by law, but the avails of such levy shall not be expended until certification by the State Tax Commission. As reported in prior years' audit reports, a portion of the levy proceeds were expended prior to receipt of the State Tax Commission certification.

Recommendation

The Board of Supervisors should comply with the certification requirements of this section before expenditures are made.

WILKINSON COUNTY

Board of Supervisors' Response

The Board of Supervisors will comply with this recommendation. Every effort will be made to obtain certifications necessary for this requirement as stipulated in the cited code section.

2. Finding—Board of Supervisors

As previously reported in the prior year audit report, in our test of travel vouchers paid by the county, we noted the following:

- a. The county reimbursed meals on a per diem basis, even though county policy specifically called for actual reimbursement.
- b. As reported in the prior audit report, we noted problems with the travel vouchers in that:
(1) All of the per diem payments were made prior to making the trip, rather than being reimbursed after return from the trip—which would constitute an advance. The Board did not approve advances for this travel.

Recommendation

We recommend the following:

- a. The Board passed a policy amendment in December 2008, to change the policy which originally stated that actual meal expenses would be reimbursed to now state that meals will be reimbursed.
- b. The travel policy was amended during our review so that the advances are now approved at the same time the travel request is approved.

Board of Supervisors' Response

This recommendation has been addressed and the proper charges have been made and entered into the minutes and amended in the personnel policy manual.

3. Finding – Board of Supervisors

As required by Section 19-15-1, Miss. Code Ann. (1972), the county should have a contact with the Chancery Clerk for restoration of records.

During our review we could find no contract on record filed in the Courthouse between the Chancery Clerk and Wilkinson County for the audit year.

Recommendation

We recommend that the supervisors contract with the Chancery Clerk for restoration of records and that the signed contract be filed in the Courthouse per Section 19-15-1, Miss. Code Ann. (1972).

Board of Supervisors' Response

The contract was filed in the minutes at a previous date. If a historical check had been made this record could have been obtained. Approximately seven years ago the contract was content unchanged with the same fee. If necessary it will be done annually.

4. Finding – Board of Supervisors

WILKINSON COUNTY

The Justice Court Clerk has no bond or renewal of a bond on filed with the Chancery Clerk’s office of records as required by Section 19-11-7 of the Miss. Code Ann. (1972).

Recommendation:

We recommend that the county monitor work that is contracted and only pay for work that is performed.

Board of Supervisors’ Response

This will be corrected.

We recommend that the Justice Court Clerk shall give bond of \$50,000 as required by state law and that it shall be filed with the Chancery Clerk’s office as required by law.

Board of Supervisors’ Response

The bond has been obtained. It should have been in the blanket bond purchased by the county. Individual bond has since been purchased.

5. Finding – Board of Supervisors

Per Section 25-41-7 of the Miss. Code Ann. (1972), an executive session of the board shall be limited to matters exempted from open meetings. The reason for holding such an executive session shall be stated in the open meeting and recorded in the minutes of the meeting. During our review of the minutes of the board of supervisors, we noted two instances where the board went into closed door executive session without stating a reason.

Recommendations

We recommend that the Board of Supervisors state in open meeting the reason for any closed meeting session and record it in the minutes of the board.

Board of Supervisors’ Response

Agreed, an oversight for this process for this date was made.

6. Finding - Board of Supervisors

As reported in prior years’ audit reports, the County has operated several of its funds at substantial cash deficits and has not raised sufficient revenues or other sources of cash to fund its expenditures in some funds, particularly the general fund. This situation has caused an illegal diversion of money from some special revenue funds into the general fund and into other special revenue funds.

Recommendation

We recommend the board of supervisors should take the necessary action to comply with laws regarding diversion of money and fund deficits.

Board of Supervisors’ Response

The Board of Supervisors will comply with this recommendation.

7. Finding - Board of Supervisors

During our test of expenditures, we noted the following:

WILKINSON COUNTY

- a. All invoices tested were not cancelled or marked "Paid."
- b. Written quotes could not be found for one expenditure costing \$6,796, therefore violating the purchasing law.
- c. Two instances where there was no invoice, only a statement in the file.
- d. Two instances where the receiving report for gasoline purchases was dated after the receipt of goods as indicated on the gas ticket.
- e. One instance of the receiving report showing a date of 02/14/08 and the delivery ticket showing a date of 01/11/08; the date of payment after the receipt of goods was greater than 45 days therefore failing to pay timely, see Section 31-7-307 of the Miss. Code Ann. (1972).

Recommendation

We recommend the following:

- a. The accounts payable clerk should cancel or mark "Paid" on the original invoice of each bill processed for payment.
- b. The purchase law should be followed as to getting two or more written quotes on items purchased within the written quote amount limitation.
- c. All invoices are required to be paid within a 45 day period from the invoice date in order to prevent the county owing interest on the invoice and as per Section 31-7-307 of the Miss. Code Ann. (1972).
- d. Receiving report dates should match with the date the product or items were actually received.
- e. Receiving report dates should match with the date the items were actually received and paid timely, within a 45-day period as stated in Section 31-7-307 of the Miss. Code Ann. (1972).

Board of Supervisor's Response

No response.

8. Finding – Circuit Clerk

There was no supporting documentation for several expenditures listed on the Circuit Clerk's Annual Financial Report for 2008: \$96 in office expense, \$250 in supplies, \$1,191.30 in travel expense, \$610 in business meals and entertainment, and \$1040 for vehicle insurance, total unsupported expenses of \$3,256.30.

Recommendation

Circuit Clerk needs to support the expenditures with documentation or repay the funds to the county.

Circuit Clerk's Response

The recommendation for documentation is being provided for future references.

9. Finding – Sheriff

As reported in the prior year's audit report, in our tests of revenues, we noted that deposits were not being made daily. Currently, the Deputy Clerk has stated that deposits are being made daily. Also, the bank statement reconciliations were not reviewed by someone other than the reconciler.

Recommendation

WILKINSON COUNTY

As an internal control procedure, we recommend that the Sheriff make sure that all funds are deposited daily and that the bank statement reconciliations are reviewed and signed off by someone other than the reconciler.

Sheriff's Response

We will comply.

10. Finding – Circuit Clerk:

Aged accounts receivable from prior Circuit Clerks and prior fiscal years was incomplete and could not be determined. We discovered that collections of prior year's fines were being held by the Circuit Clerk and had not been deposited. Upon request, we were provided with the receipts in the amount of \$3,661 and found the funds were being held for no apparent reason. During the audit, after further inquiry and investigation, a deposit of cash was made on February 17, 2010. All fines received were cash, except for one that was paid with a \$20 check, which has not been accounted for. Per Section 9-1-43(3) of the Miss. Code Ann. (1972), the circuit clerk shall be liable on their official bond for the proper deposit and accounting of all monies received by their office and Section 9-1-43(7) states that any clerk who knowingly shall fail to deposit funds or otherwise violate the provisions of this section shall be guilty of a misdemeanor in office and, upon conviction thereof, shall be fined in an amount not to exceed double the amount that he failed to deposit, or imprisoned for not to exceed (6) months in the county jail, or be punished by both such fine and imprisonment.

Recommendation

We recommend that the Circuit Clerk comply with Section 9-1-43(3) and Section 9-1-43(7) of the Miss. Code Ann. (1972), and deposit funds properly and account for all monies received. We also recommend that the Circuit Clerk bring the aged accounts receivable balances forward in the computer and be responsible to collect, deposit in a timely manner, and account for all aged accounts receivable.

Circuit Clerk's Response

This recommendation has been complied with. The recommendation will be fully implemented for future deposits as per the recommendation.

11. Finding – Chancery Clerk

Pertaining to salary limitations in Section 9-1-43(1) of the Miss. Code Ann. (1972), and as indicated on the Annual Financial Report filed by the Chancery Clerk for the fiscal year ending 06/30/2008, the Chancery Clerk was overpaid by \$9,460, which was unpaid at the end of the audit review. Subsequently, the repayment was received by the county on April 1, 2010. At the end of the 2008 fiscal year, \$6,616 was due to be paid to the Public Employees' Retirement System of Mississippi (PERS) from the Chancery Clerk no later than April 15, 2009. This amount had not been paid to the Public Employees' Retirement System of Mississippi as of the conclusion of this audit.

Recommendation

We recommend that the Chancery Clerk pay the \$6,616 due to the PERS and in the future, pay the amount due to them by the due date.

Chancery Clerk's Response

This money is on fees, not from the county and is due PERS.

WILKINSON COUNTY

12. Finding – Board of Supervisors

Per Section 31-7-124 of the Miss. Code Ann. (1972), all assistant purchasing clerks shall be bonded in a penalty not less than Fifty Thousand Dollars (\$50,000). During our audit, no bond was found on Mona Whitaker, Assistant Purchasing Clerk.

Recommendation

We recommend that the county purchase a sufficient bond on the Assistant Purchasing Clerk.

Board of Supervisor’s Response

This matter has been complied with by purchasing an individual bond.

13. Finding-Circuit Clerk Mon Cree Allen

Per Section 25-15-153(3) of the Miss. Code Ann. (1972), the Circuit Clerk is allowed the same election expenses as the election commissioners. However, in our test of election expenses, we noted that the Circuit Clerk is also allowed a maximum (according to the latest census) of 50 days for one election and an additional 12 days for training. No special election was held in the 2008 year. Per our calculation of allowable election expenses, the clerk exceeded the maximum by 15 days or \$1,260.

Recommendation

We recommend that the Circuit Clerk comply with Section 23-15-153(3) of the Miss. Code Ann. (1972), and only file for compensation for those duties performed within the maximum amount allowed.

Circuit Clerk’s Response

No response.

14. Finding-Election Commissioners

As reported in the prior year’s audit report and per Section 25-15-153 of the Miss. Code Ann. (1972), the county’s election commissioners shall be compensated for their duties for up to a maximum (according to the latest census) of 50 days for 1 election and an additional 10 days (after 6/29/06) for a special election. However, no special election was held in the year. They may also be compensated (after 6/29/06) for up to 12 training days. The following election commissioners exceeded the maximum allowed:

- a. Jerri Love, District Three Election Commissioner—6 days above maximum of 50 election days or \$504.
- b. Chantell McMorris, District One Election Commissioner—41 days above maximum of 50 election days or \$3,444.
- d. Laverne Poole—District Three Election Commissioner—5 days above maximum of 50 election days or \$420.

Recommendation

We recommend that the election commissioners comply with Section 25-15-153 of the Miss. Code Ann. (1972), and only file for compensation for those duties performed within the maximum amount allowed.

Election Commissioners’ Response

No response.

WILKINSON COUNTY

The Mississippi Office of the State Auditor has taken exception to certain costs. The details of the exceptions and their dispositions are as follows:

Exception Issued On: Wevelyn James, Tax Assessor-Collector
Nature of Exception: Salary
Amount of Exception: \$34,045.11 for prior periods.
Disposition of Exception: \$5,210.23 was repaid by the Tax Assessor-Collector's bond on May 12, 2008. The remainder is unpaid. The balance currently is \$40,730.13 including interest and investigative cost. This matter has been turned over to the Investigative Division of the Office of the State Auditor.

Exception Issued On: Jerri Love, District Three Election Commissioner
Nature of Exception: See Finding #8 described in the 2006 audit report.
Amount of Exception: \$2,100 for the 2006 audit and Finding #14 above.
Disposition of Exception: \$100 was repaid on March 12, 2008 and an additional \$1,230 was repaid on April 23, 2008, leaving \$770 that has not been repaid on the 2006 audit report and \$504 for the 2008 audit.

Exception Issued On: Laverne Poole, District Four Election Commissioner
Nature of Exception: See Finding #14 above for the 2008 audit report.
Amount of Exception: \$420 for the 2008 audit.
Disposition of Exception: \$420 remains unpaid.

Exception Issued On: Francis Felter, District Five Election Commissioner
Nature of Exception: See Finding #8 in the 2006 audit report.
Amount of Exception: \$588 for the 2006 audit.
Disposition of Exception: \$140 was repaid on March 12, 2008 leaving the balance \$448.

Exception Issued On: Chantell McMorris, District One Election Commissioner
Nature of Exception: See Finding #8 in the 2006 audit report and Finding #11 in the 2007 audit report.
Amount of Exception: \$2,002 for the 2006 audit, \$2,436 for the 2007 audit and \$3,444 for the 2008 audit.
Disposition of Exception: \$500 was repaid March 14, 2008. \$250 was repaid March 28, 2008 and \$510 was repaid on May 16, 2008, leaving \$742 of the 2006 fees unpaid for the 2006 audit. The \$2,436 for the 2007 audit and the \$3,440 for the 2008 audit remain unpaid.

Wilkinson County's responses to the findings included in this report were not audited, and accordingly, we express no opinion on them.

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

Sincerely,



D. Scott Nieman, CPA
Dribben & Associates, Ltd.
McComb, MS 39648

WILKINSON COUNTY

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WILKINSON COUNTY

SCHEDULE OF FINDINGS AND RESPONSES

WILKINSON COUNTY

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WILKINSON COUNTY

Schedule of Findings and Responses
For the Year Ended September 30, 2008

Section 1: Summary of Auditor's Results

Financial Statements:

1.	Type of auditor's report issued on the financial statements:	
	Governmental Activities	Qualified
	Aggregate discretely presented component units	Unqualified
	General Fund	Qualified
	Bridges Fund	Unqualified
	Business-type Activities	Unqualified
	Solid Waste Services Fund	Unqualified
	Aggregate remaining fund information	Qualified
2.	Internal control over financial reporting:	
	a. Material weakness identified?	Yes
	b. Significant deficiencies identified that are not considered to be material weaknesses?	No
3.	Noncompliance material to the financial statements?	No

Section 2: Financial Statement Findings

Board of Supervisors

Significant Deficiency – Material Weakness

08-1 Finding

As reported in prior years' audit reports, the County has, in the past, made interfund loans. These loans were made when the County experienced negative cash flows in various funds. However, after many years, these loans have not been repaid. As a result, the County has outstanding interfund loans which are many years old.

Recommendation

Failure of the Board of Supervisors to ensure repayment of these loans is an illegal diversion of legally-restricted funds. For any interfund loan made, the Board of Supervisors should approve and record in the board minutes the reason for the loan, when the loan will be repaid and the source of the funds for the repayment. The Board of Supervisors should ensure that these old loans are repaid by approving and recording in the board minutes a repayment schedule and complying with the repayment schedule.

Board of Supervisors' Response

The Board of Supervisors will comply with this recommendation.

08-2 Finding

Section 19-13-43, Miss. Code Ann. (1972), requires that, before a warrant is issued, there must be sufficient money available in the fund upon which it is drawn to pay the same and all prior unpaid checks

WILKINSON COUNTY

Schedule of Findings and Responses For the Year Ended September 30, 2008

drawn on that fund. As reported in the eight prior years' audit reports, warrants were written on county funds which did not have sufficient cash balances. The following funds had a deficit cash balance at September 30, 2008: Triad Fund, Fire Grant, Homeland Security, Tire Waste Disposal, Law Library, Courthouse Renovation Grant, Industrial Development, District One Road, District Two Road, District Four Road, Fruit of the Loom Bond, and Solid Waste.

Recommendation

The county should ensure that no warrants are written on funds when cash is not available.

Board of Supervisors' Response

Several funds are reimbursable from various sources. The money has to be spent on that basis. Others will follow the recommendation.

08-3 Finding – Chancery Clerk

As stated in the previous audits, the land redemption bank statements are not reconciled and we were unable to reconcile it since the receipts could not be reconciled with deposits. In our testing, we found cash and checks do not tie directly to deposits and we could not determine if cash and checks from settlements are deposited timely. Receipts are not written for all monies received. Receipts are not checked up and deposited daily.

Recommendation

The Chancery Clerk should ensure the land redemption receipts are marked as cash or check, that PIN numbers be placed on the deposit slips so that cash and checks can be traced and that the account is reconciled on a monthly basis. Receipts and deposits should be deposited and reconciled daily. Bank statements should be reconciled monthly and all unsettled funds should be identified and properly settled to the correct parties.

Chancery Clerk's Response

Procedures have been implemented to rectify this situation. Receipt books with prenumbered receipts have been purchased. Bank reconciliations are being completed.

08-4 Finding – Chancery Clerk

As reported in the prior year's audit report, during the review of the Chancery Clerk's office operations, we found that the fee income received could not be verified through revenue testing due to the fact that the Chancery Clerk's office did not identify monies received as to "cash," "check," or "money order." Monies are not deposited daily or identified on deposit slips as to receipt numbers. Also, receipts are not written for revenue received through the mail and some receipts are written in advance of receiving the money. Therefore, there is no way to provide audit assurance through testing of the amounts reported as revenue and the amount deposited.

WILKINSON COUNTY

Schedule of Findings and Responses
For the Year Ended September 30, 2008

Recommendation

All revenues received in the Chancery Clerk's Office should be recorded in a receipt book, or accounting software and a receipt should be given to each person or agency presenting the money for services and at the time the monies are received. Daily deposits should always tie to the day's sum of receipts in the computerized cash receipts journal or manually in a receipt book.

Chancery Clerk's Response

Receipt books with numbers have been purchased to comply with this recommendation.

08-5 Finding – Inventory Control

As reported in the prior year's audit report, capital asset internal control procedures are inadequate for maintaining an accurate inventory or adequate subsidiary records of the county's assets. During our testing we found an item not added to the asset listing, we found (8) out of (22) capital assets not properly tagged with an identifying asset number, one asset could not be located and assets on the books without complete data to document historical cost (some assets valued at \$1 and other assets valued at \$0) or (in the case of donated assets), the fair market value, purchase date and associated accumulated depreciation. Additionally, the county has no computerized subsidiary records for infrastructure assets so as to compute current year or accumulated depreciation.

Recommendation

The county should implement procedures to provide accurate reporting of their capital asset balances and develop capital asset accounting requirements to insure that all capital assets are properly tagged with an identifying asset number, and properly recorded on the books.

Chancery Clerk's Response

Proper values have been implemented at the time of acceptance of donated items at the fair market value. Identified assets unnumbered have been tagged.

08-6 Finding—Board of Supervisors

As reported in prior years' audit reports, many transactions throughout the year were not posted to the County's general ledger, including virtually all health insurance claim checks, which totaled \$362,212 and insurance premiums paid of \$151,344. As a result of the health insurance claim checks not being posted to the county's general ledger or claims docket, there was no formal Board of Supervisors' approval for the issuance of the checks.

Recommendation

The county should implement procedures to ensure that all transactions that occur in the county's bank statements should be posted in the county's general ledger. No warrants should be issued without proper approval from the Board of Supervisors.

WILKINSON COUNTY

Schedule of Findings and Responses
For the Year Ended September 30, 2008

Board of Supervisors' Response

Proper attention has been placed on insurance matter on the date of the Board meeting to insure claims have been properly authorized.

08-7 Finding – Justice Court

As reported in prior years' audit reports, the bank statements were not reconciled in the Justice Court Clerk's office. Also during our testing, we noted the Justice Court Clerk's office does not accurately maintain subsidiary ledgers of a) individual accounts receivable accounts, b) the bond listing, and c) partial pay control account. We noted that there is not adequate segregation of duties: the justice court clerk receipts money, makes out deposits, and carries the deposits to the bank.

Recommendation

The Justice Clerk's office should reconcile the bank account and trace the reconciled bank balance to the cash balance per the books. The reconciliations should be approved by someone in a supervisory capacity. Additionally, the Justice Court Clerk's office should maintain current bookkeeping of accounts receivable balances, a current bond listing, and partial pay control accounts. The duties of receiving money, making out deposits and carrying deposits to the bank should be segregated.

Justice Court Clerk's Response

Bank statements have been reconciled.

08-8 Finding – Circuit Clerk Mon Cree Allen

Bank statement reconciliations and the distribution of cash form requested from the Circuit Clerk were not provided for review.

Recommendation

We recommend that the Circuit Clerk find the records requested for the audit and provide them for review.

Circuit Clerk's Response

No response.

08-9 Finding – Board of Supervisors

A critical aspect of effective financial management is the maintenance of accurate accounting records. Management does not have personnel that possess the necessary qualifications and training to prepare financial statements in accordance with generally accepted accounting principles. Therefore, since the county personnel lacked the skills and training to apply generally accepted accounting principles in recording the entity's financial transactions and adequate controls in place over the recording and reporting of financial records, the risk increases that inaccurate information may be reported and increases the possibility of the loss or misappropriation of public funds.

WILKINSON COUNTY

Schedule of Findings and Responses For the Year Ended September 30, 2008

Recommendation

The Board of Supervisors should establish adequate controls and procedures to ensure the financial transactions are recorded, presented and disclosed in accordance with generally accepted accounting principles. While it is the auditor's responsibility to perform the annual audit, management of Wilkinson County is charged with the responsibility for preparing its financial statements in accordance with generally accepted accounting principles.

Board of Supervisor's Response

The Wilkinson County Board of Supervisors is presently negotiating with several CPA firms to provide the necessary training for existing personnel to perform the duties required to prepare the financial statements in accordance with generally accepted accounting principles.