

# **WILKINSON COUNTY, MISSISSIPPI**

Audited Financial Statements and Special Reports  
For the Year Ended September 30, 2018

# WILKINSON COUNTY

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WILKINSON COUNTY

FINANCIAL SECTION



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## INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors  
Wilkinson County, Mississippi

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wilkinson County, Mississippi, (the County) as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Wilkinson County Industrial Development Authority, which represent 99 percent, 73 percent and 99 percent, respectively of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Wilkinson County Industrial Development Authority, is based solely on the report of the other auditors. 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 from material misstatement.

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

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

### ***Basis of Qualified Opinion on the Wilkinson County Library System Discretely Presented Component Unit***

The financial statements of the Wilkinson County Library System have not been audited, and we were not engaged to audit the Wilkinson County Library System's financial statements as part of our audit of the County's basic financial statements. The Wilkinson County Library System's financial activities are included in the County's basic financial statements as a discretely presented component unit and represent 1 percent, 27 percent and 1 percent of the assets, net position, and revenues, respectively, of the County's aggregate discretely presented component units.

#### ***Qualified Opinion***

In our opinion, except for the possible effects of the matter described in the "Basis for Qualified Opinion on the Wilkinson County Library System Discretely Presented Component Unit" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate discretely presented component units of Wilkinson County, Mississippi, as of September 30, 2018, and the changes in financial position thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Qualified Opinions on Governmental Activities and Business-Type Activities***

The County did not maintain adequate subsidiary records documenting the existence, completeness, and valuation of the County's capital assets in the governmental activities and business-type activities and, accordingly, has not recorded the appropriate depreciation expense on those assets. Accounting principles generally accepted in the United States of America require that adequate records must be maintained to document existence, completeness, and valuation of capital assets, and also that the depreciation on capital assets be adequately documented. The amount by which this departure would affect the assets, net position, and expenses on the governmental activities and business-type activities is not reasonably determinable.

#### ***Qualified Opinion***

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion on Governmental Activities and Business-Type Activities" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the business-type activities of Wilkinson County, Mississippi, as of September 30, 2018, and the changes in financial position thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

#### ***Unmodified Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the General Fund and the aggregate remaining fund information of Wilkinson County, Mississippi, as of September 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Other Matters***

##### ***Required Supplementary Information***

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

##### ***Omission of Required Supplementary Information***

Wilkinson County, Mississippi, has omitted the Management's Discussion and Analysis, that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

*Other Information*

The Schedule of Surety Bonds for County Officials has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 5, 2024 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Wilkinson County, Mississippi's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Wilkinson County, Mississippi's internal control over financial reporting and compliance.

*Bridgers, Goodman, Baird & Clarke, PLLC*

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

January 5, 2024

WILKINSON COUNTY

FINANCIAL STATEMENTS

WILKINSON COUNTY  
Statement of Net Position  
September 30, 2018

Exhibit 1

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Wilkinson County Industrial Development Authority	Wilkinson County Library System
<b>ASSETS</b>					
Cash	\$ 634,298	36,688	670,986	241,645	174,137
Accrued interest receivable			0	232,484	
Property tax receivable	4,342,129		4,342,129		
Accounts receivable (net of allowance for uncollectibles of \$650,415)		14,781	14,781	1,230,123	
Fines receivable (net of allowance for uncollectibles of \$2,099,618)	87,800		87,800		
Lease receivable			0	17,650,000	
Intergovernmental receivables	1,813,712		1,813,712		
Other receivables	2,991		2,991		
Internal balances	208,207	(208,207)	0		
Capital assets:					
Land and construction in progress	1,605,928		1,605,928		
Other capital assets, net	20,070,878	65,228	20,136,106		21,582
Total Assets	28,765,943	(91,510)	28,674,433	19,354,252	195,719
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows related to pensions	249,969		249,969		47,853
Total Deferred Outflows of Resources	249,969	0	249,969	0	47,853
<b>LIABILITIES</b>					
Claims payable	292,215	71,933	364,148	1,257,970	145
Intergovernmental payables	498,344	28,476	526,820		
Accrued interest payable			0	232,484	
Unearned revenue		53,566	53,566		
Other payables	41,968		41,968		
Short-term debt	700,000		700,000		
Certificates of participation			0		
Long-term liabilities					
Net pension liability	5,317,062		5,317,062		144,706
Due within one year:					
Capital debt	675,522		675,522	5,555,000	
Non-capital debt			0		569
Due in more than one year:					
Capital debt	2,735,265		2,735,265	12,095,000	
Total Liabilities	10,260,376	153,975	10,414,351	19,140,454	145,420
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows related to pensions	698,961		698,961		20,797
Deferred revenues - property taxes	4,342,129		4,342,129		
Total Deferred Inflows of Resources	5,041,090	0	5,041,090	0	20,797
<b>NET POSITION</b>					
Net investment in capital assets	18,266,019	65,228	18,331,247		21,582
Restricted for:					
Expendable:					
General government	(2,709)		(2,709)		
Public safety	1,542		1,542		
Public works	2,062,524	(310,713)	1,751,811		
Culture and recreation	(7,023)		(7,023)		
Debt service	165,302		165,302		
Unrestricted	(6,771,209)		(6,771,209)	213,798	55,773
Total Net Position	\$ 13,714,446	(245,485)	13,468,961	213,798	77,355

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



WILKINSON COUNTY  
Statement of Activities  
For the Year Ended September 30, 2018

Exhibit 2

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Business-type Activities	Total	Component Units Wilkinson County Industrial Development Authority Wilkinson County Library System
Primary government:								
Governmental activities:								
General government	\$ 2,804,610	72,314	16,848		(2,715,448)		(2,715,448)	
Public safety	1,236,588	101,056	73,701		(1,061,831)		(1,061,831)	
Public works	1,298,551		723,228	1,709,944	1,134,621		1,134,621	
Health and welfare	171,963		29,033		(142,930)		(142,930)	
Culture and recreation	118,954				(118,954)		(118,954)	
Conservation of natural resources	43,051				(43,051)		(43,051)	
Economic development and assistance	29,540				(29,540)		(29,540)	
Interest on long-term debt	47,041				(47,041)		(47,041)	
Pension expense	267,287				(267,287)		(267,287)	
Total Governmental Activities	6,017,585	173,370	842,810	1,709,944	(3,291,461)		(3,291,461)	
Business-type activities:								
Solid waste	627,799	500,082				(127,717)	(127,717)	
Total Primary Government	\$ 6,645,384	673,452	842,810	1,709,944	(3,291,461)	(127,717)	(3,419,178)	
Component unit(s):								
Wilkinson County Industrial Development Authority	\$ 15,431,207	14,328,640						(1,102,567)
Wilkinson County Library System	129,662	6,000	50,002					(73,660)
Total Component Units	\$ 15,560,869	14,334,640	50,002	0				(1,102,567)
General revenues:					\$ 4,325,683		4,325,683	93,482
Property taxes					118,818		118,818	
Road & bridge privilege taxes					526,700	10,128	536,828	
Grants and contributions not restricted to specific programs					10,042		10,042	233
Unrestricted interest income					243,327		243,327	
Miscellaneous								
Total General Revenues					5,224,570	10,128	5,234,698	
Changes in Net Position					1,933,109	(117,589)	1,815,520	93,715
Net Position - Beginning as previously reported					11,857,964	(127,896)	11,730,068	57,300
Prior period adjustments					(76,627)		(76,627)	
Net Position - Beginning, as restated					11,781,337	(127,896)	11,653,441	57,300
Net Position - Ending					\$ 13,714,446	(245,485)	13,468,961	77,355

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

WILKINSON COUNTY  
Balance Sheet - Governmental Funds  
September 30, 2018

Exhibit 3

	Major Fund	Other	Total
	General	Governmental	Governmental
	Fund	Funds	Funds
<b>ASSETS</b>			
Cash	\$ 666,322		666,322
Property tax receivable	3,697,906	644,223	4,342,129
Fines receivable (net of allowance for uncollectibles of \$2,099,618)	87,800		87,800
Intergovernmental receivables	49,450	1,764,262	1,813,712
Other receivables	2,991		2,991
Due from other funds		18,553	18,553
Advances to other funds	935,873	1,758,943	2,694,816
Total Assets	\$ <u>5,440,342</u>	<u>4,185,981</u>	<u>9,626,323</u>
<b>LIABILITIES</b>			
Liabilities:			
Claims payable	\$ 181,156	111,059	292,215
Cash overdraft		32,024	32,024
Intergovernmental payables	108,411		108,411
Due to other funds	21,192		21,192
Advances from other funds	1,694,864	1,179,039	2,873,903
Amounts held in custody for others	41,968		41,968
Total Liabilities	\$ <u>2,047,591</u>	<u>1,322,122</u>	<u>3,369,713</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Unavailable revenue - property taxes	3,697,906	644,223	4,342,129
Unavailable revenue - fines	87,800		87,800
Total Deferred Inflows of Resources	\$ <u>3,785,706</u>	<u>644,223</u>	<u>4,429,929</u>
<b>Fund balances:</b>			
Nonspendable:			
Advances	935,873		935,873
Restricted for:			
Public safety		1,542	1,542
Public works		2,062,524	2,062,524
Debt service		165,302	165,302
Unassigned	(1,328,828)	(9,732)	(1,338,560)
Total Fund Balances	\$ <u>(392,955)</u>	<u>2,219,636</u>	<u>1,826,681</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ <u>5,440,342</u>	<u>4,185,981</u>	<u>9,626,323</u>

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

## WILKINSON COUNTY

Exhibit 3-1Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position  
September 30, 2018

	<u>Amount</u>
Total Fund Balance - Governmental Funds	\$ 1,826,681
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets are used in governmental activities and are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$22,620,097	21,676,806
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	
Fines receivable	87,800
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(4,110,787)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(5,317,062)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:	
Deferred outflows of resources related to pensions	249,969
Deferred inflows of resources related to pensions	<u>(698,961)</u>
Total Net Position - Governmental Activities	\$ <u><u>13,714,446</u></u>

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

## WILKINSON COUNTY

Exhibit 4

## Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds

For the Year Ended September 30, 2018

	<u>Major Fund</u>		
	<u>General</u>	<u>Other</u>	<u>Total</u>
	<u>Fund</u>	<u>Governmental</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Funds</u>	<u>Funds</u>
<b>REVENUES</b>			
Property taxes	\$ 3,538,509	787,174	4,325,683
Road and bridge privilege taxes		118,818	118,818
Licenses, commissions and other revenue	48,377	557	48,934
Fines and forfeitures	31,337	2	31,339
Intergovernmental revenues	597,205	2,482,249	3,079,454
Charges for services	11,122	81,975	93,097
Interest income	10,042		10,042
Miscellaneous revenues	18,138	225,189	243,327
Total Revenues	<u>4,254,730</u>	<u>3,695,964</u>	<u>7,950,694</u>
<b>EXPENDITURES</b>			
Current:			
General government	2,902,148	19,687	2,921,835
Public safety	1,255,237	72,374	1,327,611
Public works		1,669,038	1,669,038
Health and welfare	170,363	1,600	171,963
Culture and recreation	118,954		118,954
Conservation of natural resources	52,517		52,517
Economic development and assistance	29,540		29,540
Debt service:			
Principal	847,092	300,606	1,147,698
Interest	17,988	29,053	47,041
Total Expenditures	<u>5,393,839</u>	<u>2,092,358</u>	<u>7,486,197</u>
Excess of Revenues over (under) Expenditures	<u>(1,139,109)</u>	<u>1,603,606</u>	<u>464,497</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Long-term capital debt issued		26,162	26,162
Short-term debt issued	<u>700,000</u>		<u>700,000</u>
Total Other Financing Sources and Uses	<u>700,000</u>	<u>26,162</u>	<u>726,162</u>
Net Changes in Fund Balances	(439,109)	1,629,768	1,190,659
Fund Balances - Beginning	<u>46,154</u>	<u>589,868</u>	<u>636,022</u>
Fund Balances - Ending	\$ <u>(392,955)</u>	<u>2,219,636</u>	<u>1,826,681</u>

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 Balances of Governmental Funds to the Statement of Activities  
For the Year Ended September 30, 2018

	<u>Amount</u>
Net Changes in Fund Balances - Governmental Funds	\$ 1,190,659
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Thus, the change in net position differs from the change in fund balances by the amount that capital outlays of \$299,872 exceeded depreciation of \$15,063 in the current period.	284,809
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.	(12,145)
Debt proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Thus, the change in net position differs from the change in fund balances by the amount that debt repayments of \$1,147,698 exceeded debt proceeds of \$726,162.	421,536
Some items reported in the Statement of Activities relating to the implementation of GASB 68 are not reported in the governmental funds. These activities include:	
Recording of pension expense for the current period	(267,287)
Recording of contributions made during the year	315,537
Change in Net Position of Governmental Activities	\$ <u><u>1,933,109</u></u>

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

WILKINSON COUNTY  
Statement of Net Position - Proprietary Fund  
September 30, 2018

Exhibit 5

		Business-type Activities - <u>Enterprise Fund</u>	<u>Solid Waste</u>
<b>ASSETS</b>			
Current assets:			
Cash	\$	36,688	
Accounts receivable (net of allowance for uncollectibles of \$650,415)		14,781	
Advances to other funds		3,038	
Total Current Assets		<u>54,507</u>	
Noncurrent assets:			
Capital assets:			
Other capital assets, net		65,228	
Total Noncurrent Assets		<u>65,228</u>	
Total Assets		<u>119,735</u>	
<b>LIABILITIES</b>			
Claims payable		71,933	
Advances from other funds		239,721	
Unearned revenue		53,566	
Total Liabilities		<u>365,220</u>	
<b>NET POSITION</b>			
Net investment in capital assets		65,228	
Restricted for: public works		(310,713)	
Total Net Position	\$	<u>(245,485)</u>	

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

## WILKINSON COUNTY

Exhibit 6Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund  
For the Year Ended September 30, 2018

	Business-type Activities - Enterprise Fund
	<u>Solid Waste</u>
Operating Revenues	
Charges for services	\$ 500,082
Total Operating Revenues	<u>500,082</u>
Operating Expenses	
Personal services	103,625
Contractual services	412,535
Materials and supplies	111,639
Total Operating Expenses	<u>627,799</u>
Operating Income (Loss)	<u>(127,717)</u>
Nonoperating Revenues (Expenses)	
Intergovernmental grants	10,128
Net Nonoperating Revenue (Expenses)	<u>10,128</u>
Changes in Net Position	<u>(117,589)</u>
Net Position - Beginning	<u>(127,896)</u>
Net Position - Ending	\$ <u><u>(245,485)</u></u>

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

WILKINSON COUNTY  
Statement of Cash Flows - Proprietary Fund  
For the Year Ended September 30, 2018

Exhibit 7

		Business-type Activities - Enterprise Fund
		<u>Solid Waste</u>
Cash Flows From Operating Activities		
Receipts from customers	\$	545,585
Payments to suppliers		<u>(555,866)</u>
Net Cash Provided (Used) by Operating Activities		<u>(10,281)</u>
Cash Flows From Noncapital Financing Activities		
Intergovernmental grants received		10,128
Net Cash Provided (Used) by Noncapital Financing Activities		<u>10,128</u>
Cash Flows From Capital and Related Financing Activities		
Net Cash Provided (Used) by Capital and Related Financing Activities		<u>0</u>
Cash Flows From Investing Activities		
Net Cash Provided (Used) by Investing Activities		<u>0</u>
Net Increase (Decrease) in Cash and Cash Equivalents		(153)
Cash and Cash Equivalents at Beginning of Year		36,841
Cash and Cash Equivalents at End of Year	\$	<u><u>36,688</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$	<u>(127,717)</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Provision for uncollectible accounts		37,912
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable		7,591
Increase (decrease) in claims payable		<u>71,933</u>
Total Adjustments		<u>117,436</u>
Net Cash Provided (Used) by Operating Activities	\$	<u><u>(10,281)</u></u>

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



WILKINSON COUNTY  
Statement of Fiduciary Assets and Liabilities  
September 30, 2018

Exhibit 8

		Agency Funds
ASSETS		
Cash	\$	230,761
Due from other funds		2,639
Advances to other funds		864,346
Total Assets	\$	<u>1,097,746</u>
LIABILITIES		
Intergovernmental payables	\$	649,170
Advances from other funds		448,576
Total Liabilities	\$	<u>1,097,746</u>

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

## WILKINSON COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2018

#### (1) Summary of Significant Accounting Policies.

##### A. Financial Reporting Entity.

Wilkinson County, Mississippi (the County) is a political subdivision of the State of Mississippi. The County is governed by an elected five-member Board of Supervisors. Accounting principles generally accepted in the United States of America require 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 primary government financial statements.

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

##### B. Individual Component Unit Disclosures

###### Discretely Presented Component Units

The component units' columns in the financial statements include the financial data of the following component units of the County. They are reported in a separate column to emphasize that they are legally separate from the County. A majority of the members of the governing bodies of these component units are appointed by the County Board of Supervisors.

The Wilkinson County Industrial Development Authority is a legally separate entity organized under 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.

The audited financial statements of the discretely presented component unit are available from Wilkinson County Industrial Development Authority.

The Wilkinson County Library System is a legally separate entity organized under 19-7-31, Miss. Code Ann. (1972). The Wilkinson County Library System operates two public libraries in Southwest Mississippi: Woodville Public Library, Woodville, Mississippi, and Van Cleave Memorial Library, Centreville, Mississippi. The management and control of the Library System is vested in a five member Board of Trustees, each serving a five-year term, who are appointed by the governing authority of Wilkinson County, Mississippi. The County levies 1.75 mills in support of the Library.

Audited financial statements of this discretely presented component unit were not available.

## WILKINSON COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2018

#### C. Basis of Presentation.

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

##### Government-wide Financial Statements:

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

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

##### Fund Financial Statements:

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

#### D. Measurement Focus and Basis of Accounting.

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

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

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

## WILKINSON COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2018

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 Fund:

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

The County reports the following major Enterprise Fund:

Solid Waste Fund - This fund is used to account for the County's activities of 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 and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

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

#### 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.

#### FIDUCIARY FUND TYPE

Agency Funds - These funds account for various taxes, deposits and other monies collected or held by the County, acting in the capacity of an agent, for distribution to other governmental units or designated beneficiaries.

#### E. Account Classifications.

The account classifications used in the financial statements conform to the broad classifications recommended in *Governmental Accounting, Auditing and Financial Reporting* as issued in 2012 by the Government Finance Officers 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

## WILKINSON COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2018

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 nonspendable fund balance account in the General Fund, if applicable, to indicate that they are not available for appropriation and are not expendable available financial resources. However, this is not applicable to advances reported in other governmental funds, which are reported, by definition, as restricted, committed, or assigned. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. Any outstanding balances between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

#### I. Prepaid Items.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items, such as prepaid insurance, are not reported for Governmental Fund Types since the costs of such items are accounted for as expenditures in the period of acquisition.

#### J. Capital Assets.

Capital acquisition and construction are reflected as expenditures in Governmental Fund statements and the related assets are reported as capital assets in the (applicable) governmental or business-type activities column in the government-wide financial statements. The County did not maintain adequate subsidiary records documenting the existence, completeness and valuation of capital assets or records documenting depreciation on applicable 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, other than infrastructure, 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.

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

# WILKINSON COUNTY

## Notes to Financial Statements For the Year Ended September 30, 2018

schedule details those thresholds and estimated useful lives:

	Capitalization Thresholds	Estimated Useful Life
Land	\$ 0	N/A
Infrastructure	0	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 classification, as listed above.

### K. Deferred Outflows/Inflows of Resources:

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

Deferred outflows related to pensions – This amount represents the County’s proportionate share of the deferred outflows of resources reported by the pension plan in which the County participates. See Note 14 for additional details.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

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

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

Deferred inflows related to pensions – This amount represents the County’s proportionate share of the deferred inflows of resources reported by the pension plan in which the County participates. See Note 14 for additional details.

### L. Pensions.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees’ Retirement System of Mississippi (PERS) and additions to/deductions from PERS’ fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

## WILKINSON COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2018

#### M. Long-term Liabilities.

Long-term liabilities are the unmatured principal of bonds, loans, notes or other forms of noncurrent or long-term general obligation indebtedness. Long-term liabilities are not limited to liabilities from debt issuances, but may also include liabilities on lease-purchase agreements and other commitments.

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the governmental activities, Statement of Net Position.

In the fund financial statements, the face amount of the debt is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### N. Equity Classifications.

Government-wide Financial Statements:

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

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

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

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

Net Position Flow Assumption:

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

Fund Financial Statements:

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

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

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

*Restricted fund balance* includes amounts that have constraints placed upon the use of the resources either

## WILKINSON COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2018

by an external party or imposed by law through a constitutional provision or enabling legislation

*Unassigned fund balance* is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds if expenditures incurred for specific purposes exceeded the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

#### Fund Balance Flow Assumption:

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

#### O. Property Tax Revenues:

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

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

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

#### P. Intergovernmental Revenues in Governmental Funds.

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

#### Q. Compensated Absences.

The County has adopted a policy of compensation for accumulated unpaid employee benefits; however, adequate records are not maintained for determining the amount of the liability. Therefore, no liability is recorded in the accompanying financial statements as required by accounting principles generally accepted in the United States of America. We believe the effects of the unrecorded liability on the financial statements are immaterial.



# WILKINSON COUNTY

## Notes to Financial Statements For the Year Ended September 30, 2018

### R. Changes in Accounting Standards.

The County implemented the following standards issued by the Governmental Accounting Standards Board (GASB) in the current fiscal year as required: GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. However, the County does not have an OPEB plan.

### (2) Prior Period Adjustment.

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

Exhibit 2 – Statement of Activities – Governmental Activities.

Explanation	Amount
To correct prior year entries	\$ <u>76,627</u>

### (3) Deposits.

The carrying amount of the County's total deposits with financial institutions at September 30, 2018, was \$901,747, and the bank balance was \$956,958. The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC).

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

### (4) Interfund Transactions and Balances.

The following is a summary of interfund balances at September 30, 2018:

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

Receivable Fund	Payable Fund	Amount
Other Governmental Funds	General Fund	\$ 18,553
Agency Funds	General Fund	2,639
		\$ <u>21,192</u>

The receivables represent the tax revenue collected in September 2018, but not settled until October, 2018. All interfund balances are expected to be repaid within one year from the date of the financial statements.

#### B. Advances from/to Other Funds:

Receivable Fund	Payable Fund	Amount
General Fund	Other Governmental Funds	\$ 231,653
General Fund	Solid Waste	211,245

# WILKINSON COUNTY

## Notes to Financial Statements For the Year Ended September 30, 2018

General Fund	Agency Funds	448,576
General Fund	General Fund	44,399
Other Governmental Funds	General Fund	1,005,368
Other Governmental Funds	Other Governmental Funds	753,575
Solid Waste	General Fund	3,038
Agency Funds	General Fund	642,059
Agency Funds	Other Governmental Funds	193,811
Agency Funds	Solid Waste	28,476
Total		<u>\$ 3,562,200</u>

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

### (5) Intergovernmental Receivables.

Intergovernmental receivables at September 30, 2018, consisted of the following:

Governmental Activities:	Receivables
Legislative Credit	\$ 37,503
Gas Tax	43,178
Oil Severance	33,031
ERBR	1,700,000
Total	<u>\$ 1,813,712</u>

### (6) Capital Assets.

The following is a summary of capital assets activity for the year ended September 30, 2018:

	Balance Oct. 1, 2017	Additions	Deletions	Balance Sept. 30, 2018
Governmental activities:				
Non-depreciable capital assets:				
Land	\$ 133,021			133,021
Construction in progress	1,472,907			1,472,907
Total Non-depreciable capital assets	<u>1,605,928</u>	<u>-</u>	<u>-</u>	<u>1,605,928</u>
Depreciable capital assets:				
Infrastructure	30,379,715	243,210		30,622,925
Buildings	6,228,319			6,228,319
Improvements other than buildings	264,414			264,414
Mobile equipment	3,359,582	56,662		3,416,244
Furniture and equipment	671,712			671,712
Leased property under capital leases	1,487,361			1,487,361
Total depreciable capital assets	<u>42,391,103</u>	<u>299,872</u>	<u>-</u>	<u>42,690,975</u>
Less accumulated depreciation for:				
Infrastructure	17,048,770	4,864		17,053,634
Buildings	2,330,820			2,330,820
Improvements other than buildings	70,189			70,189

# WILKINSON COUNTY

## Notes to Financial Statements For the Year Ended September 30, 2018

Mobile equipment	2,137,235	10,199		2,147,434
Furniture and equipment	401,023			401,023
Leased property under capital leases	616,997			616,997
Total accumulated depreciation	22,605,034	15,063	-	22,620,097
Total depreciable capital assets, net	19,786,069	284,809	-	20,070,878
Governmental activities capital assets, net	\$ 21,391,997	284,809	-	21,676,806

	Balance Oct. 1, 2017	Additions	Deletions	Balance Sept. 30, 2018
<u>Business-type activities:</u>				
Depreciable capital assets:				
Mobile equipment	356,446			356,446
Total depreciable capital assets	356,446	-	-	356,446
Less accumulated depreciation for:				
Mobile equipment	291,218			291,218
Total accumulated depreciation	291,218	-	-	291,218
Total depreciable capital assets, net	65,228	-	-	65,228
Business-type activities capital assets, net	\$ 65,228	-	-	65,228

Depreciation expense was charged to the following functions:

	Amount
<u>Governmental Activities:</u>	
Public Safety	\$ 4,050
Public Works	11,013
Total governmental activities depreciation expense	\$ 15,063

Business-type activities:

Depreciation expense was all charged to the solid waste function.

### (7) Claims and Judgments.

Risk Financing.

The County finances its exposure to risk of loss related to workers' compensation for injuries to its employees through the Mississippi Public Entity Workers' Compensation Trust, a public entity risk pool. The County pays premiums to the pool for its workers' compensation insurance coverage, and the participation agreement provides that the pool will be self-sustaining through member premiums. The retention for the pool is \$1,000,000 for each accident and completely covers statutory limits set by the Workers' Compensation Commission. Risk of loss is remote for claims exceeding the pool's retention liability. However, the pool also has catastrophic reinsurance coverage for statutory limits above the pool's retention, provided by Safety National Casualty Corporation, effective from January 1, 2018, to January 1, 2019. The pool may make an overall supplemental assessment or declare a refund depending on the loss experience of all the entities it insures.

### (8) Capital Leases.

As Lessee:

# WILKINSON COUNTY

## Notes to Financial Statements For the Year Ended September 30, 2018

The County is obligated for the following capital assets acquired through capital leases as of September 30, 2018:

<u>Classes of Property</u>	<u>Governmental Activities</u>
Mobile equipment	\$ 1,487,361
Less: Depreciation	<u>(616,997)</u>
Leased Property Under Capital Leases	<u>\$ 870,364</u>

The following is a schedule by years of the total payments due as of September 30, 2018:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2019	\$ <u>149,570</u>	<u>10,315</u>

### (9) Short-term Debt and Liquidity.

The following is a summary of short-term debt activity for the year ended September 30, 2018:

	<u>Balance Oct. 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Sept. 30, 2018</u>
Description of Debt:				
Tax Anticipation Note	\$ <u>750,000</u>	<u>700,000</u>	<u>750,000</u>	<u>700,000</u>

During the month of August, 2018, the County issued \$700,000 of tax anticipation notes with an interest rate of 2.99% and maturity date of April, 2019, in order to alleviate a temporary operating cash flow deficiency.

### (10) Defined Benefit Pension Plan.

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

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

# WILKINSON COUNTY

## Notes to Financial Statements For the Year Ended September 30, 2018

creditable service below 30 years or the number of years in age that the member is below 65, whichever is less. Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. A Cost-of-Living Adjustment (COLA) payment is made to eligible retirees and beneficiaries. The COLA is equal to 3.0 percent of the annual retirement allowance for each full fiscal year of retirement up to the year in which the retired member reaches age 60 (55 for those who became members of PERS before July 1, 2011), with 3.0 percent compounded for each fiscal year thereafter. Plan provisions are established and may be amended only by the State of Mississippi Legislature.

**Contributions.** At September 30, 2018, PERS members were required to contribute 9% of their annual covered salary, and the County is required to contribute at an actuarially determined rate. The employer's rate at September 30, 2018 was 15.75% of annual covered payroll. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. The County's contributions (employer share only) to PERS for the years ending September 30, 2018, 2017 and 2016 were \$315,537, \$356,227 and \$364,095, respectively, equal to the required contributions for each year.

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

At September 30, 2018, the County reported a liability of \$5,317,062 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. The County's proportionate share used to calculate the September 30, 2018 net pension liability was 0.031967 percent, which was based on a measurement date of June 30, 2018. This was a decrease of 0.004289 percent from its proportionate share used to calculate the September 30, 2017 net pension liability, which was based on a measurement date of June 30, 2017.

For the year ended September 30, 2018, the County recognized pension expense of \$267,287. At September 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 77,405	46,998
Net difference between projected and actual earnings on investments		145,848
Changes of assumptions	95,823	9,307
Changes in the proportion and differences between County contributions and proportionate share contributions		496,808
County Contributions subsequent to the measurement date	76,741	
	<u>\$ 249,969</u>	<u>698,961</u>

\$ 76,741 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

# WILKINSON COUNTY

## Notes to Financial Statements For the Year Ended September 30, 2018

### Deferred Outflows/Inflows Aging:

Year ending September 30:	Amount
2019	\$ (173,978)
2020	(173,978)
2021	(141,447)
2022	(36,330)
Total	<u>\$ (525,733)</u>

Actuarial Assumptions. The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods in the measurement:

Inflation	3.00 percent
Salary increases	3.25 - 18.50 percent, including inflation
Investment rate of return	7.75 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2016. The experience report is dated April 18, 2017.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2018, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Broad	27.00 %	4.60 %
International Equity	18.00	4.50
Emerging Markets Equity	4.00	4.75
Global	12.00	4.75
Fixed Income	18.00	0.75
Real Assets	10.00	3.50
Private Equity	8.00	5.10
Emerging Debt	2.00	2.25
Cash	1.00	0.00
	<u>100.00 %</u>	

Discount Rate. The discount rate used to measure the total pension liability was 7.75 percent, no change since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00%) and that employer contributions will be made at the current employer contribution rate (15.75%). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the

## WILKINSON COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2018

long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease 6.75%	Discount Rate 7.75%	1% Increase 8.75%
County's proportionate share of net pension liability	\$ 7,001,045	\$ 5,317,062	\$ 3,917,450

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

#### **WILKINSON COUNTY COMPONENT UNIT – Wilkinson County Library System**

Plan Description. The Wilkinson County Library System (the System) contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing, multiple-employer, defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Plan provisions and the Board of Trustees' authority to determine contribution rates are established by Miss. Code Ann. Section 25-11-1 et seq., (1972, as amended) and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to Public Employees' Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling 1-800-444-PERS

Funding Policy. PERS Library employee contribution rate is 9.00% of earned compensation, per Section 25-11-123, Miss. Code Ann. (1972). The Wilkinson County Library System is required to contribute at an actuarially determined rate. The employer contribution rate is 15.75% for annual covered employees. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The Wilkinson County Library System's contributions to PERS for the year ending September 30, 2018, were \$8,008, the amount equal to the required contributions for the year.

At June 30, 2018, the System reported a liability of \$144,706 for its proportionate share of the net pension liability used to calculate the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The System's proportion of the net pension liability was based on a projection of the System's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2018, the System's proportion was 0.000870 percent.

For the year ended June 30, 2018, the System recognized pension expense of \$24,203. At June 30, 2018, the System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

# WILKINSON COUNTY

## Notes to Financial Statements For the Year Ended September 30, 2018

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 18,679	
Net difference between projected and actual earnings on investments		20,797
Changes of assumptions	4,003	
Changes in the proportion and differences between Library contributions and proportionate share contributions	23,606	
Library Contributions subsequent to the measurement date	1,565	
	<u>\$ 47,853</u>	<u>20,797</u>

\$1,565 reported as deferred outflows of resources related to pensions resulting from System contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows related to pensions will be recognized in pension expense as follows:

### Deferred Outflows/Deferred Inflows Aging:

<u>Year ending September 30:</u>	<u>Amount</u>
2019	\$ 2,603
2020	1,952
2021	1,302
2022	651

Actuarial Assumptions. The collective total pension liability in the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2018
Inflation percentage	3.00%
Salary increases, including inflation	3.25% - 18.50%
Investment rate of return	
net of pension plan investment expense, including inflation	7.75%

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

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2016. The experience report is dated April 18, 2017.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2018, are summarized in the following table:



# WILKINSON COUNTY

## Notes to Financial Statements For the Year Ended September 30, 2018

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Broad	27.00 %	4.60 %
International Equity	18.00	4.50
Emerging Markets Equity	4.00	4.75
Global	12.00	4.75
Fixed Income	18.00	0.75
Real Assets	10.00	3.50
Private Equity	8.00	5.10
Emerging Debt	2.00	2.25
Cash	1.00	0.00
	<u>100.00 %</u>	

Discount Rate. The discount rate used to measure the total pension liability was 7.75 percent, no change since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00%) and that employer contributions will be made at the current employer contribution rate (15.75%). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

1% Decrease 6.75%	Discount Rate 7.75%	1% Increase 8.75%
\$ 106,616	144,706	175,672

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

### (11) Long-term Debt.

Debt outstanding as of September 30, 2018, consisted of the following:

Description and Purpose	Amount Outstanding	Interest Rate	Maturity Date
Governmental Activities:			
A. General Obligation Bonds			
G.O. Refunding bonds, series 2016	\$ <u>2,350,000</u>	2.00-3.00%	10/2029
B. Capital Leases:			
District 2 equipment	\$ <u>149,570</u>	2.25%	3/2019

# WILKINSON COUNTY

## Notes to Financial Statements For the Year Ended September 30, 2018

Description and Purpose	Amount Outstanding	Interest Rate	Maturity Date
C. Other Loans:			
Note payable	\$ 202,978	2.99%	8/2020
Note payable	40,358	3.25%	3/2020
District 1 - Kenworth truck	11,614	3.25%	6/2019
District 1 - motor grader	109,043	3.25%	3/2021
District 4 - dump truck	56,848	3.25%	9/2021
Note payable	44,577	2.49%	5/2020
District 2 - equipment	5,856	2.59%	7/2019
Note payable	55,381	1.75%	9/2021
E911 dispatch system	88,419	2.98%	6/2022
District 2 0 tractor and side boom	60,582	2.69%	12/2020
Fire truck	210,085	2.48%	3/2022
District 4 - Ford F-350	25,476	3.25%	8/2021
Total Other Loans	\$ 911,217		

### Governmental Activities:

Year Ending September 30:	General Obligation Bonds		Other Loans	
	Principal	Interest	Principal	Interest
2019	\$ 170,000	53,113	355,952	24,472
2020	175,000	47,938	335,697	14,213
2021	175,000	42,687	148,411	6,203
2022	185,000	37,287	71,157	2,005
2023	190,000	32,612		
2024-2028	1,020,000	103,100		
2029 -2030	435,000	9,847		
Total	\$ 2,350,000	326,581	911,217	46,893

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, 2018, the amount of outstanding debt was equal to 2.88% of the latest property assessments.

The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2018:

# WILKINSON COUNTY

## Notes to Financial Statements For the Year Ended September 30, 2018

Governmental Activities:	Balance Oct. 1, 2017	Additions	Reductions	Adjustments	Balance Sept. 30, 2018	Amount due within one year
Other loans	\$ 1,937,179	26,162	1,126,709	74,585	911,217	355,952
General obligation bonds	2,350,000				2,350,000	170,000
Capital leases	170,559		20,989		149,570	149,570
Total	\$ 4,457,738	26,162	1,147,698	74,585	3,410,787	675,522

### (12) Certificates of Participation – Wilkinson County Component Unit Wilkinson County Industrial Development Authority

Certificates of participation in the face amount of \$31,435,000 were issued to fund the construction of a correctional facility in Wilkinson County, Mississippi. The certificates of participation were issued on December 20, 1996, and dated December 1, 1996. Interest paid on the certificates of participation is tax exempt to the holder. These certificates of participation will be repaid over a twenty-year period. Subsequently, the certificates of participation have been refunded three times, with the latest refunding taking place May 12, 2010. The purpose of the refunding series 2010B has been to lock in lower interest rates and extend the repayment period by five years for a total payback period of twenty-five years since the original issue.

Proceeds derived from the original sale of the Series 1996 certificates were deposited with the Trustee pursuant to the Trust Agreement and applied for the purpose of: (a) funding the acquisition, construction, and equipping of a 500-cell private correctional facility located in Wilkinson County, Mississippi, to house inmates of the State of Mississippi; (b) funding capitalized interest on the Series 1996 certificates through July 31, 1997; and (c) paying certain costs associated with the issuance of the Series 1996 certificates, including the premiums for the Financial Guaranty Issuance Policies, the Series 1996B Surety Bond. Proceeds derived from the refunding Series were applied for the purpose of paying off the outstanding Series and certain costs associated with the issuance of subsequent Series.

The Certificates of Participation – Wilkinson County Correctional Facility Project, Series 2010B, represent interests in rental payments to be made under a lease-purchase agreement, by and between the Mississippi Department of Corrections (acting for and on behalf of the State of Mississippi), as lessee, and the organization as lessor.

The Series 2010B certificates were issued as fully registered certificates, without coupons. Interest on the Series 2010B certificates is payable February 1 and August 1 of each year.

The Series 2010B certificates are subject to prepayment prior to maturity.

	2019	2018
\$31,435,000 certificates of participation - Wilkinson County Correctional Facility Project, Series 2010B, interest 5.015% - 5.365%, due August 1, 2021.	\$ 12,095,000	\$ 17,650,000
Total certificates of participation	\$ 12,095,000	\$ 17,650,000
Less current maturities	5,875,000	5,555,000
Balance maturing in more than one year	\$ 6,220,000	\$ 12,095,000

Annual debt service requirements to maturity are as follows:

	Series 2010B		
October 31,	Principal	Interest	Total
2019	\$ 5,555,000	\$	\$ 5,555,000
2020	5,875,000	482,265	6,357,265
2021	6,220,000	333,704	6,553,704
	\$ 17,650,000	\$ 815,969	\$ 18,465,969

# WILKINSON COUNTY

## Notes to Financial Statements For the Year Ended September 30, 2018

### (13) Deficit Fund Balances of Individual Funds.

The following funds reported deficits in fund balances at September 30, 2018:

Fund	Amount
TRIAD	\$ (1,600)
Tire Waste Disposal	(13,922)
Law Library	(6,487)
Volunteer Fire Department	(76,579)
Election Support Fund/HAVA	(4,690)
Sheriff Drug Fund	(5,000)
Courthouse Restoration Grant	(63)
District 1 Road	(92,210)
District 2 Road	(160,093)
District 3 Road	(107,578)
District 4 Road	(77,402)
District 5 Road	(89,877)
School Fund Special	(41,344)

### (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) Effect of Deferred Amounts on Net Position

The governmental activities' unrestricted net position amount of \$(6,771,209) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflow of resources related to pension in the amount of \$76,741 resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2019. The \$173,228 balance of the deferred outflow of resources related to pensions at September 30, 2018, will be recognized in pension expense over the next three years. The \$698,961 balance of the deferred inflow of resources related to pension at September 30, 2018, will be recognized in pension expense over the next four years.

### (16) Joint Ventures.

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 Field Health System. 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

## WILKINSON COUNTY

### Notes to Financial Statements For the Year Ended September 30, 2018

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 Field Health System can be obtained from 178 Highway 24, Centreville, Mississippi 39631.

#### (17) Jointly Governed Organizations.

The County participates in the following jointly governed organizations.

Southwest Mississippi Planning and Development District (the District) operates in a district composed of the counties of Adams, 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 \$32,119 for its support of the District in fiscal year 2018.

Southwest Mississippi Mental Health Complex operates in a district composed of the counties of Adams, Claiborne, Franklin, Jefferson, Lawrence, Lincoln, Pike, Walthall, and Wilkinson. The Wilkinson County Board of Supervisors appoints one of the 10 members of the Board of Commissioners. The County appropriated \$6,250 for its support in fiscal year 2018.

Southwest Mississippi Community College (the College) operates in a district composed of the counties of 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 \$170,229 for the operation and maintenance of the College in fiscal year 2018.

Southwest Mississippi Partnership (the Entity) operates a district composed of the counties of Adams, Amite, Claiborne, Franklin, Jefferson, Lawrence, Lincoln, Pike, Walthall, and Wilkinson. The Entity is governed by 10 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.

#### (18) Subsequent Events.

Events that occur after the Statement of Net Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management of Wilkinson County evaluated the activity of the County through January 5, 2024, the date the financial statements were available to be issued, and determined that the following subsequent events have occurred requiring disclosure in the notes to the financial statements.

Subsequent to September 30, 2018, the County issued the following debt obligations:

# WILKINSON COUNTY

## Notes to Financial Statements For the Year Ended September 30, 2018

<u>Issue Date</u>	<u>Interest Rate</u>	<u>Issue Amount</u>	<u>Type of Financing</u>	<u>Source of Financing</u>
6/20/2019	3.960%	50,000	lease purchase	ad valorem taxes
6/20/2019	3.960%	84,900	lease purchase	ad valorem taxes
6/20/2019	3.960%	147,067	lease purchase	ad valorem taxes
10/9/2019	2.700%	500,140	tax anticipation note	ad valorem taxes
5/18/2020	3.250%	55,000	lease purchase	ad valorem taxes
8/3/2020	2.500%	60,140	lease purchase	ad valorem taxes
10/8/2020	2.500%	51,140	lease purchase	ad valorem taxes
10/26/2020	2.490%	85,000	lease purchase	ad valorem taxes
11/23/2020	2.050%	500,140	tax anticipation note	ad valorem taxes
4/1/2021	2.750%	60,140	lease purchase	ad valorem taxes
11/1/2021	2.000%	500,000	tax anticipation note	ad valorem taxes
3/28/2022	2.390%	106,000	lease purchase	ad valorem taxes
8/8/2022	3.640%	144,594	lease purchase	ad valorem taxes
10/31/2022	5.150%	147,735	lease purchase	ad valorem taxes

On November 27, 2018, the Office of the State Auditor issued a demand letter to the Estate of Thomas Tolliver, Jr., the deceased Chancery /clerk of Wilkinson County, and to his bonding company for the amount of \$673,094.91. The sum represented unpaid over the cap fees and unreimbursed payroll for Chancery Clerk Deputies, who were paid by Wilkinson County. The loss occurred between January 2008 and August 2018. The sum included interest and cost of recovery. As of October 2, 2023, the Office of the State Auditor had recovered \$375,000 from Mr. Tolliver's surety bonds. This amount was returned to Wilkinson County.

## WILKINSON COUNTY

### REQUIRED SUPPLEMENTARY INFORMATION

**WILKINSON COUNTY**

**Budgetary Comparison Schedule -  
Budget and Actual (Non-GAAP Basis)  
General Fund  
For the Year Ended September 30, 2018  
UNAUDITED**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Property taxes	\$		3,693,581	3,693,581
Licenses, commissions and other revenue			46,661	46,661
Fines and forfeitures			31,853	31,853
Intergovernmental revenues			771,136	771,136
Charges for services			11,122	11,122
Interest income			10,002	10,002
Miscellaneous revenues			14,464	14,464
Total Revenues	<u>0</u>	<u>0</u>	<u>4,578,819</u>	<u>4,578,819</u>
<b>EXPENDITURES</b>				
General government	1,766,990	1,869,184	2,042,698	(173,514)
Public safety	1,241,722	1,259,907	1,231,451	28,456
Health and welfare	141,849	165,345	158,492	6,853
Culture and recreation	140,000	110,609	113,025	(2,416)
Conservation of natural resources	59,000	56,312	49,433	6,879
Economic development and assistance	31,000	28,774	26,060	2,714
Debt service:				
Principal paid	0	846,846	846,846	0
Interest paid	0	18,234	18,234	0
Total Expenditures	<u>3,380,561</u>	<u>4,355,211</u>	<u>4,486,239</u>	<u>(131,028)</u>
Excess of Revenues over (under) Expenditures	<u>(3,380,561)</u>	<u>(4,355,211)</u>	<u>92,580</u>	<u>4,447,791</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Compensation for loss of assets			3,674	3,674
Total Other Financing Sources and Uses		-	<u>3,674</u>	<u>3,674</u>
<b>Net Change in Fund Balance</b>	<u>(3,380,561)</u>	<u>(4,355,211)</u>	<u>96,254</u>	<u>4,451,465</u>
Fund Balance - Beginning	<u>563,347</u>	<u>563,347</u>	<u>563,347</u>	<u>0</u>
Fund Balance - Ending	<u>\$ (2,817,214)</u>	<u>(3,791,864)</u>	<u>659,601</u>	<u>4,451,465</u>

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



**Wilkinson County**  
**Schedule of the County's Proportionate Share of the Net Pension Liability**  
**Last 10 Fiscal Years\***  
**For the Year Ended September 30, 2018**  
**UNAUDITED**

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Wilkinson County</b>					
County's proportion of the net pension liability (asset)	0.031967%	0.036256%	0.036125%	0.034697%	0.033958%
County's proportionate share of the net pension liability (asset)	\$ 5,317,062	\$ 5,984,422	\$ 6,430,499	\$ 5,363,472	\$ 4,121,879
County's covered payroll	2,010,223	2,261,756	2,311,713	2,132,114	2,091,003
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	264.50%	264.59%	278.17%	251.56%	197.12%
Plan fiduciary net position as a percentage of the total pension liability	62.54%	61.49%	57.47%	61.70%	67.21%
<b>COMPONENT UNIT</b>					
<b>Wilkinson County Library System</b>					
Library's proportion of the net pension liability (asset)	0.087000%	0.000767%	0.000648%	0.000533%	0.000804%
Library's proportionate share of the net pension liability (asset)	\$ 144,706	\$ 127,501	\$ 115,749	\$ 82,391	\$ 97,591
Library's covered payroll	50,841	52,782	41,932	51,695	52,896
Library's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	284.62%	241.56%	276.04%	159.38%	184.50%
Plan fiduciary net position as a percentage of the total pension liability	62.54%	61.49%	57.47%	61.70%	67.21%

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

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

**Wilkinson County**  
**Schedule of County Contributions**  
**Last 10 Fiscal Years\***  
**For the Year Ended September 30, 2018**  
**UNAUDITED**

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Wilkinson County</b>					
Contractually required contribution	\$ 316,610	\$ 356,227	\$ 364,095	\$ 335,808	\$ 329,333
Contributions in relation to the contractually required contribution	<u>315,537</u>	<u>356,227</u>	<u>364,095</u>	<u>335,808</u>	<u>329,333</u>
Contribution deficiency (excess)	<u>1,073</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
County's covered payroll	\$ 2,010,223	\$ 2,261,756	\$ 2,311,713	\$ 2,132,114	\$ 2,091,003
Contributions as a percentage of covered payroll	15.70%	15.75%	15.75%	15.75%	15.75%

**COMPONENT UNIT**

**Wilkinson County Library System**

Contractually required contribution	\$ 8,008	\$ 8,232	\$ 8,840	\$ 1,549	\$ 7,740
Contributions in relation to the contractually required contribution	<u>8,008</u>	<u>8,232</u>	<u>8,840</u>	<u>1,549</u>	<u>7,740</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Library's covered payroll	\$ 50,841	\$ 52,782	\$ 41,932	\$ 51,695	\$ 52,896
Contributions as a percentage of covered payroll	15.75%	15.60%	21.08%	3.00%	14.63%

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

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

# WILKINSON COUNTY

## Notes to the Required Supplementary Information For the Year Ended September 30, 2018

### UNAUDITED

#### 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. The Budgetary Comparison Schedule - Budget and Actual (Non-GAAP Basis) is a part of required supplementary information.

#### C. Budget/GAAP Reconciliation.

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

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

The following schedule reconciles the budgetary basis schedules to the GAAP basis financial statements for the General Fund:

	<b>General Fund</b>
Budget (Cash Basis)	\$ 96,254
Increase (Decrease)	
Net adjustments for revenue accruals	372,237
Net adjustments for expenditure accruals	(907,600)
GAAP Basis	\$ (439,109)

#### D. Excess of Actual Expenditures Over Budget in Individual Funds.

The following funds had an excess of actual expenditures over budget for the year ended September 30, 2018:

# WILKINSON COUNTY

## Notes to the Required Supplementary Information For the Year Ended September 30, 2018

### UNAUDITED

Fund	Excess
General Fund	\$ 131,028
Special Revenue Funds:	
Emergency Management/HS Grants	363
Tire Waste Disposal	1,000
Emergency 911	228
Volunteer Fire	1,537
Tag Interface	1,285
Election Support Fund/HAVA	4,683
District 1 Road	9,395
District 2 Road	15,214
District 3 Road	28,656
District 4 Road	7,869
District 5 Road	10,874
County Wide Bridge	21,580
Enterprise Fund	
Solid Waste	439,871

All the funds listed above are in violation of Section 19-11-17, Miss. Code Ann. (1972)). However, the County has no liability associated with these violations.

### Pension Schedules

#### A. Changes of assumptions.

##### 2015

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

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

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

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

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

##### 2016

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

##### 2017

## WILKINSON COUNTY

### Notes to the Required Supplementary Information For the Year Ended September 30, 2018

#### UNAUDITED

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

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

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

The percentage of active member disabilities assumed to be in the line of duty was increased from 6.00% to 7.00%.

#### B. Changes in benefit provisions.

##### 2016

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

Method and assumptions used in calculations of actuarially determined contributions.

The actuarially determined contribution rates in the schedule of employer contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported (June 30, 2016 valuation for the June 30, 2018 fiscal year end).

The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in that schedule:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	36.6 years
Asset valuation method	5-year smoothed market
Price Inflation	3.00 percent
Salary increase	3.75 percent to 19.00 percent, including inflation
Investment rate of return	7.75 percent, net of pension plan investment expense, including inflation

WILKINSON COUNTY

OTHER INFORMATION

**Wilkinson County**  
**Schedule of Surety Bonds for County Officials (Unaudited)**  
**For the Year Ended September 30, 2018**

<b>Name</b>	<b>Position</b>	<b>Surety Company</b>	<b>Bond Amount</b>
William Matthew Seal	County Supervisor - District 1	Old Republic Insurance Group	100,000
William Matthew Seal	County Supervisor - District 1	Old Republic Insurance Group	100,000
Richard Hollins	County Supervisor - District 2	Old Republic Insurance Group	100,000
Richard Hollins	County Supervisor - District 2		Unknown
Venton McNab	County Supervisor - District 3	Old Republic Insurance Group	100,000
Kenyon Jackson	County Supervisor - District 4	Old Republic Insurance Group	100,000
Kenyon Jackson	County Supervisor - District 4		Unknown
Jennings Nettles	County Supervisor - District 5	Old Republic Insurance Group	100,000
Jennings Nettles	County Supervisor - District 5	Old Republic Insurance Group	100,000
Warren Bruce Lewis	County Administrator		Unknown
Thomas Tolliver	Chancery Clerk	Old Republic Insurance Group	100,000
Thomas Tolliver	Chancery Clerk		Unknown
David N Wilkerson	Chancery Clerk	Western Surety Company	100,000
Jeanette Lynn Delaney	Circuit Clerk		Unknown
Kenondria Brown-O'neal	Deputy Tax Collector		Unknown
Victoria Stevens	Deputy Tax Collector		Unknown
Barbara Thomas	Deputy Tax Collector		Unknown
Brittany Bell	Deputy Tax Collector		Unknown
Domonique Anthony	Deputy Tax Assessor		Unknown
Kenondria Brown (Oneal)	Deputy Tax Assessor		Unknown
Victoria Stevens	Deputy Tax Assessor		Unknown
Barbara Thomas	Deputy Tax Assessor		Unknown
Brittany Bell	Deputy Tax Assessor		Unknown
Lee Dixon	Justice Court Judge	Old Republic Insurance Group	10,000
Lee Dixon	Justice Court Judge	Old Republic Insurance Group	10,000
Earnest Smith	Justice Court Judge	Old Republic Insurance Group	10,000
Earnest Smith	Justice Court Judge		Unknown
Erica Johnson	Justice Court Clerk	Western Surety Company	100,000
Davasha Nelson	Deputy Justice Court Clerk		Unknown
Johnny Clark	Constable		Unknown
Willie Thompson	Constable	Old Republic Insurance Group	25,000
Willie Thompson	Constable	Old Republic Insurance Group	25,000
Consandra Christmas	Purchase Clerk	Old Republic Insurance Group	10,000
Consandra Christmas	Purchase Clerk	Old Republic Insurance Group	10,000
Mona Whitaker	Asst. Purchase Clerk	Old Republic Insurance Group	50,000
Hazel Arbuthnot	Receiving Clerk	Western Surety Company	30,000
Thomas Tolliver	Inventory Control Clerk		Unknown

## WILKINSON COUNTY

### SPECIAL REPORTS





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

Members of the Board of Supervisors  
Wilkinson County, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of 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 (the County), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated January 5, 2024. Our report includes a qualified opinion on the aggregate discretely presented component units due to the Wilkinson County Library System's failure to obtain an audit of its financial statements which is required by accounting principles generally accepted in the United States of America. The report is qualified on the governmental activities and business-type activities because the County did not maintain adequate subsidiary records documenting the existence, completeness and valuation of capital assets as required by accounting principles generally accepted in the United States of America.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Wilkinson County, Mississippi's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Wilkinson County, Mississippi's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Responses as 2018-001, 2018-002, 2018-003, 2018-005, and 2018-006 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Findings and Responses as 2018-004 to be a significant deficiency.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Wilkinson County, Mississippi's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Responses as items 2018-001, 2018-003, 2018-005, and 2018-006.

We also noted certain matters which we have reported to the management of Wilkinson County, Mississippi, in the Independent Accountant's Report on Central Purchasing System, Inventory Control System and Purchase Clerk Schedules and the Limited Internal Control and Compliance Review Management Report dated January 5, 2024, included within this document.

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

Wilkinson County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. Wilkinson County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

## **Purpose of this Report**

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

*Bridgers, Goodman, Baird & Clarke, PLLC*

Bridgers, Goodman, Baird & Clarke, PLLC  
Certified Public Accountants  
Vicksburg, Mississippi  
January 5, 2024



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

Members of the Board of Supervisors  
Wilkinson County, Mississippi

We have examined Wilkinson County, Mississippi's (the County) compliance with 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) and compliance with the purchasing requirements in accordance with bid requirements of Section 31-7-13, Miss. Code Ann. (1972) during the year ended September 30, 2018. The Board of Supervisors of Wilkinson County, Mississippi is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the County's compliance with specified requirements. The Board of Supervisors of Wilkinson County, Mississippi, has established centralized purchasing for all funds of the County, but has not 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 current evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

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

Board of Supervisors and Inventory Control Clerk.

1.	<u>Public Officials should ensure that capital assets are properly recorded and depreciated.</u>
Repeat Finding	Yes
Criteria	Generally accepted accounting principles require that capital assets be recorded, capitalized, and depreciated.
Condition	The Inventory Clerk was not recording assets purchased and disposed of in the County's records,

which in turn caused the County to be unable to record depreciation.

Cause	The County has failed to implement controls to ensure that capital assets are properly recorded, capitalized, and depreciated in accordance with U.S. GAAP.
Effect	The failure to properly follow generally accepted accounting principles resulted in an audit opinion other than unmodified.
Recommendation	The Board of Supervisors should implement controls to ensure that capital assets are properly recorded and depreciated in accordance with U.S. GAAP.
Views of Responsible	
Official(s)	Controls have been implemented to ensure that fixed assets are properly recorded and depreciated.

In our opinion, except as explained in the third paragraph and except for the noncompliance referred to in the preceding paragraph, Wilkinson County, Mississippi, complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements for the year ended September 30, 2018.

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

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

This report is intended for use in evaluating Wilkinson County, Mississippi's compliance with the aforementioned requirements, and is not intended to be and should not be relied upon for any other purpose. However, this report is a matter of public record and its distribution is not limited.

*Bridgers, Goodman, Baird & Clarke, PLLC*

Bridgers, Goodman, Baird & Clarke, PLLC  
Certified Public Accountants  
Vicksburg, Mississippi  
January 5, 2024

WILKINSON COUNTY

Schedule of Purchases Not Made From the Lowest Bidder

For the Year Ended September 30, 2018

Schedule 1

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

WILKINSON COUNTY  
Schedule of Emergency Purchases  
For the Year Ended September 30, 2018

Schedule 2

Our test results did not identify any emergency purchases.

WILKINSON COUNTY

Schedule of Purchases Made Noncompetitively From a Sole Source

For the Year Ended September 30, 2018

Schedule 3

<u>Date</u>	<u>Item</u> <u>Purchased</u>	<u>Amount</u> <u>Paid</u>	<u>Vendor</u>
June 28, 2018	Tank Car Culvert	\$ 16,080	The Railroad Yard



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## LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

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, 2018, we considered Wilkinson County, Mississippi's internal control to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on internal control.

In addition, for areas not considered material to 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 January 5, 2024, 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 internal control would not necessarily disclose all matters within the internal control that might be weaknesses. In accordance with Section 7-7-211, Miss. Code Ann. (1972), the Office of the State Auditor, when deemed necessary, may conduct additional procedures and tests of transactions for this or other fiscal years to ensure compliance with legal requirements.

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

### Board of Supervisors

1.	<u>All Supervisors must Inspect the Roads and Bridges and Attest to the Clerk of the Board for having done so.</u>
Repeat Finding	No
Criteria	<i>Section 65-7-117, Mississippi Code Annotated (1972)</i> , states that, "Each member of the board of supervisors shall inspect every road, bridge and ferry in each district at least annually, at times to be fixed by the board, and shall file with the clerk of the board a report, under oath, of the condition of the several roads, bridges and ferries inspected by him, with such recommendations as are needful, which reports shall be presented to the board of supervisors and kept on file for three (3) years."
Condition	During the course of our testing we noted that the Board of Supervisors had inspected the roads and bridges but no certifications on the minutes or affidavits from the supervisors were filed to document that they had examined the roads and bridges annually.
Cause	Annual inspections of the roads and bridges in the County have not been completed and/or attested to having been done.
Effect	Failure to complete annual inspections of roads and bridges and to file an affidavit of said inspection can lead to failure to identify and to complete necessary improvements in a timely manner.



Recommendation	The Board of Supervisors should ensure that they complete the requisite inspections of the roads and bridges in their jurisdiction and file an affidavit with the Clerk of the Board for inclusion in the minutes.
View of Responsible Official(s)	The Supervisors will complete the inspections and file the appropriate affidavits.
2.	<u>List of employees authorized to issue requisitions and receiving reports.</u>
Repeat Finding	No
Criteria	<i>Sections 31-7-103 and 31-7-109, Mississippi Code Annotated (1972)</i> , state that persons must be specifically authorized to sign purchase requisitions and receiving reports.
Condition	During the course of our test work, we were unable to locate a listing approved by the Board of Supervisors specifying who was authorized to sign purchase requisitions and receiving reports.
Cause	The Board of Supervisors did not approve a list that specifies those individuals with authority to sign purchase requisitions and receiving reports for each department.
Effect	Failure to specify individuals with authority to sign purchase requisitions and receiving reports could result in the loss or misappropriation of public funds.
Recommendation	The Board should annually approve a list of individuals in each department who are authorized to sign purchase requisitions and receiving reports and spread this list on the minutes.
View of Responsible Official(s)	A purchasing policy has been adopted and implemented which establishes which individuals in each department are authorized to sign purchase requisitions. The Receiving Clerk signs all receiving reports upon verification of receipt.
3.	<u>Deficit fund balances</u>
Repeat Finding	No
Criteria	Management is responsible for establishing a proper internal control system to ensure the County operates within its means.
Condition	We noted deficit fund balances at September 30, 2018. These deficit fund balances existed in the following funds: <ul style="list-style-type: none"> <li>• TRIAD Fund (029)</li> <li>• Tire Waste Disposal Fund (052)</li> <li>• Law Library Fund (104)</li> <li>• Volunteer Fire Department Fund (106)</li> <li>• Election Support/HAVA Fund (112)</li> <li>• Sheriff Drug Fund (114)</li> <li>• Courthouse Restoration Grant Fund (133)</li> <li>• District 1 Road Fund (151)</li> <li>• District 2 Road Fund (152)</li> <li>• District 3 Road Fund (153)</li> <li>• District 4 Road Fund (154)</li> <li>• District 5 Road Fund (155)</li> <li>• School Fund Special (656)</li> </ul>
Cause	The above-listed funds were operating with a cash deficit.

Effect	Prolonged deficit fund balances, especially in grant funding accounts, could result in loss of future grant funding.
Recommendation	The Board of Supervisors should determine the reasons for the deficit fund balance and take the appropriate actions to reduce the deficit.
View of Responsible	
Official(s)	The County is working with our financial records software provider to provide accurate balance sheets to accurately account for interfund transactions and resolve the deficit fund balances.
4.	<u>Controls over classifications should be strengthened</u>
Repeat Finding	No
Criteria	Revenues and disbursements should be recorded in the proper accounts.
Condition	During the course of our testing, we noted multiple instances in which revenues and disbursements were being coded to the improper accounts.
Cause	Internal control is not being properly adhered to concerning the coding of revenues and expenditures within the chart of accounts.
Effect	Revenues and expenditures were misclassified.
Recommendation	We recommend controls be implemented to review financial information on a monthly basis to ensure proper classification.
View of Responsible	
Official(s)	Controls have been implemented to review financial information on a monthly basis to ensure proper classification.
5.	<u>Public Officials Should Ensure Compliance with State Law over the Public Depositors Annual Report.</u>
Repeat Finding	Yes, 2017 Finding 3
Criteria	<i>Section 27-105-5(6), Mississippi Code Annotated (1972), states, "Public depositors shall comply with the following requirements: a) A public depositor shall ensure that the name of the public depositor and its tax identification number are on the account or certificate provided to the public depositor by the qualified public depository in a manner sufficient to disclose the identity of the public depositor; b) Not later than thirty (30) days following its fiscal year end, a public depositor shall notify the State Treasurer of its official name, address, federal tax identification number, and provide a listing of all accounts that it had with qualified public depositories, including the deposit balance in those accounts, as of its fiscal year end. A public entity established during the year shall furnish its official name, address and federal tax identification number to the State Treasurer before making any public deposit."</i>
Condition	The Public Depositors Annual Report was not filed.
Cause	The Public Depositors Annual Report was not filed by the statutory deadline.
Effect	Failure to notify the State Treasurer of its official name, address, federal tax identification number, and the balance in its accounts, as of its fiscal year end, increases the risk that the County's total deposits may not be properly collateralized and results in noncompliance with <i>Section 27-105-5(6)</i> .
Recommendation	We recommend that the Board implement procedures to ensure that the Public Depositors Annual Report is filed within thirty (30) days following fiscal year end as required by State law.
View of Responsible	
Official(s)	Procedures have been implemented to ensure that the Public Depositors Annual Report is timely filed
6.	<u>Public Officials and Employees should ensure compliance with state law over surety bonding requirements.</u>

Repeat Finding	Yes, 2017 Finding 5
Criteria	<i>Section 25-1-15, Mississippi Code Annotated (1972)</i> , states, “A new bond in an amount not less than that required by law shall be secured upon employment and coverage shall continue by the securing of a new bond every four (4) years concurrent with the normal election cycle of the Governor or with the normal election cycle of the local government applicable to the employee.”
Condition	<p>During the course of our testing we noted the following instances of non-compliance:</p> <ul style="list-style-type: none"> <li>• A bond was unable to be located for the County Administrator</li> <li>• Two (2) Supervisors were not bonded for the entire fiscal year</li> <li>• The Chancery Clerk was not bonded for the entire fiscal year</li> <li>• A bond was unable to be located for the Circuit Clerk</li> <li>• A bond was unable to be located for the Tax Assessor/Collector</li> <li>• A bond was unable to be located for one the Justice Court Judges</li> <li>• A bond was unable to be located for one of the Constables</li> <li>• A bond was unable to be located for the Inventory Clerk</li> <li>• A bond was unable to be located for one of the Deputy Circuit Clerks</li> <li>• Bonds were unable to be located for five out of five Deputy Tax Assessors</li> <li>• Bonds were unable to be located for five out of five Deputy Tax Collectors</li> <li>• A bond was unable to be located for the Deputy Justice Court Clerk</li> <li>• The bonds for the two Justice Court Judges were not for the statutorily required amounts</li> <li>• The bonds for the two Constables were not for the statutorily required amounts</li> <li>• The bond for the Purchase Clerk was not for the statutorily required amount</li> <li>• The bond for the Receiving Clerk was not for the statutorily required amount</li> <li>• The Receiving Clerk, the Justice Court Clerk, and one Deputy Circuit Clerk had indefinite bonds</li> <li>• Four of the five Supervisors has continuation certificates only</li> <li>• The bond for one of the Justice Court judges was a continuation certificate only</li> <li>• The bond for one of the Constables was a continuation certificate only</li> <li>• The bond for Purchase Clerk was a continuation certificate only</li> </ul>
Cause	Public Officials and the Board of Supervisors have insufficient control over the requirements for bonding officials and employees.
Effect	Failure to have a bond in place for a specific term could limit the amount available for recovery if a loss occurred over multiple terms, as well as the current terms.
Recommendation	We recommend the Board of Supervisors implement procedures to ensure that County officials’ and employees’ bonds meet the requirements of State Laws.
View of Responsible Official(s)	Procedures have been implemented to ensure that all bonds meet the requirements of State Law.
7.	<u>Employee File Documentation.</u>
Repeat Finding	No
Criteria	The County is responsible for establishing and maintaining an effective system of internal controls pertaining to the documentation in employee files.

Condition	<p>During the course of our test work, we noted the following:</p> <ul style="list-style-type: none"> <li>• Ten (10) instances where the Board-approved pay rates were not evidenced in the file</li> <li>• Six (6) instances where the I-9 was either incomplete or missing</li> </ul>
Cause	The employee files are not being reviewed regularly to identify any files without proper documentation.
Effect	Failure to properly document approved pay rates could result in the misappropriation of public funds. The County could face liability due to having improperly executed Form I-9s.
Recommendation	The County should maintain a complete employee file system that would ensure that the County is in compliance with State and Federal employee documentation laws.
View of Responsible Official(s)	Employee files are now being maintained in compliance with State and Federal employee documentation laws.
8.	<u>Public officials should ensure that the tax collections are properly distributed and allocated to the various funds.</u>
Repeat Finding	No
Criteria	Beat system counties should allocate tax receipts to the appropriate district-level fund.
Condition	<p>During the course of our audit, we noted that tax collections remitted to the County are not being appropriately distributed to the proper funds and/or entities.</p> <p>In specific, we noted the following:</p> <ul style="list-style-type: none"> <li>• County Wide Road tax receipts were consolidated into one fund, but Wilkinson County retained its status as a beat system county with five separate road districts, which would therefore require tax receipts to be allocated to each of the five beats</li> <li>• County Wide Bridge tax receipts were treated in the same manner as County Wide Road tax receipts</li> </ul>
Cause	The County failed to comply with the proper accounting for beat system counties.
Effect	Failure to properly allocate tax receipts could cause deficits in cash for the individual beat funds.
Recommendation	The Board of Supervisors should implement controls to ensure that tax receipts are properly recorded and allocated to the appropriate funds.
View of Responsible Official(s)	Controls will be implemented to ensure that tax receipts are properly recorded and allocated to the appropriate funds.
9.	<u>Public officials should ensure that the avails of any tax levy imposed for a specific purpose be maintained in a separate fund and expended for the specific purpose for which it is levied.</u>
Repeat Finding	No
Criteria	Specific purpose tax levies permitted under statutory authority and required to be accounted for separately should be maintained in a separate fund and expended for the specific purpose for which it was levied.
Condition	During the course of our audit, we noted that the ad valorem taxes levied for the county library were unable to be traced to the appropriate fund in order to determine if they were expended appropriately.
Cause	Internal control policies and procedures regarding compliance with rules and regulations applicable to accounting for specific-purpose tax levies were not effective.
Effect	Non-compliance with rules and regulations applicable to accounting for specific purpose tax levies could result in the levies being improperly expended.

Recommendation	The Board of Supervisors should enhance internal control policies and procedures to obtain compliance with the rules and regulations governing the accounting for specific purpose revenues and expenditures of the library fund.
View of Responsible Official(s)	Controls will be implemented to ensure that the avails of any tax levy imposed for a specific purpose be maintained in a separate fund and expended to the specific purpose for which it is levied.
10.	<u>Public Officials Should Ensure Compliance with State Law over Rehiring PERS Retirees.</u>
Repeat Finding	No
Criteria	<p><i>Section 25-11-127, Mississippi Code Annotated (1972), states, “No person who is being paid a retirement allowance or a pension after retirement under this article shall be employed or paid for any service by the State of Mississippi, including services as an employee, contract worker, contractual employee or independent contractor, until the retired person has been retired for not less than ninety (90) consecutive days from his or her effective date of retirement. After the person has been retired for not less than ninety (90) consecutive days from his or her effective date of retirement or such later date as established by the board, he or she may be reemployed while being paid a retirement allowance under the terms and conditions provided in this section....</i></p> <p>4) The provisions of this section shall not be construed to prohibit any retiree, regardless of age, from being employed and drawing a retirement allowance either:</p> <p>(a) For a period of time not to exceed one-half (½) of the normal working days for the position in any fiscal year during which the retiree will receive no more than one-half (½) of the salary in effect for the position at the time of employment, or</p> <p>(b) For a period of time in any fiscal year sufficient in length to permit a retiree to earn not in excess of twenty-five percent (25%) of retiree’s average compensation.</p> <p>To determine the normal working days for a position under paragraph (a) of this subsection, the employer shall determine the required number of working days for the position on a full-time basis and the equivalent number of hours representing the full-time position. The retiree then may work up to one-half (½) of the required number of working days or up to one-half (½) of the equivalent number of hours and receive up to one-half (½) of the salary for the position. In the case of employment with multiple employers, the limitation shall equal one-half (½) of the number of days or hours for a single full-time position.</p> <p>Notice shall be given in writing to the executive director, setting forth the facts upon which the employment is being made, and the notice shall be given within five (5) days from the date of employment and also from the date of termination of the employment. <i>[Note: This notice is provided on PERS Form 4B and must be executed annually and sent to PERS]</i></p> <p>(6) (a) A member may retire and continue in municipal or county elective office provided that the member has reached the age and/or service requirement that will not result in a prohibited in-service distribution as defined by the Internal Revenue Service, or a retiree may be elected to a municipal or county office, provided that the person:</p> <p>(i) Files annually, in writing, in the office of the employer and the office of the executive director of the system before the person takes office or as soon as possible after retirement, a waiver of all salary or compensation and elects to receive in lieu of that salary or compensation a retirement allowance as provided in this section, in which event no salary or compensation shall thereafter be due or payable for those services; however, any such officer or employee may receive, in addition to the retirement allowance, office expense allowance, mileage or travel expense authorized by any statute of the State of Mississippi; or</p> <p>(ii) Elects to receive compensation for that elective office in an amount not to exceed twenty-five percent (25%) of the retiree’s average compensation. In order to receive compensation as allowed in this subparagraph, the retiree shall file annually, in writing, in the office of the employer and the office of the executive director of the system, an election to receive, in addition to a retirement allowance, compensation as allowed in this subparagraph. <i>[Note: This notice is provided on PERS Form 9C and must be executed annually and sent to PERS]</i></p>

(b) The municipality or county in which the retired person holds elective office shall pay to the board the amount of the employer's contributions on the full amount of the regular compensation for the elective office that the retired person holds.

Condition	During the course of our audit, we noted the following: <ul style="list-style-type: none"> <li>• One (1) instance where the PERS form was not properly executed</li> <li>• One (1) instance where an individual was paid in excess of the amount allowed by PERS</li> </ul>
Cause	The County did not comply with Section 25-11-127, Mississippi Code Annotated (1972) in that it failed to ensure proper notice to PERS, proper execution of required documents, and proper monitoring of wages to ensure the PERS cap was not exceeded.
Effect	The failure to comply with the reemployment conditions as reported on PERS Form 4B and 9C could jeopardize the provisions for reemployment.
Recommendation	The County should timely and accurately file PERS Form 4Bs and 9Cs for all re-hired retirees and ensure that the statutory conditions for reemployment are met.
View of Responsible Official(s)	The County will comply.

11. Actual expenditures exceeded final budgeted amounts.

Repeat Finding	No
Criteria	<i>Section 19-11-17, Mississippi Code of 1972 Annotated</i> , prohibits the Board of Supervisors from approving any claim and the Chancery Clerk from issuing any warrant for expenditures in excess of the budget estimates made and approved by the Board of Supervisors, or as thereafter revised, except upon court order, or for an emergency as provided by state law.
Condition	Actual expenditures exceeded budgeted amounts in several funds, most notably in the General Fund and in Solid Waste where actual amounts exceeded budgeted amounts by \$131,028 and \$439,871 respectively.
Cause	The Board of Supervisors failed to comply with state law to ensure that actual expenditures were not in excess of budgeted amounts.
Effect	Failure to limit actual expenditures to budgeted amounts could result in the County having insufficient funds to pay expenditures.
Recommendation	The Board of Supervisors should implement procedures to ensure that the required budget reports are provided each month, claims in excess of budgeted amounts are not approved and the budget is amended if it appears expenditures will exceed currently budgeted amounts.
View of Responsible Official(s)	Procedures have been implemented to ensure that required budget reports are provided to the Board each month, claims in excess of budgeted amounts are not approved and the budget is amended when it appears expenditures will exceed currently budgeted amounts.

**Purchase Clerk**

12. Public Officials Should Ensure Compliance with State Law over Purchasing Schedules.

Repeat Finding	No
Criteria	<i>Section 31-7-115, Mississippi Code Annotated (1972)</i> , states, "The State Auditor, or a certified public accountant employed by the State Auditor, shall, upon the close of the fiscal year of the county, make an audit of the books, records, supporting documents and other data of the county purchase clerk and the inventory control clerk. The Auditor shall review the county's compliance with Section 31-7-13(d), (k) and (m). The audit report shall include a schedule of purchases not made from the lowest bidder under the authority of Section 31-7-13(d), with the reasons given

therefor. The audit report shall include a schedule of emergency purchases made under the authority of Section 31-7-13(k). The audit report shall include a schedule of purchases made noncompetitively from a sole source under the authority of Section 31-7-13(m)....”

Condition	During the course of our audit, we noted the following instances of noncompliance with State law: <ul style="list-style-type: none"> <li>• The Purchase Clerk did not maintain Purchasing Schedules</li> </ul>
Cause	The Purchase Clerk failed to maintain the Purchasing Schedules and improperly treated a transaction as a sole source purchase when it did not meet the criteria established under State law.
Effect	Failure to properly record purchases on the Purchasing Schedules and treating a transaction as a sole source when it does not meet the requirements results in noncompliance with State law and could result in the misappropriation of public funds.
Recommendation	The Board should ensure that the Purchase Clerk properly maintains the Purchasing Schedules. The Board should review scheduled transactions to ensure compliance with State procurement law.
View of Responsible Official(s)	The Board will ensure that the Purchase Clerk properly maintains the purchasing schedules and will review the scheduled transactions to ensure compliance with State law.

13. Public Officials Should Establish and Maintain Internal Control and Compliance with Public Purchasing Laws.

Repeat Finding	No
Criteria	The County is responsible for complying with the requirements of the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws; Title 31 Chapter 7.
Condition	The County failed to comply with the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws: Titles 31 Chapter 7. A well-designed purchasing system would comply with the provisions of Titles 31 Chapter 7 and would include proper bid requirements as well as the use of purchase requisitions, purchase orders, and receiving reports. During our test work, we noted the following instances of non-compliance: <ul style="list-style-type: none"> <li>• Two (2) instances where no competitive bid or second quote was obtained for an expenditure of greater than \$5,000</li> </ul>
Cause	The County has failed to establish and maintain an adequate internal control system to ensure compliance with the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws: Titles 31 Chapter 7.
Effect	The County is not in compliance with the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws: Titles 31 Chapter 7.
Recommendation	The County should establish and maintain an adequate internal control system which would ensure that the County is in compliance with the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws: Titles 31 Chapter 7.
View of Responsible Official(s)	Controls have been implemented to ensure the County complies with State public purchasing laws.

**Inventory Clerk and Chancery Clerk**

14. The Inventory Clerk Should Ensure that the Annual Inventory is Completed and Filed with the Clerk of the Board. The Clerk of the Board Should Ensure that the Inventory Report is filed with the State Department of Audit.

Repeat Finding	No
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Criteria	<i>Section 31-7-107, Mississippi Code Annotated (1972)</i> , states, “the inventory control clerk, pursuant to regulations promulgated by the State Auditor, shall perform physical inventories of assets of the county on or before October 1 of each year and shall file with the board of supervisors, in triplicate, a written report of such inventory. The clerk of the board of supervisors shall keep the original of each inventory report so filed by the inventory control clerk as a permanent record of the county and shall forward a copy to the State Department of Audit not later than October 15.”
Condition	During the course of our test work, we noted that the annual inventory had not been conducted and that the report was not kept on hand nor was a report filed with the Office of the State Auditor.
Cause	The Inventory Clerk did not conduct an annual inventory and provide a report of such to the Clerk of the Board. The Clerk of the Board did not maintain a copy of the report on file and did not file a copy with the Office of the State Auditor.
Effect	Failure to properly perform an annual inventory and file evidence of such could result in the misappropriation of the County’s fixed assets as well as noncompliance with State law.
Recommendation	The Inventory Clerk should annually perform an inventory of the County’s fixed assets and provide a copy to the Clerk of the Board for preservation in the County’s records as well as for filing with the Office of the State Auditor. The Clerk of the Board should ensure that the inventory report is filed with his office and then file a copy with the Office of the State Auditor.
View of Responsible Official(s)	The County will comply.

#### **Tax Assessor-Collector**

15.	<u>The Tax Collector Should Ensure Compliance with State Law Regarding the Timely Deposit of Funds.</u>
Repeat Finding	No
Criteria	<i>Section 25-1-72, Mississippi Code Annotated (1972)</i> , states that, “All county officers who receive funds payable into the county treasury shall deposit such funds into the county depository on the day when they are collected or on the next business day thereafter.”
Condition	During the course of our test work, we found that seven (7) of the twenty-three (23) deposits were not made in a timely manner.
Cause	These delays are due to inadequate internal controls surrounding the statutory requirements for depositing of revenue collected in the Tax Collector’s Office.
Effect	Inadequate controls surrounding the deposits of revenue collections could result in improper revenue recognition and noncompliance with statutory requirements. Failure to implement controls over cash could result in a delay in the timely reconciliation of bank accounts, and settlement of funds to the County.
Recommendation	The Tax Collector should ensure that the deposits are being made in a timely manner as prescribed by statute.
View of Responsible Official(s)	I will comply. Deposits are being made on a daily basis.
16.	<u>Public Officials should ensure compliance with statutorily established compensation requirements.</u>
Repeat Finding	No



Criteria	<p><i>Section 25-3-3 of the Mississippi Code Annotated (1972)</i> states that “(2) The salary of assessors and collectors of the various counties is fixed as full compensation for their services as county assessors or tax collectors, or both if the office of assessor has been combined with the office of tax collector. The annual salary of each assessor or tax collector, or both if the offices have been combined, shall be based upon the total assessed valuation of his respective county for the preceding taxable year in the following categories and for the following amounts:</p> <p>(g) For counties having a total assessed valuation of at least Seventy-five Million Dollars (\$75,000,000.00) but less than One Hundred Fifty Million Dollars (\$150,000,000.00), a salary of Fifty-two Thousand Five Hundred Dollars (\$52,500.00);....</p> <p>(3) In addition to all other compensation paid pursuant to this section, the board of supervisors shall pay to a person serving as both the tax assessor and tax collector in their county an additional Five Thousand Dollars (\$5,000.00) per year.”</p> <p><i>Section 27-3-52 of the Mississippi Code Annotated (1972)</i> further states that, (5) When any tax assessor and/or his deputies or assistants attend and successfully complete all qualifications pursuant to the Mississippi Education and Certification Program and receive the certification level of Track II, Evaluator I, they shall receive an additional Two Thousand Dollars (\$2,000.00) annually beginning the next fiscal year after completion.</p> <p><i>Section 27-1-51 of the Mississippi Code Annotated (1972)</i> further states that, “(6)(a) When any tax collector or deputy tax collector holds a valid certificate of educational recognition from the Education and Certification Board as established by Section 27-1-67 by attaining certification as a Collector of Revenue I (CR 1), he shall receive an additional Two Thousand Dollars (\$2,000.00) annually beginning the next fiscal year after completion.</p> <p><i>Section 25-3-3 of the Mississippi Code Annotated (1972)</i> states that “(6) In addition to all other compensation paid to assessors and tax collectors, the board of supervisors of a county shall allow for such assessor or tax collector, or both, to be paid additional compensation when there is a contract between the county and one or more municipalities providing that the assessor or tax collector, or both, shall assess or collect taxes, or both, for the municipality or municipalities; and such assessor or tax collector, or both, shall be authorized to receive such additional compensation from the county and/or the municipality or municipalities in any amount allowed by the county and/or the municipality or municipalities for performing those services.”</p>
Condition	During the course of our audit, we noted that the Tax Assessor-Collector was paid in excess of statutory limits by \$2,500.
Cause	The Tax Assessor-Collector has not ensured that the compensation is determined according to statutory guidance.
Effect	Failure to properly calculate statutorily determined compensation could result in an elected official being improperly paid.
Recommendation	<p>The Tax Assessor-Collector should determine the proper calculation of the compensation and ensure that it is in compliance with state statutes.</p> <p>Further, the Tax Assessor-Collector should repay any amounts paid in excess of statute.</p>
View of Responsible	
Official(s)	Payment made on 3/6/2020. Overpayment was from Mississippi State sending in payment increase.
Auditor’s Note	The Assessor-Collector repaid the full amount of the overage on 5/19/2020 per the OSA’s FY 2019 Compliance Audit.
<b>Sheriff</b>	
17.	<u>The Sheriff Should Ensure Compliance with State Law Regarding the Timely Deposit of Funds.</u>
Repeat Finding	No

Criteria	<i>Section 25-1-72, Mississippi Code Annotated (1972)</i> , states that, "All county officers who receive funds payable into the county treasury shall deposit such funds into the county depository on the day when they are collected or on the next business day thereafter."
Condition	During the course of our test work, we noted that six (6) of the ten (10) deposits were not made in a timely manner with some deposits being held as long as seven (7) days prior to being deposited.
Cause	These delays are due to inadequate internal controls surrounding the statutory requirements for depositing of revenue collected in the Sheriff's Office.
Effect	Inadequate controls surrounding the deposits of revenue collections could result in improper revenue recognition and noncompliance with statutory requirements. Failure to implement controls over cash could result in a delay in the timely reconciliation of bank accounts, and settlement of funds to the County.
Recommendation	The Sheriff should ensure that the deposits are being made in a timely manner as prescribed by statute.
View of Responsible Official(s)	Deposits will be made in a timely manner and correspond with the bank's hours of operation.
18.	<u>The Sheriff Should Ensure Compliance with State Laws over the Presentation of Meal Logs to the Board of Supervisors.</u>
Repeat Finding	No
Criteria	<i>Section 19-25-74, Mississippi Code Annotated (1972)</i> , states, "The sheriff shall maintain a log, showing the name of each prisoner, the date and time of incarceration and release, to be posted by the tenth calendar day of each month for the period spanning the preceding month, which shall record the number of meals served to prisoners on each day, and shall make affidavit as to the correctness thereof and file the same monthly with the board of supervisors. Such log shall remain on file with the board of supervisors as other records of said board and shall be made available to the State Department of Audit upon request. No claims for the cost or expenses of feeding prisoners shall be approved by the board of supervisors for any month unless and until such log for that month is filed."
Condition	During the course of our test work, we noted that the meal logs were not being presented to the Board yet claims to vendors were being paid.
Cause	The Sheriff did not present the meal logs to the Board of Supervisors. The administration did not properly maintain the meal logs for use by the auditor.
Effect	Failure to properly maintain and present the meal logs could result in the misappropriation of public funds.
Recommendation	The Sheriff should present the meal logs to the Board of Supervisors for review monthly prior to payment of any claims for meal expenses.
View of Responsible Official(s)	Meal logs will be presented to the Board of Supervisors at each of the monthly board meetings prior to payments being made to vendors.
19.	<u>Public Officials Should Ensure that Bank Reconciliations are Performed Accurately</u>
Repeat Finding	No

Criteria	An effective system of internal controls requires bank reconciliations be prepared accurately and timely and any identified unreconciled differences be resolved in a timely manner.
Condition	During the course of our audit, we noted that the Sheriff's Account bank reconciliations were not accurately performed. Interest was not being recorded in the Cash Journal, which caused the bank reconciliation to be out of balance.
Cause	The Sheriff has not implemented proper controls to ensure the accuracy of the bank reconciliation.
Effect	Not completing an accurate bank reconciliation results in a weakness in the system of internal controls over cash.
Recommendation	The Sheriff should establish and maintain an effective internal control system over cash and ensure that all bank reconciliations are prepared correctly on a monthly basis and maintain records of such.
View of Responsible Official(s)	Moving forward, the bank interest will be recorded in the cash journal, which should result with reconciled bank statements equaling the cash journal.
20.	<u>The Sheriff has Insufficient Separation of Duties in the Collection, Deposit, Recording, Settling, and Reconciling Functions.</u>
Repeat Finding	No
Criteria	An effective system of internal control should include an adequate segregation of duties in the collection, deposit, recording, settling, and reconciling functions.
Condition	During the course of our audit, we noted that the same individual collects money, reviews the collections for the day, prepares the deposit, takes the deposit, settles the account, and reconciles the account.
Cause	The Sheriff has not established a system of internal control with adequate separation of duties concerning the collection, deposit, recording, settling, and reconciling.
Effect	Failure to properly separate the accounting duties could result in the misappropriation of public funds.
Recommendation	The Sheriff should ensure that there is an adequate separation of duties in the collection, deposit, recording, settling, and reconciling functions within the office.
View of Responsible Official(s)	Accounting duties will be properly separated between the Wilkinson County Sheriff's Deputy Clerk and the Dispatchers.
21.	<u>The Sheriff Should Strengthen Internal Control over Settlements.</u>
Repeat Finding	No
Criteria	An effective system of internal control includes the timely and proper completion of monthly settlements to the County's general fund.
Condition	During the course of our test work, we noted that the Sheriff's Office did not settle all funds to the County's general fund.
Cause	The sheriff's office did not properly make settlements of all funds collected to the County's general fund by the twentieth (20 <sup>th</sup> ) of the subsequent month.
Effect	Failure to issue make timely and proper settlements could result in the misappropriation of public funds.

Recommendation      The Sheriff should strengthen controls over the settling of funds to the County's general fund to ensure that proper settlements of all funds collected are made on or before the twentieth (20<sup>th</sup>) of the subsequent month.

View of Responsible

Official(s)      Moving forward funds collected for the County's general fund will be settled by the 20<sup>th</sup> day of the subsequent month.

### Justice Court Clerk

22.      Public Officials should Strengthen Internal Controls and Ensure Compliance with State Law over Cash Collections, Receipting, Settlement, Bank Reconciliations, Cash Journal, and Deposits.

Repeat Finding      No

Criteria      *Section 9-11-21, Mississippi Code Annotated (1972)*, states, "The clerk of the justice court is required in all cases to give to any person paying him any fees, costs or other money a uniform receipt, the form of which is to be prepared by the attorney general. Such receipt shall contain the particulars of such fees, costs or other money, the amount of such fees, costs or other money and such other information as the attorney general shall deem necessary...."

*Section 9-11-19(1), Mississippi Code Annotated (1972)*, states, "It shall be the duty of every clerk of the justice court to receive and account for all fees, costs, fines and penalties charged and collected in the justice court, and, monthly to report in writing under oath, to the clerk of the board of supervisors who shall upon receipt submit such report to the board of supervisors of all such fees, costs, fines and penalties received, including cash bonds and other monies which have been forfeited in criminal cases and at least semiannually any delinquent fines and penalties, giving the date, amount, and names of persons from whom such monies were received, and to pay so much thereof as shall have been received to the clerk of the board of supervisors for deposit into the general fund of the county. Any clerk of the justice court who shall fail to make such report or to pay the money so received shall, in addition to any other fine or punishment provided by law for such conduct, not be entitled to compensation for the period of time during which such report or money is outstanding...."

*Section 7-7-211(j), Mississippi Code Annotated (1972)*, states, "In any instances in which the State Auditor is or shall be authorized or required to examine or audit, whether preaudit or postaudit, any books, ledgers, accounts or other records of the affairs of any public hospital owned or owned and operated by one or more political subdivisions or parts thereof or any combination thereof, or any school district, including activity funds thereof, it shall be sufficient compliance therewith, in the discretion of the State Auditor, that such examination or audit be made from the report of any audit or other examination certified by a certified public accountant and prepared by or under the supervision of such certified public accountant...."

*Section 25-1-72, Mississippi Code Annotated (1972)*, states, "All county officers who receive funds payable into the county treasury shall deposit such funds into the county depository on the day when they are collected or on the next business day thereafter."

*Section 27-105-371, Mississippi Code Annotated (1972)*, states, "All county officials who receive funds under the authority of their office shall deposit such funds into a county depository. Any unidentifiable funds found by the county auditor or the State Auditor in the county depository shall be settled into the general fund of the county within thirty (30) days of the determination."

Condition      During the course of our audit, we noted the following:

- Cash journal balances were not carried forward from month to month
- Bank statements were not reconciled monthly
- Accounts receivable records were not properly maintained
- Deposits were being made on a weekly basis

- Settlements were not made to the proper authorities on a timely basis

Cause	The Justice Court Clerk failed to comply with State laws and regulations. The Clerk's Office had inadequate internal controls surrounding cash.
Effect	Failure of the Justice Court Clerk to have adequate internal controls resulted in multiple violations of State laws and regulations, which could also result in the misappropriation of public funds.
Recommendation	The Justice Court Clerk should establish internal controls surrounding cash collection to ensure compliance with State law.
View of Responsible Official(s)	Controls will be implemented.

23.	<u>Public Officials should strengthen internal controls over bank reconciliations of the Justice Court Criminal, Civil, and Clearing accounts.</u>
Repeat Finding	No
Criteria	An effective system of internal control requires bank reconciliations be prepared accurately and timely and any identified unreconciled differences be resolved in a timely manner.
Condition	During the course of our cash count, we noted an unidentified overage of \$17,394.22.
Cause	The system of internal control failed to ensure that a timely and accurate bank reconciliation was performed for the Justice Court accounts.
Effect	Failure to complete accurate and timely bank reconciliations results in a weakness in the system of internal control over cash.
Recommendation	The Clerk should establish and maintain an effective internal control system over cash and ensure that all bank reconciliations are prepared timely and accurately.
View of Responsible Official(s)	Controls will be implemented.

#### **Chancery Clerk (In Office 10/1/2017-8/28/2018)**

24.	<u>Public Officials should strengthen internal controls over bank reconciliations of the Land Redemption, Fee, and Mineral Stamp Accounts.</u>
Repeat Finding	Yes, 2017 Finding 1
Criteria	An effective system of internal control requires bank reconciliations be prepared accurately and timely and any identified unreconciled differences be resolved in a timely manner.
Condition	During the course of our audit, we noted that bank reconciliations were not able to be obtained for any months for any accounts during the period.
Cause	The system of internal control failed to ensure that timely and accurate bank reconciliations were performed for the Chancery Clerk's accounts.
Effect	Failure to complete accurate and timely bank reconciliations results in a weakness in the system of internal control over cash.
Recommendation	The Chancery Clerk should establish and maintain an effective internal control system over cash and ensure that all bank reconciliations are prepared timely and accurately.
View of Responsible Official(s)	Internal controls are now in place.

25.	<u>Chancery Clerk Should Ensure Compliance with State Law over Maintaining a Fee Journal.</u>
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Repeat Finding	Yes, 2017 Finding, 4
Criteria	<i>Section 9-1-43(3), Mississippi Code Annotated (1972)</i> , states, “The chancery and circuit clerk shall be liable on their official bond for the proper deposit and accounting of all monies received by his office. The State Auditor shall promulgate uniform accounting methods for the accounting of all sources of income by the offices of the Chancery and Circuit Clerk.”
Condition	The Chancery Clerk did not properly maintain a fee journal to account for all monies received and expended during the year.  Auditors were unable to obtain a fee journal.
Cause	The Chancery Clerk did not properly maintain a fee journal during the year.
Effect	Failure to maintain an accurate fee journal could result in the loss or misappropriation of public funds.
Recommendation	The Chancery Clerk should maintain an accurate and complete accounting system that encompasses all income and expenses.
View of Responsible Official(s)	The Chancery Clerk is now maintaining an accurate and complete accounting system.
26.	<u>Public Officials Should Ensure Compliance with State Law over Filing the Annual Financial Report and Depositing Excess Funds into the County General Fund.</u>
Repeat Finding	No
Criteria	<i>Section 9-1-43(1), Mississippi Code Annotated (1972)</i> , states, “All such fees received by the office of Chancery or Circuit Clerks that are in excess of the salary limitation shall be deposited by such Clerk into the county general fund on or before April 15 for the preceding calendar year.”  <i>Section 9-1-45(1), Mississippi Code Annotated (1972)</i> , states, “Each Chancery and Circuit Clerk shall file, not later than April 15 of each year, with the State Auditor of Public Accounts a true and accurate annual report on a form to be designed and supplied to each Clerk by the State Auditor of Public Accounts immediately after January 1 of each year. The form shall include the following information: (a) revenues subject to the salary cap, including fees; (b) revenues not subject to the salary cap; and (c) expenses of office, including any salary paid to a Clerk’s spouse or children. Each Chancery and Circuit Clerk shall provide any additional information requested by the Public Employees’ Retirement System for the purpose of retirement calculations.”  <i>Section 9-1-45(3), Mississippi Code Annotated (1972)</i> , states, “If the Chancery or Circuit Clerk fails to provide the reports required in this section, then the State Auditor shall give by United States certified mail, return receipt requested, written notification to the Chancery or Circuit Clerk of noncompliance. If within thirty (30) days after receipt of the notice, the Chancery or Circuit Clerk, in the opinion of the State Auditor, remains in noncompliance, the State Auditor may institute civil proceedings in a court of the county in which the Clerk serves. The court, upon a hearing, shall decide the issue and if it determines that the Clerk is not in substantial compliance, shall order the Clerk to immediately and thereafter comply. Violations of any order of the court shall be punishable as for contempt. In addition, the court in its discretion may impose a civil penalty in an amount not to exceed Five Thousand Dollars (\$5,000) upon the Clerk, for which he shall be liable in his individual capacity, for any such noncompliance that the court determines as intentional or willful.”
Condition	The Chancery Clerk has not filed the Annual Financial Report and has not deposited any potential excess funds into the general fund by April 15.
Cause	The Chancery Clerk did not timely file the report and deposit any potential excess funds into the general fund by the statutory deadline.

Effect	Failure to file an Annual Financial Report could result in a civil court proceeding and possible civil penalty in an amount not to exceed Five Thousand Dollars (\$5,000). Additionally, failure to deposit any amount in excess of the salary limitation into the county general fund could result in misappropriation and/or loss of public funds.
Recommendation	The Chancery Clerk should ensure that the Annual Financial Report is filed and excess funds deposited into the general fund by April .
View of Responsible Official(s)	The Chancery Clerk is now filing her Annual Financial Report and excess funds are timely deposited in the general fund.
27.	<u>Chancery Clerk Should Ensure Compliance with State Law over Issuing and Recording Receipts</u>
Repeat Finding	No
Criteria	<i>Section 9-1-43(6) Mississippi Code Annotated (1972)</i> , states, “The chancery clerk and the circuit clerk shall establish and maintain a cash journal for recording cash receipts from private or government sources for furnishing copies of any papers of record or on file, or for rendering services as a notary public, or other fees wherein the total fee for the transaction is Ten Dollars (\$10.00) or less. The cash journal entry shall include the date, amount and type of transaction, and the clerk shall not be required to issue a receipt to the person receiving such services. The State Auditor shall not take exception to the furnishing of copies or the rendering of services as a notary by any clerk free of charge.”
Condition	The Chancery Clerk did not issue, record, and maintain receipts.  Auditors were unable to obtain receipts for any transactions.
Cause	The Chancery Clerk did not properly issue, record, and maintain receipts.
Effect	Failure to issue, record, and maintain documentation of receipts results in noncompliance with State law and could result in the loss or misappropriation of public funds.
Recommendation	The Chancery Clerk should issue, record, and maintain receipts for transactions greater than \$10.
View of Responsible Official(s)	The Chancery Clerk is now issuing, recording, and maintaining receipts.
28.	<u>Chancery Clerk Should Ensure Compliance with State Law over Issuing Warrants.</u>
Repeat Finding	No
Criteria	<i>Section 19-13-43 Mississippi Code Annotated (1972)</i> , states, “Warrants shall be drawn by the clerk, under his seal of office, in favor of the claimants, on all demands, claims and accounts allowed by the board, in the order of their allowance, against the several funds in the county depository from which such allowed claims must be paid....No warrant shall be signed, removed from the warrant book, nor delivered by the clerk until there is sufficient money in the fund upon which it is drawn to pay the same and all prior unpaid warrants drawn upon that fund, whether delivered or not....”
Condition	The Chancery Clerk issued warrants drawn on accounts with negative cash balances in violation of State law.
Cause	The Chancery failed to ensure that sufficient cash was available in the several funds of the depository prior to issuing warrants drawn on the county depository.

Effect	Failure to ensure proper balances prior to issuance of warrants results in noncompliance with State law and could result in the loss or misappropriation of public funds.
Recommendation	The Chancery Clerk should ensure that proper balances are available in the several depository accounts prior to issuance of a warrant drawn on the county depository.
View of Responsible Official(s)	The County is working with our financial records software provider to provide accurate balance sheets to accurately account for proper fund balances so the Chancery Clerk can ensure the proper balances are available prior to issuing a warrant.

### **Circuit Clerk**

29.	<u>The Circuit Clerk should strengthen internal controls over reconciling bank accounts.</u>
Repeat Finding	No
Criteria	An effective system of internal controls requires that bank reconciliations be prepared accurately and timely and any identified unreconciled differences be resolved in a timely manner.
Condition	During the course of our test work, we noted that bank reconciliations were not being completed for the clerk's criminal, civil, and fee accounts.
Cause	The Circuit Clerk has not established a system of internal control to ensure cash accounts are accurately and timely reconciled.
Effect	Not performing accurate and timely bank reconciliations creates a weakness in the system of internal controls over cash and may result in the loss or misappropriation of county assets.
Recommendation	The Circuit Clerk should implement an effective internal control system to ensure that all bank accounts are reconciled monthly in an accurate and timely manner.
View of Responsible Official(s)	I have already corrected this problem by having a system in place to check and balance the deposits with receipts on a daily basis.
30.	<u>Public Officials Should Ensure Compliance with State Law over Filing the Annual Financial Report.</u>
Repeat Finding	No
Criteria	<p><i>Section 9-1-43(1), Mississippi Code Annotated (1972), states, "All such fees received by the office of Chancery or Circuit Clerks that are in excess of the salary limitation shall be deposited by such Clerk into the county general fund on or before April 15 for the preceding calendar year."</i></p> <p><i>Section 9-1-45(1), Mississippi Code Annotated (1972), states, "Each Chancery and Circuit Clerk shall file, not later than April 15 of each year, with the State Auditor of Public Accounts a true and accurate annual report on a form to be designed and supplied to each Clerk by the State Auditor of Public Accounts immediately after January 1 of each year. The form shall include the following information: (a) revenues subject to the salary cap, including fees; (b) revenues not subject to the salary cap; and (c) expenses of office, including any salary paid to a Clerk's spouse or children. Each Chancery and Circuit Clerk shall provide any additional information requested by the Public Employees' Retirement System for the purpose of retirement calculations."</i></p> <p><i>Section 9-1-45(3), Mississippi Code Annotated (1972), states, "If the Chancery or Circuit Clerk fails to provide the reports required in this section, then the State Auditor shall give by United States</i></p>



certified mail, return receipt requested, written notification to the Chancery or Circuit Clerk of noncompliance. If within thirty (30) days after receipt of the notice, the Chancery or Circuit Clerk, in the opinion of the State Auditor, remains in noncompliance, the State Auditor may institute civil proceedings in a court of the county in which the Clerk serves. The court, upon a hearing, shall decide the issue and if it determines that the Clerk is not in substantial compliance, shall order the Clerk to immediately and thereafter comply. Violations of any order of the court shall be punishable as for contempt. In addition, the court in its discretion may impose a civil penalty in an amount not to exceed Five Thousand Dollars (\$5,000) upon the Clerk, for which he shall be liable in his individual capacity, for any such noncompliance that the court determines as intentional or willful.”

Condition	The Circuit Clerk did not file the Annual Financial Report by the statutory deadline.
Cause	The Circuit Clerk did not timely file the report by the statutory deadline.
Effect	Failure to file an Annual Financial Report could result in a civil court proceeding and possible civil penalty in an amount not to exceed Five Thousand Dollars (\$5,000). Additionally, failure to deposit any amount in excess of the salary limitation into the county general fund could result in misappropriation and/or loss of public funds.
Recommendation	The Circuit Clerk should ensure that the Annual Financial Report is filed by April 15 <sup>th</sup> .
View of Responsible Official(s)	I will comply.
31.	<u>The Circuit Clerk Should Ensure Compliance with State Law over Maintaining a Fee Journal.</u>
Repeat Finding	No
Criteria	<i>Section 9-1-43(3), Mississippi Code Annotated (1972)</i> , states, “The chancery and circuit clerk shall be liable on their official bond for the proper deposit and accounting of all monies received by his office. The State Auditor shall promulgate uniform accounting methods for the accounting of all sources of income by the offices of the Chancery and Circuit Clerk.”
Condition	During the course of the audit, we noted the following: <ul style="list-style-type: none"> <li>• The Circuit Clerk did not properly maintain a fee journal to account for all monies received and expended during the year</li> <li>• Auditors were unable to tie out her year-end balances in the fee journal to amounts claimed on the Annual Financial Report</li> <li>• The Circuit Clerk failed to record and report fees received for the programming of election machines in the amount of <b>\$15,390</b>.</li> </ul>
Cause	The Circuit Clerk did not properly maintain a fee journal during the year and failed to properly record all revenues received.
Effect	Failure to maintain an accurate fee journal could result in the loss or misappropriation of public funds.
Recommendation	The Circuit Clerk should maintain an accurate and complete accounting system that encompasses all income and expenses.
View of Responsible Official(s)	I have implemented a reconciliation process which ties to my fee journal. It is being reviewed monthly to ensure I am on track with my Annual Fee Report for the end of the year.

I will also be submitting an amended Annual Fee Report for 2018 in the next month.

32 .Public Officials Should Ensure Compliance with State Laws over Statutorily Imposed Limits on the Salary as County Registrar.

Repeat Finding No

Criteria *Section 23-15-225, Mississippi Code Annotated (1972), states, “The registrar shall be entitled to such compensation, payable monthly out of the county treasury, which the board of supervisors of the county shall allow on an annual basis in the following amounts.... (j) For counties having two (2) judicial districts, the board of supervisors of the county may allow, in addition to the sums prescribed herein, in its discretion, an amount not to exceed Eleven Thousand Five Hundred Dollars (\$11,500.00).”*

Condition During the course of our test work, we noted that the Circuit Clerk received a total of \$16,299.16 for services as the County Registrar. This resulted in an excess of **\$4,799.16** paid to the Clerk.

Cause The County paid the Clerk amounts in excess of the amounts billed for this statutory fee.

Effect The Circuit Clerk was overpaid as the County Registrar.

Recommendation The Circuit Clerk should ensure that the amounts received for payment as the County Registrar are for the correct amounts. Further, it is recommended that the Circuit Clerk repay the County the **\$4,799.16** paid in excess.

View of Responsible

Official(s) Funds have been repaid to the County on 10/24/2023.

33. Public Officials Should Strengthen Internal Controls over Deposits, Settlements, and Receipts.

Repeat Finding No

Criteria An effective system of internal controls requires that bank deposits and settlements be made timely.

Condition During the course of our test work, auditors noted the following:

- Eight (8) of the twenty (20) items tested were not deposited timely with one deposit being held for a month from the date of receipt
- Twenty (20) of the twenty (20) items tested were not timely settled to the appropriate parties
- Restitution payments have not been timely made to the appropriate parties
- The Circuit Clerk improperly settled **\$6,932.96** from the Criminal Account
- The Circuit Clerk improperly settled **\$5,268.00** from the Civil Account
- During the year, the Criminal Account month-end balance was negative for the following months:
  - July
  - August

Cause The Circuit Clerk has not established a system of internal control to ensure deposits and settlements are made timely and accurately.

Effect Failure to make timely deposits and settlements could result in the loss or misappropriation of public funds.

Recommendation The Circuit Clerk should implement an effective internal control system to ensure the timeliness of deposits and accuracy of settlements.

The Circuit Clerk should determine and settle the proper amounts of restitution to the proper parties.

Further, the Circuit Clerk should repay the amounts improperly settled from the Criminal account in the amount of **\$6,932.96** and the Civil account in the amount of **\$5,268.00**.

#### View of Responsible

Official(s) A reconciliation process has been implemented to avoid these errors in the future. I have also repaid both the \$6,932.96 to the Civil Account and \$5,268 to the Criminal Account.

Settlements to the County of \$5,471.25 from the Criminal Account and \$2,983.00 from the Civil Account have been made. The remaining balance in the Civil and Criminal Accounts will be expeditiously settled to either bond, restitution, or prosecution fee and continued on a monthly basis to avoid this from reoccurring.

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 these parties. However, this report is a matter of public record and its distribution is not limited.

*Bridgers, Goodman, Baird & Clarke, PLLC*

Bridgers, Goodman, Baird & Clarke, PLLC  
Certified Public Accountants  
Vicksburg, Mississippi  
January 5, 2024

WILKINSON COUNTY

SCHEDULE OF FINDINGS AND RESPONSES

WILKINSON COUNTY  
Schedule of Findings and Responses  
For the Year Ended September 30, 2018

Section 1: Summary of Auditor's Results

***Financial Statements:***

1. Type of auditor's report issued on the financial statements:
 

Governmental activities	Qualified
Business-type activities	Qualified
Aggregate discretely presented component units	Qualified
General Fund	Unmodified
Aggregate remaining fund information	Unmodified
2. Internal control over financial reporting:
 

a. Material weaknesses identified?	Yes
b. Significant deficiency identified?	Yes
3. Noncompliance material to the financial statements noted? Yes

Section 2: Financial Statement Findings

Board of Supervisors

Material Weakness

Material Noncompliance

2018-001.	<u>Component units should be included in the financial statements.</u>
Repeat Finding	No
Criteria	Generally accepted accounting principles require the financial data for the County's component units to be reported with the financial data of the County's primary government unless the county also issues financial statements for the financial reporting entity that include the financial data for its component units.
Condition	The financial statements include the unaudited financial data for one of the county's legally separate component units – the Wilkinson County Library System.
Cause	The County did not include the audited financial statements of the Wilkinson County Library System.
Effect	The failure to properly follow generally accepted accounting principles resulted in a qualified opinion on the discretely presented component units.
Recommendation	The Board of Supervisors should provide audited financial data for its discretely presented component units for inclusion in the County's financial statements.
View of Responsible Official(s)	Audited financial data for the county's discretely presented component units will be included in the County's future financial statements.

WILKINSON COUNTY  
Schedule of Findings and Responses  
For the Year Ended September 30, 2018

Board of Supervisors

Material Weakness

2018-002. The County is not Performing Bank Reconciliations Timely and Accurately

Repeat Finding Yes, 2017-003

Criteria An effective system of internal control includes timely and accurate reconciliations of bank statements.

Condition During the course of our test work, we noted the following:

- The County had not reconciled the County's bank statements in an accurate and timely manner
- The County had not properly recorded all receipts and disbursements during the year.
- At year end, the reconciliations were still out of balance.

Cause The County has failed to properly implement internal controls to track and reconcile all receipts and expenditures, which hindered the ability to properly reconcile the bank statements.

Effect The failure to properly implement a system of accounting for all receipts and disbursements as well as the failure to accurately and timely reconcile bank statements could result in the loss or misappropriation of public funds as well noncompliance with accounting standards.

Recommendation The County should implement controls to track and record all revenues and disbursements so that an accurate reconciliation can be performed as a control over cash.

View of Responsible Official(s) Controls have been implemented to track and record all revenues and disbursements.

Board of Supervisors and Inventory Clerk

Material Weakness

Material Noncompliance

2018-003. Public Officials should ensure that capital assets are properly recorded and depreciated.

Repeat Finding Yes, 2017-004

Criteria Generally accepted accounting principles require that capital assets be recorded, capitalized, and depreciated.

Condition The Inventory Clerk was not recording assets purchased and disposed of in the County's records, which in turn caused the County to be unable to record depreciation.

Cause The County has failed to implement controls to ensure that capital assets are properly recorded, capitalized, and depreciated in accordance with U.S. GAAP.

Effect The failure to properly follow generally accepted accounting principles resulted in an audit opinion other than unmodified.

Recommendation The Board of Supervisors should implement controls to ensure that capital assets are properly recorded and depreciated in accordance with U.S. GAAP.

View of Responsible

WILKINSON COUNTY  
Schedule of Findings and Responses  
For the Year Ended September 30, 2018

Official(s)	Controls have been implemented to ensure that fixed assets are properly recorded and depreciated.
Board of Supervisors	
Significant Deficiency	
2018-004	<u>The Board of Supervisors has Insufficient Separation of Duties in the Recording, Depositing, and Reconciling Functions.</u>
Repeat Finding	Yes, 2017-002
Criteria	An effective system of internal control should include adequate segregation of duties in the recording, depositing, and reconciling functions.
Condition	During the course of our audit, we noted that the same individual records receipts and disbursements, prepares and takes the deposit, and reconciles the bank statements.
Cause	The Board has not established a system of internal control with adequate separation of duties concerning the recording, depositing, and reconciling functions.
Effect	Failure to properly separate the accounting duties could result in the misappropriation of public funds.
Recommendation	The Board should ensure that there is an adequate separation of duties in the recording, depositing, and reconciling functions.
View of Responsible Official(s)	Separation of duties have been put in place in the recording, depositing, and reconciling functions.
Board of Supervisors	
Material Weakness	
Material Noncompliance	
2018-005.	<u>Public Officials should ensure appropriate authorization and treatment of interfund transactions.</u>
Repeat Finding	Yes, 2017-001
Criteria	Governmental fund accounting requires appropriate authorization for interfund loans and transfers as well as balancing entries between funds.
Condition	During the course of our testing, we noted multiple instances where transfers or loans showed up on one fund but were not balanced to another fund. Additionally, several of these interfund loans were made and not paid back within the timeframe allowed.
Cause	Extensive and excessive use of interfund loans and transfers are difficult to accurately track year over year. Additionally, insufficient safeguards over the accounting for these loans and transfers leads to discrepancies in balanced accounting.
Effect	Insufficient internal controls over the treatment of interfund loans and transfers could lead to accounting errors and unauthorized transfers between funds.
Recommendation	The Board of Supervisors should take specific care to ensure appropriate authorization and documentation is available for all interfund transactions and should ensure appropriate internal controls are in place to accurately and timely account for those transactions and their repayment.
View of Responsible	

WILKINSON COUNTY  
Schedule of Findings and Responses  
For the Year Ended September 30, 2018

Official(s)	The County is working with our financial records software provider to provide accurate balance sheets to accurately account for interfund transactions.
Board of Supervisors	
Material Weakness	
Material Noncompliance	
2018-006.	<u>The County signed warrants without sufficient funds.</u>
Repeat Finding	No
Criteria	<i>Section 19-13-43, Mississippi Code of 1972 Annotated</i> , prohibits the signing of warrants or the delivery of warrants until there is sufficient money in the fund upon which it is drawn to pay the same.
Condition	<p>Warrants were issued on funds which did not have sufficient money to pay the warrants. As of September 30, 2018, the following funds had negative cash balances:</p> <ul style="list-style-type: none"> <li>a. Maintenance of Reappraisal Fund - \$18,019</li> <li>b. TRIAD Fund- \$1,600</li> <li>c. Tire Waste Disposal Fund - \$13,922</li> <li>d. Law Library Fund - \$6,487</li> <li>e. Volunteer Fire Department Fund - \$76,579</li> <li>f. Election Support Fund/HAVA Fund - \$4,690</li> <li>g. Sheriff Drug Fund - \$5,000</li> <li>h. Courthouse Restoration Grant Fund - \$63</li> <li>i. District 1 Road Fund - \$92,210</li> <li>j. District 2 Road Fund - \$160,093</li> <li>k. District 3 Road Fund - \$107,578</li> <li>l. District 4 Road Fund - \$77,402</li> <li>m. District 5 Road Fund - \$89,877</li> <li>n. Court Assessment Clearing Fund - \$7,705</li> <li>o. School Fund Special Fund - \$41,344</li> </ul>
Cause	The County did not comply with state law.
Effect	Failure to have sufficient cash balances in county funds prior to the signing and delivery of warrants on these funds resulted in the use of the cash balances of other funds for purposes other than the intended purpose. These types of transactions could result in the Board of Supervisors being held personally liable for such amounts.
Recommendation	The Board of Supervisors should implement procedures to ensure that no warrants are signed or delivered until there is sufficient money in the fund upon which it is drawn to pay the same, as required by law.
Views of Responsible Official(s)	Procedures have been implemented to ensure that no warrants are signed or delivered until there is sufficient money in the fund upon which it is drawn to pay the same.