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**ADAMS COUNTY, MISSISSIPPI**

**Audited Financial Statements and Special Reports**

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



ADAMS COUNTY  
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## **ADAMS COUNTY**

## **FINANCIAL SECTION**

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PRIVATE COMPANIES PRACTICE SECTION

## INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors  
Adams County, Mississippi

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Adams County, Mississippi, (the County) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free 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 Adams County Airport Commission and Natchez-Adams Port Commission which are discretely presented component units and represent 40% and 60%, respectively, of the assets, 60% and 40%, respectively, of the net position, and 23% and 77% of the revenues of the discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Adams County Airport Commission and Natchez-Adams County Port Commission is based solely on the reports 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 of material misstatement.

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

### **Basis for Qualified Opinions on Governmental Activities and General Fund**

The Tax Collector did not reconcile their bank statements nor match up to the booked cash. The amount by which this departure would affect the assets, net position/fund balance, and revenues of the Governmental Activities and the General Fund has not been determined.

### **Qualified Opinions**

In our opinion, except for the effects of the matter discussed in "Basis for Qualified Opinions on Governmental Activities and General Fund" paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Governmental Activities and the General Fund of Adams County, Mississippi, as of September 30, 2019, and the respective 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, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the aggregate discretely presented component units, each major fund other than the General Fund, and the aggregate remaining fund information of Adams County, Mississippi, as of September 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedules and corresponding notes, the Schedule of the County's Proportionate Share of the Net Pension Liability, and the Schedule of the County's Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We and other auditors have applied certain limited procedures to 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**

Adams County, Mississippi has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires 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 the 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.

### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Adams County, Mississippi's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulation Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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 August 8, 2022, on our consideration of Adams 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 Adams 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 Adams 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

August 8, 2022



## **ADAMS COUNTY**

## **FINANCIAL STATEMENTS**

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

**Exhibit 1**

	Primary Government	Component Units		
	Governmental Activities	Adams County Airport Comm.	Natchez-Adams Port Comm.	Total
<b>Assets</b>				
Cash	\$ 3,556,685	\$ 350,989	123,813	474,802
Property tax receivable	12,129,373			-
Accounts receivable	-	14,686	252,327	267,013
Fines receivable, net of allowance for uncollectibles of \$2,543,146	500,351			-
Accounts receivable, net of allowance for uncollectibles of \$2,577,402	113,884			-
Loans receivable, net	2,087,000			-
Intergovernmental receivables	503,217			-
Other receivables	297,431			-
County and grants receivable	-		921,009	921,009
Prepaid expenses	-	6,617	8,524	15,141
Inventories, at cost	-	52,055		52,055
Intangible assets	-	93,074		93,074
Land and construction in progress	12,361,312	510,272	83,447	593,719
Other capital assets, net	60,195,566	4,911,294	7,560,470	12,471,764
<b>Total Assets</b>	<b>91,744,819</b>	<b>5,938,987</b>	<b>8,949,590</b>	<b>14,888,577</b>
<b>Deferred Outflows of Resources</b>				
Deferred outflows related to pension	707,772	99,860	199,369	299,229
Deferred amount on refunding	381,078			-
<b>Total Deferred Outflows of Resources</b>	<b>1,088,850</b>	<b>99,860</b>	<b>199,369</b>	<b>299,229</b>
<b>Liabilities</b>				
Claims payable	447,156			-
Amounts held in custody for others	213,895			-
Intergovernmental payables	227,863			-
Accrued interest payable	123,736			-
Accounts payable	-	39,862	132,064	171,926
Accrued payroll and payroll taxes	-		28,987	28,987
Unearned revenue	-	11,910		11,910
Bank overdraft	-		904,018	904,018
Long-term liabilities				-
Due within one year:				-
Capital related debt	2,041,193		2,087,000	2,087,000
Non-capital debt	380,000			-
Due in more than one year:				-
Capital related debt	16,613,913			-
Non-capital debt	1,838,481	12,488		12,488
Net pension liability	22,236,254	482,900	2,269,364	2,752,264
<b>Total Liabilities</b>	<b>44,122,491</b>	<b>547,160</b>	<b>5,421,433</b>	<b>5,968,593</b>
<b>Deferred Inflows of Resources</b>				
Deferred inflows related to pension	645,631	76,462	82,262	158,724
Deferred revenues - property tax	12,129,373			-
<b>Total deferred inflows of resources</b>	<b>12,775,004</b>	<b>76,462</b>	<b>82,262</b>	<b>158,724</b>
<b>Net Position</b>				
Net investment in capital assets	54,282,850	5,421,566	5,556,917	10,978,483
Restricted:				
Expendable:				
General government	347,585			
Public safety	368,337			
Public works	133,470			
Economic development	300,248			-
Unemployment	33,612			-
Insurance premiums	430,670			-
Non-expendable				-
Loan receivable	2,087,000			-
Unrestricted	(22,047,598)	(6,341)	(1,911,653)	(1,917,994)
<b>Total Net Position</b>	<b>\$ 35,936,174</b>	<b>\$ 5,415,225</b>	<b>3,645,264</b>	<b>9,060,489</b>

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

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

**Exhibit 2**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and	Component Units		
		Charges for	Operating	Capital Grants and	Changes in Net Position	Adams Co	Natchez-	Total
		Services	Grants and	Contributions	Primary Government	Airport	Adams Port	Component
			Contributions		Governmental	Comm.	Comm.	Units
					Activities			
<b>Primary government:</b>								
Governmental activities:								
General government	\$ 9,289,669	2,789,153	977,086		(5,523,430)			
Public safety	8,060,206	1,102,441	705,740	62,985	(6,189,040)			
Public works	6,129,849	1,193,893	7,806	784,775	(4,143,375)			
Health and welfare	382,360		95,627	51,094	(235,639)			
Culture and recreation	136,223				(136,223)			
Conservation of natural resources	125,118				(125,118)			
Economic development and assistance	465,274			546,020	80,746			
Interest on long-term debt	758,110				(758,110)			
Pension expense	2,135,537				(2,135,537)			
Total Governmental Activities	<u>27,482,346</u>	<u>5,085,487</u>	<u>1,786,259</u>	<u>1,444,874</u>	<u>(19,165,726)</u>			
Total Primary Government	<u>\$ 27,482,346</u>	<u>5,085,487</u>	<u>1,786,259</u>	<u>1,444,874</u>	<u>(19,165,726)</u>			
<b>Component Units:</b>								
Adams County Airport Commission	\$ 1,104,107	431,103	229,936			(443,068)		(443,068)
Natchez-Adams Port Commission	2,817,104	2,168,098					(649,006)	(649,006)
Total Component Units	<u>\$ 3,921,211</u>	<u>2,599,201</u>	<u>229,936</u>	<u>0</u>				<u>(1,092,074)</u>
<b>General revenues:</b>								
Property taxes	\$				15,334,729			-
Road & bridge privilege taxes					821,850			-
Grants and contributions not restricted to specific programs					2,106,044	210,000	914,346	1,124,346
Unrestricted investment income					48,876	219	342	561
Miscellaneous					779,102	55,977	10,391	66,368
Gain (loss) on disposal of capital assets					206,040			-
Total General Revenues					<u>19,296,641</u>	<u>266,196</u>	<u>925,079</u>	<u>1,191,275</u>
<b>Changes in Net Position</b>					<u>130,915</u>	<u>(176,872)</u>	<u>276,073</u>	<u>99,201</u>
Net Position - Beginning, as previously reported					37,120,233	5,592,097	3,369,191	8,961,288
Prior Period Adjustments					(1,314,974)	0	0	0
Net Position - Beginning, as restated					<u>35,805,259</u>	<u>5,592,097</u>	<u>3,369,191</u>	<u>8,961,288</u>
<b>Net Position - Ending</b>	<u>\$</u>				<u>35,936,174</u>	<u>5,415,225</u>	<u>3,645,264</u>	<u>9,060,489</u>

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

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

**Exhibit 3**

	Major Funds			
	General	County Wide Bond and Interest Sinking Fund	Other Governmental Funds	Total Governmental Funds
	Fund			
<b>ASSETS</b>				
Cash	\$ 1,772,807	38,502	1,254,024	3,065,333
Property tax receivable	8,448,012	1,338,794	2,342,567	12,129,373
Fines receivable, net of allowance for uncollectibles of \$2,543,146	500,351			500,351
Accounts receivable, net of allowance for uncollectibles of \$2,577,402			113,884	113,884
Loans receivable, net			2,087,000	2,087,000
Intergovernmental receivables	388,486		114,731	503,217
Due from other funds		25,276	38,379	63,655
Advances to other funds	154,536	15,831	73,023	243,390
Other receivables	297,431			297,431
Total Assets	<u>11,561,623</u>	<u>1,418,403</u>	<u>6,023,608</u>	<u>19,003,634</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Claims payable	161,676		259,640	421,316
Intergovernmental payables	296,401			296,401
Due to other funds	76,076			76,076
Advances from other funds	90,324		37,265	127,589
Amounts held in custody for others	213,895			213,895
Total Liabilities	<u>838,372</u>	<u>0</u>	<u>296,905</u>	<u>1,135,277</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	8,448,012	1,338,794	2,342,567	12,129,373
Unavailable revenue - garbage fees			113,884	113,884
Unavailable revenue - fines	500,351			500,351
Total Deferred Inflows of Resources	<u>8,948,363</u>	<u>1,338,794</u>	<u>2,456,451</u>	<u>12,743,608</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Advances	154,536			154,536
Loan receivable			2,087,000	2,087,000
Restricted for:				
General government			347,585	347,585
Public safety			368,337	368,337
Public works			133,470	133,470
Economic development			300,248	300,248
Debt service		79,609		79,609
Unemployment compensation			33,612	33,612
Unassigned	1,620,352			1,620,352
Total Fund Balances	<u>1,774,888</u>	<u>79,609</u>	<u>3,270,252</u>	<u>5,124,749</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 11,561,623</u>	<u>1,418,403</u>	<u>6,023,608</u>	<u>19,003,634</u>

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

**ADAMS COUNTY****Exhibit 3-1****Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position  
September 30, 2019**

	<u>Amount</u>
Total fund balance - Governmental Funds	\$ 5,124,749
Amounts reported for governmental services in the Statement of Net Position are different because:	
Capital assets are used in governmental activities and are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$66,133,361.	72,556,878
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	
Accounts Receivable, net	113,884
Fines Receivable, net	500,351
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(20,873,587)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(123,736)
Deferred amount on refunding	381,078
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(22,236,254)
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	707,772
Deferred inflows of resources related to pensions	(645,631)
Internal Service Funds are used by management to charge the cost of insurance to individual funds. The assets and liabilities of the Internal Service Funds are included in governmental activities in the Statement of Net Position.	430,670
Total Net Position - Governmental Activities	\$ <u><u>35,936,174</u></u>

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

**ADAMS COUNTY**
**Exhibit 4**
**Statement of Revenues, Expenditures, and Changes in Fund Balances for Governmental Funds  
For the Year Ended September 30, 2019**

	Major Funds			
	General	County Wide Bond and Interest Sinking Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 11,058,918	1,716,933	2,558,878	15,334,729
Road and bridge privilege taxes			821,850	821,850
Licenses, commissions and other revenue	487,817		463,093	950,910
Fines and forfeitures	300,843		34,433	335,276
Intergovernmental revenues	1,923,626		3,413,551	5,337,177
Charges for services	528,051		1,479,919	2,007,970
Interest income	46,247		332	46,579
Miscellaneous revenues	585,182		193,920	779,102
Total Revenues	14,930,684	1,716,933	8,965,976	25,613,593
EXPENDITURES				
Current:				
General government	7,404,909		359,097	7,764,006
Public safety	6,390,479		2,279,409	8,669,888
Public works			7,070,617	7,070,617
Health and welfare	382,360			382,360
Culture and recreation	160,297			160,297
Conservation of natural resources	786,010			786,010
Economic development and assistance	257,301		207,973	465,274
Debt service:				
Principal	920,597	1,271,230	782,417	2,974,244
Interest	52,531	492,737	168,270	713,538
Total Expenditures	16,354,484	1,763,967	10,867,783	28,986,234
Excess of Revenues over (under) Expenditures	(1,423,800)	(47,034)	(1,901,807)	(3,372,641)
OTHER FINANCING SOURCES ( USES)				
Long-term capital debt issued	866,552		390,566	1,257,118
Proceeds from sale of capital assets	47,258		211,555	258,813
Transfers in	729,369	59,828	2,265,756	3,054,953
Transfers out	(574,703)	(1,485,957)	(994,293)	(3,054,953)
Total Other Financing Sources and Uses	1,068,476	(1,426,129)	1,873,584	1,515,931
Net Changes in Fund Balances	(355,324)	(1,473,163)	(28,223)	(1,856,710)
Fund Balances - Beginning	2,130,212	1,552,772	3,298,475	6,981,459
Fund Balances - Ending	\$ 1,774,888	79,609	3,270,252	5,124,749

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

**ADAMS COUNTY****Exhibit 4-1****Reconciliation of the Statement of Revenues, Expenditures and Changes in  
Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended September 30, 2019**

	<u>Amount</u>
Net Change in Fund Balances - Governmental Funds	\$ (1,856,710)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Thus, the change in net position differs from the change in fund balances by the amount that capital outlays of \$2,841,880 exceeded depreciation of \$1,632,103 in the current period.	1,209,777
In the Statement of Activities, only gains and losses from the sale of capital assets are reported, while in the governmental funds, the proceeds from the sale of capital assets increases financial resources. Thus, the change in net position differs from the change in fund balance by the amount of the net gain of \$206,040 and the proceeds from the sale of capital assets of \$258,813 in the current period.	(52,773)
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.	(265,141)
Solid waste revenue recognized on the modified accrual basis in the funds during the current year is increased because prior year recognition would have been required on the Statement of Activities using the full-accrual basis of accounting.	26,524
Debt proceed provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Thus, the change in net position differs from the change in fund balances by the amount that debt proceeds of \$1,257,118 was exceeded by debt repayments of \$2,974,244.	1,717,126
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However, in the Statement of Activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. Thus, the change in net position differs from the change in fund balances by a combination of the following items:	
Change in compensated absences	55,525
Change in accrued interest payable	12,542
Amortization of bond premium	8,913
Amortization of refunding charges on long-term debt	(66,027)
Items reported in the Statement of Activities relating to the implementation of GASB 68 are not reported in the governmental funds. These activities include:	
Recognition of pension expense for the current year	(2,135,537)
Recognition of contributions made for the current year	1,335,081
An Internal Service Fund is used by management to charge the cost of insurance to individual funds. The net revenue (expense) is reported within governmental activities	141,615
Change in Net Position of Governmental Activities	\$ <u><u>130,915</u></u>

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

**ADAMS COUNTY**  
**Statement of Net Position – Proprietary Fund**  
**September 30, 2019**

**Exhibit 5**

	Internal Service Fund
	<hr/>
ASSETS	
Current assets:	
Cash	\$ 491,352
Advances to other funds	10,000
Total Assets	<hr/> 501,352 <hr/>
LIABILITIES	
Current liabilities:	
Claims payable	25,840
Advances from other funds	44,842
Total Liabilities	<hr/> 70,682 <hr/>
NET POSITION	
Restricted for claim payments	<hr/> 430,670
Total Net Position	\$ <hr/> 430,670 <hr/>

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



**ADAMS COUNTY****Exhibit 6****Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Fund  
For the Year Ended September 30, 2019**

	Internal Service Fund
Operating Revenues	
Premiums	\$ 2,029,948
Total Operating Revenues	<u>2,029,948</u>
Operating Expenses	
Claims payments	<u>1,890,630</u>
Total Operating Expenses	<u>1,890,630</u>
Operating Income ( Loss )	<u>139,318</u>
Nonoperating Revenues ( Expenses )	
Interest income	<u>2,297</u>
Net Nonoperating Revenue ( Expenses)	<u>2,297</u>
Change in Net Position	141,615
Net Position - Beginning	<u>289,055</u>
Net Position - Ending	<u>\$ 430,670</u>

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

**ADAMS COUNTY****Exhibit 7****Statement of Cash Flows – Proprietary Fund  
For the Year Ended September 30, 2019**

	Internal Service Fund
Cash Flows From Operating Activities	
Receipts for premiums	\$ 2,029,948
Other operating cash payments	<u>(1,917,036)</u>
Net Cash Provided (Used) by Operating Activities	<u>112,912</u>
Cash Flows From Investing Activities	
Interest on deposits	<u>2,297</u>
Net Cash Provided (Used) by Investing Activities	<u>2,297</u>
Net Increase (Decrease) in Cash and Cash Equivalents	115,209
Cash and Cash Equivalents at Beginning of Year	<u>376,143</u>
Cash and Cash Equivalents at End of Year	<u>\$ 491,352</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating income (Loss)	\$ 139,318
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Changes in assets and liabilities:	
Increase (decrease) in claims payable	<u>(26,406)</u>
Total Adjustments	<u>(26,406)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 112,912</u>

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

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

**Exhibit 8**

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 216,555
Due from other funds	<u>12,421</u>
Total Assets	<u><u>228,976</u></u>
LIABILITIES	
Intergovernmental payables	12,421
Amounts held in custody for others	135,596
Advances from other funds	<u>80,959</u>
Total Liabilities	\$ <u><u>228,976</u></u>

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

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

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.**

**A. Financial Reporting Entity.**

Adams 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 Adams 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
- Tax Collector
- Sheriff

**B. Individual Component Unit Disclosures.**

**Blended Component Units**

Certain component units, although legally separate from the primary government, are nevertheless so intertwined with the primary government that they are, in substance, the same as the primary government. Therefore, these component units are reported as if they are part of the primary government. The following component unit's balances and transactions are blended with the balances and transactions of the primary government. Adams County has one blended component unit – Adams County Public Improvement Corporation.

Adams County Public Improvement Corporation was incorporated as a nonprofit under Section 31-8-3, Miss. Code Ann. (1972) that allows counties to enter into lease agreements with any corporation. The Corporation's three-member Board of Directors is appointed by the Board of Supervisors. The Corporation produces a financial benefit through its ability to finance the construction of capital facilities for the primary government by obligating funds to repay debt pursuant to a lease agreement.

**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 separate columns to emphasize that they are legally separate from the County. The majority of the members of the governing bodies of these component units were appointed by the County Board of Supervisors.

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

The County reports the following discretely presented component units. Complete financial statements for these component units can be obtained through the Adams County Board of Supervisors.

- Adams County Airport Commission
- Natchez-Adams County Port Commission

The Adams County Airport Commission (the Airport) was established by a joint resolution and ordinance of the Board of Supervisors of Adams County, Mississippi, the Mayor and the Board of Aldermen of the City of Natchez, Mississippi, pursuant to Section 61-3-5 of the Mississippi Code of 1972, annotated and recompiled. Pursuant to the provisions of the joint resolution and ordinance of May 1998, the Adams County Board of Supervisors created the Adams County Airport Commission. Adams County provides the annual funding for the Airport; therefore, it is treated as a component unit of the County for reporting purposes. The Airport has a year end of September 30.

The Natchez-Adams County Port Commission (the Port) is located along the Mississippi River in the City of Natchez in Adams County, Mississippi. The Port is governed by a Board of Commissioners which are appointed by the Adams County Board of Supervisors. The Port has a year end of September 30.

Certified public accounting firms other than the primary government's auditor audited the financial statements for each discretely presented component unit listed above and provided these to the County as the primary government.

Financial information may be obtained from the Adams County Chancery Clerk's office at 115 S. Wall Street, Natchez, MS 39120.

**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 the Statement of Activities display information concerning the County as a whole. The statements include all non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities are generally financed through taxes, intergovernmental revenues and other non-exchange revenues. 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 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. 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

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

classified as program revenues, are presented as general revenues of the County, with certain limited exceptions. Internal service fund balances have been eliminated against the expenses and program revenue. The comparison of direct expenses with program revenues identifies the extent to which each business-type activity or governmental function is self-financing or draws from the general revenues of the County.

**Fund Financial Statements:**

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

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

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

The revenues and expenses of Proprietary Funds are classified as operating or non-operating. Operating revenues and expenses generally result from providing services in connection with a Proprietary Fund's primary operations. All other revenues and expenses are reported as non-operating.

Governmental financial statements are presented using a current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period when they are both measurable and available to finance operations during the year or to liquidate liabilities existing at the end of the year. Available means collected in the current period or within 60 days after year end to liquidate liabilities existing at the end of the year. Measurable means knowing or being able to reasonably estimate the amount. Expenditures are recognized in the accounting period when the related fund liabilities are incurred. Debt service expenditures and expenditures related to compensated absences and claims and judgments, are recognized only when payment is due. Property taxes, state appropriations and federal awards are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period.

The County reports the following major Governmental Funds:

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

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

County Wide Bond and Interest Sinking Fund – This fund is used to account for resources accumulated and used for the payment of long-term debt principal, interest, and related costs of borrowing for County projects.

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 expenditures 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 expenditures for principal and interest.

Capital Projects Funds - These funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

**PROPRIETARY FUND TYPE**

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

**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, certificates of deposit, and other cash equivalents, which are short-term highly liquid investments that are readily convertible to cash (generally three months or

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

less). Investments in governmental securities are stated at fair market 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. Inter-fund 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. Inter-fund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

**I. Capital Assets.**

Capital acquisition and construction are reflected as expenditures in Governmental Fund statements and the related assets are reported as capital assets in the governmental activities column in the government-wide financial statements. All purchased capital assets are stated at historical cost where records are available and at an estimated historical cost where no records exist. Capital assets include significant amounts of infrastructure which have been valued at estimated historical cost. The estimated historical cost was based on replacement cost multiplied by the consumer price index implicit price deflator for the year of acquisition. The extent to which capital asset costs, other than infrastructure, 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.

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. Depreciation is calculated on the straight-line basis for all assets, except land. A full year's depreciation expense is taken for all purchases and sales of capital assets during the year. The following schedule details those thresholds and estimated useful lives:



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

	<u>Capitalization Thresholds</u>	<u>Estimated Service Life</u>
Land	\$ 0	N/A
Buildings	50,000	40 years
Improvements other than buildings	25,000	20 years
Mobile equipment	5,000	5 to 10 years
Furniture and equipment	5,000	3 to 7 years
Infrastructure	0	20 to 50 years
Leased property under capital leases	*	*

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

**J. Deferred Outflows/Inflows of Resources.**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(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 11 for additional details.

Deferred amount on refunding. – For current refundings and advance refundings resulting in defeasance of debt reported by governmental activities, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter.

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 inflows of resources (revenues) until that time.

Deferred revenues – property taxes/unavailable revenue – property taxes – Deferred inflows of resources should be reported when resources associated with imposed non-exchange 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 the revenue becomes available.

Unavailable revenue – garbage fees – 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 the revenue becomes available.

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

Deferred inflows related to pensions – This amount represents the County's proportionate share of the deferred inflows of resources reported by the pension plan in which the County participates. See Note 11 for additional details.

**K. Pensions.**

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

**L. Long-term Liabilities.**

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

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, the face amount of debt issued is reported as other financing sources.

**M. 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,

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

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 non-spendable, 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 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.

**N. Property Tax Revenues.**

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

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

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 the original purchase.

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

**O. Intergovernmental Revenues in Governmental Funds.**

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

**P. Compensated Absences.**

The County has adopted a policy of compensation for accumulated unpaid employee personal leave. No payment is authorized for accrued major medical leave. Accounting principles generally accepted in the United States of America require accrual of accumulated unpaid employee benefits as long-term liabilities in the government-wide financial statements and Proprietary Funds financial statements. In fund financial statements, Governmental Funds report the compensated absence liability payable only if the payable has matured, for example an employee resigns or retires.

**Q. Changes In Accounting Standards.**

The County implemented the following standards issued by the Governmental Accounting Standards Board (GASB) in the current fiscal year as required: GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements. The provisions of this standard have been incorporated into the financial statements and notes.

**NOTE 2 – PRIOR PERIOD ADJUSTMENTS.**

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

Exhibit 2- Statement of Activities- Governmental Activities

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

Explanation	Amount
Governmental Activities	
To correct prior year pension liability and related components	(1,314,974)
Total prior period adjustments	<u>\$ (1,314,974)</u>

**NOTE 3 – DEPOSITS.**

Deposits:

The carrying amount of the County's total deposits with financial institutions at September 30, 2019, was \$3,773,240 and the bank balance was \$5,129,869. 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.

**NOTE 4 – INTER-FUND TRANSACTIONS AND BALANCES.**

The following is a summary of inter-fund balances at September 30, 2019:

A. Due From/To Other Funds

Receivable Fund	Payable Fund	Amount
County Wide Bond & Interest Sinking	General Fund	\$ 25,276
Other Governmental Funds	General Fund	38,379
Agency Funds	General Fund	12,421
Total		<u>\$ 76,076</u>

The receivables represent the tax revenues collected in September 2019, but not settled until October 2019. All interfund balances are expected to be repaid within one year from the date of the financial statements.

B. Advances from/to Other Funds:

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 28,735
General Fund	Internal Service Fund	44,842
General Fund	Agency Funds	80,959
County Wide Bond & Interest Sinking	General Fund	15,831
Other Governmental Funds	General Fund	64,493
Other Governmental Funds	Other Governmental Funds	8,530
Internal Service Fund	General Fund	10,000
Total		<u>\$ 253,390</u>

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

**C. Transfers In/Out:**

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	County Wide Bond & Interest Sinking	\$ 50,802
General Fund	Other Governmental Funds	678,567
County Wide Bond & Interest Sinking	General Fund	29,828
County Wide Bond & Interest Sinking	Other Governmental Funds	30,000
Other Governmental Funds	General Fund	544,875
Other Governmental Funds	County Wide Bond & Interest Sinking	1,435,155
Other Governmental Funds	Other Governmental Funds	285,726
Total		<u>\$ 3,054,953</u>

Transfers are for the following: 1) County matching on grants, 2) transfer of one mill funds, excess tax bids, and grand gulf fund for unrestricted operations, and 3) miscellaneous fund operations where cash was short.

**NOTE 5 – INTERGOVERNMENTAL RECEIVABLES.**

Intergovernmental receivables at September 30, 2019, consisted of the following:

<u>Governmental Activities:</u>	<u>Amount</u>
Legislative Tag Credit	\$ 209,015
Bellwood Levee Project	109,125
Emergency Watershed Project	179,471
Other Federal Grants	5,606
Total Governmental Activities	<u>\$ 503,217</u>

**NOTE 6 – LOANS RECEIVABLE.**

Loans receivable balances at September 30, 2019, are as follows:

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

Description	Date of Loan	Interest Rate	Maturity Date	Receivable Balance
Natchez-Adams County Port Commission	Nov-1997	5.20%	Nov-2017	\$ 2,087,000
Total loans receivable				<u>\$ 2,087,000</u>

With respect to the past maturity date, this loans receivable is used to pay the Mississippi Development Bank Port Improvement Bonds. In years where revenues are unavailable from the Port, Adams County repays the bonds. The Port then has the liability to repay the county. In the year ended September 30, 2019, the Port transferred \$0 to the county to assist in defraying the principal and interest payments on these bonds. The Port reports a corresponding payable. Even though the original maturity date has passed, the loans receivable from the Natchez-Adams County Port Commission still exists.

**NOTE 7– CAPITAL ASSETS.**

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

**Governmental activities:**

	Balance Oct. 1, 2018	Additions	Deletions	Adjustments	Balance Sept. 30, 2019
<b>Non-depreciable capital assets:</b>					
Land	\$ 12,361,312				12,361,312
Construction in progress	5,146,236	1,711,430		(6,857,666)	-
Total non-depreciable capital assets	<u>17,507,548</u>	<u>1,711,430</u>	<u>-</u>	<u>(6,857,666)</u>	<u>12,361,312</u>
<b>Depreciable capital assets:</b>					
Infrastructure	89,437,875	373,068		4,782,480	94,593,423
Buildings	16,876,622	121,385		2,075,186	19,073,193
Improvements other than buildings	1,366,707				1,366,707
Mobile equipment	5,448,235	273,604	276,295	414,820	5,860,364
Furniture and equipment	2,066,936	6,126	223,343		1,849,719
Leased property under capital leases	3,644,074	356,267		(414,820)	3,585,521
Total depreciable capital assets	<u>118,840,449</u>	<u>1,130,450</u>	<u>499,638</u>	<u>6,857,666</u>	<u>126,328,927</u>
<b>Less accumulated depreciation for:</b>					
Infrastructure	51,895,877	691,739			52,587,616
Buildings	5,492,016	269,126			5,761,142
Improvements other than buildings	419,182	32,538			451,720
Mobile equipment	4,421,470	204,235	245,856	249,746	4,629,595
Furniture and equipment	1,738,894	41,267	201,009		1,579,152
Leased property under capital leases	980,684	393,198		(249,746)	1,124,136
Total accumulated depreciation	<u>64,948,123</u>	<u>1,632,103</u>	<u>446,865</u>	<u>-</u>	<u>66,133,361</u>
Total depreciable capital assets, net	<u>53,892,326</u>	<u>(501,653)</u>	<u>52,773</u>	<u>6,857,666</u>	<u>60,195,566</u>
Governmental activities					
Capital assets, net	<u>\$ 71,399,874</u>	<u>1,209,777</u>	<u>52,773</u>	<u>-</u>	<u>72,556,878</u>

Adjustments are to reclassify completed construction in progress to infrastructure and buildings, and to reclassify paid off capital leases.

**ADAMS COUNTY, MISSISSIPPI**  
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Depreciation expense was charged to the following functions:

<b>Governmental Activities:</b>	<u>Amount</u>
General government	\$ 258,039
Public safety	361,940
Public works	<u>1,012,124</u>
Total governmental activities depreciation expense	<u>\$ 1,632,103</u>

**Capital Assets - Component Units:**

<u><b>Adams County Airport Commission</b></u>	Balance Oct. 1, 2018	Additions	Deletions	Adjustments	Balance Sept. 30, 2019
<u>Non-depreciable capital assets:</u>					
Land	\$ 268,655				268,655
Construction in progress	0	241,617			241,617
Total non-depreciable capital assets	<u>268,655</u>	<u>241,617</u>	<u>-</u>	<u>-</u>	<u>510,272</u>
<u>Depreciable capital assets:</u>					
Buildings and improvements	14,227,149				14,227,149
Equipment and fixtures	463,946				463,946
Total depreciable capital assets	<u>14,691,095</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,691,095</u>
<u>Less accumulated depreciation for:</u>					
Buildings and improvements	9,222,708	312,507			9,535,215
Equipment and fixtures	244,586				244,586
Total accumulated depreciation	<u>9,467,294</u>	<u>312,507</u>	<u>-</u>	<u>-</u>	<u>9,779,801</u>
Total depreciable capital assets, net	<u>5,223,801</u>	<u>(312,507)</u>	<u>-</u>	<u>-</u>	<u>4,911,294</u>
Component unit capital assets, net	<u>\$ 5,492,456</u>	<u>(70,890)</u>	<u>-</u>	<u>-</u>	<u>5,421,566</u>

**Natchez-Adams County Port Commission**

<u>Non-depreciable capital assets:</u>					
Land	\$ 40,697				40,697
Construction in progress	15,000	1,240,348	1,212,598		42,750
Total non-depreciable capital assets	<u>55,697</u>	<u>1,240,348</u>	<u>1,212,598</u>	<u>-</u>	<u>83,447</u>
<u>Depreciable capital assets:</u>					
Buildings and improvements	10,046,605	123,603			10,170,208
Equipment and fixtures	4,799,534	1,073,994	476,171		5,397,357
Total depreciable capital assets	<u>14,846,139</u>	<u>1,197,597</u>	<u>476,171</u>	<u>-</u>	<u>15,567,565</u>
<u>Less accumulated depreciation for:</u>					
Buildings and improvements	5,171,359	313,023			5,484,382
Equipment and fixtures	2,770,701	228,183	476,171		2,522,713
Total accumulated depreciation	<u>7,942,060</u>	<u>541,206</u>	<u>476,171</u>	<u>-</u>	<u>8,007,095</u>
Total depreciable capital assets, net	<u>6,904,079</u>	<u>656,391</u>	<u>-</u>	<u>-</u>	<u>7,560,470</u>
Component unit capital assets, net	<u>\$ 6,959,776</u>	<u>1,896,739</u>	<u>1,212,598</u>	<u>-</u>	<u>7,643,917</u>

**NOTE 8 – CLAIMS AND JUDGMENTS.**

Risk Financing – The County finances its exposure to risk of loss related to workers' compensation for injuries to its employees through the Mississippi Public Entity Workers' Compensation Trust, a public



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

The County finances its exposure to risk of loss relating to employee health and accident coverage through the Mississippi Public Entity Employee Benefit Trust, a public entity risk pool. The pool is a claims-servicing organization with the County retaining the risk of loss on all claims to which the County is exposed. Premium payments to the pool are determined on an actuarial basis. The County has reinsurance which functions on two stop loss coverages: specific and aggregate. These coverages are purchased from an outside commercial carrier. For the current fiscal year, the specific coverage begins when an individual participant's claim exceeds \$20,000, and the aggregate policy covers all submitted claims in excess of \$55,000. The reinsurance coverage limit is \$1,000,000. Claims expenses and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs).

The following table provides changes in the balances of claims liabilities for fiscal years 2018 and 2019:

		Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2017-2018	\$	137,448	1,612,219	1,697,421	52,246
2018-2019	\$	52,246	1,864,224	1,890,630	25,840

**NOTE 9 – CAPITAL LEASES.**

As Lessee

The County is obligated for the following capital assets acquired through capital leases as of September 30, 2019:

<u>Classes of Property</u>	<u>Governmental Activities</u>
Mobile equipment	\$ 3,195,761
Other Furniture and Equipment	389,760
Total	<u>3,585,521</u>
Less: Accumulated depreciation	<u>1,124,136</u>
Leased Property Under Capital Leases	<u><u>\$ 2,461,385</u></u>

The following is a schedule by years of the total payments due as of September 30, 2019:

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<u>Year Ending September 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 663,405	\$ 69,140
2021	1,039,568	76,356
2022	779,070	51,966
2023	434,296	29,265
2024	300,874	17,760
2025-2029	134,161	13,489
2030-2034	20,115	708
Total	<u>\$ 3,371,489</u>	<u>\$ 258,684</u>

**NOTE 10 – LONG TERM DEBT**

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

**ADAMS COUNTY, MISSISSIPPI**  
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Description and Purpose	Amount Outstanding	Interest Rate	Maturity Date
<b>Governmental Activities:</b>			
A. General Obligation Bonds:			
2017 Refunding Bonds	7,590,000	4.50%	08/2033
Refunded Hospital Bonds	1,580,000	4.50%	10/2023
Refunded GO Jail Bonds	760,000	2.00%	07/2024
Port Improvement Bonds	2,230,000	4.50%	07/2028
Capital Improvement Bonds, Series 2018	3,325,000	2.50-3.50%	03/2033
 Total General Obligation Bonds	 \$ <u>15,485,000</u>		
B. Capital Leases:			
Durapatcher Pot Hole Patcher	10,231	2.28%	06/2020
John Deere 544K Loader	101,299	2.15%	11/2019
2015 Caterpillar Loader	122,890	2.19%	11/2020
E-911 Dispatch System	47,402	2.04%	04/2020
(4) Chevrolet Tahoes - Sheriff	26,458	2.28%	02/2020
John Deere 410K Backhoe	59,419	2.15%	10/2019
John Deere Motor Grader	166,788	2.24%	11/2020
Caterpillar 934M Wheel Loader	113,668	2.07%	06/2021
John Deere 410L Backhoe/Loader	75,222	2.15%	06/2021
2016 Pierce Pumper Truck	340,094	2.49%	05/2024
(6) Interceptors for SO	119,322	2.37%	02/2022
(2) Tandem Dump Trucks	221,895	2.49%	05/2022
Cat 430 Loader/Sweeper	114,676	2.49%	06/2022
Zero Turn Tractor	38,564	2.94%	06/2023
Mini-Excavator	68,279	3.87%	09/2023
(4) Ram Trucks & Touchprint Booking System	132,000	3.73%	08/2023
(2) New Holland Tractors & (2) Diamond Cutters	197,489	3.53%	08/2023
(2) Bobtail Dump Trucks	158,675	2.39%	08/2022
Various Equipment	791,323	3.30%	02/2024
(4) Dodge Chargers	130,672	3.30%	02/2024
2019 Cat Tractor	194,158	3.40%	03/2030
Knuckle Boom Loader	140,965	3.56%	05/2024
 Total Capital Leases	 \$ <u>3,371,489</u>		
C. Other Loans:			
Revolving Loan - Freight Rail Service Projects	\$ 603,417	0.00%	09/2032
Series 2017 Negotiable Note	397,924	4.45%	06/2022
Series 2014 Negotiable Note	249,255	1.92%	11/2019
Total Other Loans	\$ <u>1,250,596</u>		

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

**ADAMS COUNTY, MISSISSIPPI**  
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**Governmental Activities:**

Year Ending September 30:	General Obligation Bonds		Other Loans	
	Principal	Interest	Principal	Interest
2020	\$ 1,330,000	569,182	427,788	13,949
2021	1,375,000	526,013	181,456	6,046
2022	1,425,000	481,213	183,725	3,057
2023	1,475,000	434,488	48,597	
2024	1,100,000	385,434	48,597	
2025-2029	5,070,000	1,322,034	242,983	
2030-2033	3,710,000	369,478	117,450	
Total	\$ 15,485,000	4,087,842	1,250,596	23,052

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 counties issue bonds to repair or replace washed out or collapsed bridges on the public roads of the County. As of September 30, 2019, the amount of outstanding debt was equal to 4.83% of the latest property assessments.

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

	Balance Oct. 1, 2018	Additions	Deletions	Balance Sept. 30, 2019	Amount due within one year
<b>Governmental Activities:</b>					
Compensated absences	\$ 694,006		55,525	638,481	-
General obligation bonds	17,441,230		1,956,230	15,485,000	1,330,000
Premiums	136,934		8,913	128,021	
Capital Leases	2,712,108	1,257,118	597,737	3,371,489	663,405
Other loans	1,670,873		420,277	1,250,596	427,788
Total	\$ 22,655,151	1,257,118	3,038,682	20,873,587	2,421,193
Deferred amount on refunding	447,105		66,027	381,078	

Compensated absences will be paid by the funds from which the employees' salaries were paid which are generally the General Fund, Road Maintenance Fund, County Wide Bridge and Culvert Fund and Solid Waste Fund.

**Component Units:**

**ADAMS COUNTY, MISSISSIPPI**  
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Natchez-Adams County Port Commission:

Description and Purpose	Amount Outstanding	Interest Rate	Maturity Date
Loans Payable:			
Improvements to the Adams County Port	\$ 2,087,000	5.20	11-2017
Total	\$ 2,087,000		

Port Commission Loan Disclosure:

With respect to the Mississippi Development Bank Port Improvement Bonds and to the past maturity date, the Port has a commitment to repay the bonds if revenues are available. In years where revenues are unavailable, Adams County, repays the bonds. The Port then has the liability to repay the county. In the year ended September 30, 2019, the Port transferred \$0 to the county to assist in defraying the principal and interest payments on these bonds. Adams County reports a corresponding receivable. Even though the original maturity date has passed, the loans payable to Adams County still exists.

Natchez-Adams County Port Commission:

	Balance Oct. 1, 2018	Additions	Deletions	Balance Sept. 30, 2019	Amount due within one year
Loans Payable	\$ 2,087,000	-	-	2,087,000	2,087,000
Total	\$ 2,087,000	-	-	2,087,000	2,087,000

Adams County Airport Commission:

	Balance Oct. 1, 2018	Additions	Deletions	Balance Sept. 30, 2019	Amount due within one year
Notes Payable	\$ 7,956	-	7,956	-	-
Total	\$ 7,956	-	7,956	-	-

The \$12,488 of long-term liabilities of the Adams County Airport Commission is for accrued compensated absences.

**NOTE 11 – DEFINED BENEFIT PENSION PLAN**

*General Information about the Pension Plan*

Plan Description. Adams 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.

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

Contributions. At September 30, 2019, PERS members were required to contribute 9% of their annual covered salary, and the County is required to contribute at an actuarially determined rate. The employer's rate at September 30, 2019 was 17.40% of annual covered payroll. This rate increased as of July 1, 2019 from 15.75%. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. The County's contributions (employer share only) to PERS for the years ending September 30, 2019, 2018, and 2017 were \$1,335,081, \$1,312,126, and \$1,226,581, respectively, equal to the required contributions for each year.

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

At September 30, 2019, the County reported a liability of \$22,236,254 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. The County's proportionate share used to calculate the September 30, 2019 net pension liability was 0.1264 percent, which was based on a measurement date of June 30, 2019. This was a decrease of 0.003 percent from its proportionate share used to calculate the September 30, 2018 net pension liability, which was based on a measurement date of June 30, 2018.

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For the year ended September 30, 2019, the County recognized pension expense of \$2,135,537. At September 30, 2019, the 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	\$ 13,463	22,473
Net difference between projected and actual earnings on pension plan investments	-	245,142
Changes of assumptions	217,801	-
Changes in the proportion and differences between County contributions and proportionate share of contributions	96,109	378,016
County Contributions subsequent to the measurement date	380,399	-
	<u>\$ 707,772</u>	<u>645,631</u>

The \$380,399 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending September 30:</u>	<u>Amount</u>
2020	\$ 49,588
2021	(429,131)
2022	(40,235)
2023	101,520
Total	<u>\$ (318,258)</u>

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

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

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

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

**ADAMS COUNTY, MISSISSIPPI**  
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by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The most recent target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2019, are summarized in the following table:

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

Discount Rate. The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00%) and that employer contributions will be made at the current employer contribution rate (17.40%). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
County's proportionate share of the net pension liability	\$ 29,230,326	22,236,254	16,463,275

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

**COMPONENT UNITS**

**Adams County Airport Commission**



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Plan Description. The Adams County Airport Commission contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing, multiple-employer defined benefit pension plan.

Contributions. The Airport's contributions (employer share only) to PERS for the years ending September 30, 2019, 2018 and 2017 were \$31,795, \$24,241 and \$26,604, respectively, equal to the required contributions for each year.

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

At September 30, 2019, the Airport reported a liability of \$482,900 for its proportionate share of the net pension liability. The Airport's proportionate share used to calculate the September 30, 2019 net pension liability was 0.002745 percent, which was based on a measurement date of June 30, 2019. This was an increase of 0.000096 percent from its proportionate share used to calculate the September 30, 2018 net pension liability, which was based on a measurement date of June 30, 2018.

For the year ended September 30, 2019, the Airport recognized pension expense of \$20,522. At September 30, 2019, the Airport 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	\$ 19,602	19,094
Net difference between projected and actual earnings on pension plan investments	-	56,480
Changes of assumptions	4,760	-
Changes in the proportion and differences between Airport contributions and proportionate share of contributions	67,122	887
Contributions subsequent to the measurement date	8,376	-
	<u>\$ 99,860</u>	<u>76,461</u>

The \$8,376 reported as deferred outflows of resources related to pensions resulting from Airport contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending September 30:	Amount
2020	\$ 3,776
2021	3,776
2022	3,776
2023	3,695
Total	<u>\$ 15,023</u>

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

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	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Proportionate share of the net pension liability	\$ 634,788	482,900	357,529

**Natchez-Adams County Port Commission**

Plan Description. The Natchez-Adams County Port Commission contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing, multiple-employer defined benefit pension plan.

Contributions. The Port's contributions (employer share only) to PERS for the years ending September 30, 2019, 2018 and 2017 were \$132,024, \$126,336 and \$114,574, respectively, equal to the required contributions for each year.

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

At September 30, 2019, the Port reported a liability of \$2,269,364 for its proportionate share of the net pension liability. The Port's proportionate share used to calculate the September 30, 2019 net pension liability was 0.012871 percent, which was based on a measurement date of June 30, 2019. This was an increase of 0.00031 percent from its proportionate share used to calculate the September 30, 2018 net pension liability, which was based on a measurement date of June 30, 2018.

For the year ended September 30, 2019, the Port recognized pension expense of \$380,253. At September 30, 2019, the Port 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	\$ 1,311	2,064
Net difference between projected and actual earnings on pension plan investments	40,048	80,198
Changes of assumptions	14,480	-
Changes in the proportion and differences between Port contributions and proportionate share of contributions	85,790	-
Contributions subsequent to the measurement date	57,740	-
	<u>\$ 199,369</u>	<u>82,262</u>

The \$57,740 reported as deferred outflows of resources related to pensions resulting from Port contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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<u>Year ending September 30:</u>	<u>Amount</u>
2020	\$ 88,293
2021	(28,540)
2022	(193)
2023	(193)
Total	\$ <u>59,367</u>

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

	1% Decrease <u>(6.75%)</u>	Current Discount Rate <u>(7.75%)</u>	1% Increase <u>(8.75%)</u>
Proportionate share of the net pension liability	\$ 2,983,158	2,269,364	1,680,192

**NOTE 12 – DEFICIT FUND BALANCES OF INDIVIDUAL FUNDS.**

The following funds reported deficits in fund balances at September 30, 2019:

<u>Fund</u>	<u>Deficit Amount</u>
Governmental Activities	
Waste Collection and Disposal Fund	\$ 58,553
Total	\$ <u>58,553</u>

**NOTE 13 – 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 statement.

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.

**NOTE 14 - EFFECT OF DEFERRED AMOUNTS ON NET POSITION.**

The governmental activities' unrestricted net position deficit amount of \$(22,047,598) 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 \$380,399 resulting from County contributions subsequent

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

to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2020. The \$327,373 balance of the deferred outflow of resources related to pensions at September 30, 2019, will be recognized in pension expense over the next 4 years. The \$645,631 balance of the deferred inflow of resources related to pension at September 30, 2019, will be recognized in pension expense over the next 3 years.

The governmental activities' net investment in capital assets net position of \$54,282,850 includes the effect of deferring the recognition of expenditures resulting from an advance refunding of County debt. The \$381,078 balance of deferred outflows of resources at September 30, 2019, will be recognized as an expense and will decrease the net investment in capital assets net position. This was proportionally expended beginning in the 2017 fiscal year and will continue through the end of the refunded debt, which is fiscal year 2024.

**NOTE 15 – JOINTLY GOVERNED ORGANIZATIONS.**

The County participates in the following jointly governed organizations:

Copiah-Lincoln Community College operates in a district composed of the Counties of Adams, Copiah, Franklin, Jefferson, Lawrence, Lincoln, and Simpson. The Adams County Board of Supervisors appoints five of the 27 members of the board of trustees. The County appropriated \$895,702 for maintenance and support of the college in fiscal year 2019.

Southwest Mississippi Planning and Development District operates in a district composed of the counties of Adams, Amite, Claiborne, Franklin, Jefferson, Lawrence, Lincoln, Pike, Walthall, and Wilkinson. The Adams County Board of Supervisors appoints four of the 40 members of the district board of directors. The County appropriated \$71,865 for support of the district in fiscal year 2019.

Southwest Mississippi Mental Health Complex operates in a district composed of the Counties of Adams, Amite, Claiborne, Franklin, Jefferson, Lawrence, Lincoln, Pike, Walthall, and Wilkinson. The Adams County Board of Supervisors appoints one of the ten members of the board of commissioners. The County contributes a small part of the entity's total revenues. The County appropriated \$77,143 for support of the district in fiscal year 2019.

Southwest Mississippi Development Corporation operates in a district composed of the Counties of Adams, Amite, Claiborne, Franklin, Jefferson, Lawrence, Lincoln, Pike, Walthall, and Wilkinson. The entity is governed by 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 provide only modest financial support for the Corporation.

**NOTE 16 - TAX ABATEMENT**

Governmental Accounting Standards Board (GASB) Statement 77, *Tax Abatement Disclosures*, requires governmental entities to disclose the reduction in tax revenues resulting from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

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

The Adams County Board of Supervisors negotiates property tax abatements on an individual or entity basis with varying abatement periods. These abatements contribute to the economic development and citizenry of the County. The County had tax abatement agreements with fourteen entities as of September 30, 2019.

The County had abatements under the following statutes, which do not provide for the abatement of school or state tax levies: 27-31-101, 27-31-102, and 27-31-105, Miss. Code (Ann.) 1972. All allowable property tax levies are as follows:

Category	Fiscal Year 2019	
	% of Taxes Abated	Amount of Taxes Abated
Economic development projects	100%	\$ 1,854,697

The companies were not required to comply with any special provisions in order to receive the abatements and the County made no commitments as part of the agreements other than to reduce taxes.

**NOTE 17 – 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 Adams County evaluated the activity of the County through August 8, 2022 (the date the financial statements were available to be issued) and determined that the following subsequent events have occurred that require disclosure in the notes to the financial statements.

Subsequent to September 30, 2019, the County issued the following debt obligations:

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

<u>Issue Date</u>	<u>Interest Rate</u>	<u>Issue Amount</u>	<u>Type of Financing</u>	<u>Source of Financing</u>
05/21/2020	2.32%	52,718	Lease purchase	Ad valorem taxes
07/29/2020	2.29%	443,850	Lease purchase	Ad valorem taxes
08/04/2020	2.25%	201,607	Lease purchase	Ad valorem taxes
11/2/2020	2.34%	527,823	Lease purchase	Ad valorem taxes
3/12/2021	2.15%	282,289	Lease purchase	Ad valorem taxes
11/2/2021	2.29%	186,477	Lease purchase	Ad valorem taxes
11/10/2021	2.58%	275,596	Lease purchase	Ad valorem taxes
12/29/2021	2.59%	134,929	Lease purchase	Ad valorem taxes

**SUBSEQUENT EVENT DISCLOSURE FOR COVID-19**

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

## **ADAMS COUNTY**

### **REQUIRED SUPPLEMENTARY INFORMATION**

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

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 11,071,887	11,071,887	11,071,731	(156)
Licenses, commissions and other revenue	455,467	455,467	456,993	1,526
Fines and forfeitures	314,773	314,773	314,773	-
Special assessments	1,370	1,370	-	(1,370)
Intergovernmental revenues	1,757,593	1,757,593	1,757,593	-
Charges for services	472,338	472,338	551,231	78,893
Interest income	45,390	45,390	45,390	-
Miscellaneous revenues	664,075	664,075	585,182	(78,893)
Total Revenues	<u>14,782,893</u>	<u>14,782,893</u>	<u>14,782,893</u>	<u>-</u>
<b>EXPENDITURES</b>				
General government	6,593,250	6,593,250	7,274,872	(681,622)
Public safety	6,499,963	6,499,963	6,369,423	130,540
Public works	-	-	-	-
Health and welfare	382,443	382,443	382,443	-
Culture and recreation	210,896	210,896	210,896	-
Education	691,982	691,982	-	691,982
Conservation of natural resources	797,903	797,903	797,903	-
Economic development and assistance	252,301	252,301	252,301	-
Debt service	832,228	832,228	973,128	(140,900)
Total Expenditures	<u>16,260,966</u>	<u>16,260,966</u>	<u>16,260,966</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	<u>(1,478,073)</u>	<u>(1,478,073)</u>	<u>(1,478,073)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sources	1,643,180	1,643,180	1,643,180	-
Uses	<u>(574,703)</u>	<u>(574,703)</u>	<u>(574,703)</u>	<u>-</u>
Total Other Financing Sources and Uses	<u>1,068,477</u>	<u>1,068,477</u>	<u>1,068,477</u>	<u>-</u>
Net Change in Fund Balance	(409,596)	(409,596)	(409,596)	-
Fund Balance - Beginning	<u>651,571</u>	<u>613,774</u>	<u>2,595,246</u>	<u>1,981,472</u>
Fund Balance - Ending	<u>\$ 241,975</u>	<u>204,178</u>	<u>2,185,650</u>	<u>1,981,472</u>

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



**ADAMS COUNTY**  
**Schedule of the County's Proportionate Share of the Net Pension Liability**  
**Last 10 Fiscal Years\***  
**For the Year Ended September 30, 2019**

	<b>UNAUDITED</b>					
<b>Adams County</b>	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset)	0.1264%	0.1294%	0.1187%	0.1137%	0.1178%	0.1138%
County's proportionate share of the net pension liability (asset)	\$ 22,236,254	21,518,573	19,727,813	20,310,016	18,201,828	13,807,531
County's covered payroll	\$ 8,229,706	8,330,952	8,582,533	7,587,328	7,377,765	7,391,308
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	270.19%	258.30%	229.86%	267.68%	246.71%	186.81%
Plan fiduciary net position as a percentage of the total pension liability	61.59%	62.54%	61.49%	57.47%	61.70%	67.21%

**COMPONENT UNITS**

**Adams County Airport Commission**

Proportion of the net pension liability (asset)	0.002745%	0.002649%	0.002606%	0.002557%	0.003089%	**
Proportionate share of the net pension liability (asset)	\$ 482,900	440,608	460,144	460,144	477,498	**
Covered payroll	\$ 196,833	153,913	168,915	154,886	186,470	**
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	245.33%	286.27%	272.41%	297.09%	256.07%	**
Plan fiduciary net position as a percentage of the total pension liability	61.59%	62.54%	61.49%	57.47%	61.70%	**

**Natchez-Adams County Port Commission**

Proportion of the net pension liability (asset)	0.012871%	0.012561%	0.010896%	0.011349%	0.011976%	**
Proportionate share of the net pension liability (asset)	\$ 2,269,364	2,095,754	1,811,949	2,027,215	1,851,253	**
Covered payroll	\$ 839,831	807,466	727,328	707,779	764,800	**
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	270.22%	259.55%	249.12%	286.42%	242.06%	**
Plan fiduciary net position as a percentage of the total pension liability	61.59%	62.54%	61.49%	57.47%	61.70%	**

\* 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.

\*\* Information is unavailable for September 30, 2015 for the Adams County Airport Commission and the Natchez-Adams Port Commission.

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

**ADAMS COUNTY**  
**Schedule of the County's Contributions**  
**Last 10 Fiscal Years\***  
**For the Year Ended September 30, 2019**

	<b>UNAUDITED</b>					
<b>Adams County</b>	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 1,335,081	1,312,126	1,226,581	1,195,004	1,161,998	1,088,398
Contributions in relation to the contractually required contribution	1,335,081	1,312,126	1,226,581	1,195,004	1,161,998	1,088,398
Contribution deficiency (excess)	\$ -	-	-	-	-	-
County's covered payroll	\$ 8,248,434	8,330,959	7,787,816	7,587,327	7,377,765	6,910,463
Contributions as a percentage of covered payroll	16.19%	15.75%	15.75%	15.75%	15.75%	15.75%

**COMPONENT UNITS**

**Adams County Airport Commission**

Contractually required contribution	\$ 31,795	24,241	26,604	24,395	29,369	**
Contributions in relation to the contractually required contribution	31,795	24,241	26,604	24,395	29,369	**
Contribution deficiency (excess)	\$ -	-	-	-	-	**
Covered payroll	\$ 196,833	153,913	168,915	154,886	186,470	**
Contributions as a percentage of covered payroll	16.15%	15.75%	15.75%	15.75%	15.75%	**

**Natchez-Adams County Port Commission**

Contractually required contribution	132,024	126,336	114,574	111,745	120,456	**
Contributions in relation to the contractually required contribution	132,024	126,336	114,574	111,745	120,456	**
Contribution deficiency (excess)	-	-	-	-	-	**
Covered payroll	839,831	807,466	727,328	707,779	764,800	**
Contributions as a percentage of covered payroll	15.72%	15.65%	15.75%	15.79%	15.75%	**

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

\*\* Information is unavailable for September 30, 2015 for the Adams County Airport Commission and the Natchez-Adams Port Commission.

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

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

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

**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, Tax Assessor and Tax Collector for his or her respective department, prepares an original budget for each of the Governmental Funds for said fiscal year. The completed budget for the fiscal year includes for each fund every source of revenue, each general item of expenditure, and the unencumbered cash and investment balances. When during the fiscal year it appears to the Board of Supervisors that budgetary estimates will not be met, it may make revisions to the budget.

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

**B. Basis of Presentation.**

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

**C. Budget/GAAP Reconciliation.**

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

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

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

<u>Governmental Funds</u>	<u>General Fund</u>
Budget (Cash basis)	\$ (409,596)
Increase (Decrease)	
Net adjustments for revenue accruals	147,791
Net adjustments for expenditure accruals	<u>(93,519)</u>
GAAP Basis	<u>\$ (355,324)</u>

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

**UNAUDITED**

**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**

- 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 assumption 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% to 7%.

**2019**

- The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:
  - For males, 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119.
  - For females, 85% of the female rates from ages 18 to 65 scaled up to 102% for ages 75 to 119.
  - Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.
- The expectation of disabled mortality was changed to PubT.H-2010 Disabled Retiree Table for disabled retirees with the following adjustments:
  - For males, 137% of male rates at all ages.
  - For females, 115% of female rates at all ages.

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

**UNAUDITED**

- Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.
- The price inflation assumption was reduced from 3.00% to 2.75%.
- The wage inflation assumption was reduced from 3.25% to 3.00%.
- Withdrawal rates, pre-retirement mortality rates, and service retirement rates were also adjusted to more closely reflect actual experience.
- The percentage of active member disabilities assumed to be in the line of duty was increased from 7% to 9%.

**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, 2017 valuation for the June 30, 2019 fiscal year end). The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in that schedule:

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

## **ADAMS COUNTY**

## **SUPPLEMENTARY INFORMATION**

**ADAMS COUNTY**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended September 30, 2019**

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
<b><u>U.S. Department of Agriculture</u></b>			
Passed-through USDA, Natural Resources Conservation Service Emergency Watershed Protection Program *	10.923	68-4423-16-258	\$ 192,162
Total Passed-through USDA, Natural Resources Conservation Service			<u>192,162</u>
Community Facilities Loans and Grants (Sheriff Vehicle Grant) (Direct)	10.766	N/A	45,300
Community Facilities Loans and Grants (Fire Equipment Grant) (Direct)	10.766	N/A	<u>22,300</u>
Total Community Facilities Loans and Grants			<u>67,600</u>
<b>Total United States Department of Agriculture</b>			<u>259,762</u>
<b><u>U.S. Department of Housing and Urban Development</u></b>			
Passed-through Mississippi Development Authority Community Development Block Grants	14.228	Unknown	51,094
Total Passed-through Mississippi Development Authority			<u>51,094</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<u>51,094</u>
<b><u>U.S. Department of Justice</u></b>			
Passed-through Mississippi Department of Public Safety Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-Unknown	83,669
Total Passed-through Mississippi Department of Public Safety			<u>83,669</u>
Passed-through Mississippi Department of Health Crime Victim Assistance	16.575	2019-VA-Unknown	281,012
Total Passed-through Mississippi Department of Health			<u>281,012</u>
Bulletproof Vest Partnership Program (Direct)	16.607	N/A	12,925
<b>Total U.S. Department of Justice</b>			<u>377,606</u>
<b><u>Delta Regional Authority</u></b>			
Passed-through Southwest Mississippi Planning and Development District Delta Area Economic Development *	90.201	MS-Unknown	308,440
Total Passed-through Southwest Mississippi Planning and Development District			<u>308,440</u>
<b>Total Delta Regional Authority</b>			<u>308,440</u>
<b><u>U.S. Department of Health and Human Services</u></b>			
Passed-through Mississippi Department of Human Services Temporary Assistance for Needy Families	93.558	Unknown	45,136
Total Passed-through MS Dept of Human Services			<u>45,136</u>
<b>Total U.S. Department of Health and Human Services</b>			<u>45,136</u>
<b><u>U.S. Department of Homeland Security</u></b>			
Assistance to Firefighters Grant (Direct)	97.044	N/A	6,163
<b>Total U.S. Department of Homeland Security</b>			<u>6,163</u>
Total Expenditures of Federal Awards			\$ <u>1,048,201</u>

\* Denotes major federal award program

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Note A - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Adams County under programs of the federal government for the year ended September 30, 2019. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Adams County it is not intended to and does not present the financial position, changes in net position or cash flows of Adams County.

**Note B - Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts (if any) shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**Note C - Indirect Cost Rate**

Adams County has not elected to use the 10% de minimis indirect cost rate allowed under Uniform Guidance.

## **ADAMS COUNTY**

## **OTHER INFORMATION**



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

Name	Position	Company	Bond
Mike Lazarus	Supervisor District 1	Briarfield	100,000
David Carter	Supervisor District 2	Briarfield	100,000
Angela Hutchins	Supervisor District 3	Briarfield	100,000
James Gray	Supervisor District 4	CNA Surety	100,000
Calvin Butler	Supervisor District 5	Briarfield	100,000
Brandi Lewis	Chancery Clerk	Briarfield	100,000
Joseph H. Murray	County Administrator	Briarfield	100,000
Reynolds Atkins	Tax Assessor	Briarfield	100,000
Marilyn Washington	Deputy Tax Assessor	Western Surety	10,000
Martha Dianne White	Deputy Tax Assessor	Western Surety	10,000
Mary Helen Flowers	Deputy Tax Assessor	Briarfield	10,000
Michael Pace	Deputy Tax Assessor	Western Surety	10,000
Myra Myers	Deputy Tax Assessor	Western Surety	10,000
Peter T. Burns, Jr.	Tax Collector	Briarfield	100,000
C. Paige Dearing	Deputy Tax Collector	Western Surety	50,000
LaKeysha Green	Deputy Tax Collector	Western Surety	50,000
Linda Golden	Deputy Tax Collector	Briarfield	50,000
Pamela Goldman	Deputy Tax Collector	Briarfield	50,000
Shirley Emery	Deputy Tax Collector	Western Surety	50,000
Eddie Walker	Circuit Clerk	Briarfield	100,000
Dianne B. Goodman	Deputy Circuit Clerk	Briarfield	100,000
Marilyn Jackson	Deputy Circuit Clerk	CNA Surety	100,000
Meagan Edmonds	Deputy Circuit Clerk	Western Surety	100,000
Eva Givens	Deputy Circuit Clerk	Western Surety	100,000
Travis L. Patten	Sheriff	CNA Surety	100,000
Frances Bell	Purchase Clerk	CNA Surety	75,000
Kristie Sewell	Asst. Purchase Clerk	CNA Surety	50,000
Claudia White	Receiving Clerk	Western Surety	75,000
Angie King	Asst. Receiving Clerk	Western Surety	50,000
Cindy Aldridge	Asst. Receiving Clerk	CNA Surety	50,000
Clarise Martin	Asst. Receiving Clerk	Western Surety	50,000
James Wells	Asst. Receiving Clerk	Western Surety	50,000
Jerry R. Buckels	Asst. Receiving Clerk	Western Surety	50,000
John Michael Collier	Asst. Receiving Clerk	Western Surety	50,000
Johnette Wilks	Asst. Receiving Clerk	Western Surety	50,000
Johnny Williams	Asst. Receiving Clerk	Western Surety	50,000
Louis Banks	Asst. Receiving Clerk	Western Surety	50,000
Mary Ann Anderson	Asst. Receiving Clerk	Western Surety	50,000
Mary Kay Dougherty	Asst. Receiving Clerk	Briarfield	50,000
Michael Chatman	Asst. Receiving Clerk	Western Surety	50,000
Sammy Gaines	Asst. Receiving Clerk	Western Surety	50,000
Sheila D. Jackson	Asst. Receiving Clerk	RLI Surety	50,000
William Neely	Asst. Receiving Clerk	RLI Surety	50,000
Corvet McNeal	Inventory Control Clerk	Western Surety	75,000
Robert Joseph Dollar	Road Manager	Western Surety	50,000
Willie B. Jones	Constable-Northern District	CNA Surety	50,000
Adam W. Kirk	Constable-Southern District	Briarfield	50,000
Patricia F. Dunmore	Justice Court Judge-Northern	Briarfield	50,000
Eileen Mary Maher	Justice Court Judge-Southern	Western Surety	50,000
Audrey Bailey	Justice Court Clerk	Western Surety	50,000
Andrea Ford	Deputy Justice Court Clerk	Western Surety	50,000
Patrick Heavens	Deputy Justice Court Clerk	Western Surety	50,000
Verna Johnson	Deputy Justice Court Clerk	Western Surety	50,000

## **ADAMS 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  
Adams 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 aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Adams County, Mississippi (the County), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated August 8, 2022. Our report includes a reference to other auditors who audited the financial statements of Adams County Airport Commission and Natchez-Adams County Port Commission, as described in our report on the Adams County, Mississippi financial statements. This report does not include the results of the auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The report is qualified on the governmental activities and General Fund because the Tax Collector did not reconcile their bank statements nor match up to the booked cash.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Adams 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 Adams 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 Questioned Costs, we have 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 deficiency described in the accompanying Schedule of Findings and Questioned Costs as 2019-001 to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as 2019-002 and 2019-003 to be significant deficiencies.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Adams County, Mississippi's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the management of Adams 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 August 8, 2022, included within this document.

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

Adams County's responses to the findings identified in our audit are described in the accompanying Auditee's Corrective Action Plan. Adams 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

August 8, 2022

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## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE**

Members of the Board of Supervisors  
Adams County, Mississippi

### **Report on Compliance for Each Major Federal Program**

We have audited Adams County, Mississippi's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Adams County, Mississippi's major federal programs for the year ended September 30, 2019. Adams County, Mississippi's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

### **Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Adams County, Mississippi's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance.) Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Adams County, Mississippi's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each of the major federal programs. However, our audit does not provide a legal determination of Adams County, Mississippi's compliance.

## Opinion on Each Major Federal Program

In our opinion, Adams County, Mississippi complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2019.

## Report on Internal Control Over Compliance

Management of Adams County, Mississippi is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Adams County, Mississippi's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report 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  
August 8, 2022

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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  
Adams County, Mississippi

We have examined Adams County, Mississippi's (the County) compliance with establishing and maintaining a central purchasing system and inventory control system in accordance with Section 31-7-101 through 31-7-127, Miss. Code Ann. (1972) and compliance with the purchasing requirements in accordance with the bid requirements of Section 31-7-13, Miss. Code Ann. (1972) during the year ended September 30, 2019. The Board of Supervisors of Adams County, Mississippi is responsible for County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the County's compliance with those requirements and performing other procedures as we considered necessary in the circumstances. We believe our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the County's compliance with specified requirements. The Board of Supervisors of Adams County, Mississippi, has established centralized purchasing for all funds of the County and has established an inventory control system. The objective of the central purchasing system is to provide reasonable, but not absolute, assurance that purchases are executed in accordance with state law.

Because of inherent limitations in any central purchasing system and inventory control system, errors or irregularities may occur and not be detected. Also, projection of any current evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

The results of our audit procedures disclosed a certain instance of noncompliance with the aforementioned code sections. This instance of noncompliance was considered in forming our opinion on compliance. Our finding and recommendation and your response are disclosed below:

**Receiving Clerk**

1. Public Officials Should Ensure that the Receiving Clerk Properly Acknowledges Receipt of all Purchases and Executes a Receiving Report in Compliance with State Law.



<b>Repeat Finding</b>	Yes; 2018
<b>Criteria</b>	<i>Section 31-7-109, Mississippi Code Annotated (1972), states, "The receiving clerk or his assistants shall, upon proper delivery of equipment, heavy equipment, machinery, supplies, commodities, materials or services, acknowledge receipt of goods in compliance with a receipting system prescribed by the State Department of Audit under the authority of Section 7-7-211 and in accordance with Section 31-7-113, and the receiving clerk shall be responsible for the maintenance of such system."</i>
<b>Condition</b>	During the course of our test work, we noted the following instances of non-compliance: <ul style="list-style-type: none"> <li>• Three (3) instances where the Receiving Clerk had not properly executed the receiving report</li> </ul>
<b>Cause</b>	The Receiving Clerk and Assistant Receiving Clerks failed to properly acknowledge receipt of goods and services purchased by the County by executing a receiving report.
<b>Effect</b>	The County is not in compliance with the State's receiving law, and this may result in the misappropriation of public funds.
<b>Recommendation</b>	The Receiving Clerk should ensure that all items purchased by the County are properly acknowledged as received by correctly completing a receiving report.
<b>Response</b>	Adams County will comply with the above stated law concerning receiving.

In our opinion, except for the noncompliance referred to in the preceding paragraph, Adams County, Mississippi, complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements for the year ended September 30, 2019.

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

Adams 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 Adams 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  
August 8, 2022

**ADAMS COUNTY**  
**Schedule of Purchases Not Made From the Lowest Bidder**  
**For the Year Ended September 30, 2019**

**Schedule 1**

Our tests did not identify any purchases not made from the lowest bidder.

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

**Schedule 2**

<u>Date</u>	<u>Item Purchased</u>	<u>Amount</u>	<u>Vendor</u>	<u>Reason for Emergency Purchase</u>
6/18/2019	Pothole repair	\$ 350	MMC Materials, Inc.	Safety of the public

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

<u>Date</u>	<u>Item Purchased</u>	<u>Amount</u>	<u>Vendor</u>
3/6/2019	Burner breaker passcode breaking and strike device unlocked	\$ 5,699.00	Susteen, Incorporated
3/20/2019	Taser 7 & Certification Plan	18,000.00	Axon Enterprise, Inc.
3/28/2019	Bullex Bulls Eye Trainer's package, Gas Trainer plus package, Physio control CRplus AED automatic, Bullex attack digital nozzle, digital hose line nozzle, Magnum hose line extinguisher and trainer's plus package	48,815.55	North America Fire Equipment Co., Inc.
4/15/2019	Replaced Edwards EST2 System located at Juv Justice Facility	7,805.00	B&E Communications, Inc.

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## LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors  
Adams County, Mississippi

In planning and performing our audit of the financial statements of Adams County, Mississippi for the year ended September 30, 2019, we considered Adams 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 Adams 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 August 8, 2022, on the financial statements of Adams 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. Public Officials and Employees should ensure compliance with state law over surety bonding requirements.

**Repeat Finding** Yes, 2018

<b>Criteria</b>	<i>Section 25-1-15, Mississippi Code Annotated (1972), 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."</i>
<b>Condition</b>	During the course of our testing we noted the following instances of non-compliance: <ul style="list-style-type: none"> <li>• Two (2) individuals had indefinite bonds</li> </ul>
<b>Cause</b>	Public Officials and the Board of Supervisors have insufficient control over the requirements for bonding officials and employees.
<b>Effect</b>	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.
<b>Recommendation</b>	We recommend the Board of Supervisors implement procedures to ensure that County officials' and employees' bonds meet the requirements of State Laws.
<b>Auditor's Note</b>	Due to the timing of the Compliance Audit Report for 2018, the County was unable to rectify all identified surety bond issues before the close of FY 2019, but the Auditor notes that all bond-related issues appear to have been corrected.
<b>Response</b>	As stated in the auditor's note, the county had already implemented its policy to securing new bonds, rather than renewing old bonds, after notified through its last audit. Unfortunately, these two bonds in question were not set for renewal until after the beginning of this fiscal year. The county is now in complete compliance.

## Justice Court Clerk

2. The Justice Court Clerk is not making accurate deposits.

<b>Repeat Finding</b>	No
<b>Criteria</b>	An effective system of internal controls requires that bank deposits be made accurately, and any identified unexplained differences be resolved in a timely manner.
<b>Condition</b>	During the course of our test work, we found one (1) instance where the collections per the computer system did not match the bank deposits and two (2) instances where the collections per the computer system did not match the credit card deposit reflected on the bank statement.
<b>Cause</b>	The Justice Court Clerk has not established a system of internal control to ensure deposits are made accurately.
<b>Effect</b>	Inadequate controls surrounding the deposit of revenue collections could result in improper revenue recognition.

**Recommendation** The Justice Court Clerk should implement an effective internal control system to ensure the accuracy of deposits.

**Response** In regards to 4/5/2019 and 4/15/2019 I don't have any knowledge of the data collection method at that time. I became Justice Court Clerk January of 2020. To ensure accuracy daily deposits are made daily. Deposits are turned in between 3 PM – 4 PM. Any payments taken after deposits are turned in are receipted the following business day. Credit Card reports are received and receipted every Wednesday unless it is the end of the month. I always contact the bank to make sure the deposit is indeed in the bank. Credit card payments are set up ACH payments with our current bank. After receipting credit card payments, daily deposits are done immediately after to ensure the credit card payments in the AS400 are aligned with the NCourt Report that reflects payments. Also, accessing and reconciling immediately time I receive bank statement keeps me on task. For to furthermore ensure accuracy, I would like to use a software system which allows you to link images of receipts and ALL court records to the AS400. I think it could prohibit altering or deleting and removal of records. I know record keeping isn't simple and could be costly, but a good software for data collection will keep track of things. After all, one big issue is that receipts and files fade over time, and we have limited space for filing.

## **Human Resources**

**3.** Employee File Documentation.

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

- Six (6) instances where the Board-approved pay rates were not evidenced in the file
- One (1) instance where the I-9 was incomplete
- Three (3) instances where the withholding elections on the forms did not match the withholding elections in the system
- One (1) instance where there was no evidence of Board approval for hire in the file

**Cause** The employee files are not being reviewed regularly to identify any files lacking proper documentation.

**Effect** The County employees' withholding elections could be calculated at the wrong rates and 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.

<b>Response</b>	Upon my new hire on 7/25/2022 and moving forward I will make sure that every employee's documents are completely filled out before they are entered into the employee's chart. Once the pay rate change is entered into the system, I will also ensure that every board approved pay rate form is printed and placed in the employee's chart.
<b>4.</b>	<u>Public Officials Should Ensure Compliance with State Law over Rehiring PERS Retirees.</u>
<b>Repeat Finding</b>	No
<b>Criteria</b>	<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 (<math>\frac{1}{2}</math>) of the normal working days for the position in any fiscal year during which the retiree will receive no more than one-half (<math>\frac{1}{2}</math>) 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 (<math>\frac{1}{2}</math>) of the required number of working days or up to one-half (<math>\frac{1}{2}</math>) of the equivalent number of hours and receive up to one-half (<math>\frac{1}{2}</math>) of the salary for the position. In the case of employment with multiple employers, the limitation shall equal one-half (<math>\frac{1}{2}</math>) 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</p>



Revenue Service, or a retiree may be elected to a municipal or county office, provided that the person:

(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

(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. *[Note: This notice is provided on PERS Form 9C and must be executed annually and sent to PERS]*

(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.

<b>Condition</b>	During the course of our audit, we noted the following: <ul style="list-style-type: none"><li>• Three out of five rehired retirees/elected officials did not have an executed PERS form on file</li><li>• Forms were not being executed annually and noticed to PERS</li></ul>
<b>Cause</b>	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.
<b>Effect</b>	The failure to comply with the reemployment conditions as reported on PERS Form 4B and 9C could jeopardize the provisions for reemployment.
<b>Recommendation</b>	The County should timely and accurately file PERS Form 4Bs and 9Cs for all rehired retirees and ensure that the statutory conditions for reemployment are met.
<b>Response</b>	Human Resources will see that all retirees complete an annual 4B and 9C to ensure that the statutory conditions for reemployment are met.
<b>Sheriff</b>	
<b>5.</b>	<u>The Sheriff Should Ensure Compliance with State Laws over Meals Served to Non-Inmate Individuals.</u>
<b>Repeat Finding</b>	No

<b>Criteria</b>	<p><i>Attorney General Opinion 1997 WL 612747</i>, states, "...that a jailer may eat meals at the jail with the cost thereof being reimbursed. While the Board of Supervisors may need to eat a meal as part of their inspection of the jail, all other non-inmate individuals who eat at the jail should reimburse the county for the cost of their meals."</p> <p><i>Attorney General Opinion 1983 WL 43195</i>, states, "There is no requirement that the county pay for the jailer's meals although if the Board of Supervisors made a finding of fact, consistent with the particular factual situation, as to need, etc., 1) such could be authorized as part of the jailer's remuneration, or 2) the market value of the meals could be deducted from the jailer's salary. The details could be dealt with in the Board's delineation of the jailer's job description."</p>
<b>Condition</b>	During the course of our test work, we noted that multiple non-inmate personnel received meals from the County Jail. The meals are not paid for by each individual, and the Sheriff did not collect revenue from non-inmate individuals receiving meals.
<b>Cause</b>	The Sheriff did not properly collect revenue from non-inmate individuals being served meals out of the County Jail.
<b>Effect</b>	Failure to properly track and collect revenue from meals being served to non-inmate personnel could result in the County overpaying for supplies for meals for prisoners.
<b>Recommendation</b>	The Sheriff should implement procedures to ensure all non-inmate personnel who eat meals from the Jail pay for all meals consumed.
<b>Response</b>	On May 17, 2022 ACSO implemented into policy that only employees of the Sheriff's office may eat meals at the jail for \$5.00 per meal. All monies are collected by the Sergeant on shift. A computer-generated receipt is given to the payee to present to the cook to verify and log into the daily meal log. Another receipt is placed inside an envelope with the payment (\$5.00) dropped into a lock box inside the Jail Control Room. Money is picked up and deposited into the ACSO Trust Account on the next day by myself, Jacquelyn Posey. These funds are deposited into the general fund at the end of the month. Cash is used for all meals.
<b>6.</b>	<u>The Sheriff should Ensure that the Cost of Feeding Inmates does not Exceed the Statutorily Authorized Amount</u>
<b>Repeat Finding</b>	No
<b>Criteria</b>	<i>§19-25-73(1)(b), Mississippi Code Annotated (1972)</i> , provides that, "The sheriff shall purchase, in the name of the county, all necessary food and related supplies to be used for feeding prisoners only in the county jail... The total expenditure for such purpose under this method shall not exceed an amount equal to Six Dollars

	(\$6.00) per day per prisoner....” <i>[Statute in effect until 7/1/2019; This has been amended to increase the amount to fifteen dollars (\$15.00) per prisoner per day.]</i>
<b>Condition</b>	During the course of our testing, we noted that the cost to feed prisoners was \$7.47 per prisoner per day, which exceeds the statutory amount.
<b>Cause</b>	This is due to inadequate controls over the cost of food procurement and preparation.
<b>Effect</b>	Inadequate controls surrounding purchasing and preparing food could result in theft of assets and improper expenditure of public funds.
<b>Recommendation</b>	The Sheriff should make the necessary changes in food procurement and preparation in order to comply with the statutory limit.
<b>Response</b>	I will comply.
<b>Chancery Clerk 7.</b>	<u>Public Officials Should Ensure Compliance with State Laws Regarding the Publishing of the Audit Synopsis.</u>
<b>Repeat Finding</b>	No
<b>Criteria</b>	<p><i>Section 7-7-221, Mississippi Code Annotated (1972), states, “As soon as possible after an annual audit of the fiscal and financial affairs of a county by the State Auditor, as the head of the State Department of Audit, has been made and a copy of such report of audit or examination has been filed with the board of supervisors of such county and the clerk thereof, as required in Section 7-7-215, the clerk of the board of supervisors shall publish a synopsis of such report in a form prescribed by the State Auditor.”</i></p> <p>The statute further states, “The clerk shall forward a copy of the published synopsis to the State Auditor within sixty (60) days of its publication. If the synopsis does not substantially satisfy the requirements of this section, the State Auditor is authorized to prepare the synopsis and have it published in accordance with this section at cost to the county.”</p>
<b>Condition</b>	During the course of our test work, we noted that the synopsis of the FY 2018 audit report had not been published.
<b>Cause</b>	The Chancery Clerk did not publish the synopsis of the prior year audit report.
<b>Effect</b>	The County is not in compliance with the statutory requirement to publish the synopsis of the audit report.
<b>Recommendation</b>	The Chancery Clerk should publish the synopsis of the audit report in the form prescribed by the State Auditor and forward a copy of the published synopsis to the State Auditor within sixty (60) days of publication.
<b>Response</b>	Pursuant to the Contract for Professional Services provided by the Office of State Audit, and entered into by and between Adams County and our previous auditor, Adams County was to be notified of the above requirements by our prior external auditor. Adams County was not notified, by our previous external auditor, of the

requirement for the above state audit year. Our current auditor has notified us of this requirement and from here forward Adams County will see to it that the synopsis is published.

**Purchase Clerk**

**8.**

Public Officials Should Ensure that Credit Card Expenditures are in Compliance with State Law.

**Repeat Finding**

Yes, 2018

**Criteria**

*Section 19-3-68, Mississippi Code Annotated (1972), states, "The board of supervisors of any county may acquire one or more credit cards which may be used by members of the board of supervisors and county employees to pay expenses incurred by them when traveling in or out of the state in the performance of their official duties....The issuance of a credit card to a supervisor or county employee under the provisions of this section does not authorize the supervisor or county employee to use the credit card to make any expenditure that is not otherwise authorized by law. Any supervisor or county employee who uses the credit card to make an expenditure that is not approved for payment by the board shall be personally liable for the expenditure and shall reimburse the county."*

**Condition**

During the course of our test work, we noted the following instances of non-compliance:

- Three (3) instances where the County's credit card was used for non-travel expenditures

**Cause**

The County has failed to establish and maintain an adequate internal control system to ensure compliance with the credit card statute.

**Effect**

The County is not in compliance with the State's credit card purchasing law, and this may result in the misappropriation of public funds.

**Recommendation**

The Purchase Clerk should ensure that only approved, travel-related expenditures are made on the County's credit cards unless using an approved State Procurement Card.

**Response**

During FYE 2022, the previous purchasing clerk was replaced with a new purchasing clerk who is highly motivated and detail oriented. The new purchasing clerk analyzed this finding and established a new policy for the travel card. Before submitting the travel credit card statement to be paid, all items are verified by supporting documents. The travel credit card is not to be used for purchases which are not travel related. Any unauthorized purchases will be flagged and brought to the attention of the board before any payments will be processed. Those incurring improper purchases will be reported to the responsible department head and the employee will be held personally liable for the purchase. Additionally, training from the Office of Purchasing, Travel and Fleet Management will be obtained by the Purchasing Clerk.

**Tax Collector**

**9.** The Tax Collector is not Making Timely Settlements.

**Repeat Finding** No

**Criteria** *Section 27-29-11, Mississippi Code Annotated (1972),* requires that the tax collector make report of and turn over any and all taxes collected during the preceding month on or before the twentieth (20<sup>th</sup>) day of the month.

**Condition** During the course our test work, we noted one (1) instance where the tax collector settled the prior month's collected taxes after the 20<sup>th</sup> of the month.

**Cause** The Tax Collector has not established a system of internal control to ensure settlements are made timely.

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

**Recommendation** The Tax Collector should implement an effective internal control system to ensure the timeliness of settlements.

**Response** I, Terrance D. Bailey, was not in office for the fiscal year being audited. This finding relates to my predecessor, Peter Burns. Since being elected, settlements are processed and issued on or before the 20<sup>th</sup> of each month.

**Circuit Clerk**

**10.** The Circuit Clerk Should Ensure Compliance with State Laws over Statutorily Imposed Limits on the Salary as County Registrar.

**Repeat Finding** Yes, 2018

**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.... For counties with a total population of more than twenty-five thousand (25,000) and not more than thirty-five thousand (35,000), an amount not to exceed Eighteen Thousand Four Hundred Dollars (\$18,400.00), but not less than Nine Thousand Two Hundred Dollars (\$9,200.00)."

**Condition** During the course of our test work, we noted that the Circuit Clerk received a total of \$19,183 for services as the County Registrar. This resulted in an excess of \$783 paid to the Clerk.

**Cause** The Circuit Clerk did not use the appropriate census to determine the County's population for purposes of calculating the County Registrar statutory fees.

**Effect** The Circuit Clerk was overpaid as the County Registrar.

<b>Recommendation</b>	The Circuit Clerk should make sure to use the correct decennial census for determining the amounts owed as County Registrar. Further, it is recommended that the Circuit Clerk repay the County the \$783 paid in excess.
<b>Response</b>	I, Eva Givens, was not in office for the fiscal year being audited. The findings relate to my predecessor, Edward Walker. I will ensure, for my tenure, that the appropriate census is utilized for calculating the County Registrar statutory fees.
<b>11.</b>	<u>Circuit Clerk Should Ensure Compliance with State Law over Maintaining a Fee Journal.</u>
<b>Repeat Finding</b>	No
<b>Criteria</b>	<i>Section 9-1-43(3), Mississippi Code Annotated (1972), states, "The 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."</i>
<b>Condition</b>	The Circuit Clerk did not properly maintain his fee journal to account for all monies received and expended during the year. We were unable to tie out any amounts of revenues reported or expenses claimed on the Annual Financial Report.
<b>Cause</b>	The Circuit Clerk did not properly maintain a fee journal during the year.
<b>Effect</b>	Failure to maintain an accurate fee journal could result in the loss or misappropriation of public funds.
<b>Recommendation</b>	The Circuit Clerk should maintain an accurate and complete accounting system that encompasses all his income and expenses.
<b>Response</b>	I, Eva Givens, was not in office for the fiscal year being audited. The finding relates to my predecessor, Edward C. Walker. I will ensure, for my term, that the above stated law is complied with and that the requisite journal is maintained.
<b>Road Manager</b>	
<b>12.</b>	<u>The Road Manager Should Prepare All Requisitions for the County Road Department.</u>
<b>Repeat Finding</b>	Yes; 2018
<b>Criteria</b>	<i>Section 65-17-1(2), Mississippi Code Annotated (1972), states, "All requisitions for the purchase and repair of all equipment, heavy equipment, machinery, supplies, commodities, materials and services for the county road department shall be prepared by the county road manager and submitted to the county department of purchasing for processing in accordance with the central purchasing system.."</i>

<b>Condition</b>	During the course of our test work, we noted the following instances of non-compliance: <ul style="list-style-type: none"> <li>• Three (3) instances where the Requisition for Road Department was signed by someone other than the Road Manager</li> </ul>
<b>Cause</b>	The Road Manager is not signing the purchase requisitions for the Road Department.
<b>Effect</b>	The County is not in compliance with State law, and this may result in the misappropriation of public funds.
<b>Recommendation</b>	The Road Manager should verify that he or she signs all purchase requisitions for the road department.
<b>Response</b>	Adams County will comply with the above stated law concerning requisitions for the Adams County Road Department.

The Mississippi Office of the State Auditor has taken exception to certain revenues and expenses claimed. The details of the exception and disposition are as follows:

**Exception Issued On:**

Edward C. "Eddie" Walker, Circuit Clerk

**Nature of Exception:**

See Circuit Clerk Findings #10 and #11 described in this report.

Using the fee journal provided, the auditor was unable to substantiate any numbers claimed for revenues or expenses on the Circuit Clerk's Annual Financial Report.

The Auditor noted that the amount of the PERS retiree cap appeared to be improperly stated on the Annual Financial Report resulting in a larger amount being owed to the County than claimed on the report.

The Auditor further noted that the Circuit Clerk appeared to have been overpaid as the County Registrar.

The Auditor, the Chancery Clerk, and the Board Attorney made numerous attempts to request the documents from the Circuit Clerk. The Circuit Clerk refused to provide any evidence to support the revenues shown or the expenses claimed on his report.

**Amount of Exception:**

The Auditor takes exception to the Circuit Clerk's entire Annual Financial Report.

- Total Revenues Subject to the Salary Limitation: \$193,853.00
- Total Expenses: \$126,159.00
- Total Revenues Not Subject to the Salary Limitation: \$5,633.00

**Disposition of Exception:**

This matter will be referred to the Investigative Division of the Office of the State Auditor.

Adams 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

August 8, 2022



## **ADAMS COUNTY**

### **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**ADAMS COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended September 30, 2019**

Section 1: Summary of Auditor's Results

**Financial Statements:**

- |    |  |            |
|----|--|------------|
| 1. | Type of auditor's report issued on the financial statements: |            |
|    | Governmental activities                                      | Qualified  |
|    | Aggregate Discretely Presented Component Units               | Unmodified |
|    | General Fund   | Qualified  |
|    | County Wide Bond and Interest Sinking Fund                   | Unmodified |
|    | Aggregate remaining fund information                         | Unmodified |
|    | Internal Service Fund  | Unmodified |
| 2. | Internal control over financial reporting:                   |            |
|    | a. Material weaknesses identified?                           | Yes        |
|    | b. Significant deficiencies identified?                      | Yes        |
| 3. | Noncompliance material to the financial statements noted?    | No         |

**Federal Awards:**

- |     |   |               |
|-----|---|---------------|
| 4.  | Internal control over major programs:   |               |
|     | a. Material weakness identified   | No            |
|     | b. Significant deficiencies identified  | None reported |
| 5.  | Type of auditor's report issued on compliance for major federal programs:   | Unmodified    |
| 6.  | Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?  | No            |
| 7.  | Identification of major federal programs  |               |
|     | a. CFDA #10.923, Emergency Watershed Protection Program   |               |
|     | b. CFDA #90.201, Delta Area Economic Development  |               |
| 8.  | Dollar threshold used to distinguish between type A and type B programs:  | \$750,000     |
| 9.  | Auditee qualified as low-risk auditee?  | No            |
| 10. | Prior fiscal year audit finding(s) and questioned costs relative to federal awards which would require the auditee to prepare a summary schedule of prior audit findings in accordance with 2 CFR 200.511(b)? | Yes           |

**ADAMS COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended September 30, 2019**

Section 2: Financial Statement Findings

**Material Weakness**  
**Tax Collector**

**2019-001.** The Tax Collector's Office is not Performing Bank Reconciliations Accurately.

**Repeat Finding** Yes, 2018

**Criteria** An effective system of internal control in the Tax Collector's Office consists of timely and accurate reconciliation of bank statements and ensuring reconciled cash is sufficient for settlement of outstanding collections to the proper entities for which collections were made.

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

- The Tax Collector did not reconcile bank statements in an accurately and timely manner.
- Furthermore, reconciled cash was not compared with booked cash to ensure cash accounted for is sufficient to settle in full to entities for which collections are made.
- The Tax Collector's office uses a largely manual spreadsheet for the tracking of collections and disbursements in place of the Delta accounting software purchased for the office. As such, the daily collections reports from the receipting software used in the office do not reconcile to the manual spreadsheet or to the bank statement making the possibility of an accurate reconciliation extremely remote.

**Cause** The Tax Collector has failed to properly implement an accounting system and internal control to track and reconcile all receipts, expenditures, and 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 makes it nearly impossible to determine if cash on hand is sufficient to fully settle to entities such as 1) the County, 2) the City of Natchez, and 3) Natchez-Adams Public Schools for collections made in the previous month. The auditor chose to not include cash on the audited financial statements due to the stated cash being unsubstantiated.

Due to the audit of cash not including the Tax Collector cash as of September 30, 2019 in the financial statements, this will result in a modified audit opinion for opinion units such as 1) General Fund and 2) Governmental Activities. The failure to have an adequate system of internal controls over cash in the Tax Collector's Office could result in the loss or misappropriation of public funds.

**Recommendation** The Tax Collector should seek assistance in learning to use and implement the usage of an accounting system for the office to track and record all collections

**ADAMS COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended September 30, 2019**

and expenditures so that an accurate reconciliation can be performed as a control over cash.

**Response** See Auditee's Corrective Action Plan

**Significant Deficiency**  
**Tax Collector**

**2019-002** The Tax Collector has Insufficient Separation of Duties in the Collection, Deposit Preparation, and Recording Functions.

**Repeat Finding** No

**Criteria** An effective system of internal control should include an adequate segregation of duties in the collection, deposit preparation, and recording functions.

**Condition** During the course of our audit, we noted that the same individual collects money, reviews the collections for the day, and prepares the deposit.

**Cause** The Tax Collector has not established a system of internal control with adequate separation of duties concerning the collection, deposit preparation, and recording of revenues.

**Effect** Failure to properly separate the accounting duties could result in the misappropriation of public funds.

**Recommendation** The Tax Collector should ensure that there is an adequate separation of duties in the collection, deposit preparation and recording functions within the office.

**Response** See Auditee's Corrective Action Plan

**Significant Deficiency**  
**Tax Collector**

**2019-003** The Tax Collector is not Making Accurate Deposits.

**Repeat Finding** No

**Criteria** An effective system of internal controls requires that bank deposits be made accurately and that any identified unexplained differences be resolved in a timely manner.

**Condition** During the course of our test work, we found that the collections per the computer system did not match the deposits made at the bank with seventeen (17) exceptions noted. For the period tested, there was an unexplained difference

**ADAMS COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended September 30, 2019**

between the collections per the computer and the deposits made that amounted to \$72,010.69.

<b>Cause</b>	The Tax Collector has not established a system of internal control to ensure deposits are made accurately and that any identified unexplained differences are resolved in a timely manner.
<b>Effect</b>	Inadequate controls surrounding the deposits of revenue collections could result in improper revenue recognition and the misappropriation of public funds.
<b>Recommendation</b>	The Tax Collector should implement an effective internal control system to ensure the accuracy of deposits.
<b>Response</b>	See Auditee's Corrective Action Plan

Section 3: Federal Award Findings and Questioned Costs

The results of our tests did not disclose any findings and questioned costs related to federal awards.

## **ADAMS COUNTY**

### **AUDITEE'S CORRECTIVE ACTION PLAN**

Bridgers, Goodman, Baird & Clarke, PLLC  
Certified Public Accountants  
3528 Manor Drive  
Vicksburg, Mississippi 39180

To Whom It May Concern:

Adams County respectfully submits the following corrective action plan for the year ended September 30, 2019.

The findings from the Schedule of Findings and Questioned Costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule. Section 1: Summary of Auditor's Results does not include findings and is not addressed.

**2019-001. Corrective Action Planned:**

I, Terrance D. Bailey, was not in office for the fiscal year being audited. This finding relates to my predecessor, Peter Burns. We plan to implement the Delta system as it relates to our bookkeeping and also plan to hire an independent consultant to assist with our financials.

**Anticipated Completion Date:**

September 30, 2023

**Name and Contact Person Responsible for Corrective Action:**

Terrance Bailey, Tax Collector; Phone Number: 601.442.8601

**2019-002. Corrective Action Planned:**

I, Terrance D. Bailey, was not in office for the fiscal year being audited. This finding relates to my predecessor, Peter Burns. We intend to hire a third-party consultant to assist with the financials, and will ensure that no persons perform both collection and deposit of funds.

**Anticipated Completion Date:**

September 30, 2023

**Name and Contact Person Responsible for Corrective Action:**

Terrance Bailey, Tax Collector; Phone Number: 601.442.8601

**2019-003. Corrective Action Planned:**

I, Terrance D. Bailey, was not in office for the fiscal year being audited. This finding relates to my predecessor, Peter Burns. We intend to hire a third-party consultant to assist with the financials, and will ensure that deposits are made accurately and timely.

**Anticipated Completion Date:**

September 30, 2023

**Name and Contact Person Responsible for Corrective Action:**

Terrance Bailey, Tax Collector; Phone Number: 601.442.8601

## **ADAMS COUNTY**

### **SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**



**Adams County**  
**Summary Schedule of Prior Year Audit Findings**

Finding Number	Finding Summary	Status	Additional Information
2018-001 (Initial Year of Finding)	The Tax Collector did not reconcile the bank statements in a timely manner, and reconciled cash was not compared with booked cash to ensure cash accounted for is sufficient to settle in full to entities in which collections are made.	Not Corrected (See Finding 2019-001)	The County plans to work with the computer software provider to get a system in place to reconcile Tax Collector bank accounts.