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Claiborne County, Mississippi
Audited Financial Statements
and Special Reports
For the Year Ended
September 30, 2019

Fortenberry & Ballard, PC
Certified Public Accountants

Claiborne County Location in Mississippi



Claiborne County was established on January 27, 1802 from Jefferson County. The County was named in honor of William C. Claiborne, first governor of Louisiana and second governor of the Mississippi Territory. The County seat is located in Port Gibson. The bordering Counties are: Warren, Hinds, Copiah, Jefferson and Tensas Parish (Louisiana - west). According to the 2010 census, the population was 9,604.

Claiborne County, Mississippi
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FINANCIAL REPORT

FORTENBERRY & BALLARD, PC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors
Claiborne County, Mississippi

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Claiborne 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 basic financial statements of the County's primary government 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 conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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.

Summary of Opinions

Opinion Unit	Type of Opinion
Governmental activities	Unmodified
Aggregate Discretely Presented Component Units	Adverse
General Fund	Unmodified
Road Fund	Unmodified
Debt Service Fund	Unmodified
Aggregate remaining fund information	Unmodified

Basis for Adverse Opinion on the Aggregate Discretely Presented Component Unit

The financial statements do not include financial data for the County's legally separate component unit. Accounting principles generally accepted in the United States of America require the financial data for this component unit to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component unit. The County has not issued such reporting entity financial statements. The amount by which this departure would affect the assets, liabilities, net position, revenues and expenses of the aggregate discretely presented component unit has not been determined.

Adverse Opinion

In our opinion, because of the significance of the matter described in the "Basis for Adverse Opinion on the Aggregate Discretely Presented Component Unit" paragraph, the financial statements referred to above do not present fairly, the financial position of the aggregate discretely presented component unit of Claiborne County, Mississippi, as of September 30, 2019, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Claiborne 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.

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

Omission of Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Claiborne 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 Regulations 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 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 July 12, 2024, on our consideration of the Claiborne 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 the Claiborne County'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 Claiborne County, Mississippi's internal control over financial reporting and compliance.

FORTENBERRY & BALLARD, PC

Fortenberry & Ballard, PC
July 12, 2024

Certified Public Accountants

FINANCIAL STATEMENTS

CLAIBORNE COUNTY, MISSISSIPPI

Statement of Net Position

September 30, 2019

Exhibit 1

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>
ASSETS	
Cash	\$ 3,934,315
Property tax receivable	3,728,995
Fines receivable (net of allowance for uncollectibles of \$172,574)	119,516
Loans receivable (net of allowance for uncollectibles of \$125,000)	1,195,411
Intergovernmental receivables	615,683
Other receivables	3,010
Capital assets:	
Land and construction in progress	1,074,556
Other capital assets, net	19,049,191
Total Assets	<u>29,720,677</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	796,290
Deferred amount on refunding	240,010
Total Deferred Outflows of Resources	<u>1,036,300</u>
LIABILITIES	
Claims payable	605,925
Intergovernmental payables	80,897
Accrued interest payable	82,460
Amounts held in custody for others	86,628
Long-term liabilities	
Net pension liability	8,838,560
Due within one year:	
Capital debt	610,576
Non-capital debt	364,474
Due in more than one year:	
Capital debt	6,328,517
Non-capital debt	1,517,474
Total Liabilities	<u>18,515,511</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	629,764
Deferred revenues - property taxes	3,728,995
Total deferred inflows of resources	<u>4,358,759</u>
NET POSITION	
Net investment in capital assets	13,424,664
Restricted for:	
Expendable:	
Public safety	236,852
Public works	324,593
Culture and recreation	7,308
Economic development and assistance	594,746
Debt service	1,820,188
Unrestricted	(8,525,644)
Total Net Position	<u>\$ 7,882,707</u>

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

CLAIBORNE COUNTY, MISSISSIPPI
Statement of Activities
For the Year Ended September 30, 2019

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities
Primary government:					
Governmental activities:					
General government	\$ 5,401,470	171,322	58,843		(5,171,305)
Public safety	556,613	133,176	229,168	1,169,277	975,008
Public works	2,529,962	35,047	1,052,867	80,917	(1,361,131)
Health and welfare	721,360		24,618	400,834	(295,908)
Culture and recreation	243,599	9,027			(234,572)
Conservation of natural resources	41,775				(41,775)
Economic development and assistance	128,882				(128,882)
Interest on long-term debt	290,195				(290,195)
Pension expense	781,466				(781,466)
Total Governmental Activities	<u>10,695,322</u>	<u>348,572</u>	<u>1,365,496</u>	<u>1,651,028</u>	<u>(7,330,226)</u>
General revenues:					
Property taxes					\$ 4,610,986
Road & bridge privilege taxes					73,681
Grants and contributions not restricted to specific programs					4,480,675
Unrestricted interest income					29,482
Miscellaneous					450,251
Total General Revenues					<u>9,645,075</u>
Changes in Net Position					<u>2,314,849</u>
Net Position - Beginning					<u>5,567,858</u>
Net Position - Ending					<u>\$ 7,882,707</u>

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

CLAIBORNE COUNTY, MISSISSIPPI
Balance Sheet - Governmental Funds
September 30, 2019

Exhibit 3

	Major Funds			Other	Total
	General	Road	Debt	Governmental	Governmental
	Fund	Fund	Service	Funds	Funds
	Fund	Fund	Fund	Funds	Funds
ASSETS					
Cash	\$ 692,554	30,212	1,949,306	1,262,243	3,934,315
Property tax receivable	1,654,334	115,442	993,374	965,845	3,728,995
Fines receivable (net of allowance for uncollectibles of \$172,574)	119,516				119,516
Loans receivable (net of allowance of \$125,000)	405,411			790,000	1,195,411
Intergovernmental receivables	615,683				615,683
Other receivables	3,010				3,010
Due from other funds		10,651	15,415	15,790	41,856
Advances to other funds	1,406,790	74,278	13,543		1,494,611
Total Assets	<u>4,897,298</u>	<u>230,583</u>	<u>2,971,638</u>	<u>3,033,878</u>	<u>11,133,397</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Claims payable	535,240	26,089		44,596	605,925
Intergovernmental payables	80,874				80,874
Due to other funds	41,879				41,879
Advances from other funds	42,267	1,289,426	100,000	45,554	1,477,247
Amounts held in custody for others	86,628				86,628
Total Liabilities	<u>786,888</u>	<u>1,315,515</u>	<u>100,000</u>	<u>90,150</u>	<u>2,292,553</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	1,654,334	115,442	993,374	965,845	3,728,995
Unavailable revenue - fines	119,516				119,516
Total deferred inflows of resources	<u>1,773,850</u>	<u>115,442</u>	<u>993,374</u>	<u>965,845</u>	<u>3,848,511</u>
Fund balances:					
Nonspendable:					
Advances	1,406,790				1,406,790
Loans receivable	405,411			790,000	1,195,411
Restricted for:					
Public safety				236,852	236,852
Public works				324,593	324,593
Culture and recreation				7,308	7,308
Economic development and assistance				594,746	594,746
Debt service			1,878,264	24,384	1,902,648
Unassigned	524,359	(1,200,374)			(676,015)
Total Fund Balances	<u>2,336,560</u>	<u>(1,200,374)</u>	<u>1,878,264</u>	<u>1,977,883</u>	<u>4,992,333</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 4,897,298</u>	<u>230,583</u>	<u>2,971,638</u>	<u>3,033,878</u>	<u>11,133,397</u>

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

CLAIBORNE COUNTY, MISSISSIPPIExhibit 3-1Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
September 30, 2019

Total Fund Balance - Governmental Funds	\$ 4,992,333
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets are used in governmental activities and are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$11,539,749.	20,123,747
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	
Fines receivable	119,516
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(8,821,041)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(82,460)
Deferred amount on refunding	240,010
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	796,290
Deferred inflows of resources related to pensions	(629,764)
Net pension liabilities are not due and payable in the current period and therefore, are not reported in the funds.	(8,838,560)
Advances made in prior periods from/to funds for other than governmental activities are not available to pay in current period and, therefore, are not reported in the funds.	(17,364)
Total Net Position - Governmental Activities	\$ <u>7,882,707</u>

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

CLAIBORNE COUNTY, MISSISSIPPIExhibit 4Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Year Ended September 30, 2019

	Major Funds				
	General Fund	Road Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 2,321,364	176,896	1,048,760	1,063,966	4,610,986
Road and bridge privilege taxes		73,681			73,681
Licenses, commissions and other revenue	185,399			2,315	187,714
Fines and forfeitures	14,741				14,741
Intergovernmental revenues	6,339,425	678,074		479,700	7,497,199
Charges for services	24,374	1,700		120,043	146,117
Interest income	9,183	217	12,528	7,554	29,482
Miscellaneous revenues	104,390	28,714	8,048	43,927	185,079
Total Revenues	<u>8,998,876</u>	<u>959,282</u>	<u>1,069,336</u>	<u>1,717,505</u>	<u>12,744,999</u>
EXPENDITURES					
Current:					
General government	5,035,883				5,035,883
Public safety	2,647,458			165,076	2,812,534
Public works	465,788	897,191		938,137	2,301,116
Health and welfare	718,444				718,444
Culture and recreation	280,366				280,366
Conservation of natural resources	41,775				41,775
Economic development and assistance	140,793			2,684	143,477
Debt service:					
Principal	6,474	338,815	518,000	341,541	1,204,830
Interest and fiscal agent fees		18,509	224,729	92,525	335,763
Bond issuance costs			2,750		2,750
Total Expenditures	<u>9,336,981</u>	<u>1,254,515</u>	<u>745,479</u>	<u>1,539,963</u>	<u>12,876,938</u>
Excess of Revenues over (under) Expenditures	<u>(338,105)</u>	<u>(295,233)</u>	<u>323,857</u>	<u>177,542</u>	<u>(131,939)</u>
OTHER FINANCING SOURCES (USES)					
Compensation for loss of capital assets	77,362	275,500			352,862
Total Other Financing Sources and Uses	<u>77,362</u>	<u>275,500</u>	<u>0</u>	<u>0</u>	<u>352,862</u>
Net Changes in Fund Balances	<u>(260,743)</u>	<u>(19,733)</u>	<u>323,857</u>	<u>177,542</u>	<u>220,923</u>
Fund Balances - Beginning	<u>2,597,303</u>	<u>(1,180,641)</u>	<u>1,554,407</u>	<u>1,800,341</u>	<u>4,771,410</u>
Fund Balances - Ending	<u>\$ 2,336,560</u>	<u>(1,200,374)</u>	<u>1,878,264</u>	<u>1,977,883</u>	<u>4,992,333</u>

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

CLAIBORNE COUNTY, MISSISSIPPIExhibit 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

Net Changes in Fund Balances - Governmental Funds	\$ 220,923
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 \$2,334,657 exceeded depreciation expense of \$979,347 in the current period.	1,355,310
In the Statement of Activities, only gains and losses from the sale of capital assets are reported, whereas in the Governmental Funds, proceeds from the sale of capital assets increase financial resources. Thus, the change in net position differs from the change in fund balances by the amount of the net gain of \$265,646 and the compensation from loss of capital assets of \$352,862 in the current period.	(87,216)
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.	(161,792)
Debt proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long- term liabilities in the Statement of Net Position. Thus, the change in net position differs from the change in fund balances by the amount of debt payments of \$1,204,830 exceeds debt proceeds of \$0.	1,204,830
Some items reported in the Statement of Activities relating to the implementation of GASB 68 are not reported in the governmental funds. These activities include:	
Recording of pension expense for the current period	(781,466)
Recording of contributions made during the year	527,286
Some items reported in the Statement of Activities do not provide or require the use of current financial resources and therefore, are not reported as revenue/expenditures in governmental funds. These activities include:	
Change in accrued interest payable	9,917
Change in compensated absences liability	(10,870)
Amortization of deferred refunding charges	(10,994)
Amortization of bond premiums	48,921
Change in Net Position of Governmental Activities	\$ <u>2,314,849</u>

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

CLAIBORNE COUNTY, MISSISSIPPI
Statement of Fiduciary Assets and Liabilities
September 30, 2019

Exhibit 5

	Agency Funds
ASSETS	
Cash	\$ 133,513
Due from other funds	23
Total Assets	\$ <u>133,536</u>
LIABILITIES	
Amounts held in custody for others	\$ 80,853
Intergovernmental payables	35,319
Advances from other funds	17,364
Total Liabilities	\$ <u>133,536</u>

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

Claiborne County, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2019

Claiborne County, Mississippi

Notes to the Financial Statements

For the year ended September 30, 2019

(1) Summary of Significant Accounting Policies

A. Financial Reporting Entity

Claiborne 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 Claiborne County, Mississippi to present these financial statements on the primary government and its component units which have significant operational or financial relationships with the County.

Management has chosen to omit from these financial statements the following component unit which has significant operational or financial relationship with the County. Accordingly, the financial statements do not include the data of the County's component unit necessary for reporting in accordance with accounting principles generally accepted in the United States of America.

- Claiborne County Medical Center

State law pertaining to county government provides for the independent election of county officials. The following elected and appointed officials are all part of the County legal entity and therefore are reported as part of the primary government financial statements.

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

B. Individual Component Unit Disclosure

Blended Component Unit

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, this component unit is reported as if it were part of the primary government. The following component unit's balances and transactions are blended with the balances and transaction of the primary government.

Claiborne County, Mississippi

Notes to the Financial Statements

For the year ended September 30, 2019

- Claiborne County Port Commission was formed, as authorized by Code Section 59-7-103, to maintain, develop and regulate harbor related improvements.

C. Basis of Presentation

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

Government-Wide Financial Statements

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

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 classified as program revenues, are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the County.

Fund Financial Statements:

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

Claiborne County, Mississippi

Notes to the Financial Statements

For the year ended September 30, 2019

D. Measurement Focus and Basis of Accounting

The Government-wide 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 assets 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.

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

The County reports the following major Governmental Funds:

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

Road Fund - This fund is to account for monies from specific revenue sources that are restricted for road maintenance.

Debt Service 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 used 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

Claiborne County, Mississippi

Notes to the Financial Statements

For the year ended September 30, 2019

proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

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

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

FIDUCIARY FUND TYPE

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

E. Account Classifications

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

F. Deposits and Investments

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

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

G. Receivables

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

Claiborne County, Mississippi

Notes to the Financial Statements

For the year ended September 30, 2019

H. Interfund Transactions and Balances

Transactions between funds that are representative of short-term lending/borrowing arrangements and transactions that have not resulted in the actual transfer of cash at the end of the fiscal year are referred to as "due to/from other funds." Noncurrent portions of interfund receivables and payables are reported as "advances to/from other funds." Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in the General Fund, if applicable, to indicate that they are not available for appropriation and are not expendable available financial resources. However, this is not applicable to advances reported in other governmental funds, which are reported, by definition, as restricted, committed, or assigned. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

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 assets costs have been estimated and the methods of estimation are not readily available. Donated capital assets are recorded at estimated fair market value at the time of donation. The costs of normal maintenance and repairs that do not add to the value of assets or materially extend their respective lives are not capitalized; however, improvements are capitalized. Interest expenditures are not capitalized on capital assets.

Governmental accounting and financial reporting standards allow governments meeting certain criteria to elect not to report major infrastructure assets retroactively. Claiborne County meets this criteria and has so elected. Therefore, the major general infrastructure assets acquired prior to October 1, 2002, are not reported in the government-wide financial statements. General infrastructure assets include all roads and bridges and other infrastructure assets acquired subsequent to October 1, 2002.

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

Claiborne County, Mississippi

Notes to the Financial Statements

For the year ended September 30, 2019

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:

	Capitalization Thresholds	Estimated Useful Life
Land	\$ 0	n/a
Infrastructure	0	20-50 years
Buildings	50,000	40 years
Improvements other than buildings	25,000	20 years
Mobile equipment	5,000	5-10 years
Furniture and equipment	5,000	3-7 years
Leased property under capital leases	*	*

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

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 amount on refunding - For current refunding and advance refunding 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 inflows 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.

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 17 for additional details.

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

Claiborne County, Mississippi

Notes to the Financial Statements

For the year ended September 30, 2019

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

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

Deferred inflows related to pensions - This amount represents the County's proportionate share of the deferred inflows of resources reported by the pension plan in which the County participates. See Note 17 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 governmental activities, Statement of Net Position.

Claiborne County, Mississippi

Notes to the Financial Statements For the year ended September 30, 2019

L. Equity Classifications

Government-wide Financial Statements:

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

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

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

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

Net Position Flow Assumption:

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

Fund Financial Statements:

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

Government fund balance is classified as nonspendable, restricted, 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

Claiborne County, Mississippi

Notes to the Financial Statements For the Year Ended September 30, 2019

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.

M. Property Tax Revenues

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

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

Claiborne County, Mississippi

Notes to the Financial Statements

For the Year Ended September 30, 2019

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

N. 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.

O. 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. 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.

P. 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 has been incorporated into the financial statements and notes.

Claiborne County, Mississippi

Notes to the Financial Statements For the Year Ended September 30, 2019

(3) Deposits

The carrying amount of the County's total deposits with financial institutions at September 30, 2019, was \$3,934,315 in the governmental funds and \$133,513 in the fiduciary funds. The bank balance was \$4,352,966. The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC).

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

(4) Interfund Transactions and Balances

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

A. Due From/To Other Funds:

Receivable Fund	Payable Fund	Amount
Road Fund	General Fund	\$ 10,651
Debt Service Fund	General Fund	15,415
Other Governmental Funds	General Fund	15,790
Fiduciary Funds	General Fund	23
Total		<u>\$ 41,879</u>

The receivables represent amounts ad valorem revenue 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.

Claiborne County, Mississippi

Notes to the Financial Statements

For the year ended September 30, 2019

B. Advances To/From Other Funds:

Receivable Fund	Payable Fund	Amount
General Fund	Road Fund	\$ 1,289,426
General Fund	Debt Service Fund	100,000
General Fund	Fiduciary Funds	17,364
Debt Service Fund	Other Governmental Funds	13,543
Road Fund	General Fund	42,267
Road Fund	Other Governmental Funds	32,011
Total		<u>\$ 1,494,611</u>

Amounts payable to general fund are loans to other funds to be repaid. Amounts payable to all other funds are prior period posting errors to wrong fund.

(5) Intergovernmental Receivables

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

Governmental Activities:

Description	Amount
Governmental Activities:	\$
FEMA Safe Room	518,610
Legislative tax credit	57,977
VOCA grant	32,391
Emergency management performance grant	5,000
CLG grant	1,705
Total Governmental Activities	<u>\$ 615,683</u>

Claiborne County, Mississippi

Notes to the Financial Statements
For the year ended September 30, 2019

(6) Loans Receivable

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

Description	Date of Loan	Interest Rate	Maturity Date	Receivable Balance
Hospital Loan	07/06/2001	0.00%	N/A	\$ 60,000
Hospital Loan	07/11/2001	0.00%	N/A	65,000
Port Gibson Apartments, LLC	03/13/2001	various	09/01/2050	410,000
Pattison Apartment Homes, LLC	07/02/2003	1.00%	07/01/2053	380,000
Hospital Loan	03/09/2004	0.00%	N/A	76,666
Hospital Loan	09/14/2012	0.00%	N/A	28,745
Hospital Loan	09/0/2012	0.00%	N/A	105,000
Hospital Loan	10/12/2012	0.00%	N/A	95,000
Hospital Loan	11/27/2012	0.00%	N/A	100,000
Subtotal				<u>1,320,411</u>
Less: Allowance for Doubtful Accounts				<u>(125,000)</u>
Total				<u><u>\$ 1,195,411</u></u>

Claiborne County, Mississippi

Notes to the Financial Statements For the year ended September 30, 2019

(7) Capital Assets

Capital assets activity for the year ended September 30, 2019, was as follows:

Governmental activities:

	Balance Oct. 1, 2018	Additions	Deletions	Adjustments	Balance Sept. 30, 2019
Non-depreciable capital assets:					
Land	\$ 1,074,556				1,074,556
Total non-depreciable capital assets	1,074,556	0	0	0	1,074,556
Depreciable capital assets:					
Infrastructure	12,490,555				12,490,555
Buildings	9,528,036	1,945,801			11,473,837
Improvements other than buildings	1,761,787				1,761,787
Mobile equipment	3,376,740	186,434	283,812	401,388	3,680,750
Furniture and equipment	690,043	202,422			892,465
Property under capital leases	690,934			(401,388)	289,546
Total depreciable capital assets	28,538,095	2,334,657	283,812	0	30,588,940
Less accumulated depreciation for:					
Infrastructure	1,902,189	351,282			2,253,471
Buildings	4,583,944	231,174			4,815,118
Improvements other than buildings	819,035	70,476			889,511
Mobile equipment	2,603,686	199,288	196,596	216,753	2,823,131
Furniture and equipment	579,267	101,065			680,332
Property under capital leases	268,877	26,062		(216,753)	78,186
Total accumulated depreciation	10,756,998	979,347	196,596	0	11,539,749
Total depreciable capital assets, net	17,781,097	1,355,310	87,216	0	19,049,191
Governmental activities capital assets, net	\$ 18,855,653	1,355,310	87,216	0	20,123,747

Adjustments were made to properly present mobile equipment and property under capital leases at year end.

Claiborne County, Mississippi

Notes to the Financial Statements

For the year ended September 30, 2019

Depreciation expense was charged to the functions as follows:

	<u>Amount</u>
Governmental Activities:	
General government	\$ 403,878
Public safety	228,195
Public works	325,614
Health and welfare	2,916
Culture and recreation	18,744
Total depreciation expense	<u>\$ 979,347</u>

(8) Claims and Judgments

Risk Financing.

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

(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	\$ 289,546
Less: Accumulated depreciation	<u>(78,186)</u>
Leased property under capital leases	<u>\$ 211,360</u>

Claiborne County, Mississippi

Notes to the Financial Statements

For the year ended September 30, 2019

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

Year Ending September 30,	Capital Leases	
	Principal	Interest
2020	\$ 28,656	5,286
2021	205,590	409
Total	\$ 234,246	5,695

(10) Defined Benefit Pension Plan

General Information about the Pension Plan

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

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

Claiborne County, Mississippi

Notes to the Financial Statements

For the year ended September 30, 2019

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 \$527,286, \$520,357, and \$494,813, 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 \$8,838,560 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 0.050242 percent, which was based on a measurement date of June 30, 2019. This was an decrease of 0.001280 percent from its proportionate share used to calculate the September 30, 2018 net pension liability, which was based on a measurement date of June 30, 2018.

For the year ended September 30, 2019, the County recognized pension expense of \$781,466. At September 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Claiborne County, Mississippi

Notes to the Financial Statements For the Year Ended September 30, 2019

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,362	9,237
Net difference between projected and actual earnings on pension plan investments		89,882
Change of assumptions	86,616	
Changes in proportion and differences between County's contributions and proportionate share of contributions	557,883	530,645
County contributions subsequent to the measurement date	146,429	
Total	\$ <u>796,290</u>	<u>629,764</u>

\$146,429 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:

Year ending September 30:

2020	\$ 74,685
2021	(75,962)
2022	(18,977)
2023	40,351
Total	\$ <u>20,097</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 included in the measurement:

Claiborne County, Mississippi

Notes to the Financial Statements For the year ended September 30, 2019

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

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

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2016. The experience report is dated April 18, 2017.

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

The 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%
Total	100.00%	

Claiborne County, Mississippi

Notes to the Financial Statements

For the year ended September 30, 2019

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

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
County's proportionate share of the net pension liability	\$ 11,618,592	\$ 8,838,560	\$ 6,543,891

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

Claiborne County, Mississippi

Notes to the Financial Statements
For the year ended September 30, 2019

(11) Long-Term Debt

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

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
Governmental Activities:			
A. General Obligation Bonds:			
GOB - 2016	\$ 1,760,000	2.00%	10/2025
GOB - 2018-A	3,308,000	3.70%	07/2032
GOB - 2018-B	1,328,000	3.80%	07/2024
	<u>\$ 6,396,000</u>		
B. Capital Leases:			
(2) 2018 Mack GU713 dump trucks	\$ <u>234,246</u>	2.39%	10/2020
C. Other Loans:			
Water pollution control revolving loan	\$ 99,438	1.75%	03/2033
Medical center loan	1,221,665	5.00%	02/2024
General obligation note	343,317	4.15%	09/2022
Total Other Loans	<u>\$ 1,664,420</u>		

Pledge of Future Revenues - The County has pledged future revenues for housing inmates, net of specified operating expenses, to repay \$136,431 loan from the Mississippi Department of Environmental Quality's Water Pollution Control Revolving loan Program issued in 2013. Proceeds from the loan provided financing for Hermanville wastewater improvements. The loan is payable through 2033. Annual principal and interest payments on the loan are expected to require less than 50 percent of the homestead exemption reimbursements. The total principal and interest remaining to be paid on the bonds is \$112,127. Principal and interest paid for the current year were \$8,306.

Claiborne County, Mississippi

Notes to the Financial Statements

For the year ended September 30, 2019

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

Governmental Activities:

Year Ending September 30,	General Obligation Bonds		Other Loans	
	Principal	Interest	Principal	Interest
2020	\$ 533,000	208,060	364,474	77,897
2021	547,000	192,851	381,589	60,783
2022	560,000	177,200	399,796	42,576
2023	574,000	161,145	294,676	23,630
2024	591,000	144,649	158,569	8,921
2025 - 2029	2,251,000	474,916	37,240	4,288
2030 - 2033	1,340,000	100,307	28,076	995
Total	\$ 6,396,000	1,459,128	1,664,420	219,090

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 by 20% whenever a county issues bonds to repair or replace washed out or collapsed bridges on the public roads of the county. As of September 30, 2019, the amount of outstanding debt was equal to 9.16 percentage of the latest property assessments.

Prior Year Defeasance of Debt - In prior years, the County defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. On September 30, 2019, \$7,040,000 of bonds outstanding were considered defeased.

Claiborne County, Mississippi

Notes to the Financial Statements For the Year Ended September 30, 2019

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	Reductions	Balance Sept. 30, 2019	Amount due within one year
<u>Governmental Activities:</u>					
General obligation bonds	\$ 6,914,000		518,000	6,396,000	533,000
Premiums	357,768		48,921	308,847	48,920
Capital leases	573,061		338,815	234,246	28,656
Other loans	2,012,435		348,015	1,664,420	364,474
Compensated absences	206,658	10,870		217,528	
Total	\$ <u>10,063,922</u>	<u>10,870</u>	<u>1,253,751</u>	<u>8,821,041</u>	<u>975,050</u>

Compensated absences will be paid from the funds from which the employees' salaries were paid which are the General Fund, Road Fund, and Solid Waste Fund.

(12) Deficit Fund Balances of Individual Funds

The following fund reported deficit in fund balance and net position at September 30, 2019:

Fund	Deficit Amount
Road Fund	\$ 1,200,374

(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 statements.

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

Claiborne County, Mississippi

Notes to the Financial Statements
For the Year Ended September 30, 2019

(14) Joint Ventures

The County participates in the following joint ventures:

Claiborne County is a participant with the City of Port Gibson in a joint venture, authorized by Mississippi's non profit corporate statutes, to operate the Harriette Person Memorial Library. The joint venture is governed by a nine-member board of trustees. By contractual agreement, the County's appropriation to the joint venture was \$50,000 in fiscal year 2019. Complete financial statements for the Harriette Person Memorial Library can be obtained from P.O. Box 1017, Port Gibson, MS 39150.

(15) Jointly Governed Organizations

The County participates in the following jointly governed organizations:

Hinds Community College (the College) operates in a district composed of the counties of Claiborne, Copiah, Hinds, Rankin and Warren. The Claiborne County Board of Supervisors appoints one of the 15 members of the college board of trustees. The County appropriated \$312,309 for the maintenance and support of the College 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 Claiborne County Board of Supervisors appoints 1 of the 10 members of the board of commissioners. The County appropriated \$18,162 for its support for the fiscal year 2019.

Southwest Mississippi Planning and Development District (the District) operates in a district comprised of the Counties of Adams, Amite, Claiborne, Franklin, Jefferson, Lawrence, Lincoln, Pike, Walthall and Wilkinson. The Claiborne County Board of Supervisors appoints 4 of the 40 members of the board of directors. The County appropriated \$7,200 for its support in fiscal year 2019.

(16) Pollution Remediation Obligations

The County has identified specific County-owned properties where it is either known or reasonably believed that the site contains certain pollutants. The site has been reported to a State regulatory agency as having a current or reportable incident, thus voluntarily obligating the County for certain remediation activities. In addition, the County entered into an administrative agreement with a State agency to voluntarily assess the site. The related liability cannot be estimated at this time. Obligations pertain to soil or ground water contamination, primarily from storage of underground fuel tanks at the site. County staff has voluntarily worked with appropriate State regulators to assess the environmental impact and the state will be monitoring the site quarterly. Should further activities become necessary cost estimates would then be developed.

Claiborne County, Mississippi

Notes to the Financial Statements

For the year ended September 30, 2019

In addition, the County estimates that any cost associated with this process will be recovered from grant funds; therefore, potentially reducing any pollution liabilities to the County since this project is a part of the Port Connector Road project.

(17) Effect of Deferred Amount on Net Position

The governmental activities' unrestricted net position amount of (\$8,525,644) includes the effect of deferred outflows of resources related to pensions. A portion of the deferred outflow of resources related to pension in the amount of \$146,429 resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending September 30, 2019. The \$649,861 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 governmental activities' net investment in capital assets net position of \$13,424,664 includes the effect of deferring the recognition of expenditures resulting for an advance refunding of County debt. \$240,010 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 over the next 13 years.

The governmental activities' unrestricted net position amount of (\$8,525,644) includes the effect of deferred inflows of resources related to pensions. The \$629,764 balance of the deferred inflow of resources related to pensions at September 30, 2019, will be recognized in pension expense over the next 3 years.

The governmental activities' unrestricted net position amount of (\$8,525,644) includes the effect of recognition of deferring the recognition of revenue resulting from property taxes receivable. The \$3,728,995 balance of deferred inflows of resources at September 30, 2019, will be recognized as revenue and will increase the unrestricted net position over the next few years.

(18) Subsequent Events

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

Claiborne County, Mississippi

Notes to the Financial Statements
For the year ended September 30, 2019

The County issued the following debt obligation:

Issue Date	Interest Rate		Issue Amount	Type of Financing	Source of Financing
11/8/2019	3.45%	\$	198,370	capital lease	ad valorem revenue
11/8/2019	3.45%	\$	148,018	capital lease	ad valorem revenue
11/8/2019	3.45%	\$	287,780	capital lease	ad valorem revenue
11/8/2019	3.45%	\$	118,975	capital lease	ad valorem revenue
4/13/2021	2.96%	\$	108,000	capital lease	ad valorem revenue
10/18/2021	0.00%	\$	41,432	capital lease	ad valorem revenue
10/17/2022	4.25%	\$	234,039	capital lease	ad valorem revenue
10/17/2022	4.25%	\$	127,389	capital lease	ad valorem revenue
10/17/2022	4.25%	\$	179,698	capital lease	ad valorem revenue

REQUIRED SUPPLEMENTARY INFORMATION

CLAIBORNE COUNTY, MISSISSIPPI

Budgetary Comparison Schedule -

Budget and Actual (Non-GAAP Basis)

General Fund

For the Year Ended September 30, 2019

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Over (Under)
Revenues				
Property taxes	\$ 2,510,834	\$ 2,310,258	\$ 2,310,258	\$ -
Road and bridge privilege tax	11,964	313	313	-
Licenses, commissions and other revenue	190,238	185,710	185,821	111
Fines and forfeitures	27,200	17,060	16,947	(113)
Intergovernmental revenues	10,139,020	9,086,354	9,112,435	26,081
Charges for services	12,000	18,074	24,374	6,300
Interest income		1,461	9,084	7,623
Miscellaneous revenues	17,517	133,316	75,201	(58,115)
Total Revenues	<u>12,908,773</u>	<u>11,752,546</u>	<u>11,734,433</u>	<u>(18,113)</u>
Expenditures by Major Budgetary Function				
General government	8,933,971	7,485,459	7,483,836	1,623
Public safety	2,741,401	2,629,142	2,628,691	451
Public works		741,288	741,288	-
Health and welfare	886,857	1,248,254	1,248,254	-
Culture and recreation	27,580	272,264	272,264	-
Conservation of natural resources	50,172	41,546	41,546	-
Economic development and assistance	145,569	141,736	141,523	213
Total Expenditures	<u>12,785,550</u>	<u>12,559,689</u>	<u>12,557,402</u>	<u>2,287</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>123,223</u>	<u>(807,143)</u>	<u>(822,969)</u>	<u>(15,826)</u>
Other Financing Sources (Uses)				
Other financing sources	170,665	355,388	349,388	(6,000)
Other financing uses				-
Total Other Financing Sources (Uses)	<u>170,665</u>	<u>355,388</u>	<u>349,388</u>	<u>(6,000)</u>
Net Change in Fund Balance	<u>293,888</u>	<u>(451,755)</u>	<u>(473,581)</u>	<u>(21,826)</u>
Fund Balances - Beginning		<u>2,259,835</u>	<u>273,409</u>	<u>(1,986,426)</u>
Fund Balances - Ending	<u>\$ 293,888</u>	<u>\$ 1,808,080</u>	<u>\$ (200,172)</u>	<u>\$ (2,008,252)</u>

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

CLAIBORNE COUNTY, MISSISSIPPI

Budgetary Comparison Schedule -

Budget and Actual (Non-GAAP Basis)

Road Fund

For the Year Ended September 30, 2019

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Over (Under)
Revenues				
Property taxes	\$ 244,114	\$ 175,756	\$ 175,756	\$ -
Road and bridge privilege tax	122,699	72,616	73,681	1,065
Licenses, commissions and other revenues		112,346	111,281	(1,065)
Intergovernmental revenues	596,696	566,793	566,793	-
Charges for Services	1,500	1,700	1,700	-
Interest income			217	217
Miscellaneous revenues		28,714	28,714	-
Total Revenues	<u>965,009</u>	<u>957,925</u>	<u>958,142</u>	<u>217</u>
Expenditures by Major Budgetary Function				
Public works	1,026,075	965,548	965,548	-
Total Expenditures	<u>1,026,075</u>	<u>965,548</u>	<u>965,548</u>	<u>-</u>
Net Change in Fund Balance	<u>(61,066)</u>	<u>(7,623)</u>	<u>(7,406)</u>	<u>217</u>
Fund Balances - Beginning		25,653	25,653	-
Fund Balances - Ending	\$ <u>(61,066)</u>	\$ <u>18,030</u>	\$ <u>18,247</u>	\$ <u>217</u>

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

Claiborne County, Mississippi

Schedule of the County's Proportionate Share of the Net Pension Liability

PERS

Last 10 Fiscal Years*

	2019	2018	2017	2016	2015
County's proportionate share of the net pension liability	\$ 8,838,560	8,569,640	8,109,058	8,989,838	8,181,779
County's proportion of the net pension liability	0.050242%	0.051522%	0.048781%	0.050328%	0.052929%
County's covered payroll	3,760,387	3,303,854	3,129,352	3,265,302	3,305,010
County's proportionate share of the net pension liability as a percentage of its covered payroll	235.04%	259.38%	259.13%	275.31%	247.56%
Plan fiduciary net position as a percentage of the total pension liability	61.59%	62.54%	61.49%	57.47%	61.70%

The notes to the required supplementary information are an integral part of this schedule.

* 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.

Claiborne County, Mississippi
Schedule of the County's Contributions
PERS
Last 10 Fiscal Years

	2019	2018	2017	2016	2015
Contractually required contribution	\$ 527,286	520,357	494,813	514,285	520,539
Contributions in relation to the contractually required contribution	527,286	520,357	494,813	514,285	520,539
Contribution deficiency (excess)	\$ -	-	-	-	-
County's covered payroll	3,760,387	3,303,854	3,141,670	3,265,302	3,305,010
Contributions as a percentage of covered payroll	12.2250%	15.75%	15.75%	15.75%	15.75%

The notes to the required supplementary information are an integral part of this schedule.

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

The 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%.

Claiborne County, Mississippi

Notes to the Required Supplementary Information For the year ended September 30, 2019

1. Budgets

A. Budgetary Information

Statutory requirements dictate how and when the County's budget is to be prepared. Generally, in the month of August, prior to the ensuing fiscal year beginning each October 1, the Board of Supervisors of the County, using historical and anticipated fiscal data and proposed budgets submitted by the Sheriff and the Tax Assessor / 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 Budgetary Comparison Schedule - Budget and Actual (Non-GAAP Basis) is a part of required supplementary information.

C. Budget/GAAP Reconciliation.

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

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

Claiborne County, Mississippi

Notes to the Required Supplementary Information For the Year Ended September 30, 2019

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

	<u>Governmental Fund Types</u>	
	<u>General Fund</u>	<u>Road Fund</u>
Budget (Cash Basis)	\$ (473,581)	(7,406)
Increase (Decrease)		
Net adjustments for revenue accruals	(2,732,557)	1,140
Net adjustments for expenditure accruals	<u>2,945,395</u>	<u>(13,467)</u>
GAAP Basis	<u><u>\$ (260,743)</u></u>	<u><u>(19,733)</u></u>

2. 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 and anticipated 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.

Claiborne County, Mississippi

Notes to the Required Supplementary Information For the Year Ended September 30, 2019

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 6.00% to 7.00%.

2019

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

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

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

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

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

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

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

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

Claiborne County, Mississippi

Notes to the Required Supplementary Information For the Year Ended September 30, 2019

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. Change 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

SUPPLEMENTARY INFORMATION

CLAIBORNE COUNTY, MISSISSIPPI
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2019

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures
<u>U. S. Department of Justice</u>			
Passed through the MS Department of Public Safety			
Crime Victim Assistance/Discretionary Grants	16.582	18VA1111	\$ 82,610
Crime Victim Assistance/Discretionary Grants	16.582	19VA1111	25,154
Total passed through the MS Department of Public Safety			107,764
Total U.S. Department of Justice			107,764
<u>U. S. Department of Transportation - Federal Highway Administration</u>			
Passed through the MS Department of Transportation			
Highway Planning and Construction	20.205	STP-1303-3 B	50,453
Total passed through the MS Department of Transportation			50,453
Total U.S. Department of Transportation-Federal Highway Administration			50,453
<u>U. S. Department of Homeland Security</u>			
Passed through the MS Emergency Management Agency			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	4314-DR-MS	25,594
Hazard Mitigation Grant*	97.039	1604-0525	1,169,277
Emergency Management Performance Grants	97.042	N / A	20,549
Total passed through the MS Emergency Management Agency			1,215,420
Total U.S. Department of Homeland Security			1,215,420
Total Expenditures of Federal Awards			\$ 1,373,637

* Denotes major federal award program.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note A - Basis of Presentation

The accompanying Schedule of Federal Awards (Schedule) includes the federal grant activity of Claiborne County and is presented on the modified accrual basis of accounting. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparations of, the basic financial statements. 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 Claiborne County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Claiborne 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 shown on the Schedule represents adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note C - Indirect Cost Rate

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

OTHER INFORMATION

CLAIBORNE COUNTY, MISSISSIPPI
Schedule of Surety Bonds for County Officials
For the Year Ended September 30, 2019
UNAUDITED

Name	Position	Company	Bond
Marie Clark	Supervisor District 1	Western Surety	\$100,000
Kenneth R. Davis	Supervisor District 2	Western Surety	\$100,000
Lonnie O'Quinn	Supervisor District 3	Western Surety	\$100,000
Ronald Shoulders	Supervisor District 4	Western Surety	\$100,000
Daniel Porter	Supervisor District 5	Western Surety	\$100,000
Brenda Buck	County Administrator	Western Surety	\$100,000
Kenneth Ross	County Administrator	Western Surety	\$100,000
Gloria Dotson	Chancery Clerk	Western Surety	\$100,000
Darlene Culbert	Deputy Chancery Clerk	Western Surety	\$50,000
Yvette Linton	Deputy Chancery Clerk	Western Surety	\$50,000
Renee Terrell	Deputy Chancery Clerk	Western Surety	\$50,000
Avis King	Purchase Clerk	Western Surety	\$75,000
Henry Johnson	Receiving Clerk	Western Surety	\$75,000
Lois Chess	Assistant Receiving Clerk	Western Surety	\$50,000
Wanda Anderson	Assistant Receiving Clerk	Western Surety	\$50,000
Clora O'Quinn	Assistant Receiving Clerk	Western Surety	\$50,000
Calvin Epps	Assistant Receiving Clerk	Western Surety	\$50,000
Gloria Dotson	Inventory Control Clerk	Western Surety	\$75,000
George White, Jr.	Road Manager	Western Surety	\$50,000
David Flowers, Jr.	Constable	Western Surety	\$50,000
Roosevelt Dotson, Sr.	Constable	Western Surety	\$50,000
Sammie Good	Circuit Clerk	Western Surety	\$100,000
Gretta Myles	Deputy Circuit Clerk	Western Surety	\$50,000
Gail Compton	Deputy Circuit Clerk	Western Surety	\$50,000
Isom Coleman, III	Deputy Circuit Clerk	Western Surety	\$50,000
Frank Davis	Sheriff	Western Surety	\$100,000
Frederick Yarbrough	Deputy Sheriff*	Western Surety	\$50,000
Devante Davis	Deputy Sheriff*	Western Surety	\$50,000
Jhevante Davis	Deputy Sheriff*	Western Surety	\$50,000
Dwayne Thomas	Deputy Sheriff*	Western Surety	\$50,000
Keyshawn Younger	Deputy Sheriff*	Western Surety	\$50,000
James Jefferson	Deputy Sheriff*	Western Surety	\$50,000
Wanda Anderson	Deputy Sheriff*	Western Surety	\$50,000
Justin R. Rankin	Deputy Sheriff*	Western Surety	\$50,000
Anthony Brown	Deputy Sheriff*	Western Surety	\$50,000
Bobby Ray Claiborne	Deputy Sheriff*	Western Surety	\$50,000
Vera Johnson	Deputy Sheriff*	Western Surety	\$50,000
Lizzie Smith	Deputy Sheriff*	Western Surety	\$50,000
Xavier T. Young	Deputy Sheriff*	Western Surety	\$50,000
Anthony Walker	Deputy Sheriff*	Western Surety	\$50,000
Mitchell Hoskins	Deputy Sheriff*	Western Surety	\$50,000
Gloria Banks	Deputy Sheriff*	Western Surety	\$50,000
Nickita Banks	Justice Court Judge	Western Surety	\$50,000
Mary Curry	Justice Court Judge	Western Surety	\$50,000
Armetrice Ward	Justice Court Clerk	Western Surety	\$50,000
Viola Moore	Deputy Justice Court Clerk	Western Surety	\$50,000
Breanna O'Quin	Deputy Justice Court Clerk	Western Surety	\$50,000
Diane T. Davaul	Tax Collector-Assessor	Travelers	\$100,000
Shanita Earls	Deputy Tax Collector	Western Surety	\$50,000
Jacqueline Good	Deputy Tax Collector	Western Surety	\$50,000
Danielle Rankin	Deputy Tax Collector	Western Surety	\$50,000
Amanda Barber	Deputy Tax Collector	Western Surety	\$50,000

* deputies hired under Section 45-5-9, Miss. Code Ann. (1972)

SPECIAL REPORTS

FORTENBERRY & BALLARD, PC
CERTIFIED PUBLIC ACCOUNTANTS

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

Members of the Board of Supervisors
Claiborne 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, each major fund, and the aggregate remaining fund information of Claiborne County, Mississippi, 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 July 12, 2024. Our report includes an adverse opinion on the aggregate discretely presented component units due to the omission of the discretely presented component unit which is required by accounting principles generally accepted in the United States of America to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Claiborne County'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 the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Claiborne 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 Claiborne County, Mississippi in the Limited Internal Control and Compliance Review Management Report dated July 12, 2024, included within this document.

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.

FORTENBERRY & BALLARD, PC

Fortenberry & Ballard PC
July 12, 2024

Certified Public Accountants

FORTENBERRY & BALLARD, PC
CERTIFIED PUBLIC ACCOUNTANTS

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

Members of the Board of Supervisors
Claiborne County, Mississippi

Report on Compliance for the Major Federal Program

We have audited Claiborne 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 Claiborne County, Mississippi's major federal program for the year ended September 30, 2019. Claiborne County, Mississippi's major federal program is 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 Claiborne County, Mississippi's major federal program 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 Claiborne 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 the major federal program. However, our audit does not provide a legal determination on Claiborne County, Mississippi's compliance.

Opinion on the Major Federal Program

In our opinion, Claiborne 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 the major federal program for the year ended September 30, 2019.

Report on Internal Control Over Compliance

Management of Claiborne 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 Claiborne 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 the 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 Claiborne County, Mississippi'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 a 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.

Fortenberry & Ballard, PC

Fortenberry & Ballard, PC
July 12, 2024

Certified Public Accountants

FORTENBERRY & BALLARD, PC
CERTIFIED PUBLIC ACCOUNTANTS

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
Claiborne County, Mississippi

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

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

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

In our opinion, Claiborne 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 in relation to that examination.

1048 GLUCKSTADT ROAD, SUITE B
MADISON, MISSISSIPPI 39110
TELEPHONE 601-992-5292 FAX 601-992-2033

This report is intended for use in evaluating of Claiborne 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.

FORTENBERRY & BALLARD, PC

Fortenberry & Ballard, PC
July 12, 2024

Certified Public Accountants

Claiborne County, Mississippi
Schedule of Purchases Not Made From the Lowest Bidder
For the Year Ended September 30, 2019

Schedule 1

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

Claiborne County, Mississippi
Schedule of Emergency Purchases
For the Year Ended September 30, 2019

Schedule 2

Our test results did not identify any emergency purchases.

Claiborne County, Mississippi**Schedule 3****Schedule of Purchases Made Noncompetitively From a Sole Source
For the Year Ended September 30, 2019**

Our test results identified one purchase made noncompetitively from a sole source.

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>
2/4/2019	Door Glass Replacement	\$ 7,068	KC South, LLC

FORTENBERRY & BALLARD, PC
CERTIFIED PUBLIC ACCOUNTANTS

LIMITED INTERNAL CONTROL
AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors
Claiborne County, Mississippi

In planning and performing our audit of the financial statements of Claiborne County, Mississippi for the year ended September 30, 2019, we considered Claiborne 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 Claiborne County, Mississippi's financial reporting, we have performed some additional limited internal control and state legal compliance review procedures as identified in the state legal compliance audit program issued by the Office of the State Auditor. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the County's compliance with these requirements. Accordingly, we do not express such an opinion. This report does not affect our report dated July 12, 2024, on the financial statements of Claiborne 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 areas that are opportunities for strengthening internal controls and operating efficiency. Our findings, recommendations, and your responses are disclosed below:

1048 GLUCKSTADT ROAD, SUITE B
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2019-001 The Board of Supervisors should enter executive session for authorized purposes only. Executive session minutes should not be a matter of public record.

Repeat Finding Yes

Criteria

Section 25-41-7(4), Miss. Code Ann. (1972), specifies fourteen (14) reasons why a public body may hold an executive session. Included is the following reason:

- a. “Cases of extraordinary emergency which would pose immediate or irrevocable harm or damage to persons or property, or both, within the jurisdiction of the public body.”

Condition

The Board of Supervisors entered into executive session numerous times during fiscal year 2019. While these executive sessions had topics applicable to the code section listed, there were instances where unauthorized topics were discussed. Personnel decisions including hiring, pay rates and personnel transfers were documented in the Board minutes along with the County’s financial condition. Spreading these matters on the minutes made the executive sessions a part of the public record.

Cause

The Board discussed unauthorized matters in executive session.

Effect

The County is in violation of the Open Meetings Act and also made the details of legitimate executive session discussions available.

Recommendation

The Board of Supervisors should ensure that only authorized discussions occur in executive session and that the details of these discussions remain private.

Official Response

The County shall state the particular code session in meetings going forward and be specific. This finding was written for the Board of Supervisors whose term ended December 31, 2019. Five new Board members took office in 2020 with a new Board Attorney.

2019-002 Each member of the Board of Supervisors should inspect County roads and bridges as required by state statute.

Repeat Finding Yes

Criteria

Section 65-7-117, Miss. Code Ann. (1972), requires each member of the Board of Supervisors to inspect every road and bridge in the county under the jurisdiction of the county not less than once each fiscal year. Each member is also required to file with the Clerk of the Board a report, under oath, of the condition of the roads and bridges inspected with recommendations for a four-year plan for construction and major maintenance of such roads and bridges.

Condition

The annual road inspection was conducted by the Office of State Aid Road Construction, the County Engineer and the County Road Manager.

Cause

No controls were in place to ensure total compliance with the above-referenced statute.

Effect

The delegation of the Board's responsibility to inspect county roads resulted in a violation of state statute.

Recommendation

The members of the Board of Supervisors should perform the annual inspections of roads and bridges and file the required report in the future.

Official Response

The members of the Board of Supervisors do inspect the roads and bridges of the County on at least an annual basis generally along with the County Engineer, the Road Manager and the State Aid Engineer in mid-December. Their recommendations are incorporated in the report issued by the County Engineer. The statutory deficiency lies in the fact that the Board members have not been filing their recommendations separately with the Clerk of the Board under oath. This practice will be adjusted accordingly in fiscal year 2019. This finding was written for the Board of Supervisors whose term ended December 31, 2019. No documentation was presented to the Clerk of the Board of Supervisors.

2019-003 Travel expenses paid with the County credit card should be approved, accounted for, and reported as required by state law.

Repeat Finding Yes

Criteria

Section 19-3-68, Miss. Code Ann. (1972), states, “The supervisors and county employees shall furnish receipts for the use such of credit cards each month to the Chancery Clerk or Purchase Clerk who shall submit a written report monthly to the Board of Supervisors. The report shall include an itemized list of all expenditures and use of the credit cards for the month, and such expenditures may be allowed for payment by the county in the same manner as other items on the claims docket.”

Condition

Itemized reports were not presented monthly to the Board of Supervisors. Credit card transactions were noted where no Board approval was obtained. Also, several instances were noted where travel receipts were turned in for reimbursement where the reason(s) for travel were not specified nor received specific Board approval.

Cause

No controls were in place to ensure credit card transactions were approved, accounted for, and reported as required.

Effect

Failure of credit card users to turn in receipts to the Chancery Clerk or Purchase Clerk and the Clerks' failure to submit the required monthly written report resulted in the payment of unauthorized expenses.

Recommendation

The Board of Supervisors should implement procedures to ensure that all credit card receipts are furnished to the Chancery Clerk or Purchase Clerk as required. The Board should also ensure the required monthly report of credit card charges is submitted prior to approving payment of the claim.

Official Response

I, the Purchase Clerk/Director, furnished all receipts for the use of the credit card monthly to the Chancery Clerk along with an itemized list of all expenditures and use of the credit card. Effective October 7, 2019, the credit card usage for travel expenses are approved explicitly by the Board of Supervisors.

Claiborne County, Mississippi’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.

FORTENBERRY & BALLARD, PC

Fortenberry & Ballard, PC
July 12, 2024

Certified Public Accountants

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Claiborne County, Mississippi

Schedule of Findings and Questioned Costs For the Year Ended September 30, 2019

Section I: Summary of Auditor's Results

Financial Statements:

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

Governmental activities	Unmodified
Aggregate Discretely Presented Component Unit	Adverse
General Fund	Unmodified
Road Fund	Unmodified
Debt Service Fund	Unmodified
Aggregate remaining fund information	Unmodified

2. Internal control over financial reporting:

- a. Material weakness identified? No.
- b. Significant deficiency identified? None reported.

3. Noncompliance material to financial statements noted? No.

Federal Awards:

4. Internal control over major federal programs:

- a. Material weakness identified? No.
- b. Significant deficiency 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 program:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
97.039	Hazard Mitigation Grant

8. Dollar threshold used to distinguish between type A and type B programs: \$750,000.
9. Auditee qualified as a 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). No

Section II: Financial Statement Findings

The results of our tests did not disclose any findings related to the financial statements that are required to be reported by *Government Auditing Standards*.

Section III: Federal Award Findings and Questioned Costs

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