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# **Coahoma County**

Financial Statements

September 30, 2019

**Ellis & Hirsberg**

Certified Public Accountants, PLLC

Clarksdale, MS 38614

COAHOMA COUNTY  
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COAHOMA COUNTY

FINANCIAL SECTION

COAHOMA COUNTY

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## INDEPENDENT AUDITORS' REPORT

Members of the Board of Supervisors  
Coahoma County, Mississippi

### Report on the Financial Statements

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

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Economic Development Authority of Coahoma County, a blended component unit, which represents 4 percent, 1 percent and 2 percent respectively of the assets, net position, and revenues of the governmental activities. Those statements were audited by other auditors whose report has been furnished to us and our opinion insofar as it relates to the amounts included for the Economic Development Authority of Coahoma County is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Coahoma County, Mississippi as of September 30, 2019, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Supplementary and Other Information*

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 24, 2021, on our consideration of Coahoma County, Mississippi's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Coahoma County, Mississippi's internal control over financial reporting and compliance.

*Ellis & Hirsberg CPA's PLLC*

Ellis & Hirsberg CPA's PLLC  
Clarksdale, Mississippi  
May 24, 2021



## COAHOMA COUNTY

### MANAGEMENT'S DISCUSSION AND ANALYSIS

COAHOMA COUNTY

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COAHOMA COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019

**INTRODUCTION**

The discussion and analysis of Coahoma County's financial performance provides an overall narrative review of the County's financial activities for the year ended September 30, 2019. The intent of this discussion and analysis is to look at the County's performance as a whole; readers should also review the notes to the basic financial statements and the financial statements to enhance their understanding of the County's financial performance.

This discussion and analysis is an element of required supplementary information specified in the "Governmental Accounting Standards Board's (GASB) Statement No. 34 - *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*" issued June 1999. Certain comparative information between the current year and the prior year is required to be presented.

Coahoma County is located in northwestern Mississippi along the Mississippi River. The population is estimated at 23,154. The local economic base is driven mainly by agriculture.

**FINANCIAL HIGHLIGHTS**

Coahoma County is financially stable. The County has committed itself to financial excellence for many years by using sound financial planning, budgeting and strong internal controls. The County is committed to maintaining sound fiscal management to meet the challenges of the future.

Coahoma County continues to grow economically yet is decreasing in population. This has allowed the County to maintain a steady growth in tax revenues without a significant tax increase. The County government tax rate was 100.75 mills for the 2018-2019 tax year. The County wide levy was 51.26 mills, the school district levy was 40.49 mills and the levy district, waste disposal, fire protection and levee district levies totaled 9 mills.

Total net position decreased \$4,903,750. The decrease results from a decrease in net position of \$5,262,215 and prior period adjustments of 358,465. The ending net position at September 30, 2019 was \$94,800,803 as compared to \$99,704,553 in the prior year. The September 30, 2018 fiscal year net position increased \$712,008.

The County had \$17,781,815 in total revenues for 2019. Tax revenues account for \$8,633,144 or 49% of total revenues. State revenues in the form of reimbursements, shared revenue, or grants, account for \$2,733,728 or 15% of total revenues. Revenues for the previous year totaled \$20,726,440. Tax revenues accounted for \$8,321,706 or 40% of total revenues for 2018.

The County had \$23,044,030 in total expenses for 2019. Expenses in the amount of \$2,716,312 were offset by charges for services, grants, or outside contributions. General revenues of \$15,065,503 were not adequate to provide for the remainder of the expenses. Expenses for the previous year totaled \$20,014,432. Expenses in the amount of \$6,205,396 were offset by charges for services, grants, or outside contributions. General revenues of \$14,521,044 were adequate to provide for the remainder of the expenses.

Among major funds, the General Fund had \$10,491,801 in revenues and \$10,677,429 in expenditures. Other financing sources provided \$785,095 resulting in a fund balance increase of \$599,467 over the prior year. In the previous year, the General Fund had \$9,627,675 in revenues and \$9,126,988 in expenditures.

The Road Fund had \$1,747,489 in revenues and had \$2,637,698 in total expenditures for 2019. Other financing sources provided \$100,000 resulting in a fund balance decrease of \$790,209 under the prior year. In the previous year, the Road Fund had \$1,579,149 in revenues, \$2,571,368 in expenditures and \$3,349 of other financing sources resulting in a \$988,870 decrease in fund balance for 2018.

The Economic Development Authority Fund had \$707,607 in revenues and had \$792,325 in total expenditures. Other financing sources provided an additional \$244,008 from capital lease principal receipts. The increase in the fund balance

totaled \$159,290. In the previous year, the Economic Development Authority Fund had \$645,315 in revenues and \$679,549 in expenditures. Other financing sources provided an additional \$219,851 resulting in a increase in fund balance of \$185,617 for the year.

The Hospital Reserve Fund had \$1,168,741 in revenues and \$3,668,776 in expenditures. Other financing sources provided an additional \$399,521. The Hospital Reserve Fund had a net decrease in fund balance of \$2,100,514. In the previous year, the Hospital Reserve Fund had \$1,601,948 in total revenues and \$25,318 in expenditures. Other financing uses consisted of operating transfers out of \$764,653. The result was an increase in the fund balance of \$811,977.

Capital assets, net of accumulated depreciation, decreased by \$1,801,053 in the governmental activities and increased by \$87,474 in the business-type activities. The governmental activities decrease resulted from depreciation in excess of capital additions during the year. The increase in the business-type activities resulted from an increase from a prior period adjustment netted with depreciation in excess of capital additions during the year. Capital assets in the prior year decreased by \$904,685 in the governmental activities and increased by \$1,132,908 in the business-type activities.

Long-term debt decreased by \$1,008,317 in the governmental activities. Compensated absences increased by \$11,683. A capital lease payment of \$1,020,000 was made. In the previous year, long-term debt increased \$24,021 in the governmental activities and decreased by \$45,171 in the business-type activities.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. Required Supplementary Information is included in addition to the basic financial statements.

Figure 1 - Required Components of the County's Annual Report

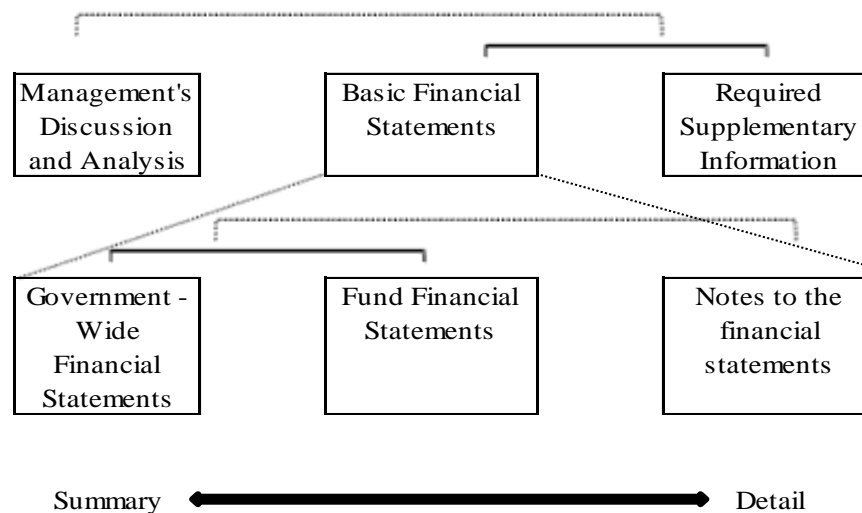


Figure 1 shows how required parts of this annual report are arranged and related to one another.

Figure 2 summarizes the major features of the County's financial statements, including the portion of the County's government they cover and the types of information they contain. The remainder of this section of Management's Discussion and Analysis explains the structure and content of each of the statements.

Figure 2 - Major Features of the County's Government-Wide and Fund Financial Statements

	Government-Wide Financial	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire County government (except fiduciary funds) and component units	All activities of the County that are not business-type or Fiduciary in nature	Activities of the County that operate similar to private businesses	The County is the trustee or agent for someone else's resources
Required financial statements	a. Statement of net position b. Statement of activities	a. Balance sheet b. Statement of revenues, expenditures and changes in fund balances	a. Statement of net position b. Statement of revenues, expenses and changes in net position c. Statement of cash flows	a. Statement of fiduciary net position b. Statement of changes in net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset, deferred outflow, liability, deferred inflow information	All assets, deferred outflows, liabilities, deferred inflows both financial and capital and short and long term	Only assets and deferred outflows expected to be used up and liabilities and deferred inflows that come due during the year or soon thereafter; no capital assts included	All assets, deferred outflows, liabilities, and deferred inflows both financial and capital, and short and long term	All assets, deferred outflows, liabilities and deferred inflows both short and long term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during or soon after the end of the year; expenditures when goods or services are received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

**Government-wide Financial Statements.** The government-wide financial statements are designed to provide readers with a broad overview of the County finances, in a manner similar to private-sector businesses.

The **statement of net position** presents information on all County assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The **statement of activities** presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing

of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or part of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government; public safety; public works (roads and bridges); health and welfare; culture and recreation; conservation of natural resources; economic development and assistance; interest and other expenses on long-term debt; and pension expense. The business-type activities of the County include rental of office space at the Federal Building and rents received from railroad operations.

The Government-wide Financial Statements can be found on pages 18, 19, 20 and 21 of this report.

**Fund Financial Statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds** are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a County's near-term financing requirements. Governmental funds include the general, special revenue, debt service, and capital projects funds.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both, the "Governmental Funds Balance Sheet" and the "Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances" provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are on pages 24 and 28, respectively.

The County maintains individual governmental funds in accordance with the *Mississippi County Financial Accounting Manual*. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances for all major funds. All other non-major funds are combined together and presented in these reports as other governmental funds.

The basic governmental funds financial statements can be found on pages 22 through 29 of this report.

**Proprietary funds** are maintained two ways. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the Federal Building and a Railroad operation. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its self-insurance and central maintenance. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Fund financial statements for the proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Federal Building Fund and Railroad Fund are considered to be major funds of the County. The proprietary funds financial statements can be found on pages 30 through 33 of this report.

**Fiduciary funds** are used to account for resources held for the benefit of parties outside the County government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accrual basis of accounting is used for fiduciary funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The County's fiduciary activities are presented in a separate Statement of Fiduciary Assets and Liabilities, which can be found on page 34 of this report.

## **Reconciliation of Government-wide and Fund Financial Statements**

The financial statements include two schedules that reconcile the amounts reported on the governmental funds financial statements (modified accrual basis of accounting) with government-wide financial statements (accrual basis of accounting). The following summarizes the major differences between the two statements:

Capital assets used in governmental activities are not reported on governmental funds financial statements.

Bonds and note proceeds result in liabilities on government-wide financial statements but are recorded as other financing sources on the governmental funds financial statements.

Certain other outflows represent either increases or decreases in liabilities on the government-wide financial statements but are reported as expenditures on the governmental funds financial statements.

**Notes to the financial statements** provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 35 through 62 of this report.

In addition to the basic financial statements and accompanying notes, this report also presents Required Supplementary Information concerning the County's budget process and pension standards.

The County adopts an annual operating budget for all governmental funds. A budgetary comparison statement has been provided for the General Fund and each additional major fund. This required supplementary information can be found on pages 63 through 74 of this report.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Net Position** - Net position may serve over time as a useful indicator of government's financial position. In the case of Coahoma County, assets and deferred outflows exceeded liabilities and deferred inflows by \$ 94,800,803 as of September 30, 2019.

By far, the largest portion of the County's net position (75%) reflects its net investment in capital assets (e.g. roads, bridges, land, buildings, mobile equipment, furniture and equipment, leased property under capital lease and construction in progress) less related outstanding debt used to acquire such assets. The County uses these capital assets to provide services to its citizens.

The County's financial position is a product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets.

The following table presents a summary of the County's net position for the fiscal years ended September 30, 2019 and 2018.

	Governmental Activities		Business-type Activities	
	2019	2018	2019	2018
Current assets	19,921,849	22,272,385	427,921	561,249
Restricted assets	28,925,872	28,950,594		
Capital assets, net	74,603,431	76,404,484	7,700,170	7,612,696
Total assets	123,451,152	127,627,463	8,128,091	8,173,945
Deferred outflows of resources	1,415,360	1,567,931	8,029	10,815
Current liabilities	2,034,170	1,163,452	16,270	12,047
Long-term debt outstanding	11,799,534	12,807,851		
Net pension liability	14,711,741	13,507,517	83,460	76,628
Total liabilities	28,545,445	27,478,820	99,730	88,675
Deferred inflows of resources	9,551,029	10,097,378	5,625	7,948
Net position:				
Net investment in capital assets	63,133,431	63,914,484	7,700,170	7,612,696
Restricted	50,913,289	50,837,772		613,143
Unrestricted	(27,276,682)	(23,133,060)	330,595	(140,482)
Total net position	86,770,038	91,619,196	8,030,765	8,085,357

The following are significant current year transactions that have had an impact on the Statement of Net Position.

- A payment of \$1,020,000 was made on capital lease of jail facility.
- Decrease in capital assets was due to depreciation in excess of capital additions during the year.

**Changes in Net Position** - Coahoma County's total revenues for the fiscal year ended September 30, 2019 were \$17,781,815. The total cost for all services provided were \$23,044,030. The change in net position was a decrease of \$5,262,215. The following table presents a summary of the changes in net position for the fiscal years ended September 30, 2019 and 2018.



	2019 Amount	2018 Amount
Revenues:		
Program revenues		
Charges for services	1,227,500	1,424,617
Operating grants and contributions	534,712	1,050,085
Capital grants and contributions	954,100	3,730,694
General revenues		
Property taxes	8,633,144	8,321,706
Grants and contributions not restricted to specific programs	2,733,728	2,130,550
Unrestricted investment income	463,218	489,167
Other	3,235,413	3,579,621
Total Revenues	17,781,815	20,726,440
Expenses:		
General government	3,703,670	3,667,456
Public safety	4,926,579	6,034,133
Public works	5,447,469	4,978,929
Health and welfare	4,662,043	1,041,622
Economic development	936,813	940,985
Pension expense	1,682,805	1,797,899
Other expenses	1,684,651	1,553,408
Total Expenses	23,044,030	20,014,432
Increase (Decrease) in Net Position	(5,262,215)	712,008

**Governmental Activities** - The following table presents the cost of ten major functional activities of the County: General Government, Public Safety, Public Works, Health and Welfare, Culture and Recreation, Conservation of Natural Resources, Economic Development and Assistance, interest and other expenses on long-term liabilities, and pension expense.

The table also shows each function's net cost (total cost less charges for services generated by the activity and intergovernmental aid provided for that activity). The net cost shows the financial burden that was placed on Coahoma County's taxpayers by each of these functions.

	2019 Total Costs	2018 Total Costs	2019 Net Costs	2018 Net Costs
General government	3,703,670	3,667,456	3,197,426	3,133,853
Public safety	4,926,579	6,034,133	4,459,149	4,465,355
Public works	5,447,469	4,978,929	4,705,521	3,825,346
Health and welfare	4,662,043	1,041,622	4,500,501	847,610
Economic development and assistance	936,813	940,985	700,115	746,651
Culture and recreation	322,758	317,161	145,353	143,359
Education		5,000		5,000
Pension expense	1,682,805	1,797,899	1,682,805	1,797,899
Conservation of natural resources	67,520	51,592	67,520	51,592
Interest and other expenses on long-term liabilities	494,751	201,620	494,751	201,620

## ***FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS***

**Governmental funds** - At the close of the fiscal year, Coahoma County's governmental funds reported a combined fund balance of \$35,369,567, a 7.62% decrease of \$2,917,584.

The General Fund is the principal operating fund of the County. The increase in the fund balance of the General Fund for the fiscal year was \$599,467. In the previous year, the General Fund reported an increase of \$1,302,590 in its fund balance.

The Road Fund reported a decrease in net fund balance for the year of \$790,209. The fund accounts for activities associated with road maintenance financed in part by tax assessments and state source revenue. In the prior year, the Road Fund reported a decrease in fund balance of \$988,870.

The Economic Development Authority Fund reported an increase in fund balance of \$159,290 for the year. The fund accumulates activities associated with industrial development within the County. In the prior year, the Economic Development reported an increase in fund balance of \$185,617.

The Hospital Reserve Fund reported a decrease in fund balance of \$2,100,514 for the year. In the prior year, an increase of \$811,977 was reported in fund balance.

**Business-type funds** - Both enterprise funds are supported by rent. The Federal Building rents office space to various outside agencies. The Railroad Fund leases railroad tracks to an operator who pays rent based on the number of cars stored each month on the tracks.

## ***BUDGETARY HIGHLIGHTS OF MAJOR FUNDS***

Over the course of the year Coahoma County revised its annual operating budget. Significant amendments are explained as follows:

The overall General Fund budget was increased \$329,154.

The Road Fund budget was increased \$86,444. However, actual expenditures exceeded the budgeted expenditures by \$354,314.

The Economic Development Authority Fund budget decreased \$3,235. Actual expenditures exceeded the budgeted amount by \$79,749.

The Hospital Reserve Fund increased its budget by \$3,471,365. Actual expenditures exceeded the budget amount by \$733,298. The increase was necessary to keep the hospital operating in the County. The operator of the hospital encountered financial issues during the year which prompted the County's participation in its operations during the year.

A schedule showing the original and final budget amounts compared to the County's actual financial activity for the General Fund and other major funds is provided in this report as required supplementary information.

## ***CAPITAL ASSETS AND DEBT ADMINISTRATION***

**Capital Assets** - As of September 30, 2019, Coahoma County's total capital assets were \$ 179,177,028. This includes roads, bridges, other infrastructure, land, buildings, mobile equipment, furniture and equipment, leased property under capital lease and construction in progress. This amount represents an increase from the previous year of \$684,884. Governmental activities constituted \$86,742 of the increase, business-type activities increased by \$579,342 due to a prior period adjustment, and the blended component unit had an increase of \$18,800.

Total accumulated depreciation as of September 30, 2019 was \$96,873,427, including \$2,568,655 of depreciation expense for the year. The balance in total net capital assets was \$82,303,601 at year-end.

Additional information on Coahoma County's capital assets can be found in Note 7 on page 48 of this report.

**Debt Administration** - At September 30, 2019, Coahoma County had \$11,799,534 in long-term debt outstanding. The governmental activities debt consists of a capital lease obligation of \$11,470,000 and compensated absences of \$329,534.

The State of Mississippi limits the amount of debt a County can issue to generally 15% of total assessed value. The County's outstanding debt is significantly below its current limit of \$32.8 million dollars. The capital lease obligation is not backed by the full faith and credit of the County and is not applied against the debt limitation.

Additional information on Coahoma County's long-term debt can be found in Note 13 on page 56 of this report.

#### ***CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT***

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the funds it receives. If you have questions about this report or need additional financial information, please contact the County Administrator's/Chancery Clerk's office at P. O. Box 579, Clarksdale, MS 38614.

COAHOMA COUNTY

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COAHOMA COUNTY

BASIC FINANCIAL STATEMENTS

COAHOMA COUNTY  
Statement of Net Position  
September 30, 2019

Exhibit 1

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash	\$ 5,309,940	760,936	6,070,876
Property tax receivable	8,262,253		8,262,253
Accounts receivable (net of allowance for uncollectibles of \$0)		6,879	6,879
Fines receivable (net of allowance for uncollectibles of \$11,541,103)	399,264		399,264
Loans receivable	1,518,892		1,518,892
Capital leases receivable	2,974,803		2,974,803
Intergovernmental receivables	1,058,457		1,058,457
Other receivables	56,712		56,712
Internal balances	339,894	(339,894)	-
Prepaid items	1,634		1,634
Restricted assets	28,925,872		28,925,872
Capital assets:			
Land and construction in progress	17,617,588	40,000	17,657,588
Other capital assets, net	56,985,843	7,660,170	64,646,013
Total Assets	123,451,152	8,128,091	131,579,243
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	1,415,360	8,029	1,423,389
Total Deferred Outflows of Resources	1,415,360	8,029	1,423,389
LIABILITIES			
Claims payable	763,584	16,270	779,854
Intergovernmental payables	423,629		423,629
Accrued interest payable	192,335		192,335
Amounts held in custody for others	69,361		69,361
Unearned revenue	585,261		585,261

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

Long term liabilities			
Net pension liability	14,711,741	83,460	14,795,201
Due within one year			
Capital related debt	475,000		475,000
Due in more than one year:			
Capital related debt	10,995,000		10,995,000
Non-capital related debt	329,534		329,534
Total Liabilities	<u>28,545,445</u>	<u>99,730</u>	<u>28,645,175</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	991,415	5,625	997,040
Deferred revenues - property taxes	8,262,253		8,262,253
Deferred revenues - capital leases	297,361		297,361
Total Deferred Inflows of Resources	<u>9,551,029</u>	<u>5,625</u>	<u>9,556,654</u>
NET POSITION			
Net investment in capital assets	63,133,431	7,700,170	70,833,601
Restricted net position:			
Expendable:			
General government	211,326		211,326
Debt service	37,459		37,459
Public safety	104,317		104,317
Public works	1,372,752		1,372,752
Culture and recreation	19,318		19,318
Economic development	3,585,380		3,585,380
Unemployment compensation	21,460		21,460
Non-expendable:			
Hospital reserve	45,561,277		45,561,277
Unrestricted	(27,276,682)	330,595	(26,946,087)
Total Net Position	<u>\$ 86,770,038</u>	<u>8,030,765</u>	<u>94,800,803</u>

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

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

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary government:							
Governmental activities:							
General government	\$ 3,703,670	492,893	13,351		(3,197,426)		(3,197,426)
Public safety	4,926,579	323,415	94,015	50,000	(4,459,149)		(4,459,149)
Public works	5,447,469	738	55,406	685,804	(4,705,521)		(4,705,521)
Health and welfare	4,662,043		161,542		(4,500,501)		(4,500,501)
Culture and recreation	322,758			177,405	(145,353)		(145,353)
Conservation of natural resources	67,520				(67,520)		(67,520)
Economic development and assistance	936,813		210,398	26,300	(700,115)		(700,115)
Interest and other expenses on long-term liabilities	494,751				(494,751)		(494,751)
Pension expense	1,682,805				(1,682,805)		(1,682,805)
Total Governmental Activities	22,244,408	817,046	534,712	939,509	(19,953,141)	-	(19,953,141)
Business-type activities:							
Federal building	300,193	380,660				80,467	80,467
Railroad	499,429	29,794		14,591		(455,044)	(455,044)
Total Business-type Activities	799,622	410,454	-	14,591	-	(374,577)	(374,577)
Total Primary Government	\$ 23,044,030	1,227,500	534,712	954,100	(19,953,141)	(374,577)	(20,327,718)

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



Property taxes	\$	8,415,849		8,415,849
Road and bridge privilege taxes		217,295		217,295
Grants and contributions not restricted to specific programs		2,733,728		2,733,728
Unrestricted investment income		463,218		463,218
Miscellaneous		3,235,413		3,235,413
Transfers		149,000	(149,000)	-
Total General Revenues		<u>15,214,503</u>	<u>(149,000)</u>	<u>15,065,503</u>
Changes in Net Position		<u>(4,738,638)</u>	<u>(523,577)</u>	<u>(5,262,215)</u>
Net Position - Beginning, as previously reported		91,619,196	8,085,357	99,704,553
Prior period adjustment		<u>(110,520)</u>	<u>468,985</u>	<u>358,465</u>
Net Position - Beginning, as restated		<u>91,508,676</u>	<u>8,554,342</u>	<u>100,063,018</u>
Net Position - Ending	\$	<u>86,770,038</u>	\$ 8,030,765	\$ <u>94,800,803</u>

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

COAHOMA COUNTY  
Balance Sheet - Governmental Funds  
September 30, 2019

Exhibit 3

	Major Funds					
	General Fund	Road Fund	Economic Development Authority Fund	Hospital Reserve Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash	\$ 2,157,846	158,496	1,707,661		1,285,937	5,309,940
Investments						-
Property tax receivable	5,790,647	706,600	111,055		1,653,951	8,262,253
Fines receivable (net of allowance for uncollectibles \$11,541,103)	399,264					399,264
Loans receivable			498,734		1,020,158	1,518,892
Capital lease receivable	15,451		2,959,352			2,974,803
Intergovernmental receivables	230,223	28,168			194,366	452,757
Other receivables	5,439		35,185		16,088	56,712
Prepaid expenses	1,634					1,634
Due from other funds		22,413	977	11,098,645	15,113	11,137,148
Advances to other funds				5,579,695		5,579,695
Restricted assets				28,925,872		28,925,872
Total Assets	<u>8,600,504</u>	<u>915,677</u>	<u>5,312,964</u>	<u>45,604,212</u>	<u>4,185,613</u>	<u>64,618,970</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Claims payable	265,930	150,784	45,779	42,935	258,155	763,583
Intergovernmental payables	423,070				559	423,629
Due to other funds	3,203,670	3,244,038	894,779		2,869,522	10,212,009
Advances from other funds	932,367	456,939	2,927,241		1,242,693	5,559,240
Unearned revenue	102,732		482,529			585,261
Amounts held in custody for others	67,361					67,361
Other payables					2,000	2,000
Total Liabilities	<u>4,995,130</u>	<u>3,851,761</u>	<u>4,350,328</u>	<u>42,935</u>	<u>4,372,929</u>	<u>17,613,083</u>

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

DEFERRED INFLOWS OF RESOURCES

Unavailable revenue - property taxes	5,790,647	706,600	111,055		1,653,951	8,262,253
Unavailable revenue - fines	399,264					399,264
Unavailable revenue - capital leases	15,451		2,959,352			2,974,803
Total deferred inflows of resources	<u>6,205,362</u>	<u>706,600</u>	<u>3,070,407</u>	<u>-</u>	<u>1,653,951</u>	<u>11,636,320</u>
Fund balances:						
Nonspendable:						
Advances				5,579,695		5,579,695
Loans receivable			498,734		1,020,158	1,518,892
Permanent fund principal				39,981,582		39,981,582
Restricted for:						
General government					211,326	211,326
Public safety					104,317	104,317
Public works					352,594	352,594
Culture and recreation					19,318	19,318
Economic development and assistance					49,265	49,265
Debt service					37,459	37,459
Unemployment compensation					21,460	21,460
Committed to:						
General government	146,707					146,707
Assigned						
Economic development and assistance			359,939			359,939
Unassigned	(2,746,695)	(3,642,684)	(2,966,444)		(3,657,164)	(13,012,987)
Total Fund Balances	<u>(2,599,988)</u>	<u>(3,642,684)</u>	<u>(2,107,771)</u>	<u>45,561,277</u>	<u>(1,841,267)</u>	<u>35,369,567</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 8,600,504</u>	<u>915,677</u>	<u>5,312,964</u>	<u>45,604,212</u>	<u>4,185,613</u>	<u>64,618,970</u>

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

## COAHOMA COUNTY

Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position  
September 30, 2019

Exhibit 3-1

	<u>Amount</u>
Total Fund Balance - Governmental Funds	\$ 35,369,567
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$91,756,770	74,603,431
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the fund:	
Fines receivable	399,264
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds	(11,799,534)
Capital leases are not available to pay for current period expenditures and, therefore, are deferred in the funds	2,677,442
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:	
Deferred outflows of resources related to pensions	1,415,360
Deferred inflows of resources related to pensions	(991,415)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds	(14,711,741)
Accrued interest payable is not due and payable in the current period and, therefore, are not reported in the funds	(192,335)
Rounding	<u>(1)</u>
Total net position - Governmental Activities	<u><u>\$ 86,770,038</u></u>

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

COAHOMA COUNTY

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## COAHOMA COUNTY

Exhibit 4

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

For the year ended September 30, 2019

	Major Funds					
	General Fund	Road Fund	Economic Development Authority Fund	Hospital Reserve Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 6,002,445	577,482	111,781		1,724,141	8,415,849
Road and bridge privilege taxes		217,295				217,295
Licenses, commissions and other revenue	389,807	3,954			18,355	412,116
Fines and forfeitures	164,748					164,748
Intergovernmental revenues	2,213,677	696,455	236,698		1,061,119	4,207,949
Charges for services	74,332				199,808	274,140
Interest income	83,755		63,814	286,027	29,626	463,222
Increase in market value of securities				274,207		274,207
Miscellaneous revenues	1,563,037	252,303	295,314	608,507	235,055	2,954,216
Total Revenues	10,491,801	1,747,489	707,607	1,168,741	3,268,104	17,383,742
EXPENDITURES						
General government	3,790,067				27,978	3,818,045
Public safety	4,700,408				354,590	5,054,998
Public works	26,361	2,625,614			2,278,640	4,930,615
Health and welfare	429,379			3,668,776		4,098,155
Culture and recreation	202,237				36,421	238,658
Education						-
Conservation of natural resources	80,115					80,115
Economic development and assistance	104,170		732,037		97,000	933,207
Debt service:						
Principal	1,020,000					1,020,000
Interest	324,692	12,084	60,288		35,308	432,372
Total Expenditures	10,677,429	2,637,698	792,325	3,668,776	2,829,937	20,606,165

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

OTHER FINANCING SOURCES (USES)

Transfers in	1,060,257	100,000		946,055	197,513	2,303,825
Transfers out	(297,513)			(546,534)	(1,310,778)	(2,154,825)
Lease principal payments	22,351		244,008			266,359
Total Other Financing Sources (Uses)	<u>785,095</u>	<u>100,000</u>	<u>244,008</u>	<u>399,521</u>	<u>(1,113,265)</u>	<u>415,359</u>
Net Changes in Fund Balances	<u>599,467</u>	<u>(790,209)</u>	<u>159,290</u>	<u>(2,100,514)</u>	<u>(675,098)</u>	<u>(2,807,064)</u>
Fund Balances - Beginning, as previously reported	(3,199,455)	(2,852,475)	(2,267,061)	47,661,791	(1,055,649)	38,287,151
Prior Period Adjustment					(110,520)	(110,520)
Fund Balances - Beginning, as restated	<u>(3,199,455)</u>	<u>(2,852,475)</u>	<u>(2,267,061)</u>	<u>47,661,791</u>	<u>(1,166,169)</u>	<u>38,176,631</u>
Fund Balances - Ending	<u>\$ (2,599,988)</u>	<u>(3,642,684)</u>	<u>(2,107,771)</u>	<u>45,561,277</u>	<u>(1,841,267)</u>	<u>35,369,567</u>

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

COAHOMA COUNTY

Exhibit 4-1

Reconciliation of the Statement of Revenues, Expenditures and Changes in  
Fund Balances of Governmental Funds to the Statement of Activities  
For the year ended September 30, 2019

	<u>Amount</u>
Net Changes in Fund Balances - Governmental Funds	\$ (2,807,064)
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 depreciation of \$2,187,144 exceeded capital outlays of \$417,256	(1,769,888)
In the Statement of Activities, only gains and loss 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 loss of \$31,165 and proceeds from the sale of assets of \$0 in the current period	(31,165)
Fine revenue is earned when a legally enforceable claim to the fine exists, regardless of when the fine is collected. Under the modified accrual basis fine revenue is deferred when it is not currently collectible	(26,974)

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



Debt proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Thus, the change in net position differs from the change in fund balances by the amount that debt repayments of \$1,020,000 exceeded debt proceeds of \$0.

1,020,000

Under the modified accrual basis of accounting used in the Governmental Funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However, in the Statement of Activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is recognized under the modified accrual basis of accounting when due, rather than as it accrues. Thus, the change in net assets differs from the change in fund balance by a combination of the following items:

Compensated absences

(11,683)

Accrued interest

(62,379)

An adjustment on capital lease provisions for blended component unit

12,660

Lease principal payments on capital leases recognized on the modified accrual basis in the funds is reduced because prior year recognition of gain would have been required on the Statement of Activities using the full-accrual basis of accounting.

(266,359)

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

(1,682,805)

Recording of contributions made during the year

887,018

Rounding

1

Change in Net Position of Governmental Activities

\$ (4,738,638)

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

COAHOMA COUNTY  
Statement of Net Position - Proprietary Funds  
September 30, 2019

Exhibit 5

	Business-type Activities - Enterprise Funds		
	Federal		
	Building	Railroad	
	Fund	Fund	Total
ASSETS			
Current assets:			
Cash	\$ 145,659	615,277	760,936
Accounts receivable	6,879		6,879
Total Current Assets	152,538	615,277	767,815
Noncurrent assets:			
Land and construction in progress	40,000	-	40,000
Capital assets, net	826,788	6,833,382	7,660,170
Total Noncurrent Assets	866,788	6,833,382	7,700,170
Total Assets	1,019,326	7,448,659	8,467,985
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pension	8,029		8,029
LIABILITIES			
Current liabilities:			
Claims payable	16,178	92	16,270
Due to other funds	215,893	103,546	319,439
Advances from other funds		20,455	20,455
Total Current Liabilities	232,071	124,093	356,164
Noncurrent liabilities:			
Net pension liability	83,460		83,460
Total Noncurrent Liabilities	83,460	-	83,460
Total Liabilities	315,531	124,093	439,624
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	5,625		5,625
NET POSITION			
Net investment in capital assets	866,788	6,833,382	7,700,170
Restricted for economic development			-
Unrestricted	(160,589)	491,184	330,595
Total Net Position	\$ 706,199	7,324,566	8,030,765

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

## COAHOMA COUNTY

Exhibit 6

## Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds

For the Year Ended September 30, 2019

	Business-type Activities - Enterprise Funds		
	Federal Building Fund	Railroad Fund	Totals
Operating Revenues			
Rent	\$ 380,660	29,794	410,454
Total Operating Revenues	<u>380,660</u>	<u>29,794</u>	<u>410,454</u>
Operating Expenses			
Personal services	47,053		47,053
Contractual services	185,079	173,806	358,885
Materials and supplies	1,176		1,176
Depreciation expense	57,339	324,172	381,511
Pension expense	9,546		9,546
Total Operating Expenses	<u>300,193</u>	<u>497,978</u>	<u>798,171</u>
Operating Income (Loss)	<u>80,467</u>	<u>(468,184)</u>	<u>(387,717)</u>
Nonoperating Revenues (Expenses)			
Intergovernmental grants		14,591	14,591
Interest expense		(1,451)	(1,451)
Net Nonoperating Revenue (Expenses)	<u>-</u>	<u>13,140</u>	<u>13,140</u>
Net Income (Loss) Before Transfers	80,467	(455,044)	(374,577)
Transfers In		8,913	8,913
Transfers Out	<u>(157,913)</u>	<u>-</u>	<u>(157,913)</u>
Changes in Net Position	<u>(77,446)</u>	<u>(446,131)</u>	<u>(523,577)</u>
Net Position - Beginning, as previously reported	783,645	7,301,712	8,085,357
Prior Period Adjustment		468,985	468,985
Net Position - Beginning, as restated	<u>783,645</u>	<u>7,770,697</u>	<u>8,554,342</u>
Net Position - Ending	<u>\$ 706,199</u>	<u>7,324,566</u>	<u>8,030,765</u>

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

COAHOMA COUNTY  
Statement of Cash Flows - Proprietary Funds  
For the Year Ended September 30, 2019

Exhibit 7

	Business-type Activities - Enterprise Funds		
	Federal Building Fund	Railroad Fund	Totals
Cash Flows From Operating Activities			
Receipts from rent	\$ 390,866	30,956	421,822
Payments to suppliers	(181,652)	(13,633)	(195,285)
Payments to employees	(52,556)		(52,556)
Net Cash Provided (Used) by Operating Activities	156,658	17,323	173,981
Cash Flows From Noncapital Financing Activities			
Cash received from other funds:			
Loans from other funds		8,913	8,913
Cash paid to other funds:			
Operating transfers out	(157,913)	-	(157,913)
Interfund loan repayments		(1,315,957)	(1,315,957)
Net Cash Provided (Used) by Noncapital Financing Activities	(157,913)	(1,307,044)	(1,464,957)
Cash Flows From Capital and Related Financing Activities			
Capital grants received		291,817	291,817
Acquisition and construction of capital assets			-
Principal paid on long-term debt			-
Interest paid on debt		(1,451)	(1,451)
Net Cash Provided (Used) by Capital and Related Financing Activities	-	290,366	290,366
Net Increase (Decrease) in Cash and Cash Equivalents	(1,255)	(999,355)	(1,000,610)
Cash and Cash Equivalents at Beginning of Year	146,914	1,614,632	1,761,546
Cash and Cash Equivalents at End of Year	\$ 145,659	615,277	760,936

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

Reconciliation of Operating Income (Loss) to Net Cash  
 Provided (Used) by Operating Activities:

Operating income (loss)	\$ 80,467	(468,184)	(387,717)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	57,339	324,172	381,511
Decrease in deferred outflows related to pensions	865		865
(Decrease) in deferred inflows related to pensions	(3,182)		(3,182)
Increase in net pension liability	6,832		6,832
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	10,206	161,243	171,449
Increase (decrease) in claims payable	4,131	92	4,223
Total Adjustments	76,191	485,507	561,698
Net Cash Provided (Used) by Operating Activities	\$ 156,658	17,323	173,981

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

COAHOMA COUNTY  
Statement of Fiduciary Assets and Liabilities  
September 30, 2019

Exhibit 8

	<u>Agency</u>
ASSETS	
Cash	<u>\$ 781,970</u>
Total Assets	<u><u>781,970</u></u>
LIABILITIES	
Intergovernmental payables	176,270
Due to other funds	<u>605,700</u>
Total Liabilities	<u><u>\$ 781,970</u></u>

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

# COAHOMA COUNTY

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

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

#### A. Financial Reporting Entity.

Coahoma 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 Coahoma County to present these financial statements on the primary government and its component units which have significant operational or financial relationships with the County. There are no outside organizations which should be discretely presented as component units of the County's reporting entity.

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

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

#### B. Individual Component Unit Disclosures.

##### Blended Component Units

Certain component units, although legally separate from the primary government, are nevertheless so intertwined with the primary government that they are, in substance, the same as the primary government. Therefore, these component units are reported as if they are part of the primary government. The following component units' balances and transactions are blended with the balances and transactions of the primary government.

The Coahoma County Public Improvement Corporation is comprised solely of the five members of the Board of Supervisors. Although it is legally separate from the County, the corporation is reported as if it were part of the primary government because its sole purpose is to finance and construct the County's buildings.

The Economic Development Authority of Coahoma County is comprised of seven residents of Coahoma County. The members are appointed by the Board of Supervisors of Coahoma County and serve five year terms. The Board of Supervisors must approve the overall budget for the Authority. The Authority is reported as if it were part of the primary government because its activities are closely intertwined with County activities.

#### 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.

# COAHOMA COUNTY

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

### Government-wide Financial Statements:

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

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

### Fund Financial Statements:

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

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

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

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

Governmental financial statements are presented using a current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period when they are both measurable and available to finance operations during the year or to liquidate liabilities existing at the 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



## COAHOMA COUNTY

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

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 used to account for and report activities relating to maintaining roads within the County.

**Economic Development Authority Fund** - This fund is used to account for and report activities relating to industrial development with the County.

**Hospital Reserve Fund** - This fund is used to account for and report resources that are legally restricted to the extent that only a portion of the earnings and none of the principal can be used to support County programs.

The County reports the following major Enterprise funds:

**Federal Building Fund** - This fund is used to account for and report monies received from rentals of office space in the building.

**Railroad Fund** - This fund is used to account for and report monies received from rentals of the railroad and fees charged based upon number of railcars passing along the County owned tracks.

Additionally, the County reports the following fund types:

#### GOVERNMENTAL FUND TYPES

**Special Revenue Funds** - These funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

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

**Permanent Funds** - These funds are used to account for and report resources that are legally restricted to the extent that only earnings, and not the principal, may be used for the support of County programs.

#### PROPRIETARY FUND TYPES

**Enterprise Funds** - These funds are used to account for those operations that are financed and operated in a manner similar to private business enterprises or where the County has decided that periodic determination of revenues earned, expenses incurred and/or net income is necessary for management accountability.

# COAHOMA COUNTY

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

### 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.

#### G. Fair Value Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs-other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level that is significant to the entire measurement.

#### H. Receivables.

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

#### I. 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

# COAHOMA COUNTY

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

offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. Any outstanding balances between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

### J. Restricted Assets.

The assets of the hospital reserve fund are shown as restricted assets. These funds have been set aside for the fiscal security and as a sustained revenue source for the County and its citizens. When both restricted and nonrestricted assets are available for use, the policy is to use restricted assets first.

### K. Capital Assets.

Capital acquisition and construction are reflected as expenditures in Governmental Fund statements and the related assets are reported as capital assets in the applicable governmental or business-type activities column in the government-wide financial statement. All purchased capital assets are stated at historical cost where records are available and at an estimated historical cost where no records exist. Capital assets include significant amounts of infrastructure which have been valued at estimated historical cost. The estimated historical cost was based on replacement cost multiplied by the consumer price index implicit price deflator for the year of acquisition. The extent to which capital assets, other than infrastructure, costs has been estimated and the methods of estimation are not readily available. Donated capital assets are recorded at estimated fair market value at the time of donation. The costs of normal maintenance and repairs that do not add to the value of assets or materially extend their respective lives are not capitalized; however, improvements are capitalized. Interest expenditures are not capitalized on capital assets.

Capital assets acquired or constructed for Proprietary Fund operations are capitalized at cost in the respective funds in which they are utilized. No interest is capitalized on self-constructed assets because noncapitalization of interest does not have a material effect on the County's financial statements. Donated capital assets are recorded at their fair value at the time of donation.

Capitalization thresholds (dollar value above which asset acquisitions are added to the capital asset accounts) and estimated useful lives are used to report capital assets in the government-wide statements and proprietary funds. Depreciation is calculated on the straight-line basis for all assets, except land. A full year's depreciation expense is taken for all purchases and sales of capital assets during the year. The following 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.

## COAHOMA COUNTY

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

#### L. 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 element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

Deferred outflows related to pensions – This amount represents the County’s proportionate share of the deferred outflows of resources reported by the pension plan in which the County participates. See Note 12 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.

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

Deferred revenues – capital leases/unavailable revenue – capital leases – 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.

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 12 for additional details.

#### M. Pensions

For the 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.

#### N. Long-term liabilities.

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

In the government-wide financial statements and in the Proprietary Funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type Statement of Net Position.

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

O. 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, constructions or improvements 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 or regulation of other governments; or law through constitutional provisions or enabling legislation.

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

Net Position Flow Assumption:

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

Fund Financial Statements:

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

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

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

*Restricted fund balance* includes amounts that have constraints placed upon the use of resources either by an external party or imposed by law through a constitutional provision or enabling legislature.

*Committed fund balance* includes amounts that can be used only for specific purposes pursuant to constraints imposed by a formal action of the Board of Supervisors, the County's highest level of decision-making authority. This formal action is an order of the Board of Supervisors as approved in the board minutes.

*Assigned fund balance* includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. For governmental funds, other than the general

## COAHOMA COUNTY

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

fund, this is the residual amount within the fund that is not classified as nonspendable and is neither restricted nor committed. Assignments of fund balance are created by management pursuant to the authorization established by the policy adopted by the county.

*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.

#### P. Property Tax Revenues.

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

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

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

#### Q. 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.

#### R. 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

# COAHOMA COUNTY

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

United States of America require accrual of accumulated unpaid employee benefits as long-term liabilities in the government-wide financial statements and the proprietary fund 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.

### (2) Prior Period Adjustments.

A summary of the significant net position/fund balance adjustments are as follows:

#### Exhibit 2 – Statement of Activities – Governmental Activities

<u>Explanation</u>	<u>Amount</u>
Correct receivable - MEMA Haz Mit 1604 Fund	\$ (78,938)
Correct receivable - Airport project Fund	<u>(31,582)</u>
Total prior period adjustments	<u><u>\$ (110,520)</u></u>

#### Exhibit 2 – Statement of Activities – Business-type Activities

<u>Explanation</u>	<u>Amount</u>
Correct depreciable assets - Railroad Fund	<u>\$ 468,985</u>
Total prior period adjustments	<u><u>\$ 468,985</u></u>

#### Exhibit 4 – Statement of Revenue, Expenditures and Changes in Fund Balances – Governmental Funds.

<u>Explanation</u>	<u>Amount</u>
Correct receivable - MEMA Haz Mit 1604 Fund	\$ (78,938)
Correct receivable - Airport project Fund	<u>(31,582)</u>
Total prior period adjustments	<u><u>\$ (110,520)</u></u>

#### Exhibit 6 – Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds.

<u>Explanation</u>	<u>Amount</u>
Correct depreciable assets - Railroad Fund	<u>\$ 468,985</u>
Total prior period adjustments	<u><u>\$ 468,985</u></u>

### (3) Deposits and Investments.

#### Deposits

The carrying amount of the County's total deposits with financial institutions at September 30, 2019, was \$6,852,846 and the bank balance was \$12,222,573. 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

## COAHOMA COUNTY

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

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 in the name of the Mississippi State Treasurer on behalf of the County.

#### Restricted Assets:

The cash balance of the Hospital Reserve Fund in the amount of \$5,678,541 is presented as restricted assets in Exhibit 1 and Exhibit 3.

Cash with fiscal agents in the amount of \$1,073,206 is presented as restricted assets in Exhibit 1 and Exhibit 3.

Investments as shown below with a value of \$22,174,125 are presented as restricted assets in Exhibit 1 and Exhibit 3.

#### Investment:

Senate Bill 2930 of the Mississippi Legislature authorized the Board of Supervisors of Coahoma County to establish the Coahoma County Reserve and Trust Fund (the Fund). A significant portion of the cash and investments of the Hospital Reserve Fund was used to fund the Coahoma County Reserve and Trust Fund. The Fund is to provide for the continued improvement and maintenance of Coahoma County by providing financial security and providing a sustained source of revenue.

The Fund is administered by a Board of Trustees which will consist of the Board of Supervisors of Coahoma County. Investments allowed will be the same type of investments which are permitted for the Mississippi Prepaid Affordable College Tuition Program under Section 37-155-9, Mississippi Code of 1972 except the fund shall be restricted from investments in the covered call and put options allowed in Section 37-155-9(v)(xi) or in the pooled or commingled real estate securities outlined in Section 37-155-9(v)(xiii).

The Fund is to be divided into two components consisting of the corpus component and the earnings component. On or before July 1 of each year the trustees shall determine the portion of the earnings component and report that amount to the governing authorities. A decision will be made to either transfer all or a portion of the earnings to the General Fund of the County for spending or if no amounts are transferred the earnings will become a part of corpus. The corpus is restricted with limited abilities to withdraw. A provision does exist to withdraw the Funds in a state of emergency declared under federal, state or local law.

Investments are presented at fair value. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The following is a summary of the fair value hierarchy of the fair value of the investments of the County as of September 30, 2019.



# COAHOMA COUNTY

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

Investment Type	Level 1	Level 2	Total
Equities	11,552,112		11,552,112
Municipal Bonds		50,000	50,000
U.S. Treasury Bond/Notes		866,490	866,490
Federal Agency Obligations		3,241,096	3,241,096
Corporate/Other		6,464,427	6,464,427
Total	11,552,112	10,622,013	22,174,125

Interest Rate Risk - The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, Section 19-9-29, Miss. Code Ann. (1972), limits the maturity of any investment to no more than one year. Investments of the Coahoma County Reserve and Trust Fund follow the guidelines of the Mississippi Prepaid Affordable College Tuition Program – Code Section 37-155-9, Mississippi Code of 1972 Annotated.

Credit Risk - State law limits investments to those authorized by Section 19-9-29 and 91-13-8, Miss. Code Ann. (1972). The County does not have a formal investment policy that would further limit its investment choices or one that addresses credit risk.

Investments of the Coahoma County Reserve and Trust Fund follows the guidelines of the Mississippi Prepaid Affordable College Tuition Program under code section 37-155-9, Mississippi Code of 1972 Annotated.

The following ratings are provided for the credit securities of the Reserve and Trust Fund:

Investment Classification	S & P Quality Rating				Total
	AAA	AA	A	All Others	
Level 2	1,027,558	2,184,175	3,232,616	4,177,664	10,622,013

Custodial Credit Risk – Investments - Custodial credit risk is the risk that in the event of failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County does not have a formal investment policy that addresses custodial credit risk.

### (4) Interfund Transactions and Balances.

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

# COAHOMA COUNTY

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

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Road Fund	General Fund	\$ 22,413
Economic Development Authority Fund	General Fund	977
Hospital Reserve Fund	General Fund	3,165,167
Hospital Reserve Fund	Economic Development Authority Fund	894,779
Hospital Reserve Fund	Federal Building	* 215,893
Hospital Reserve Fund	Railroad Fund	* 103,546
Hospital Reserve Fund	Road Fund	3,244,038
Hospital Reserve Fund	Other Governmental Funds	2,869,522
Hospital Reserve Fund	Agency Funds	605,700
Other Governmental Funds	General Fund	15,113
Total		<u>\$ 11,137,148</u>

The interfund loans were made to provide operating capital, finance construction projects and prevent borrowing from outside sources. A portion of the above amounts reflect amounts collected by the tax collector and are expected to be remitted in October 2019.

All interfund balances are expected to be repaid within one year from the date of the financial statements.

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Hospital Reserve Fund	General Fund	\$ 932,367
Hospital Reserve Fund	Road Fund	456,939
Hospital Reserve Fund	Economic Development Authority Fund	2,927,241
Hospital Reserve Fund	Railroad Fund	* 20,455
Hospital Reserve Fund	Other Governmental Funds	1,242,693
Total		<u>\$ 5,579,695</u>

\* These funds make up the internal balances on Exhibit 1.

Monthly payments are being made on a number of above advances. The portion expected to be repaid within one year has been classified as due to/due from. The remaining amounts due are not expected to be repaid within one year. The interfund advances were made to finance construction projects and prevent borrowing from outside sources.

COAHOMA COUNTY

Notes to Financial Statements

For the Year Ended September 30, 2019

C. Transfers In/Out:

Transfer In	Transfer Out	Amount
General Fund	Hospital Reserve Fund	\$ 546,534
General Fund	Other Governmental Funds	355,810
General Fund	Federal Building Fund	157,913
Road Fund	General Fund	100,000
Railroad Fund	Other Governmental Funds	8,913
Hospital Reserve Fund	Other Governmental Funds	946,055
Other Governmental Funds	General Fund	197,513
		<hr/>
Total		\$ 2,312,738
		<hr/>

The principal purpose of the transfers was to provide funds for operations and to eliminate deficit cash balances for the fund. All interfund transfers were routine and consistent with the activities of the fund making the transfer.

(5) Intergovernmental Receivables.

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

Governmental Activities:

Description	Amount
Gaming	\$ 106,231
Grant receivable	134,873
Legislative tax credit	107,267
State and local agencies	104,386
Agency fund	605,700
	<hr/>
Total Governmental Activities	\$ 1,058,457
	<hr/>

(6) Loans Receivable.

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

# COAHOMA COUNTY

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

Description	Date of Loan	Interest Rate	Maturity Date	Balance Receivable
Standard Industrial	4/1/09	3.00%	4/1/29	498,734
Utility District #2 Loan	5/1/14	3.00%	5/1/54	743,027
Airport	6/1/14	3.00%	6/1/24	191,671
Airport	8/1/14	3.00%	8/1/24	26,869
Airport	8/1/18	2.00%	8/1/21	58,591
Total				<u>\$ 1,518,892</u>

(7) Capital Assets.

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

Governmental activities:

	Balance Oct. 1, 2018	Additions	Deletions	Adjustments	Balance Sept. 30, 2019
<u>Non-depreciable capital assets:</u>					
Land	\$ 3,325,713				3,325,713
Construction in progress	3,069,962	18,254		(2,031,575)	1,056,641
Construction in progress under capital lease	12,490,000				12,490,000
Total non-depreciable capital assets	<u>18,885,675</u>	<u>18,254</u>	<u>-</u>	<u>(2,031,575)</u>	<u>16,872,354</u>
<u>Depreciable capital assets:</u>					
Infrastructure	82,008,816				82,008,816
Buildings	49,363,989	63,306			49,427,295
Improvements other than buildings	2,973,348			2,031,575	5,004,923
Mobile equipment	9,857,927	316,896	(258,440)		9,916,383
Furniture and equipment	1,838,084		(53,274)		1,784,810
Total depreciable capital assets	<u>146,042,164</u>	<u>380,202</u>	<u>(311,714)</u>	<u>2,031,575</u>	<u>148,142,227</u>
<u>Less accumulated depreciation for:</u>					
Infrastructure	54,473,034	386,821			54,859,855
Buildings	25,419,232	948,320			26,367,552
Improvements other than buildings	1,237,854	199,764			1,437,618
Mobile equipment	7,128,830	488,771	(232,601)		7,385,000
Furniture and equipment	1,150,873	155,205	(47,948)		1,258,130
Total accumulated depreciation	<u>89,409,823</u>	<u>2,178,881</u>	<u>(280,549)</u>	<u>-</u>	<u>91,308,155</u>
Total depreciable capital assets, net	<u>56,632,341</u>	<u>(1,798,679)</u>	<u>(31,165)</u>	<u>2,031,575</u>	<u>56,834,072</u>
Governmental activities capital assets, net	<u>\$ 75,518,016</u>	<u>(1,780,425)</u>	<u>(31,165)</u>	<u>-</u>	<u>73,706,426</u>

# COAHOMA COUNTY

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

### Blended Component Unit:

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

	Balance Oct. 1, 2018	Additions	Deletions	Adjustments	Balance Sept. 30, 2019
Non-depreciable capital assets:					
Land	\$ 745,234				745,234
Depreciable capital assets:					
Buildings	135,001				135,001
Improvements other than buildings	179,916				179,916
Other equipment	266,669	18,800			285,469
Total depreciable capital assets	581,586	18,800			600,386
Less accumulated depreciation	440,352	8,263			448,615
Total depreciable capital assets, net	141,234	10,537	-	-	151,771
Total capital assets, net	\$ 886,468	10,537	-	-	897,005

### Business-type activities:

	Balance Oct. 1, 2018	Additions	Deletions	Adjustments	Balance Sept. 30, 2019
Non-depreciable capital assets:					
Land	\$ 40,000				40,000
Construction in progress	1,874,198			(1,874,198)	-
Total non-depreciable capital assets	1,914,198	-	-	(1,874,198)	40,000
Depreciable capital assets:					
Infrastructure	8,579,870			2,453,540	11,033,410
Buildings	1,743,417				1,743,417
Total depreciable capital assets	10,323,287	-	-	2,453,540	12,776,827
Less accumulated depreciation for:					
Infrastructure	3,765,499	324,172		110,357	4,200,028
Buildings	859,290	57,339			916,629
Total accumulated depreciation	4,624,789	381,511	-	110,357	5,116,657
Total depreciable capital assets, net	5,698,498	(381,511)	-	2,343,183	7,660,170
Business-type activities capital assets, net	\$ 7,612,696	(381,511)	-	468,985	7,700,170

COAHOMA COUNTY

Notes to Financial Statements

For the Year Ended September 30, 2019

Depreciation expense was charged to the following functions:

	<u>Amount</u>
Governmental Activities:	
General government	\$ 189,784
Public safety	405,748
Public works	824,971
Culture and recreation	143,933
Economic development	58,820
Health and welfare	<u>563,888</u>
Total governmental activities depreciation expense	<u>\$ 2,187,144</u>
Business-type Activities:	
Federal Building	\$ 57,339
Railroad	<u>324,172</u>
Total business-type activities depreciation expense	<u>\$ 381,511</u>

Commitments with respect to unfinished capital projects at September 30, 2019 consisted of the following:

<u>Description of Commitment</u>	<u>Remaining Financial Commitment</u>	<u>Expected Date of Completion</u>
Image Industries Building	<u>772,248</u>	September 2020

(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) Operating Leases.

As Lessor:

The County receives income from property it leases under noncancellable operating leases. Total income from such leases was \$798,353 for the year ended September 30, 2019. The future minimum lease receivables for these leases are as follows:

COAHOMA COUNTY

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

<u>Year Ending September 30</u>	<u>Amount</u>
2020	\$ 664,793
2021	664,893
2022	500,065
2023	500,065
2024	500,065
2025-2029	500,325
2030-2034	<u>260</u>
Total Minimum Payments Required	<u><u>\$ 3,330,466</u></u>

The County receives income from property it leases in Enterprise Funds. Total income from such leases was \$410,454 for the year ended September 30, 2019. The future minimum lease receivables for these leases are as follows:

<u>Year Ending September 30</u>	<u>Amount</u>
2020	\$ 314,902
2021	<u>126,681</u>
Total Minimum Payments Required	<u><u>\$ 441,583</u></u>

(10) Capital Leases.

As Lessor:

The County leases the following property with varying terms and options as of September 30, 2019:

<u>Classes of Property</u>	<u>Amount</u>
Land	\$ 454,124
Buildings	6,060,159
Equipment	<u>149,104</u>
Total	<u><u>\$ 6,663,387</u></u>

The future minimum lease receivables and the present value of the net minimum lease receivables as of September 30, 2019, are as follows:

COAHOMA COUNTY

Notes to Financial Statements

For the Year Ended September 30, 2019

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 220,342	34,387
2021	207,765	31,513
2022	199,736	28,779
2023	179,602	26,677
2024	181,498	24,782
2025-2029	920,382	93,408
2030-2034	609,410	48,402
2035-2039	<u>158,707</u>	<u>9,413</u>
Total	<u>\$ 2,677,442</u>	<u>297,361</u>

As Lessee:

On June 22, 2017, the County entered into a capital lease agreement with North Delta Improvements Corporation for the lease of buildings to be constructed by North Delta Improvements Corporation which will contain a jail which will house approximately 155 inmates, a fire station and other related facilities. The lease term began on June 22, 2017 and ends on June 1, 2037. At the end of the lease, title to the property will pass to the County.

In order to fund the construction cost, North Delta Improvements Corporation will sell Certificates of Participation with First Security Bank of Batesville acting as Trustee. The owners of the Certificates will have an undivided proportionate interest in the right to receive rental payments under the lease agreement between Coahoma County and North Delta Improvements Corporation. The only obligation of the County is to make rental payments in accordance with the lease agreement. The County is not obligated for the Certificates of Participation.

Total principal payments under the lease are \$12,490,000 and total interest to be paid will be \$6,402,467 for a total of \$18,892,467. Payments for the project will be made from the County's General County Capital Project Fund. The millage rate for the general fund ad valorem taxes will be increased by 2 mills each year for the next five years to provide funding for the lease payments.

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

<u>Year Ending September 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 475,000	486,400
2021	475,000	472,150
2022	465,000	457,900
2023	480,000	443,950
2024	490,000	429,550
2025-2029	2,795,000	1,835,550
2030-2034	3,635,000	1,057,925
2035-2039	<u>2,655,000</u>	<u>215,200</u>
Total	<u>\$ 11,470,000</u>	<u>5,398,625</u>

(11) Short-term Debt and Liquidity.

There was no short-term borrowing during the fiscal year.



## COAHOMA COUNTY

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

#### (12) Defined Benefit Pension Plan

##### *General Information about the Pension Plan*

**Plan Description.** Coahoma County contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing, multiple-employer, defined benefit public employee retirement system. 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 Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Public Employee's Retirement System of Mississippi, PERS Building, 429 Mississippi Street, Jackson, MS 39201 or by calling (601) 359-3589 or 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's 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 of creditable service for employees who became members of PERS before July 1, 2011) plus 2.5 percent for each additional year of creditable service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age that the member is below 65, whichever is less. Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service. Benefits vest upon completion of eight years of membership service (four years of membership service for those who become 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. A 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 9.00% of their annual covered salary, and the County is required to contribute at an actuarially determined rate. The current rate is 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 fiscal years ending September 30, 2019, 2018 and 2017 were \$892,047, \$830,446 and \$806,745, respectively, which equaled the required contribution for each year.

# COAHOMA COUNTY

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

### *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 \$14,795,201 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. At June 30, 2019 the County's proportion was .083653 percent and .000449 percent for the Coahoma County Soil and Water Conservation District. The overall proportionate share used for calculations was .084102 percent.

For the fiscal year ended September 30, 2019, the County recognized pension expense of \$1,692,351. At September 30, 2019 the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,499	14,922
Net difference between projected and actual earnings on pension plan investments	552,059	689,325
Changes in assumptions	144,914	
Changes in the proportion and differences between the County's contributions and proportionate share of contributions	466,180	292,793
Contributions subsequent to the measurement date	251,737	
Total	<u>\$ 1,423,389</u>	<u>997,040</u>

\$251,737 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:

COAHOMA COUNTY

Notes to Financial Statements

For the Year Ended September 30, 2019

Year ending September 30:		
2020	\$	144,362
2021		(105,930)
2022		68,631
2023		67,549
Total	\$	<u>174,612</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:

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

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

The actuarial assumptions are based on the experience investigation for the four-year period ending June 30, 2018.

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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 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%
Debt Securities	20.00%	1.50%
Real Estate	10.00%	4.00%
Private Equity	8.00%	6.25%
Cash Equivalents	1.00%	0.25%
Total	<u>100.00%</u>	

# COAHOMA COUNTY

## Notes to 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. 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 of 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	\$ 19,448,804	14,795,201	10,954,069

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

### (13) 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. Notes Payable (Blended component unit)			
Land & Building - Saf-T-Cart	* \$ 86,979	3.00%	7-15-22
Land & Building - Dept of Human Services	* 1,494,534	1.60%	9-30-33
Building & Equipment - Standard Industrial	* 838,451	3.00%	12-1-37
Total	<u>2,419,964</u>		
B. Capital Leases:			
Jail/Fire Station and related facilities	<u>\$ 11,470,000</u>	3.00 - 5.75%	6-1-37

\* The blended component unit borrowed these funds from the County. The amounts have been eliminated for government-wide presentation purposes.

# COAHOMA COUNTY

## Notes to 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:

Blended component unit:

Year Ending September 30	Notes Payable	
	Principal	Interest
2020	\$ 179,893	29,200
2021	182,083	27,010
2022	173,533	24,797
2023	152,867	23,227
2024	154,220	21,874
2025-2029	792,696	87,776
2030-2034	609,410	48,402
2035-2039	175,262	9,413
Total	<u>\$ 2,419,964</u>	<u>271,699</u>

See Note 10 for capital lease annual disclosure.

Legal Debt Margin - The amount of debt, excluding specific exempted debt that can be incurred by the County is limited by state statute. Total outstanding debt during a year can be no greater than 15% of assessed value of the taxable property within the County, according to the then last completed assessment for taxation. However, the limitation is increased to 20% whenever the 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 2.55% of the latest property assessments.

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

	Balance Oct. 1, 2018	Additions	Reductions	Adjustments	Balance Sept. 30, 2019	Amount due within one year
Governmental Activities:						
Compensated absences	\$ 317,851	11,683			329,534	
Capital leases	<u>\$12,490,000</u>		<u>(1,020,000)</u>		<u>11,470,000</u>	<u>475,000</u>
Total	<u>\$12,807,851</u>	<u>\$ 11,683</u>	<u>\$(1,020,000)</u>	<u>\$ -</u>	<u>\$ 11,799,534</u>	<u>\$ 475,000</u>

Compensated absences will be paid from the fund which the employees' salaries were paid, which are generally the General Fund, Road Maintenance Fund and Bridge Fund.

The capital lease obligation will be paid from the General County Capital Projects Fund.

# COAHOMA COUNTY

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

### (14) Deficits Fund Balance of Individual Funds.

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

Fund	Deficit Amount
Major Funds:	
General Fund	\$ 2,599,988
Road Fund	3,642,684
Economic Development Authority Fund	2,107,771
Total Major Funds	<u>8,350,443</u>
Nonmajor Funds:	
MEMA HAZ MIT #1604 514 Safe Room	433,701
Victim Asst 2016 VA-GX-0024	39,927
DUI Grant Fund	50,234
Digital Communication	115,300
DUI 14ST-114-1	50,162
AIP 3-28-0015-022-2015	5,290
MDOT Multi Modal	14,662
CC Airport (IRT/FAA/MDOT/Local)	221,171
Airport Capital Proj MM 0014 0214	89,098
Airport MDOT MM-014-0315	183,298
AIP 3-28-0014-023-2016	700,455
East Park Drainage Fund	8,945
Moon Lake Fund	25,188
CDBG Home Rehab	2,596
Expo Bldg & Fairgrounds	190,762
Tag Interface	39,872
Help MS Vote Fund	17,823
County Fire Fund	362,665
Spec Narcotics	1,480
Bridge Fund	72,074
SAP Eng	12,303
Total Nonmajor Funds	<u>\$ 2,637,006</u>

### (15) 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.

## COAHOMA COUNTY

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

#### (16) Related Organizations

The Board of Supervisors is responsible appointing members to the Board of the Coahoma County Tourism Commission. The members are appointed for terms of 5 years. The Board of Supervisors is provided a copy and reviews the budget for the Tourism Commission but cannot force a modification to the budget. The member's appointed to the Tourism Board serve without fear of replacement by the Board of Supervisors until that member's term has been served. In fiscal year 2019, \$408,210 was forwarded to the Tourism Commission through collections made from a 1% restaurant tax of \$287,663 and a 2% hotel tax of \$120,547.

#### (17) Joint Ventures

The County participates in the following joint ventures:

Coahoma County is a participant with the City of Clarksdale in a joint venture to operate the Clarksdale-Coahoma Airport. The joint venture was created to provide airport facilities for County residents and is governed by a board of commissioners, half of the members are appointed by Coahoma County and half by the City of Clarksdale. By contractual agreement, the County's appropriation from the General Fund this year to the joint venture amounted to \$25,000. Complete financial statements for the Clarksdale-Coahoma Airport can be obtained from the Clarksdale-Coahoma Airport at P.O. Box 406, Lyon, Mississippi 38645.

Coahoma County is a participant with the City of Clarksdale in a joint venture to operate the Carnegie Public Library of the City of Clarksdale and the County of Coahoma, Mississippi. The joint venture was created to provide library facilities for the County residents and is governed by a ten-member board of commissioners, with five of the members appointed by Coahoma County and five by the City of Clarksdale. The County collected \$223,765. Complete financial statements for the Carnegie Public Library of the City of Clarksdale and the County of Coahoma can be obtained at P.O. Box 280, Clarksdale, Mississippi 38614.

#### (18) Jointly Governed Organizations

The County participates in the following jointly governed organizations:

Coahoma Community College operates in a district composed of the Counties of Bolivar, Coahoma, Quitman, Tallahatchie and Tunica. The Coahoma County Board of Supervisors appoints six of the twelve members of the college board of trustees. The County collected \$1,281,106 for maintenance and support and adult education for the college in fiscal year 2019.

North Delta Planning and Development District is comprised of the Counties of Coahoma, DeSoto, Panola, Quitman, Tallahatchie, Tate and Tunica. The Coahoma County Board of Supervisors appoints four of the 30 members of the board of directors. The County appropriated \$68,000 for support of the district in fiscal year 2019.

The Region I Mental Health-Mental Retardation Center operates in a district composed of the Counties of Coahoma, Quitman, Tallahatchie and Tunica. The Coahoma County Board of Supervisors appoints one of the four members of the board of commissioners. The County appropriated \$55,250 for the support of the center in fiscal year 2019.

## COAHOMA COUNTY

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

The Yazoo-Mississippi Water Management District operates in a district composed of the Counties of Bolivar, Carroll, Coahoma, DeSoto, Holmes, Humphreys, Issaquena, Leflore, Panola, Quitman, Sharkey, Sunflower, Tallahatchie, Tate, Tunica, Washington, and Yazoo. The Coahoma County Board of Supervisors appoints one of the twenty-one members of the board of commissioners. The County levied a .75 mill tax which resulted in \$149,592 to help finance the district in fiscal year 2019.

(19) No Commitment Debt (Not Included in Financial Statements)

No commitment debt is repaid only by the entities for whom the debt was issued and includes debt that either bears the County's name or for which a moral responsibility may exist that is not an enforceable promise to pay. No commitment debt explicitly states the absence of obligation by the County other than possibly an agreement to assist creditors in exercising their rights in the event of default. Because a default may adversely affect the County's own ability to borrow, the principal amount of such debt outstanding at year end is disclosed as follows:

<u>Description</u>	<u>Balance at September 30, 2019</u>
Coahoma County, Mississippi Certificates of Participation, Series 2017	\$ 11,470,000

(20) Effect of Deferred Amounts on Net Position

The governmental activities' unrestricted net position amount of (\$27,276,682) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflow of resources related to pension in the amount of \$250,317 resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2020. The \$1,165,043 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 \$991,415 balance of the deferred inflow of resources related to pension at September 30, 2019, will be recognized in pension expense over the next 3 years.

The governmental activities' unrestricted net position amount of (\$27,276,682) includes the effect of recognition of deferring the recognition of revenue resulting from capital leases receivable. The \$297,361 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 17 years.

The governmental activities' unrestricted net position amount of (\$27,276,682) includes the effect of recognition of deferring the recognition of revenue resulting from deferred inflows from property taxes that belong to a future period. The balance of deferred inflows of resources at September 30, 2019 was \$8,262,253.

The business-type activities' unrestricted net position amount of \$330,595 includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflow of resources related to pension in the amount of \$1,420 resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2020. The \$6,609 balance of the deferred outflow of resources related to pensions at September 30, 2019, will



## COAHOMA COUNTY

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

be recognized in pension expense over the next 4 years. The \$5,625 balance of the deferred inflow of resources related to pension at September 30, 2019, will be recognized in pension expense over the next 3 years.

#### (21) Tax Abatements

For the year beginning October 1, 2016, the Governmental Accounting Standards Board (GASB) implemented Statement 77, *Tax Abatement Disclosures*. This statement requires governmental entities to disclose the reduction in tax revenues resulting from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

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

The County had abatements under the following statute, which does not provide for the abatement of school or state tax levies:

27-31-105, Mississippi Code Annotated 1972  
All allowable property tax levies

<u>Category</u>	<u>Percentage of taxes abated</u>	<u>Amount of taxes abated</u>
Expansion of manufacturing facilities	73%	\$ 137,119

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

- (22) The Mississippi Office of the State Auditor (OSA) has elected to perform limited procedures in relation to purchasing and compliance with state laws. This report should be viewed in conjunction with the report from OSA in order to gain a comprehensive understanding of the County's operations. This report and OSA's report will be available on OSA's website at <http://www.osa.ms.gov/reports>. OSA's report will include a Purchasing Report and Limited Compliance Review Report.

#### (23) Subsequent Events

Events that occur after the statement of net position 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 Coahoma County evaluated the activity of the County through May 24, 2021, and determined that the following subsequent events have occurred requiring disclosure in the notes to the financial statements.

## COAHOMA COUNTY

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

On February 12, 2020, Board authorization was obtained to use up to \$2,000,000 of hospital reserve funds for equipment and installation in the new jail.

A \$50,000 Solid Waste Assistance Grant was received for the recycling program as noted in the August 3, 2020 Board minutes.

In May 2021, the County Administrator was terminated. No permanent replacement has been named at this time.

## COAHOMA COUNTY

### REQUIRED SUPPLEMENTARY INFORMATION

COAHOMA COUNTY

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COAHOMA COUNTY  
 Budgetary Comparison Schedule -  
 Budget and Actual (Non-GAAP Basis) -  
 General Fund  
 For the Year Ended September 30, 2019  
 Unaudited

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 5,942,376	6,444,752	5,994,354	(450,398)
Licenses, commissions and other revenue	516,534	516,534	441,226	(75,308)
Fines and forfeitures	84,713	84,713	164,672	79,959
Special assessments	3,198	3,198		(3,198)
Intergovernmental revenues	3,226,290	2,941,280	2,338,793	(602,487)
Charges for services	76,847	76,847	86,216	9,369
Interest income	5,072	5,072	159,126	154,054
Miscellaneous revenues	729,273	790,560	946,132	155,572
Total Revenues	<u>10,584,303</u>	<u>10,862,956</u>	<u>10,130,519</u>	<u>(732,437)</u>
<b>EXPENDITURES</b>				
Current:				
General government	4,076,045	4,221,481	3,793,621	427,860
Public safety	4,590,957	4,837,975	4,618,040	219,935
Public works	1,213,467	644,328	26,891	617,437
Health and welfare	455,600	456,100	429,622	26,478
Culture and recreation	199,861	199,861	199,660	201
Education				-
Conservation of natural resources	79,377	79,377	76,478	2,899
Economic development and assistance	121,170	104,170	104,170	-
Debt service:				
Principal	395,939	848,416	1,020,000	(171,584)
Interest		69,862	324,692	(254,830)
Total Expenditures	<u>11,132,416</u>	<u>11,461,570</u>	<u>10,593,174</u>	<u>868,396</u>
Excess of Revenues over (under) Expenditures	<u>(548,113)</u>	<u>(598,614)</u>	<u>(462,655)</u>	<u>135,959</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Other financing sources	3,397,995	2,183,417	3,852,593	1,669,176
Other financing uses	<u>(3,176,377)</u>	<u>(2,442,838)</u>	<u>(3,910,622)</u>	<u>(1,467,784)</u>
Total Other Financing Sources (Uses)	<u>221,618</u>	<u>(259,421)</u>	<u>(58,029)</u>	<u>201,392</u>
Net Change in Fund Balance	(326,495)	(858,035)	(520,684)	337,351
Fund Balances - Beginning	<u>(406,089)</u>	<u>(2,451,827)</u>	<u>(2,771,855)</u>	<u>(320,028)</u>
Fund Balances - Ending	<u>\$ (732,584)</u>	<u>(3,309,862)</u>	<u>(3,292,539)</u>	<u>17,323</u>

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

COAHOMA COUNTY  
 Budgetary Comparison Schedule -  
 Budget and Actual (Non-GAAP Basis) -  
 Road Fund  
 For the Year Ended September 30, 2019  
 Unaudited

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 707,368	707,368	576,973	(130,395)
Road and bridge privilege taxes	230,000	230,000	215,969	(14,031)
Licenses, commissions and other revenue	4,250	4,250	3,954	(296)
Intergovernmental revenues	725,500	725,500	692,790	(32,710)
Miscellaneous revenues	110,000	740,853	247,997	(492,856)
Total Revenues	<u>1,777,118</u>	<u>2,407,971</u>	<u>1,737,683</u>	<u>(670,288)</u>
EXPENDITURES				
Current:				
Public works	<u>2,236,110</u>	<u>2,322,554</u>	<u>2,676,868</u>	<u>(354,314)</u>
OTHER FINANCING SOURCES (USES)				
Other financing sources	1,069,750		100,000	100,000
Other financing uses		(106,265)	(12,084)	94,181
Total Other Financing Sources (Uses)	<u>1,069,750</u>	<u>(106,265)</u>	<u>87,916</u>	<u>194,181</u>
Net Change in Fund Balance	610,758	(20,848)	(851,269)	(830,421)
Fund Balances - Beginning	<u>(766,712)</u>	<u>(2,530,309)</u>	<u>(2,720,728)</u>	<u>(190,419)</u>
Fund Balances - Ending	<u>\$ (155,954)</u>	<u>(2,551,157)</u>	<u>(3,571,997)</u>	<u>(1,020,840)</u>

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

COAHOMA COUNTY  
 Budgetary Comparison Schedule -  
 Budget and Actual (Non-GAAP Basis) -  
 Economic Development Authority Fund  
 For the Year Ended September 30, 2019  
 Unaudited

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 111,769	111,769	111,711	(58)
Intergovernmental revenues			26,300	26,300
Interest income	33,202	13,922	26,814	12,892
Miscellaneous revenues	5,000		213,839	213,839
Total revenues	<u>149,971</u>	<u>125,691</u>	<u>378,664</u>	<u>252,973</u>
EXPENDITURES				
Current:				
Economic development and assistance	95,724	92,500	178,835	(86,335)
Debt Service:				
Interest	33,202	33,191	26,605	6,586
Total Expenditures	<u>128,926</u>	<u>125,691</u>	<u>205,440</u>	<u>(79,749)</u>
OTHER FINANCING SOURCES (USES)				
Other financing sources			-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	21,045	-	173,224	173,224
Fund Balances - Beginning	<u>(1,294,681)</u>	<u>(662,318)</u>	<u>1,568,894</u>	<u>2,231,212</u>
Fund Balances - Ending	<u>\$ (1,273,636)</u>	<u>(662,318)</u>	<u>1,742,118</u>	<u>2,404,436</u>

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

COAHOMA COUNTY  
 Budgetary Comparison Schedule -  
 Budget and Actual (Non-GAAP Basis) -  
 Hospital Reserve Fund  
 For the Year Ended September 30, 2019  
 Unaudited

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Interest income	\$ 783,900	845,392	289,389	(556,003)
EXPENDITURES				
General government		3,471,365	3,648,660	(177,295)
Total Expenditures	-	3,471,365	3,648,660	(177,295)
Excess of Revenues over (under) Expenditures	783,900	(2,625,973)	(3,359,271)	(733,298)
OTHER FINANCING SOURCES (USES)				
Transfers in			2,513,219	2,513,219
Transfers out	(763,669)	(643,669)		643,669
Total Other Financing Sources (Uses)	(763,669)	(643,669)	2,513,219	3,156,888
Net Change in Fund Balance	20,231	(3,269,642)	(846,052)	2,423,590
Fund Balances - Beginning	44,311,203	45,052,991	44,310,445	(742,546)
Fund Balances - Ending	\$ 44,331,434	41,783,349	43,464,393	1,681,044

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



**Coahoma County, Mississippi**  
**Required Supplementary Information**  
**Schedule of the County's Proportionate Share of the Net Pension Liability PERS**  
**Last 10 Fiscal Years\***  
**For the Year Ended September 30, 2019**

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
County's proportion of the net pension liability (asset)	0.084102%	0.081670%	0.078800%	0.079877%	0.081414%
County's proportionate share of the net pension liability (asset)	14,795,201	13,584,145	13,099,234	14,268,027	12,584,999
County's covered employee payroll	5,477,316	5,215,451	5,057,177	5,140,258	5,148,311
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	270.12%	260.46%	259.02%	277.57%	244.45%
Plan fiduciary net position as a percentage of the total pension liability	61.59%	62.54%	61.49%	57.47%	61.70%

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

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

**Coahoma County, Mississippi**  
**Required Supplementary Information**  
**Schedule of County Contributions**  
**Last 10 Fiscal Years\***  
**For the Year Ended September 30, 2019**

	<u><b>2019</b></u>	<u><b>2018</b></u>	<u><b>2017</b></u>	<u><b>2016</b></u>	<u><b>2015</b></u>
Contractually required contribution	\$ 892,047	\$ 830,446	\$ 806,745	812,288	810,859
Contributions in relation to the contractually required contribution	<u>892,047</u>	<u>830,446</u>	<u>806,745</u>	<u>812,288</u>	<u>810,859</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
County's covered payroll	5,512,223	5,272,669	5,122,185	5,157,379	5,148,311
Contributions as a percentage of covered payroll	16.18%	15.75%	15.75%	15.75%	15.75%

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

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

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

## COAHOMA COUNTY

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

#### Notes to the Required Supplementary Information

##### A. Budgetary Information

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

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

##### B. Basis of Presentation

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

##### C. Budget/GAAP Reconciliation

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

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

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

# COAHOMA COUNTY

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

	Governmental Fund Types			
	General Fund	Road Fund	Economic Development Authority Fund	Hospital Reserve Fund
Budget (Cash Basis)	\$ (520,684)	(851,269)	173,224	(846,052)
Increase (Decrease)				
Net adjustments for revenue accruals	(2,408,703)	9,806	572,952	(687,813)
Net adjustments for expenditure accruals	3,528,854	51,254	(586,886)	(566,649)
GAAP Basis	<u>\$ 599,467</u>	<u>(790,209)</u>	<u>159,290</u>	<u>(2,100,514)</u>

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

The following funds had an excess of actual expenditures over budget for the year ended September 30, 2019.

<u>Fund</u>	<u>Excess</u>
Special Revenue Funds:	
Victim Assistance Fund	\$ 7,695
AIP 3 28 0014 024 N Par Taxiway Fund	356,809
Economic Development Authority Fund	79,749
Waste Disposal Fund	6,548
Road Fund	354,314
Hospital Reserve Fund	733,298

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

### E. Unbudgeted Funds

There were no unbudgeted funds.

## COAHOMA COUNTY

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

#### **Pension Schedules**

##### *Changes of assumptions.*

- 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 disable mortality was changed to PubT.H-2010 Disabled Retired Table for disabled retirees with the following adjustments:
    - For males, 137% of male rates at all ages.
    - For females, 115% of female rates at all ages.
    - Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.
  - The price inflation assumption was reduced from 3.00% to 2.75%.
  - The wage inflation assumption was reduced from 3.25% to 3.00%.
  - Withdrawal rates, pre-retirement mortality rates, and service retirement rates were also adjusted to more closely reflect actual experience.
  - The percentage of active member disabilities assumed to be in the line of duty was increased from 7% to 9%.
- 2017
  - The expectation of retired life mortality was changed to the RP-2014 Health Annuitant Blue Collar Mortality Table projected with Scale BB to 2022. Small adjustments were also made to the Mortality Table for disable lives.
  - The wage inflation assumption was reduced from 3.75% to 3.25%.
  - Withdrawal rates, pre-retirement mortality rates, disability rates and service retirements rates were also adjusted to more closely reflect actual experience.
  - The percentage of active member disabilities assumed to be in the line of duty was increased from 6% to 7%.
- 2016
  - The assumed rate of interest credited to employee contributions was changed from 3.50% to 2.00%.
- 2015
  - The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Table projected to 2016 using Scale BB rather than the RP-2000 Mortality Table, which was used prior to 2015.
  - The expectation of disabled mortality was changed to the RP-2014 Disabled Retiree Table, rather than the RP-2000 Disabled Mortality Table, which was used prior to 2015.
  - Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience.

- Assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.
- The price inflation and investment rate of return assumptions were changed from 3.50% to 3.00% and 8.00% to 7.75%, respectively.

*Changes in benefit provisions*

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

Method and assumptions used in calculations of actuarially determined contributions. The actuarially determined contribution rates in the schedule of employer contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported (June 30, 2017 valuation for the June 30, 2019 fiscal year end). The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in that schedule:

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

COAHOMA COUNTY

OTHER INFORMATION

COAHOMA COUNTY

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

Name	Position	Company	Bond
Alice Foster	Purchase Clerk	Western Surety	\$ 75,000
Ann Williams	Tax Collector	Western Surety	100,000
Anthony Burks Rogers	Justice Court Judge	Brierfield	50,000
Barbara Johnson	Bookkeeping/Receiving Clerk	Western Surety	50,000
Benita Myles	Receiving Clerk	Western Surety	75,000
Brenda Prewitt	Sheriff Deputy	Brierfield	50,000
Brenetta Hoskins	Assistant Controller	Western Surety	100,000
Carolyn Parham	Administrator	Brierfield	5,000
Carolyn Parham	Chancery Clerk	Brierfield	100,000
Cathy Butler	Chancery Clerk Deputy	Western Surety	50,000
Charles Jones	Sheriff	Brierfield	100,000
Christy Wiley	Deputy Clerk	Brierfield	50,000
Cierra Citchens	Tax Collector Deputy	Western Surety	50,000
Darlene Lake	Assistant Receiving Clerk	Western Surety	50,000
Darlene Lake	Justice Court Clerk	Western Surety	50,000
Demetria Jackson	Circuit Clerk	Brierfield	100,000
Derek Hopson	Justice Court Judge	Western Surety	50,000
Derrell Washington	Supervisor	Western Surety	100,000
Evangeline Scheider	Chancery Clerk Deputy	Brierfield	50,000
Felicia Elmore	Payroll Clerk	Brierfield	50,000
Fernando Bee	Sheriff Deputy	Brierfield	50,000
Floyd Williams	Constable	Brierfield	50,000
Frances Shaffett	Court & Youth Court Reporter	Western Surety	10,000
Genie Wall	Tax Collector Deputy	Brierfield	50,000
Glenda Johnson	Jailer	Brierfield	10,000
Hattie Shivers	Tax Collector / Treasurer	Brierfield	100,000
Janice Blaine	Tax Collector Deputy	Brierfield	50,000
Janice Blaine	Assistant Receiving Clerk	Brierfield	50,000
Jessie Fisher	Clerk	Western Surety	10,000
Jessie Pollard	Notary	Brierfield	10,000
Jessica Chiles Gill	Deputy Circuit Clerk	Brierfield	50,000
John Rybolt, III	Constable	Western Surety	50,000
John Tarzi	Assistant Receiving Clerk	Western Surety	50,000
Johnny Newson	Supervisor	Brierfield	100,000
Kendrick Travis	Youth Outreach Director	Brierfield	50,000
Lakistsha Jordan	Chancery Clerk Deputy	Western Surety	50,000
Lasonia Thompson	Youth Outreach Clerk	Western Surety	10,000
Mario Magsby	Sheriff Deputy	Western Surety	50,000
Mary Dilley	Assistant Receiving Clerk	Western Surety	50,000

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

Name	Position	Company	Bond
Mary Johnson	Justice Court Deputy Clerk	Western Surety	50,000
Morgan Wood	County Administrator	Brierfield	100,000
Nancy Childs	Circuit Clerk Deputy	Brierfield	50,000
Nancy Childs	Assistant Receiving Clerk	Western Surety	50,000
Neal Mitchell	Sheriff Deputy	Brierfield	50,000
Oliver Mitchell	Sheriff Deputy	Brierfield	50,000
Otis Griffin	Assistant Receiving Clerk	Brierfield	50,000
Otis Griffin	Road Manager	Brierfield	50,000
Pat Davis	Supervisor	Travelers	100,000
Paul Pearson	Supervisor	Travelers	100,000
Reginle Booker	Assistant Receiving Clerk	Western Surety	50,000
Reginle Booker	Deputy Justice Court Clerk	Western Surety	50,000
Roger Harris	Medical Examiner Deputy	Employers Mutual Casualty	25,000
Roosevelt Lee, Jr.	Supervisor	Brierfield	100,000
Sally McNeese	Deputy Clerk	Western Surety	50,000
Scotty Meredith	Coroner	Employers Mutual Casualty	50,000
Sherita Wilson	Chancery Court Clerk	Western Surety	50,000
Stanley Lynom	Assistant Receiving Clerk	Brierfield	50,000
Terry Smith	Supervisor	Brierfield	50,000
Tyrus Jones	Justice Court Deputy Clerk	Western Surety	50,000
Will Young	Supervisor	Brierfield	100,000
Willie Hogan	Deputy Treasurer/Acct	Western Surety	100,000

## COAHOMA COUNTY

### SPECIAL REPORTS

## COAHOMA COUNTY

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

Members of the Board of Supervisors  
Coahoma County, Mississippi

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Coahoma County, Mississippi, (the County) as of and for the year ended September 30, 2019, which collectively comprise the County's basic financial statements and have issued our report thereon dated May 24, 2021.

**Internal Control Over Financial Reporting**

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Responses as items 2019-001 and 2019-002 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Responses as items 2019-003 and 2019-004 to be significant deficiencies.

**Compliance and Other Matters**

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

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

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance *Government Auditing Standards* in considering the County'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.

*Ellis & Hirsberg CPA's PLLC*

Ellis & Hirsberg CPA's PLLC  
Clarksdale, Mississippi  
May 24, 2021

## COAHOMA COUNTY

### SCHEDULE OF FINDINGS AND RESPONSES

## COAHOMA COUNTY

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## COAHOMA COUNTY

### Schedule of Findings and Responses For the year ended September 30, 2019

#### Section 1: Summary of Auditor's Results

##### ***Financial Statements:***

- |    |   |            |
|----|---|------------|
| 1. | Type of auditor's report issued on the financial statements:                              | Unmodified |
| 2. | Internal control over financial reporting:  |            |
|    | a. Material weaknesses identified?  | Yes        |
|    | b. Significant deficiencies identified that are not considered to be material weaknesses. | Yes        |
| 3. | Noncompliance material to the financial statements?                                       | No         |

#### Section 2: Financial Statement Findings

##### Board of Supervisors

##### Material Weaknesses

2019-001      Finding

##### Repeat Finding:

Yes. (2015-001, 2016-001, 2017-001, 2018-001)

##### Criteria

An effective internal control system over financial statement preparation and reporting in accordance with generally accepted accounting principles should enable a government to properly prepare and present financial statements, notes to the financial statements, required supplementary information and supplementary information as required by accounting principles generally accepted in the United States of America.

##### Condition

The County does not have in place the necessary internal control structure to properly prepare and present its financial statements in accordance with accounting principles generally accepted in the United States of America.

##### Cause

The County did not prepare its financial statements and related notes.

##### Effect

The effect of not preparing the financial statements can lead to delays when financial information is needed for issuing new debt or applying for new grants.

### Recommendation

Due to the complex nature of the County's report, the County should put into place controls which allow its own personnel to draft the financial statements, notes to the financial statements, schedule of expenditures of federal awards, and necessary supplementary information. Another option would be to outsource this task to another firm or qualified individual.

### View of Responsible Officials

We appreciate the viewpoints of the auditor. The County will continue to address this matter going forward in the future years.

2019-002

### Finding

#### Repeat Finding

Yes. (2018-002)

### Criteria

Interfund loans are made by the County to alleviate the need for external financing. Loans expected to be repaid within one year are classified as "Due to/Due from other funds". Loans to be repaid over a term of years are classified as "Advances to/Advances from other funds". Proper internal controls provide that the board of supervisors should approve interfund loans whether short-term or long-term.

### Condition

The list of funds requiring interfund loans for the year ending September 30, 2019 was not complete. The list provided totaled approximately \$9,283,148. The list should have totaled \$12,477,402. In addition, some funds have amounts classified as short-term or "Due to/Due from other funds" which based on history should be classified as advances.

### Cause

A lack of understanding of the established approval process contributed to the condition.

### Effect

An incomplete list of interfund loans can lead to a misunderstanding of the financial condition of a particular fund and for the County as a whole.

### Recommendation

A complete list of short-term loans needed should be provided to the Board for approval. The loans classified as Due to/Due from other funds should be reviewed to determine which amounts should be reclassified as advances and a method for repayment established.

### View of Responsible Officials

The County was provided a complete list of accounts by the auditing firm. The Board will review this list for approval.

## Significant deficiencies

2019-003

### Finding

#### Repeat Finding

Yes. (2017-004 and 2018-003)

#### Criteria

Fund balance has been referred to in accounting literature as the health of the fund. A positive fund balance means that over time conditions have been favorable for the fund. A negative fund balance indicates conditions have not been favorable and that some type of future action may become necessary.

#### Condition

Note 14 to the financial statements provides a list of funds that over time have developed a negative fund balance.

#### Cause

In some of the negative fund balance cases the County has had grants for particular projects. The projects may have contained a local match provision. Some of the negative fund balances could represent a transfer which has not taken place to the fund to clear up a match the County made. Other funds may need a case by case evaluation to determine why their fund balance is negative. As these balances have developed over time it will take time in some of the cases to bring the funds back to at least a zero fund balance.

#### Effect

The effect of a negative fund balance is a draining of resources. Some may represent a planned occurrence while others may not.

#### Recommendation

A review of the negative balances should be made and appropriate actions should begin to correct the negative fund balances to at least a zero balance.

#### Views of Responsible Officials

The previous administration and comptroller did not perform the necessary accounting procedures to correct this action. The new administration and comptroller are working to correct these problems.

2019-004

### Finding

#### Criteria

All necessary adjustments and entries should be made to the general ledger to properly record transactions occurring not only through bank accounts but also through brokerage accounts.

#### Condition

The general ledger is not being adjusted for transactions occurring through the brokerage account with Raymond James.

Cause

Staff are not aware of the process involved in recording the transactions.

Effect

The general ledger accounts do not reflect current activity and as a result may be misleading.

Recommendation

A process for periodically recording brokerage transactions is needed.

View of Responsible Officials

The County has been investing with Raymond James Company since October 2013. Since that date the county has never booked internally transactions occurring within the portfolio. The CPA firm has recorded those transactions and thus, included them in the preparation of the financials. Going forward, the County will make the necessary entries to reflect investment activity.

COAHOMA COUNTY

AUDITEE'S SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
AND QUESTIONED COSTS

COAHOMA COUNTY

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# Coahoma County

## BOARD OF SUPERVISORS

Paul Pearson  
District 1  
Johnny Newson, District 4  
President  
Pat Davis, District 2  
Vice President  
Derrel Washington, District 3  
Roosevelt Lee, District 5

Morgan Wood  
**County Administrator**  
Tom T Ross, Jr.

P.O. Box 579  
Clarksdale, MS 38614  
662.624.3028 - office  
662.624.3029 - fax  
ccadmin@cableone.net

### AUDITEE'S SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS 2 CFR 200.511(b)

#### Finding

2016-004  
2017-003  
2017-005  
2018-005

#### Summary

Audit Report and Data Collection Completion

#### Status

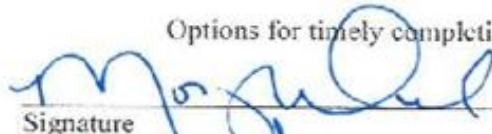

Not corrected.

#### Additional Information

Options for timely completion are being considered.

Signature

Title

COAHOMA COUNTY

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