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

**Fortenberry & Ballard, PC**  
Certified Public Accountants

**Lafayette County, Mississippi**  
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## **Lafayette County Location in Mississippi**



Lafayette County was formed in 1836 and was named for General Marquis de LaFayette, a French military hero and American General who fought during the American Revolutionary War. It has an area of 679.1 square miles and a population of 54,019 according to the 2020 census. It is located in the rolling hills of North Mississippi and it is home to Ole Miss and many other sites such as Oxford, Taylor and Abbeville, Faulkner's Rowan Oak and miles of scenic landscape.

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## FINANCIAL REPORT

FORTENBERRY & BALLARD, PC  
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors  
Lafayette 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 Lafayette County, Mississippi (the County) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the basic financial statements of the County's primary government as listed in the table of contents.

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

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

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## **Opinions**

In our opinion, 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 Lafayette 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, the Schedule of the County's Proportionate Share of the Net Pension Liability, the Schedule of the County's Contributions, Schedule of Changes in the Total OPEB Liability and Related Ratios and the corresponding notes 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.

### *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 April 27, 2021 on our consideration of Lafayette County, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to

describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Lafayette County, Mississippi's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lafayette County, Mississippi's internal control over financial reporting and compliance.

FORTENBERRY & BALLARD, PC

Fortenberry & Ballard, PC  
April 27, 2021

Certified Public Accountants

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**Lafayette County, Mississippi**  
Management's Discussion and Analysis  
For the Year Ended September 30, 2019

## **INTRODUCTION**

The following discussion and analysis of Lafayette County, Mississippi's financial performance provides an overview 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 are encouraged to review the financial statements and the notes to the financial statements to enhance their understanding of the County's financial performance.

## **FINANCIAL HIGHLIGHTS**

- Total net position for 2019 increased \$2,467,555 in governmental activities, including a prior period adjustment of (\$2,215,193), which represents a 3% increase from 2018. Total net position for 2018 increased \$7,427,452, including a prior period adjustment of (\$3,274,203), which represents a 9% increase from 2017.
- The County had \$37,815,641 in total revenues for 2019. Tax revenues account for \$20,811,393 or 55% of total revenues for 2019. Charges for services account for \$7,726,126 or 20% for 2019. The County had \$38,245,326 in total revenues for 2018. Tax revenues account for \$20,075,621 or 52% of total revenues for 2018. Charges for services account for \$6,610,949 or 17% for 2018.
- For 2019, the County had \$33,173,517 in total expenses. Expenses in the amount of \$14,406,844 were offset by charges for services, grants, or outside contributions. General revenues of \$23,408,797 were adequate to provide for the remainder of the expenses. For 2018, the County had \$27,543,671 in total expenses. Expenses in the amount of \$14,563,194 were offset by charges for services, grants, or outside contributions. General revenues of \$23,682,132 were adequate to provide for the remainder of the expenses.
- Among major funds, the General Fund had \$17,606,560 in revenues and \$13,716,677 in expenditures. The General Fund's fund balance increased \$1,160,493 over the prior year. For 2018, the General Fund had revenues of \$16,805,453, and expenditures in the amount of \$14,260,520. Its fund balance increased \$104,279 over the prior year.
- Among major funds, the Bridge and Culvert Fund had \$2,880,798 in revenues, and \$4,122,844 in expenditures. The Bridge and Culvert Fund's fund balance decreased \$1,242,046 from 2018. In the prior year, the Bridge and Culvert Fund had \$2,725,135 in revenues, and \$3,053,127 in expenditures. The Bridge and Culvert Fund's fund balance increased \$218,651 over the prior year.
- Capital assets, net of accumulated depreciation, in the governmental activities increased by \$14,316,492 primarily due to additions to construction in progress, mobile equipment and furniture and equipment. In 2018, capital assets, net of accumulated depreciation, in the governmental activities increased by \$16,699,770 primarily due to additions to construction in progress, infrastructure, mobile equipment and furniture and equipment



**Lafayette County, Mississippi**  
Management's Discussion and Analysis  
For the Year Ended September 30, 2019

coupled with the accumulated depreciation.

- In the business-type activities, capital assets, net of accumulated depreciation, increased by \$109,549 mainly due to the additions of mobile equipment. In 2018, capital assets, net of accumulated depreciation, increased \$504,903 mainly due to the additions of mobile equipment coupled with the accumulated depreciation.
- Long-term debt decreased by \$1,021,796 in the governmental activities due to principal payments, and increased \$47,555, including a prior period adjustment of \$15,705, in the business-type activities. In 2018, long-term debt decreased by \$1,244,818 in the governmental activities and decreased \$14,107 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**

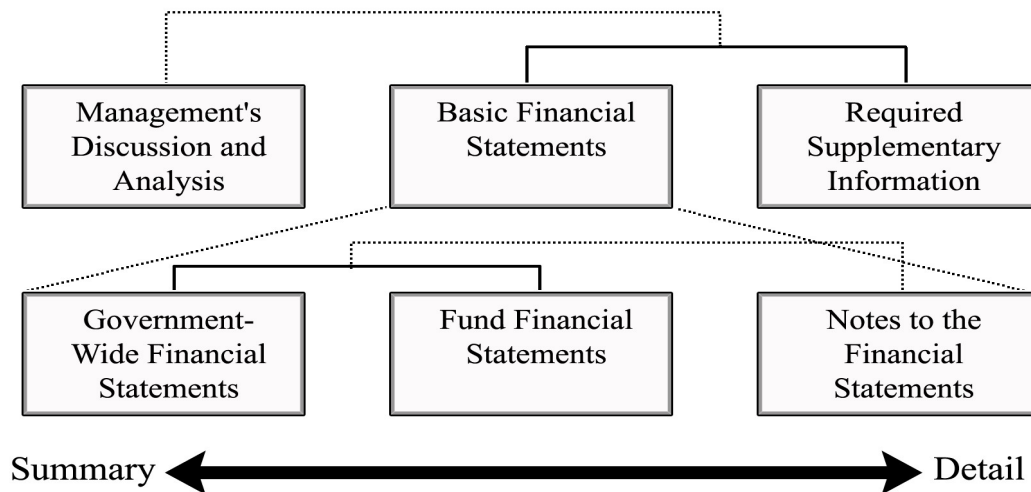


Figure 1 shows how required parts of this annual report are arranged and relate to one another.

The next page 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

**Lafayette County, Mississippi**  
**Management's Discussion and Analysis**  
**For the Year Ended September 30, 2019**

content of each of the statements.

	<b>Government-Wide Financial Statements</b>	<b>Fund Financial Statements</b>		
		<b>Governmental Funds</b>	<b>Proprietary Funds</b>	<b>Fiduciary Funds</b>
Scope	Entire County government (except fiduciary funds)	All activities of the County that are not business-type or fiduciary in nature	All activities of the County that are business-type in nature	The County is the trustee or agent for someone else's resources
Required Financial Statements	* Statement of Net Position  * Statement of Activities	* Balance Sheet  * Statement of Revenues, Expenditures and Changes in Fund Balances	*Statement of Net Position *Statement of Revenues, Expenses and Changes in Net Position *Cash Flows	* Statement of Fiduciary Assets and Liabilities
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset, deferred outflow of resources, liability and deferred inflow of resources information	All assets, deferred outflows of resources, liabilities, deferred inflow of resources both financial and capital and short and long term	Only assets expected to be used up and liabilities and deferred inflows of resources that come due during the year or soon thereafter, no capital assets included	All assets, deferred outflows of resources and liabilities, deferred inflows of resources both short and long term	All assets, liabilities, both short and long term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received 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 the year, regardless of when the cash is received or paid	N/A

**Lafayette County, Mississippi**  
Management's Discussion and Analysis  
For the Year Ended September 30, 2019

**Government-wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances. These statements consist of the Statement of Net Position and the Statement of Activities, which are prepared using the flow of economic resources measurement focus and the accrual basis of accounting. The current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Position presents information on all the County's nonfiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the two reported as "net position." Over time, increases or decreases in the County's net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

The Statement of Activities presents information showing how the County's 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.

The government-wide financial statements outline functions of the County that are principally supported by property taxes and intergovernmental revenues (governmental activities). The governmental activities of the County include general government, public safety, public works, health and welfare, culture and recreation, conservation of natural resources, economic development and assistance, pension expense and interest on long-term debt. The business-type activities of the County include solid waste collection.

**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 compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental funds** - Most of the County's general activities are reported in its governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental funds are accounted for using the modified accrual basis of accounting and the flow of current financial resources measurement focus. The approach focuses on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at year end. The governmental fund statements provide a detailed view of the County's near term financing requirements.

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Management's Discussion and Analysis  
For the Year Ended September 30, 2019

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 gain a better understanding of the long-term impact of the County's near-term financing decisions. The governmental funds Balance Sheet is reconciled to the Statement of Net Position, and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances is reconciled to the Statement of Activities to facilitate this comparison between governmental funds and governmental activities.

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 non-major funds are combined and presented in these reports as other governmental funds.

**Fiduciary funds** - Fiduciary funds are used to account for resources held for the benefit of parties outside the County. 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. These funds are reported using the accrual basis of accounting. The County is responsible for ensuring that the assets reported in these funds are used for their intended purpose.

### **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.

Capital outlay spending results in capital assets on government-wide financial statements, but is reported as expenditures on the governmental funds financial statements.

Bond and notes 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.

**Lafayette County, Mississippi**  
Management's Discussion and Analysis  
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A net pension liability results in a liability on the government-wide financial statements but is not reported on governmental funds financial statements.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

**Required Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report also presents budgetary comparison schedules as required supplementary information. The County adopts an annual operating budget for all governmental funds. A budgetary comparison schedule has been provided for the General Fund and each additional major special revenue fund as required by the Governmental Accounting Standards Board. Additionally, the Schedule of the County's Proportionate Share of the Net Pension Liability, the Schedule of the County's Contributions and the Schedule of Changes in the Total OPEB Liability and Related Ratios are included in this Section.

**Other Information**

Although not a required part of the basic financial statements, the Schedule of Surety Bonds for County Officials is presented for purposes of additional analysis.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Net Position**

Net position may serve over time as a useful indicator of the County's financial position. In the case of Lafayette County, total assets and total deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$94,382,142 as of September 30, 2019.

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.

**Lafayette County, Mississippi**  
Management's Discussion and Analysis  
For the Year Ended September 30, 2019

Table 1 A presents a summary of the County's net position for the governmental activities at September 30, 2019 and September 30, 2018.

**Table 1 A**  
**Condensed Statement of Net Position**

	09/30/19	09/30/18	% Change
<b>Assets:</b>			
Current assets	\$ 68,271,941	79,148,291	-14%
Capital assets, net	93,963,724	79,647,232	18%
Total Assets	162,235,665	158,795,523	2%
<b>Deferred outflows of resources</b>	4,302,461	2,121,171	103%
<b>Liabilities:</b>			
Current liabilities	2,142,823	4,675,436	-54%
Long-term debt outstanding	24,833,164	25,854,960	-4%
Net pension liability	24,823,215	22,040,058	13%
Other postemployment benefits payable	2,580,903		N/A
Total Liabilities	54,380,105	52,570,454	3%
<b>Deferred inflows of resources</b>	18,320,008	16,975,782	8%
<b>Net Position:</b>			
Net investment in capital assets	69,950,700	54,441,827	28%
Restricted	30,832,148	41,304,606	-25%
Unrestricted	(6,944,835)	(4,375,975)	-59%
Total Net Position	\$ 93,838,013	91,370,458	3%

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

- Addition to construction in progress in the amount of \$15,010,932 to capital assets.

**Lafayette County, Mississippi**  
**Management's Discussion and Analysis**  
**For the Year Ended September 30, 2019**

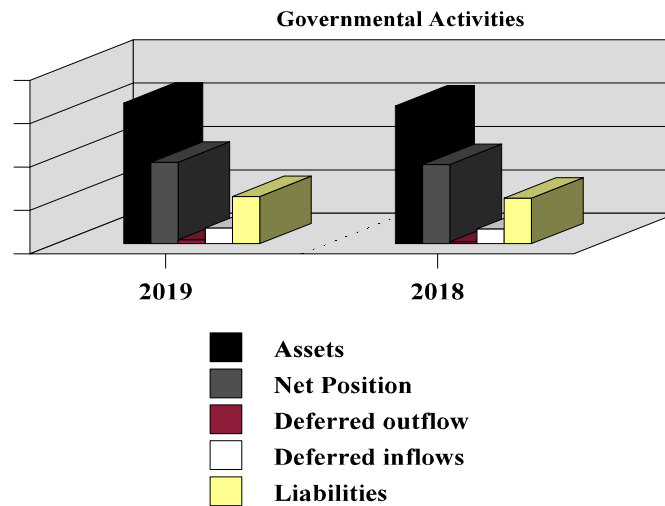


Table 1 B presents a summary of the County's net position for the business-type activities at September 30, 2019 and September 30, 2018.

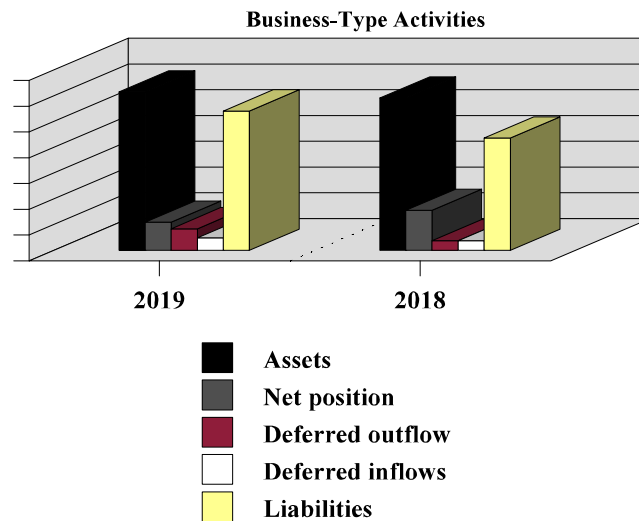
**Table 1 B**  
**Condensed Statement of Net Position**

	09/30/19	09/30/18	% Change
<b>Assets:</b>			
Current assets	\$ 1,830,435	1,824,476	0%
Capital assets, net	1,240,559	1,131,010	10%
Total Assets	<u>3,070,994</u>	<u>2,955,486</u>	<u>4%</u>
<b>Deferred outflows of resources</b>	<u>419,120</u>	<u>184,631</u>	<u>127%</u>
<b>Liabilities:</b>			
Current liabilities	170,283	193,650	-12%
Long-term debt outstanding	115,621	68,066	70%
Net pension liability	2,418,131	1,918,406	26%
Total Liabilities	<u>2,704,035</u>	<u>2,180,122</u>	<u>24%</u>
<b>Deferred inflows of resources</b>	<u>241,950</u>	<u>185,919</u>	<u>30%</u>
<b>Net Position:</b>			
Net investment in capital assets	1,240,559	1,131,010	10%
Unrestricted	(696,430)	(356,934)	-95%
Total Net Position	<u>\$ 544,129</u>	<u>774,076</u>	<u>-30%</u>

**Lafayette County, Mississippi**  
**Management's Discussion and Analysis**  
**For the Year Ended September 30, 2019**

The following are significant current year transactions in the business-type activities that had an impact on the Statement of Net Position.

- Capital assets, net of accumulated depreciation, increased by \$109,549 primarily due to additions to mobile equipment.



Additional information on unrestricted net position:

In connection with the application of standards on accounting and financial reporting for pensions, management presents the following additional information:

	Governmental Activities	Business-type Activities
Total unrestricted net position (deficit)	\$ (6,944,835)	(696,430)
Less unrestricted deficit in net position resulting from recognition of the net pension liability and total OPEB liability including the deferred outflows and deferred inflows related to pensions	24,263,740	2,112,214
Unrestricted net position, exclusive of the net pension liability effect	\$ 17,318,905	1,415,784



**Lafayette County, Mississippi**  
Management's Discussion and Analysis  
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**Changes in Net Position**

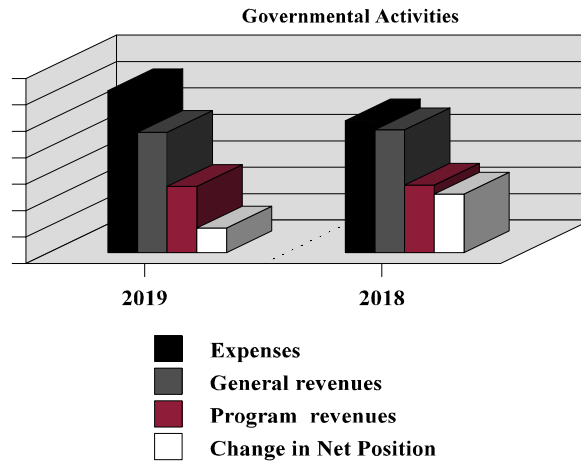
Lafayette County's total revenues for the fiscal year ended September 30, 2019 were \$37,815,641 and \$38,245,326 for 2018. The total cost of all services provided was \$33,173,517 for 2019 and \$27,543,671 for 2018.

The following tables present a summary of the changes in net position for the governmental and business-type activities for the fiscal years ended September 30, 2019 and September 30, 2018.

**Table 2 A**  
**Changes in Net Position - Governmental Activities**

	Fiscal Year Ended 09/30/19	Fiscal Year Ended 09/30/18	% Change
Revenues:			
Program revenues:			
Charges for services	\$ 5,864,145	4,838,808	21%
Operating grants & contributions	1,479,288	1,551,017	-5%
Capital grants & contributions	5,201,430	6,401,228	-19%
General revenues:			
Taxes	20,811,393	20,075,621	4%
Grants and contributions	796,803	814,618	-2%
Unrestricted interest income	659,364	1,623,311	-59%
Other	1,012,532	755,034	34%
Total Revenues	<u>35,824,955</u>	<u>36,059,637</u>	<u>-1%</u>
Expenses:			
General government	8,367,372	7,506,995	11%
Public safety	7,528,043	9,060,052	-17%
Public works	10,238,756	2,951,770	247%
Health & welfare	372,691	314,124	19%
Culture & recreation	297,364	353,882	-16%
Conservation of natural resources	41,604	94,586	-56%
Economic development and assistance	235,027	407,737	-42%
Interest on long-term debt	751,701	758,351	-1%
Pension expense	2,806,316	3,496,903	-20%
Total Expenses	<u>30,638,874</u>	<u>24,944,400</u>	<u>23%</u>
Transfers	<u>(503,333)</u>		N/A
Change in Net Position	<u>\$ 4,682,748</u>	<u>11,115,237</u>	<u>-58%</u>

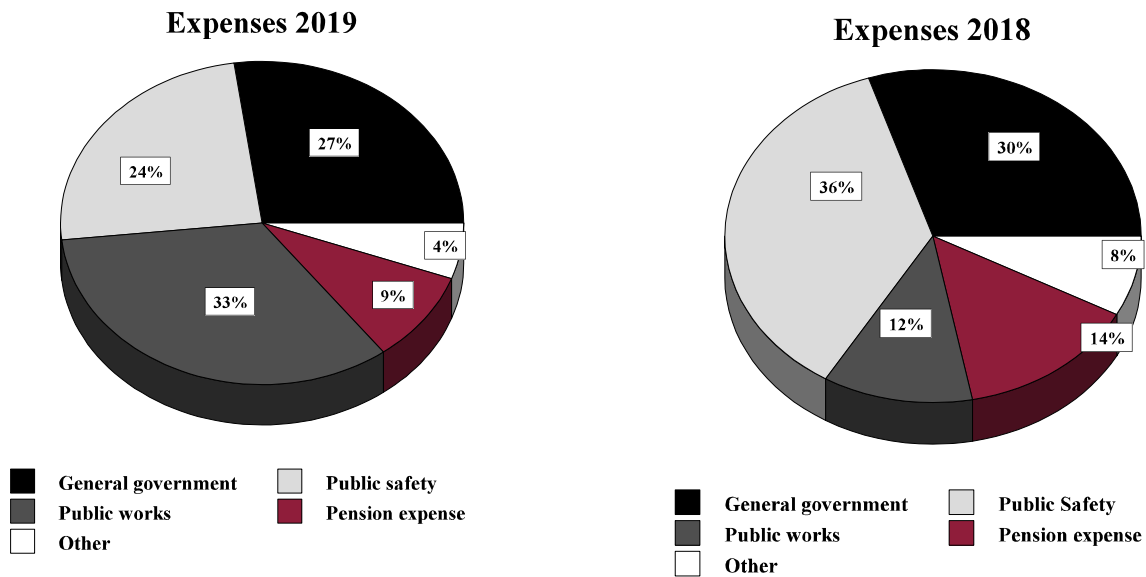
**Lafayette County, Mississippi**  
**Management's Discussion and Analysis**  
**For the Year Ended September 30, 2019**



**Table 2 B**  
**Changes in Net Position - Business-Type Activities**

	Fiscal Year Ended 09/30/19	Fiscal Year Ended 09/30/18	% Change
Revenues:			
Program revenues:			
Charges for services	\$ 1,861,981	1,772,141	5%
General revenues:			
Grants and contributions		364,186	-100%
Unrestricted interest income	20,864	11,369	84%
Other	107,841	37,993	184%
Total Revenues	1,990,686	2,185,689	-9%
Expenses:			
Solid waste collection	2,708,261	2,294,894	18%
Pension expense		304,377	-100%
Total Expenses	2,708,261	2,599,271	4%
Transfers In	503,333		N/A
Change in Net Position	\$ (214,242)	(413,582)	48%

**Lafayette County, Mississippi**  
**Management's Discussion and Analysis**  
**For the Year Ended September 30, 2019**



**Governmental Activities** – The following table presents the cost of major functional activities of the County: General Government, Public Safety, Public Works, Health & Welfare, Culture and Recreation, Conservation of Natural Resources, Economic Development and Assistance, Pension Expense and Interest on Long-Term Debt for the governmental activities. 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 Lafayette County's taxpayers by each of these functions.

	2019 Total Cost	2019 Net Cost	2018 Total Cost	2018 Net Cost
<b>Governmental Activities:</b>				
General government	\$ 8,367,372	(4,697,301)	7,506,995	(4,793,957)
Public safety	7,528,043	(4,804,112)	9,060,052	(6,316,202)
Public works	10,238,756	(4,161,078)	2,951,770	4,290,686
Health and welfare	372,691	(299,508)	314,124	(222,415)
Culture and recreation	297,364	(297,364)	353,882	(353,882)
Conservation of natural resources	41,604	(41,604)	94,586	(94,586)
Economic development and assistance	235,027	(235,027)	407,737	(407,737)
Interest on long-term debt	751,701	(751,701)	758,351	(758,351)
Pension expense	2,806,316	(2,806,316)	3,496,903	(3,496,903)
<b>Total Expenses</b>	<b>\$ 30,638,874</b>	<b>(18,094,011)</b>	<b>24,944,400</b>	<b>(12,153,347)</b>

**Lafayette County, Mississippi**  
Management's Discussion and Analysis  
For the Year Ended September 30, 2019

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

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the County's governmental funds is to provide information on current inflows, outflows and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year.

The financial performance of the County as a whole is reflected in its governmental funds. As the County completed the year, its governmental funds reported a combined fund balance of \$48,560,843, a decrease of \$9,221,602 from 2019. In 2018, the combined fund balance was \$57,782,445 a decrease of \$8,030,211 from the prior year. 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 \$1,160,493.

## **BUDGETARY HIGHLIGHTS OF MAJOR FUNDS**

Over the course of the year, Lafayette County revised its annual operating budget on several occasions. Budgeted revenues were changed as better estimates became available.

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

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Governmental Activities:**

**Capital Assets** - As of September 30, 2019, Lafayette County's total capital assets were \$165,585,560. This includes land, construction in progress, infrastructure, buildings, improvements other than buildings, mobile equipment, and furniture and equipment. This amount represents an increase from the previous year of \$15,843,732. Total accumulated depreciation as of September 30, 2019 was \$71,621,836 including \$2,108,776 of depreciation expense for the year. The balance in total net capital assets was \$93,963,724 at year-end.

**Lafayette County, Mississippi**  
**Management's Discussion and Analysis**  
**For the Year Ended September 30, 2019**

	<u>September 30, 2019</u>	<u>September 30, 2018</u>	<u>Change</u>
Land	\$ 5,171,172	5,171,172	0%
Construction in progress	30,447,866	16,398,568	86%
Infrastructure	86,965,613	86,003,979	1%
Buildings	25,809,514	25,809,514	0%
Improvements other than buildings	2,665,858	2,665,858	0%
Mobile equipment	12,546,016	11,725,954	7%
Furniture and equipment	1,979,521	1,966,783	1%
Accumulated depreciation	(71,621,836)	(70,094,596)	2%
Total Capital Assets, net	<u>\$ 93,963,724</u>	<u>79,647,232</u>	18%

**Business-Type Activities:**

**Capital Assets**

As of September 30, 2019, Lafayette County's total capital assets were \$2,406,284, including buildings, mobile equipment, and furniture and equipment. This amount represents an increase from the previous year of \$94,659. Total accumulated depreciation as of September 30, 2019 was \$1,165,725 including \$126,452 of depreciation expense for the year. The balance in total net capital assets was \$1,240,559 at year-end.

	<u>September 30, 2019</u>	<u>September 30, 2018</u>	<u>Change</u>
Buildings	\$ 288,220	288,220	0%
Mobile equipment	1,964,686	2,023,405	-3%
Furniture and equipment	153,378		N/A
Accumulated depreciation	(1,165,725)	(1,180,615)	-1%
Total Capital Assets, net	<u>\$ 1,240,559</u>	<u>1,131,010</u>	10%

**Lafayette County, Mississippi**  
**Management's Discussion and Analysis**  
**For the Year Ended September 30, 2019**

**Debt Administration**

**Governmental Activities:**

At September 30, 2019, Lafayette County had \$24,833,164 in long-term debt outstanding.

	<u>September 30, 2019</u>	<u>September 30, 2018</u>	<u>Change</u>
General obligation bonds	\$ 18,565,000	19,295,000	-4%
Premiums, net	896,639	949,382	-6%
Other loans	4,551,385	4,961,023	-8%
Compensated absences	820,140	649,555	26%
Total Long-Term Debt	<u>\$ 24,833,164</u>	<u>25,854,960</u>	-4%

**Business-Type Activities:**

At September 30, 2019, Lafayette County had \$115,621 in long-term debt outstanding.

	<u>September 30, 2019</u>	<u>September 30, 2018</u>	<u>Change</u>
Compensated absences	\$ <u>115,621</u>	<u>68,066</u>	70%

**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 Lafayette County Administrator's office (room 222) at the Lafayette County Chancery Building, 300 N. Lamar Boulevard, P.O. Box 1240, Oxford, Mississippi 38655, or call 662-236-2717.

## FINANCIAL STATEMENTS

**LAFAYETTE COUNTY, MISSISSIPPI**  
Statement of Net Position  
September 30, 2019

**Exhibit 1**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash	\$ 29,444,356	\$ 1,464,344	\$ 30,908,700
Cash with fiscal agent	19,273		19,273
Investments	20,323,903		20,323,903
Property tax receivable	17,157,925		17,157,925
Accounts receivable (net of allowance for uncollectibles of \$604,986)		259,280	259,280
Fines receivable, net	644,926		644,926
Capital lease receivable	25,000		25,000
Intergovernmental receivables	627,063	132,136	759,199
Other receivables	4,170		4,170
Internal balances	25,325	(25,325)	-
Capital assets:			
Land and construction in progress	35,619,038		35,619,038
Other capital assets, net of depreciation	58,344,686	1,240,559	59,585,245
Total Assets	<u>162,235,665</u>	<u>3,070,994</u>	<u>165,306,659</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows related to pension	4,302,461	419,120	4,721,581
Total Deferred Outflows of Resources	<u>4,302,461</u>	<u>419,120</u>	<u>4,721,581</u>
<b>Liabilities</b>			
Claims payable	961,903	170,283	1,132,186
Intergovernmental payables	921,344		921,344
Accrued interest payable	259,576		259,576
Long-term liabilities			
Other postemployment benefits payable	2,580,903		2,580,903
Due within one year:			
Capital debt	1,073,659		1,073,659
Due in more than one year:			
Capital debt	22,939,365		22,939,365
Non-capital debt	820,140	115,621	935,761
Net pension liability	24,823,215	2,418,131	27,241,346
Total Liabilities	<u>54,380,105</u>	<u>2,704,035</u>	<u>57,084,140</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows related to pension	1,162,083	113,203	1,275,286
Deferred inflows - advance payments on user fees		128,747	128,747
Deferred revenues - property taxes	17,157,925		17,157,925
Total Deferred Inflows of Resources	<u>18,320,008</u>	<u>241,950</u>	<u>18,561,958</u>
<b>Net Position</b>			
Net investment in capital assets	69,950,700	1,240,559	71,191,259
Restricted for:			
Nonexpendable:			
Permanent fund	20,342,739		20,342,739
Expendable:			
General government	3,821,616		3,821,616
Public safety	1,147,236		1,147,236
Public works	5,137,032		5,137,032
Health and welfare	6,004		6,004
Economic Development and Assistance	341,554		341,554
Unemployment compensation	35,967		35,967
Unrestricted	(6,944,835)	(696,430)	(7,641,265)
Total Net Position	<u>\$ 93,838,013</u>	<u>\$ 544,129</u>	<u>\$ 94,382,142</u>

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



**LAFAYETTE COUNTY, MISSISSIPPI**

## Statement of Activities

For the Year Ended September 30, 2019

**Exhibit 2**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Governmental activities:							
General government	\$ 8,367,372	\$ 3,392,157	\$ 277,914		(4,697,301)	-	\$ (4,697,301)
Public safety	7,528,043	2,471,988	251,943		(4,804,112)		(4,804,112)
Public works	10,238,756		876,248	5,201,430	(4,161,078)		(4,161,078)
Health and welfare	372,691		73,183		(299,508)		(299,508)
Culture and recreation	297,364				(297,364)		(297,364)
Conservation of natural resources	41,604				(41,604)		(41,604)
Economic development and assistance	235,027				(235,027)		(235,027)
Interest on long-term debt	751,701				(751,701)		(751,701)
Pension expense	2,806,316				(2,806,316)		(2,806,316)
Total Governmental Activities	<u>30,638,874</u>	<u>5,864,145</u>	<u>1,479,288</u>	<u>5,201,430</u>	<u>(18,094,011)</u>		<u>(18,094,011)</u>
Business-type activities:							
Solid Waste Collection	2,708,261	1,861,981				(846,280)	(846,280)
Total Business-type Activities	<u>2,708,261</u>	<u>1,861,981</u>	<u>-</u>	<u>-</u>	<u>(846,280)</u>		<u>(846,280)</u>
Total Primary Government	<u>\$ 33,347,135</u>	<u>\$ 7,726,126</u>	<u>\$ 1,479,288</u>	<u>\$ 5,201,430</u>	<u>\$ (18,094,011)</u>	<u>\$ (846,280)</u>	<u>\$ (18,940,291)</u>
General revenues:							
Property taxes					20,215,725		20,215,725
Road & bridge privilege taxes					595,668		595,668
Grants not restricted to specific programs					796,803		796,803
Unrestricted interest income					659,364	20,864	680,228
Miscellaneous					1,012,532	107,841	1,120,373
Transfers					(503,333)	503,333	-
Total General Revenues and Transfers					<u>22,776,759</u>	<u>632,038</u>	<u>23,408,797</u>
Change in Net Position					<u>4,682,748</u>	<u>(214,242)</u>	<u>4,468,506</u>
Net Position - Beginning, as previously reported					91,370,458	774,076	92,144,534
Prior Period Adjustments					(2,215,193)	(15,705)	(2,230,898)
Net Position, Beginning as restated					<u>89,155,265</u>	<u>758,371</u>	<u>89,913,636</u>
Net Position - Ending					<u>\$ 93,838,013</u>	<u>\$ 544,129</u>	<u>\$ 94,382,142</u>

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

**LAFAYETTE COUNTY, MISSISSIPPI**  
Balance Sheet - Governmental Funds  
September 30, 2019

**Exhibit 3**

	Major Funds						Other Governmental Funds	Total Governmental Funds
	General Fund	Hospital Proceeds	Lafayette County Reserve/Trust	Countywide Road Maintenance	Bridge and Culvert Fund	Facilities on CR 406 Fund		
<b>Assets</b>								
Cash	\$ 18,245,702	1,821,942		2,181,733	1,927,350	893,415	4,374,214	29,444,356
Investments			20,323,903					20,323,903
Cash with fiscal agent			19,273					19,273
Property tax receivable	10,781,520			2,035,800	2,447,590		1,893,015	17,157,925
Fines receivable (net of allowance for uncollectibles of \$929,722)	644,926							644,926
Capital lease receivable	25,000							25,000
Intergovernmental receivables	589,904						37,159	627,063
Other receivables	4,170							4,170
Due from other funds	25,325			75,988	26,812		43,693	171,818
Total Assets	\$ <u>30,316,547</u>	<u>1,821,942</u>	<u>20,343,176</u>	<u>4,293,521</u>	<u>4,401,752</u>	<u>893,415</u>	<u>6,348,081</u>	<u>68,418,434</u>
<b>Liabilities</b>								
Claims payable	\$ 280,844		437	115,433	159,416	364,371	41,402	961,903
Intergovernmental payables	882,673							882,673
Due to other funds	185,164							185,164
Total Liabilities	\$ <u>1,348,681</u>	<u>-</u>	<u>437</u>	<u>115,433</u>	<u>159,416</u>	<u>364,371</u>	<u>41,402</u>	<u>2,029,740</u>
<b>Deferred Inflows of Resources</b>								
Unavailable revenue - property taxes	10,781,520			2,035,800	2,447,590		1,893,015	17,157,925
Unavailable revenue - capital leases	25,000							25,000
Unavailable revenue - fines	644,926							644,926
Total Deferred Inflows of Resources	\$ <u>11,451,446</u>	<u>-</u>	<u>-</u>	<u>2,035,800</u>	<u>2,447,590</u>	<u>-</u>	<u>1,893,015</u>	<u>17,827,851</u>
<b>Fund Balances</b>								
Nonspendable:								
Permanent fund principal			20,342,739					20,342,739
Restricted								
General government		1,821,942					1,999,674	3,821,616
Public safety							1,147,236	1,147,236
Public works				2,142,288	1,794,746	529,044	670,954	5,137,032
Health and welfare							6,004	6,004
Economic development and assistance							341,554	341,554
Debt service							212,275	212,275
Unemployment compensation							35,967	35,967
Unassigned	17,516,420							17,516,420
Total Fund Balances	\$ <u>17,516,420</u>	<u>1,821,942</u>	<u>20,342,739</u>	<u>2,142,288</u>	<u>1,794,746</u>	<u>529,044</u>	<u>4,413,664</u>	<u>48,560,843</u>
Total Liabilities, Deferred Inflows and Fund Balances	\$ <u>30,316,547</u>	<u>1,821,942</u>	<u>20,343,176</u>	<u>4,293,521</u>	<u>4,401,752</u>	<u>893,415</u>	<u>6,348,081</u>	<u>68,418,434</u>

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

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

Total fund balances for governmental funds	\$ 48,560,843
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.	93,963,724
Fines receivable are not available to pay current period expenditures and therefore are not reported in the funds:	644,926
Deferred outflows of resources related to pension reported in governmental activities is not a financial resource and therefore is not reported in the funds.	4,302,461
Capital leases are not available to pay for current year expenditures and therefore are not reported in the funds	25,000
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	(24,833,164)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.	(259,576)
Other postemployment benefits are not due and payable in the current period and therefore are not reported in the funds.	(2,580,903)
Deferred inflows of resources related to pension are not due and payable in the current period and therefore are not reported in the funds.	(1,162,083)
Net pension liabilities are not due and payable in the current period and therefore are not reported in the funds.	<u>(24,823,215)</u>
Net position of governmental activities	<u><u>\$ 93,838,013</u></u>

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

**LAFAYETTE COUNTY, MISSISSIPPI**

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

**Exhibit 4**

	Major Funds						Other	Total
	General	Hospital	Lafayette	Countywide	Bridge and	Facilities	Governmental	Governmental
	Fund	Proceeds	County	Road	Culvert	on CR 406	Funds	Funds
			Reserve/Trust	Maintenance	Fund	Fund		
<b>REVENUES</b>								
Property taxes	\$ 12,473,493			2,516,012	2,808,255		2,417,965	20,215,725
Road and bridge privilege taxes				595,668				595,668
Licenses, commissions and other revenue	989,017			15,011	34,059	150,911	1,406,151	2,595,149
Fines and forfeitures	372,114	362,859	74,250				19,989	829,212
Intergovernmental revenues	685,762			917,615			5,874,144	7,477,521
Charges for services	1,913,382						493,396	2,406,778
Interest income	393,957		80,489	26,485	38,484	57,086	62,863	659,364
Miscellaneous revenues	778,835		79	385,272			3,497	1,167,683
Total Revenues	<u>17,606,560</u>	<u>362,859</u>	<u>154,818</u>	<u>4,456,063</u>	<u>2,880,798</u>	<u>207,997</u>	<u>10,278,005</u>	<u>35,947,100</u>
<b>EXPENDITURES</b>								
Current:								
General government	5,644,319		1,451,639				855,963	7,951,921
Public safety	6,861,924						1,351,367	8,213,291
Public works				3,885,935	4,050,491	9,897,417	7,751,518	25,585,361
Health and welfare	330,726						41,965	372,691
Culture and recreation	297,364							297,364
Conservation of natural resources	54,158							54,158
Economic development and assistance	124,892						110,135	235,027
Debt service:								
Principal	266,625				71,255		801,758	1,139,638
Interest	136,669				1,098		678,151	815,918
Total Expenditures	<u>13,716,677</u>	<u>0</u>	<u>1,451,639</u>	<u>3,885,935</u>	<u>4,122,844</u>	<u>9,897,417</u>	<u>11,590,857</u>	<u>44,665,369</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>3,889,883</u>	<u>362,859</u>	<u>(1,296,821)</u>	<u>570,128</u>	<u>(1,242,046)</u>	<u>(9,689,420)</u>	<u>(1,312,852)</u>	<u>(8,718,269)</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in						7,642,374	3,153,463	10,795,837
Transfers out	<u>(2,729,390)</u>					<u>(1,587,430)</u>	<u>(6,982,350)</u>	<u>(11,299,170)</u>
Total Other Financing Sources and Uses	<u>(2,729,390)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,054,944</u>	<u>(3,828,887)</u>	<u>(503,333)</u>
Net Changes in Fund Balances	<u>1,160,493</u>	<u>362,859</u>	<u>(1,296,821)</u>	<u>570,128</u>	<u>(1,242,046)</u>	<u>(3,634,476)</u>	<u>(5,141,739)</u>	<u>(9,221,602)</u>
Fund Balances - Beginning,	<u>16,355,927</u>	<u>1,459,083</u>	<u>21,639,560</u>	<u>1,572,160</u>	<u>3,036,792</u>	<u>4,163,520</u>	<u>9,555,403</u>	<u>57,782,445</u>
Fund Balances - Ending	<u>\$ 17,516,420</u>	<u>1,821,942</u>	<u>20,342,739</u>	<u>2,142,288</u>	<u>1,794,746</u>	<u>529,044</u>	<u>4,413,664</u>	<u>48,560,843</u>

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

**LAFAYETTE COUNTY, MISSISSIPPI****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	\$ (9,221,602)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Thus, the change in net position differs from the change in fund balances by the amount that capital outlays of \$16,539,430 did not exceeded depreciation of \$2,108,776 in the current period.	14,430,654
In the Statement of Activities, only gains and losses from the sale of capital assets are reported, whereas in the Governmental Funds, proceeds from the sale of capital assets increase financial resources. Thus, the change in net position differs from the change in fund balances by the cost of the assets sold.	(150,151)
Fine revenue recognized on the modified accrual basis in the funds during the current year is reduced because prior year recognition would have been required on the Statement of Activities using the full-accrual basis of accounting.	33,006
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 \$1,139,638.	1,139,638
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	(2,806,316)
Recording of contributions made during the year	1,524,990
Some items reported in the statement of activities do not provide or require the use of current financial resources and therefore are not reported as revenues/expenditures in governmental funds. These activities include:	
Change in Premium	52,743
Change in capital lease receivable	(5,000)
Change in compensated absences	(18,589)
Change in other post employment benefits payable	(308,099)
Change in accrued interest payable	11,474
	<u>          </u>
Change in Net Position of Governmental Activities	\$ <u>4,682,748</u>

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

**LAFAYETTE COUNTY, MISSISSIPPI**  
Statement of Net Position - Proprietary Fund  
September 30, 2019

**Exhibit 5**

	Business-type Activities Garbage Collection Fund
<b>ASSETS</b>	
Current assets:	
Cash	\$ 1,464,344
Accounts receivable (net of allowance for uncollectibles of \$604,986)	259,280
Intergovernmental receivables	132,136
Total Current Assets	<u>1,855,760</u>
Noncurrent assets:	
Capital assets:	
Other capital assets, net	1,240,559
Total Noncurrent Assets	<u>1,240,559</u>
Total Assets	<u>3,096,319</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pensions	419,120
Total Deferred Outflows of Resources	<u>419,120</u>
<b>LIABILITIES</b>	
Current liabilities:	
Claims payable	170,283
Due to other funds	25,325
Total Current Liabilities	<u>195,608</u>
Noncurrent liabilities:	
Net pension liability	2,418,131
Non-capital debt:	
Compensated absences payable	115,621
Total Noncurrent Liabilities	<u>2,533,752</u>
Total Liabilities	<u>2,729,360</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows - advance payments on user fees	128,747
Deferred inflows related to pensions	113,203
Total Deferred Inflows of Resources	<u>241,950</u>
<b>NET POSITION</b>	
Net investment in capital assets	1,240,559
Unrestricted	(696,430)
Total Net Position	<u>\$ 544,129</u>

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

**LAFAYETTE COUNTY, MISSISSIPPI**

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund  
For the Year Ended September 30, 2019

**Exhibit 6**

	Business-type Activities
	Garbage Collection Fund
<b>OPERATING REVENUES</b>	
Charges for services	\$ 1,861,981
Total Operating Revenues	<u>1,861,981</u>
<b>OPERATING EXPENSES</b>	
Cost of sales	
Personal services	1,349,787
Contractual services	645,219
Materials and supplies	313,428
Depreciation expense	126,452
Pension expense	273,375
Total Operating Expenses	<u>2,708,261</u>
Operating Income (Loss)	<u>(846,280)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Interest income	20,864
Miscellaneous	107,841
Net Nonoperating Revenue	<u>128,705</u>
Net Income (Loss) Before Transfers	(717,575)
Transfers in	<u>503,333</u>
Changes in Net Position	<u>(214,242)</u>
Net Position - Beginning, as previously reported	774,076
Prior Period Adjustment	(15,705)
Net Position - Beginning, as restated	<u>758,371</u>
Net Position - Ending	<u>\$ 544,129</u>

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

**LAFAYETTE COUNTY, MISSISSIPPI**  
Statement of Cash Flows - Proprietary Fund  
For the Year Ended September 30, 2019

**Exhibit 7**

	Business-type Activities
	Garbage Collection Fund
<b>Cash Flows From Operating Activities</b>	
Receipts from customers	\$ 1,751,501
Payments to suppliers	(742,704)
Payments to employees	(1,360,627)
Net Cash Provided (Used) by Operating Activities	<u>(351,830)</u>
<b>Cash Flows From Noncapital Financing Activities</b>	
TVA in-lieu monies received	364,186
Transfer in	503,333
Other receipts / (expenses)	(22,314)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>845,205</u>
<b>Cash Flows From Capital and Related Financing Activities</b>	
Acquisition and construction of capital assets	(251,706)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(251,706)</u>
<b>Cash Flows From Investing Activities</b>	
Interest on deposits	18,883
Net Cash Provided (Used) by Investing Activities	<u>18,883</u>
Net Increase (Decrease) in Cash and Cash Equivalents	260,552
Cash and Cash Equivalents at Beginning of Year	1,203,792
Cash and Cash Equivalents at End of Year	<u>\$ 1,464,344</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	\$ (846,280)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	126,452
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	21,707
(Increase) decrease In deferred outflow - pensions	(140,048)
Increase (decrease) in claims payable	(23,367)
Increase (decrease) in compensated absences liability	47,555
Increase (decrease) in advance payments on solid waste user fees	(51)
Increase (decrease) in interfund payables	836
Increase (decrease) in Net pension liability	499,725
Increase (decrease) in deferred inflow - pensions	(38,359)
Total Adjustments	<u>494,450</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (351,830)</u>

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



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

**Exhibit 8**

		Agency Funds
<b>ASSETS</b>		
Cash and investments	\$	257,809
Due from other funds		38,671
Total Assets	\$	<u>296,480</u>
<b>LIABILITIES</b>		
Intergovernmental payables	\$	296,480
Total Liabilities	\$	<u>296,480</u>

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

**Lafayette County, Mississippi**

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

## **Lafayette County, Mississippi**

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

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

##### A. Financial Reporting Entity

Lafayette County, Mississippi (the County) is a political subdivision of the State of Mississippi. The County is governed by an elected five-member Board of Supervisors. Accounting principles generally accepted in the United States of America require Lafayette County, Mississippi to present these financial statements on the primary government and its component units which have a significant operational or financial relationship with the County.

State law pertaining to county government provides for the independent election of county officials. The following elected and appointed officials are all part of the County's 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. 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 Lafayette County Public Improvement Corporation is comprised solely of the five members of the Lafayette County Board of Supervisors. Although created legally separate from the County under Section 31-8-3, Miss. Code Ann. (1972), the Corporation is reported as if it were part of the primary government because its sole purpose is to finance and construct County public facilities.

The Lafayette County Economic Development District is comprised solely of the five members of the Lafayette County Board of Supervisors. Although created legally separate from the County under Section 19-5-66,

## Lafayette County, Mississippi

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

Miss. Code Ann. (1972), the District is reported as if it were part of the primary government because its sole purpose is to enhance and develop the economic development resources of the County.

The Lafayette County Reserve and Trust Fund trustees are comprised solely of the five members of the Lafayette County Board of Supervisors. Although created legally separate from the County by Senate Bill No. 2945, the Trust is reported as if the Trust were part of the primary government because the sole purpose for the Trust is to invest the proceeds from the sale of the real and personal property related to the Baptist Memorial Hospital-North Mississippi.

#### C Basis of Presentation

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

##### Government-wide Financial Statements:

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

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

## Lafayette County, Mississippi

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

with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business-type activity or governmental function is self-financing or draws from the general revenues of the County.

#### Fund Financial Statements:

Fund financial statements of the County are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, 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 Fund and Fiduciary Funds (excluding agency funds) financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when the liability is incurred or economic assets used, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year for which they are levied. Shared revenues are recognized when the provider government recognizes the liability to the County. Grants are recognized as revenues as soon as all eligibility requirements have been satisfied. Agency funds have no measurement focus, but use the accrual basis of accounting.

The revenues and expenses of the Proprietary Fund are classified as operating or nonoperating. Operating revenues and expenses generally result from providing services in connection with the 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

## Lafayette County, Mississippi

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

liabilities are incurred. Debt service expenditures and expenditures related to compensated absences and claims and judgments, are recognized only when payment is due. Property taxes, state appropriations and federal awards are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period.

The County reports the following major Governmental Funds:

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

Hospital Proceeds - This fund is used to account for the proceeds that resulted from the sale of the Oxford-Lafayette Medical Center.

Lafayette County Reserve/Trust - This fund is used to account for the investments from the proceeds that resulted from the sale of the Oxford-Lafayette Medical Center.

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

Bridge and Culvert Fund - This fund is used to account for monies from specific revenue sources that are restricted for the construction and maintenance of bridges and culverts.

Facilities on CR 406 Fund - This fund is used to account for project costs related to construction of new county facilities.

The County reports the following major Enterprise Fund:

Garbage Collection Fund - This fund is used to account for the County's activities of disposal of solid waste within the County.

Additionally, the County reports the following fund types:

#### GOVERNMENTAL FUND TYPES

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

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

## Lafayette County, Mississippi

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

and interest.

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

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

#### PROPRIETARY FUND TYPES

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

#### FIDUCIARY FUND TYPES

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

#### E. Account Classifications

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

#### F. Deposits and Investments

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

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

## Lafayette County, Mississippi

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

governmental securities during the fiscal year.

#### G. Receivables

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

#### H. Interfund Transactions and Balances

Transactions between funds that are representative of short-term lending/borrowing arrangements and transactions that have not resulted in the actual transfer of cash at the end of the fiscal year are referred to as “due to/from other funds.” Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. Any outstanding balances between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

#### I. Capital Assets

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

Capital assets acquired or constructed for Proprietary Fund operations are capitalized at cost in the respective funds in which they are utilized. No interest is capitalized on self-constructed assets because non-capitalization 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



## Lafayette County, Mississippi

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

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.

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

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

Deferred outflows related to pension - This amounts represent the County's proportionate share of the deferred outflows of resources reported by the pension plan in which the County participates. See Note 13 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 and so will not be recognized as an inflow of resources (revenue) until that time. The County has deferred inflows as follows:

Deferred revenues - property taxes/unavailable revenues - property taxes - Deferred inflows of resources should be reported when resources associated with imposed nonexchange revenue transactions are received or reported as a

## Lafayette County, Mississippi

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

receivable before the period for which property taxes are levied.

Unavailable revenue - capital leases - 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 revenue - advance payments on user fees - When an asset is recorded in the governmental fund financial statements but the revenue is not available, the government should report a deferred inflow of resources until such time as the revenue becomes available.

Deferred inflows related to pension - This amounts represent the County's proportionate share of the deferred inflows of resources reported by the pension plan in which the County participates. See Note 13 for additional details.

#### K. Pensions

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

#### L. Long-term Liabilities

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

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

#### M. Equity Classifications

Government-wide Financial Statements:

## Lafayette County, Mississippi

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

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

1. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings attributable to the acquisition, construction or improvements of those assets.
2. Restricted net position - Consists of net position with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or law through constitutional provisions or enabling legislation.
3. 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

## Lafayette County, Mississippi

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

permanent fund.

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

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

#### Fund Balance Flow Assumption:

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

#### N. Property Tax Revenues

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

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.

## **Lafayette County, Mississippi**

### Notes to the Financial Statements

For the Year Ended September 30, 2019

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

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

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

#### **P. Compensated Absences**

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

#### **Q. Changes in Accounting Standards**

The County implemented the following standards issued by the Governmental Accounting Standards board (GASB) in the current fiscal year as required: GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements. The provisions of this standard has not been incorporated into the financial statements and notes.

## Lafayette County, Mississippi

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

#### (2) Prior Period Adjustments

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

##### Exhibit 2 - Statement of Activities - Governmental Activities

Explanation	Amount
1. To correctly present capital assets.	35,989
2. To correctly present compensated absences.	(151,996)
3. To correctly present OPEB.	(2,272,804)
Total prior period adjustments	\$ (2,388,811)

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

Explanation	Amount
1. To correctly present capital assets.	\$ (15,705)

##### Exhibit 6 - Statement of Revenues, Expenses and Changes in Net position - Proprietary Fund

Explanation	Amount
1. To correctly present capital assets.	\$ (15,705)

#### (3) Deposits and Investments

##### Deposits:

The carrying amount of the County's total deposits with financial institutions at September 30, 2019, was \$31,166,509, and the bank balance was \$31,572,585. The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC).

**Custodial Credit Risk - Deposits.** Custodial credit risk is the risk that in the event of the failure of a financial institution, the County will not be able to recover deposits or

## Lafayette County, Mississippi

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

collateral securities that are in the possession of an outside party. 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 the FDIC coverage are collateralized by the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on behalf of the County.

#### Cash with Fiscal Agents:

The carrying amount of the County's total cash with fiscal agents at September 30, 2019, was \$19,273.

#### Investments:

As provided by Senate Bill Number 2945, the board of trustees shall invest the funds in any of the investments authorized for the Mississippi Prepaid Affordable College Tuition Program under Section 37-155-9; Mississippi Code of 1972, and those investments shall be subject to the limitations prescribed by Section 37-155-9. The maximum investments in stocks shall not exceed fifty percent (50%) of the book value of the total investment fund of the system.

Investment balances at September 30, 2019 are as follows:

Investment Type	Fair Value	Cost	Increase (Decrease)
Stock - 12% of Trust	\$ 2,370,672	2,541,515	(170,843)
Bonds - 62% of Trust	12,652,823	12,622,252	30,571
Mutual Funds - 21% of Trust	4,299,080	4,311,085	(12,005)
Exchange Trades Funds - 5% of Trust	1,001,328	1,000,047	1,281
Total	\$ 20,323,903	20,474,899	(150,996)

The investments are held in a custodian account with Fidelity Investments.

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 the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

## Lafayette County, Mississippi

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

The County has the following recurring fair value measurements as of September 30, 2019:

- Level 1 type of investments of \$20,323,903 are valued using quoted market prices (Level 1 inputs)

**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 period of any investment to no more than one year.

**Credit Risk**. State law limits investments to those authorized by Sections 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 investments choices or one that addresses credit risk.

**Custodial Credit Risk - Investments**. Custodial credit risk is the risk that in the event of the 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 policy for custodial credit risk. Of the County's investment, \$500,000 of securities, including a \$250,000 limit for cash held in a brokerage account is insured by the Securities Investor Protection Corporation (SICP). In addition, Fidelity provides its brokerage customers and additional \$1 billion dollar coverage with Lloyd's of London. How the \$1 billion would be allocated is unknown; therefore, \$500,000 is insured and an unknown portion of the \$20,323,903 is uninsured by Fidelity.

#### (4) Interfund Transactions and Balances

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

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Enterprise Fund	\$ 25,325
Countywide Road Maintenance	General Fund	75,988
Bridge and Culvert Fund	General Fund	26,812
Other Governmental Funds	General Fund	43,693
Fiduciary Funds	General Fund	38,671
Total		<u>\$ 210,489</u>

The receivable in the General Fund represent the calculated indirect costs for the fiscal year. The rest of the receivables represent the tax revenue collected in



## Lafayette County, Mississippi

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

September 2019 but not settled until October 2019. All interfund balances are expected to be repaid within one year from the date of the financial statements.

#### B. Transfers In/Out:

Transfers In	Transfers Out	Amount
Facilities on CR 406 Fund	General Fund	\$ 1,734,850
Facilities on CR 406 Fund	Other Governmental Funds	5,907,524
Other Governmental Funds	General Fund	491,207
Other Governmental Funds	Facilities on CR 406 Fund	1,587,430
Other Governmental Funds	Other Governmental Funds	1,074,826
Proprietary Fund	General Fund	503,333
Total		<u>\$ 11,299,170</u>

The principal purpose of the interfund transfers was to provide funds for grant matches or to provide funds to pay for capital outlay. 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
City of Oxford	\$ 10,185
Bureau of Prisoners	4,158
Mississippi Department of Corrections	22,580
EMPG Grant	25,809
E911 Fee	37,159
United States Marshall Services	132,943
Legislative Tax Credit	394,229
	<u>\$ 627,063</u>

##### Business-Type Activities:

Description	Amount
TVA In-Lieu Payments	\$ <u>132,136</u>

## Lafayette County, Mississippi

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

#### (6) 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
Non-depreciable capital assets:					
Land	\$ 5,171,172				5,171,172
Construction in progress	16,398,568	15,010,932		(961,634)	30,447,866
Total non-depreciable capital assets	21,569,740	15,010,932	0	(961,634)	35,619,038
Depreciable capital assets:					
Infrastructure	86,003,979			961,634	86,965,613
Buildings	25,809,514				25,809,514
Improvements other than buildings	2,665,858				2,665,858
Mobile equipment	11,725,954	1,515,760	695,698		12,546,016
Furniture and equipment	1,966,783	12,738			1,979,521
Total depreciable capital assets	128,172,088	1,528,498	695,698	961,634	129,966,522
Less accumulated depreciation for:					
Infrastructure	47,470,807	700,341			48,171,148
Buildings	10,551,679	460,803			11,012,482
Improvements other than buildings	1,829,575	54,543			1,884,118
Mobile equipment	8,569,804	799,855	545,547	(35,989)	8,788,123
Furniture and equipment	1,672,731	93,234			1,765,965
Total accumulated depreciation	70,094,596	2,108,776	545,547	(35,989)	71,621,836
Total depreciable capital assets, net	58,077,492	(580,278)	150,151	997,623	58,344,686
Governmental activities capital assets, net	\$ 79,647,232	14,430,654	150,151	35,989	93,963,724

Adjustments were made to correctly present capital assets.

## Lafayette County, Mississippi

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

#### Business-type activities:

	Balance Oct. 1, 2018	Additions	Deletions	Adjustments	Balance Sept. 30, 2019
Depreciable capital assets:					
Buildings	\$ 288,220				288,220
Mobile equipment	2,023,405	251,706		(310,425)	1,964,686
Furniture and equipment				153,378	153,378
Total depreciable capital assets	2,311,625	251,706	0	(157,047)	2,406,284
Less accumulated depreciation for:					
Buildings	23,057	5,765			28,822
Mobile equipment	1,157,558	120,687		(279,382)	998,863
Furniture and equipment				138,040	138,040
Total accumulated depreciation	1,180,615	126,452	0	(141,342)	1,165,725
Total depreciable capital assets, net	1,131,010	125,254	0	(15,705)	1,240,559
Business-type activities capital assets, net	\$ 1,131,010	125,254	0	(15,705)	1,240,559

Adjustments were made to correctly present capital assets.

Depreciation expense was charged to the following functions:

	Amount
Governmental Activities:	
General government	\$ 518,335
Public safety	337,668
Public works	1,252,773
Total depreciation expense	\$ 2,108,776
Business-Type Activities:	
Garbage collection	\$ 126,452

Commitments with respect to unfinished capital projects at September 30, 2019 consisted of ongoing county and state aid road projects.

#### (7) Claims and Judgments

##### Risk Financing

The County finances its exposure to risk of loss related to workers' compensation for

## Lafayette County, Mississippi

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

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.

#### (8) Capital Leases

As Lessor:

The County leases the following property (Olin Industrial Building) with varying terms and options as of September 30, 2019:

Classes of Property	Amount
Land	\$ 233,115
Buildings	476,549
Total	<u>\$ 709,664</u>

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

Year Ending September 30,	Amount
2020	\$ 5,000
2021	5,000
2022	5,000
2023	5,000
2024	5,000
Total	<u>\$ 25,000</u>

## Lafayette County, Mississippi

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

#### (9) Long-Term Debt

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

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
<u>Governmental Activities:</u>			
A. General Obligation Bonds:			
General obligation bonds, Series 2017	\$ <u>18,565,000</u>	3.00%	06/2037
B. Other Loans:			
MDA Cap Loan	\$ 4,289,016	3.00%	01/2032
Fire Station #2 Construction Loan	<u>262,369</u>	2.50%	01/2026
Total Other Loans	\$ <u>4,551,385</u>		

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

#### Governmental Activities:

Year Ending September 30,	General Obligation Bonds		Other Loans	
	Principal	Interest	Principal	Interest
2020	\$ 760,000	652,294	313,659	134,887
2021	785,000	629,494	322,913	125,630
2022	810,000	598,094	332,429	116,117
2023	840,000	565,094	342,221	106,322
2024	870,000	532,094	352,297	96,247
2025 - 2029	4,825,000	2,113,670	1,747,103	327,209
2030 - 2034	5,730,000	1,146,570	1,140,763	69,120
2035 - 2037	3,945,000	248,383		
Total	\$ <u>18,565,000</u>	<u>6,485,693</u>	\$ <u>4,551,385</u>	<u>975,532</u>

Legal Debt Margin - The amount of debt, excluding specific exempted debt that can be incurred by the County is limited by state statute. Total outstanding debt during a year can be no greater than 15% of assessed value of the taxable property within the County, according to the then last completed assessment for taxation, However, the limitation is increased to 20% whenever a county issues bonds to repair or replace washed out or collapsed bridges on the public roads of the County. As of September 30, 2019, the amount

## Lafayette County, Mississippi

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

of outstanding debt was equal of 2.57% 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
<u>Governmental Activities:</u>						
General obligation bonds	\$ 19,295,000		730,000		18,565,000	760,000
Premium, net	949,382		52,743		896,639	
Other loans	4,961,023		409,638		4,551,385	313,659
Compensated absences	649,555	18,589		151,996	820,140	
Total	\$ <u>25,854,960</u>	<u>18,589</u>	<u>1,192,381</u>	<u>151,996</u>	<u>24,833,164</u>	<u>1,073,659</u>

	Balance Oct. 1, 2018	Additions	Adjustments	Balance Sept. 30, 2019
<u>Business-Type Activities:</u>				
Compensated absences	\$ <u>68,066</u>	<u>31,850</u>	<u>15,705</u>	<u>115,621</u>

Compensated absences will be paid from the fund from which the employees' salaries were paid which are the General Fund, the Countywide Road Maintenance Fund, the Bridge and Culvert Fund, the Fire Department Fund, the Enhanced 911 Fund and the Garbage Collection Fund.

#### (10) 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.

## **Lafayette County, Mississippi**

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

Solid Waste Revenue Refunding Bonds - In 2012, solid waste revenue refunding bonds were issued by the Three Rivers Solid Waste Management Authority (the Authority) for \$4,235,000. As part of a solid waste disposal service agreement between Lafayette County and the Authority, the County has agreed to pay its pro-rate share of any obligations of the Authority in the event that fees generated from solid waste disposal services for all counties included in the Authority do not sufficiently cover the debt requirement. The balance of the revenue refunding bonds at September 30, 2019 was \$1,425,000. Lafayette County is responsible for 8.81% of the bond issue or \$125,543.

#### **(11) Joint Ventures**

The County participates in the following joint ventures:

Lafayette County is a participant with the City of Oxford in a joint venture, authorized by Section 19-5-99, Miss. Code Ann. (1972), to operate the Lafayette-Oxford Development Association. The joint venture was created to foster, encourage and facilitate economic development in the County and is governed by a twenty-member board. One member each is appointed by the Lafayette County Board of Supervisors, the City of Oxford, the University of Mississippi, Chamber of Commerce and the business community. By contractual agreement, the County's appropriation from the General Fund this year to the joint venture amounted to \$157,000. Complete financial statements for the Lafayette-Oxford Development Association can be obtained from 299 Jackson Avenue, Oxford, MS 38655.

Lafayette County is a participant with DeSoto, Panola, Tate and Tunica counties in a joint venture, authorized by Section 39-3-9, Miss. Code Ann. (1972), to operate the First Regional Library. The joint venture was created to provide free library service to the citizens of the respective counties. First Regional Library is governed by a five-member board. Each participating County's Board of Supervisors appoints one member. The County appropriated \$445,000 this year to the joint venture. Complete financial statements for the First Regional Library can be obtained from the main office in Hernando or the Chancery Clerk's Office in DeSoto County.

#### **(12) Jointly Governed Organizations**

The County participates in the following jointly governed organizations:

Northwest Mississippi Community College operates in a district composed of the counties of Benton, Calhoun, DeSoto, Lafayette, Marshall, Panola, Quitman, Tallahatchie, Tate, Tunica and Yalobusha. The Lafayette County Board of Supervisors appoints two of the twenty three members of the College Board of Trustees. The County appropriated \$1,683,716 for the maintenance and support of the College in fiscal year 2019.

## Lafayette County, Mississippi

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

Communicare operates in a district composed of the counties of Calhoun, DeSoto, Lafayette, Marshall, Panola, Tate and Yalobusha. The Lafayette County Board of Supervisors appoints one of the seven members of the board of commissioners. The County appropriated \$84,000 for the maintenance and support of Communicare for the fiscal year 2019.

Three Rivers Planning and Development District (the District) operates in a district comprised of the counties of Calhoun, Chickasaw, Itawamba, Lafayette, Lee, Monroe, Pontotoc and Union. The Lafayette County Board of Supervisors appoints five of the forty members of the board of directors. The County appropriated \$124,892 for support of the District in fiscal year 2019.

Three Rivers Solid Waste Management Authority operates in a district comprised of the counties of Calhoun, Itawamba, Lafayette, Lee, Monroe, Pontotoc and Union and the cities of Aberdeen, Amory, Fulton, New Albany, Oxford, Pontotoc and Tupelo. The Lafayette County Board of Supervisors appoints one of the fourteen members of the Board of Directors. Each governmental entity is billed based on solid waste volume collected.

#### (13) Defined Benefit Pension Plan

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

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

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



## Lafayette County, Mississippi

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

including 30 years (25 years for those who became members of PERS before July 1, 2011), plus 2.5 percent for each additional year of creditable service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age that the member is below 65, whichever is less. Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. A Cost-of-Living Adjustment (COLA) payment is made to eligible retirees and beneficiaries. The COLA is equal to 3.0 percent of the annual retirement allowance for each full fiscal year of retirement up to the year in which the retired member reaches age 60 (55 for those who became members of PERS before July 1, 2011), with 3.0 percent compounded for each fiscal year thereafter. Plan provisions are established and may be amended only by the State of Mississippi Legislature.

Contributions. At September 30, 2019, PERS members were required to contribute 9% of their annual covered salary, and the County is required to contribute at an actuarially determined rate. The employer's rate at September 30, 2019 was 17.40% of annual covered payroll. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. The County's contributions (employer share only) to PERS for the years ending September 30, 2019, 2018 and 2017 were \$1,698,608, \$1,471,416 and \$1,377,476, respectively, equal to the required contributions for each year.

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

At September 30, 2019, the County reported a liability of \$27,241,346 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. The County's proportionate share used to calculate the September 30, 2019 net pension liability was 0.154851 percent, which was based on a measurement date of June 30, 2019. This was an increase of 0.010809 percent from its proportionate share used to calculate the September 30, 2018 net pension liability, which was based on a measurement date of June 30, 2018.

For the year ended September 30, 2019, the County recognized pension expense of \$2,806,316 in the governmental activities and \$273,375 in the business-type activities for a total pension expense of \$3,079,691. At September 30, 2019 the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

## Lafayette County, Mississippi

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$ 92,761
Net difference between projected and actual earnings on pension plan investments	960,506	1,182,525
Change of assumptions	266,517	
Changes in proportion and differences between County contributions and proportionate share of contributions	3,037,461	
County contributions subsequent to the measurement date	457,097	
Total	\$ 4,721,581	\$ 1,275,286

\$457,097 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending September 30:

2020	\$ 1,404,241
2021	826,247
2022	657,218
2023	101,492
Total	\$ 2,989,198

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

## Lafayette County, Mississippi

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	27%	4.90%
International Equity	22%	4.75%
Global Equity	12%	5.00%
Fixed Income	20%	1.50%
Real Estate	10%	4.00%
Private Equity	8%	6.25%
Cash	1%	0.25%
Total	100%	

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

Sensitivity 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:

## Lafayette County, Mississippi

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
County's proportionate share of the net pension liability	\$ 35,809,693	\$ 27,241,346	\$ 20,168,945

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

#### (14) Other Postemployment Benefit (OPEB)

##### *General Information about the OPEB Plan*

Plan description. The Lafayette County Board of Supervisors administers the County's health insurance plan, which is authorized by Sections 25-15-101 et seq., Mississippi Code Ann. (1972). The County's health insurance plan may be amended by the Lafayette County Board of Supervisors. The County purchases health insurance coverage from a commercial insurance company and offers health insurance benefit coverage through the County's health insurance plan (the Plan). Since retirees may obtain health insurance by participating in a group with active employees and consequently receive a health insurance premium rate differential, the County has a postemployment healthcare benefit reportable under GASB Statement 75 as a single employer defined benefit health care plan. The County does not issue a publicly available financial report for the Plan.

Funding Policy. Benefits of the Plan are provided through a fully-insured medical program with BCBS. Contributions by participating retired employees, at rates determined by Lafayette County are required for continued participation. The employer has not contributed any amounts to finance future benefits under the Plan for either current or future retirees.

Employees hired prior to July 1, 2011 become eligible for benefits under the plan upon attainment of 25 years of service at any age, or at age 60 and vested (employees are vested with 4 years of service). It is assumed that coverage will cease for each eligible retiree and spouse upon attainment of the retiree's age 65.

Employees hired on or after July 1, 2011 become eligible for benefits under the plan upon attainment of 30 years of service at any age, or at age 60 and vested (employees are vested with 8 years of service). It is assumed that coverage will cease for each eligible retiree and spouse upon attainment of the retiree's age 65.

The benefit provided are identical to the medical benefits provided to active employees under the Lafayette County medical plan.

## Lafayette County, Mississippi

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

Per Section 25-15-103, Mississippi Code Ann. (1972), any retired employee electing to purchase retiree insurance must pay the full cost of the insurance premium monthly to the County.

Employees covered by benefit terms. At September 30, 2019, the following employees were covered by the benefit terms:

Numbers of Participants	
Actives	219
Retirees	7
Annual Projected Payroll	\$9,908,300
Average Projected Earnings	\$45,243

Total OPEB liability. The County's total OPEB liability of \$2,580,903 was measured at September 30, 2019, and was determined by an actuarial valuation of October 1, 2020.

Actuarial assumptions and other inputs. The total OPEB liability in the September 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	3.00%
Discount rate	2.14%
Healthcare cost trend rates	6.50% graded down to 5.75% over 3 years. After the transition period, medical trend follows the 2020 Getzen model.

Figures or results are based on the October 1, 2020 actuarial valuation with measurement dates of September 30, 2019 and September 30, 2020.

The discount rate is 2.14% and was based on the S&P Municipal Bond 20-Year High Grade Index as of September 30, 2020.

Mortality rates were based on the SOA PubG.H Mortality Healthy with Scale MP-2020 for the actives and healthy annuitants and SOA PubG.H Mortality Disable with Scale MP-2020 for the disable participants.

Medical claims below age 65 are fully insured premium rates for 2021 were spread over the entire population of actives and retirees with aging factors. A 20% adjustment was applied to the projected per capita cost to reflect actual retiree claims experience. The annual claims costs per person is \$15,513 for males age 65.

## Lafayette County, Mississippi

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

#### Disability rates

Age	Male	Female
50	0.4325%	0.3147%
55	0.8403%	0.7137%
60	0.9051%	0.8513%
64	0.5870%	0.7542%

#### Withdrawal rates

Age	Unisex
20	5.1%
25	4.2%
30	3.4%
35	2.8%
40	2.3%
45	1.8%
50	0.9%
55	0.7%
60+	0.5%

#### Retirement rates

Age	Unisex
50 - 55	5.0%
56 - 61	10.0%
62 - 64	20.0%
65	100.0%

## Lafayette County, Mississippi

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

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.14 percent) or 1-percentage-point higher (3.14 percent) than the current discount rate:

	1% Decrease (1.14%)	Discount Rate (2.14%)	1% Increase (3.14%)
Total OPEB liability	\$ 2,800,751	\$ 2,580,903	\$ 2,374,160

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease 5.50% to 4.75% over 3 years and following the Getzen model thereafter	Current 6.50% to 5.75% over 3 years and following the Getzen model thereafter	1% Increase 7.50% to 6.75% over 3 years and following the Getzen model thereafter
Total OPEB liability	\$ 2,270,127	\$ 2,580,903	\$ 2,953,065

OPEB expense related to OPEB. For the year ended September 30, 2019, the County recognized OPEB expense of \$360,808. At September 30, 2019, the County did not report deferred outflows of resources and deferred inflows of resources related to OPEB.

### (15) 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 Lafayette County Board of Supervisors negotiates property tax abatements on an individual basis. Four abatements are for ten years and nine are for five years. The County had tax abatement agreements with eleven entities as of September 30, 2019.

## Lafayette County, Mississippi

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

The County had two types of abatements. The payments in lieu of taxes is the only type of abatement that provides for the abatement of school tax levies. None of the types of tax abatements provide for the abatement of state taxes:

#### Sections 27-31-101 and 27-31-105, Miss. Code (Ann.) 1972

All allowable property tax levies

All allowable property tax levies except for countywide road fund tax levy

There is one company that has tax abatements under this statute.

<u>Category</u>	<u>% of Taxes Abated During the Fiscal Year</u>	<u>Amount of Taxes Abated During the Fiscal Year</u>
Economic development projects	27.91%	\$ 305,723

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.

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

The government-wide unrestricted net position amount of (\$7,641,265) includes the effect of deferred outflows of resources related to pensions. A portion of the deferred outflow of resources related to pension in the amount of \$457,097 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 \$4,264,484 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 \$1,275,286 balance of the deferred inflow of resources related to pension at September 30, 2019 will be recognized as a reduction in pension expense over the next 3 years.

#### (17) Subsequent Events

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



## Lafayette County, Mississippi

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

The County issued the following debt obligation:

Issue Date	Interest Rate	Issue Amount	Type of Financing
01-29-20	3.75%	\$ 780,000	Other Loan
01-29-20	3.00%	1,080,000	Other Loan

## REQUIRED SUPPLEMENTARY INFORMATION

**LAFAYETTE COUNTY, MISSISSIPPI**

Budgetary Comparison Schedule -

Budget and Actual (Non-GAAP Basis)

General Fund

For the Year Ended September 30, 2019

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 11,838,176	11,784,872	12,466,549	681,677
Licenses, commissions and other revenue	905,500	969,611	969,611	-
Fines and forfeitures	487,000	360,646	360,646	-
Intergovernmental revenues	627,000	715,540	715,540	-
Charges for services	1,590,000	1,908,097	1,908,097	-
Interest income	200,000	349,713	349,713	-
Miscellaneous revenues	544,000	789,018	789,018	-
Total Revenues	<u>16,191,676</u>	<u>16,877,497</u>	<u>17,559,174</u>	<u>681,677</u>
<b>EXPENDITURES</b>				
Current:				
General government	6,972,461	6,251,969	6,251,969	-
Public safety	8,119,697	7,226,260	7,226,260	-
Health and welfare	311,679	352,638	352,638	-
Culture and recreation	387,300	387,099	387,099	-
Conservation of natural resources	96,719	99,722	99,722	-
Economic development and assistance	132,155	129,892	129,892	-
Debt service:				
Principal	266,626	266,625	266,625	-
Interest	136,670	136,669	136,669	-
Total Expenditures	<u>16,423,307</u>	<u>14,850,874</u>	<u>14,850,874</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(231,631)</u>	<u>2,026,623</u>	<u>2,708,300</u>	<u>681,677</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	735,683	663,585	663,585	-
Transfers out	(3,177,660)	(3,227,975)	(3,227,975)	-
Total Other Financing Sources and Uses	<u>(2,441,977)</u>	<u>(2,564,390)</u>	<u>(2,564,390)</u>	<u>-</u>
Net Change in Fund Balance	<u>(2,673,608)</u>	<u>(537,767)</u>	<u>143,910</u>	<u>681,677</u>
Fund Balances - Beginning	<u>15,304,198</u>	<u>14,656,438</u>	<u>17,280,317</u>	<u>2,623,879</u>
Fund Balances - Ending	<u>\$ 12,630,590</u>	<u>14,118,671</u>	<u>17,424,227</u>	<u>3,305,556</u>

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

**LAFAYETTE COUNTY, MISSISSIPPI**

Budgetary Comparison Schedule -

Budget and Actual (Non-GAAP Basis)

Hospital Proceeds Funds

For the Year Ended September 30, 2019

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Licenses, Commissions and Other Revenues	\$ -	437,109	437,109	-
Interest income	-	18,761	18,761	-
Miscellaneous	-	79	79	-
Total Revenues	-	455,949	455,949	-
<b>EXPENDITURES</b>				
Current:				
General government	12,000	96,205	96,205	-
Total Expenditures	12,000	96,205	96,205	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,000)	359,744	359,744	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(641,661)	-	-	-
Total Other Financing Sources and Uses	(641,661)	-	-	-
Net Change in Fund Balance	(653,661)	359,744	359,744	-
Fund Balances - Beginning	653,661	829,149	795,986	(33,163)
Fund Balances - Ending	\$ -	1,188,893	1,155,730	(33,163)

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

**LAFAYETTE COUNTY, MISSISSIPPI**

Budgetary Comparison Schedule -

Budget and Actual (Non-GAAP Basis)

Countywide Road Maintenance Fund

For the Year Ended September 30, 2019

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 2,342,517	2,514,618	2,514,618	-
Road and bridge privilege taxes	530,000	591,385	591,385	-
Licenses, Commissions, and other revenues	-	15,011	15,011	-
Intergovernmental revenues	737,000	921,365	921,365	-
Interest income	11,500	22,998	22,998	-
Miscellaneous revenues	15,000	412,049	412,049	-
Total Revenues	<u>3,636,017</u>	<u>4,477,426</u>	<u>4,477,426</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
Public works	<u>3,700,936</u>	<u>4,090,954</u>	<u>4,090,954</u>	<u>-</u>
Total Expenditures	<u>3,700,936</u>	<u>4,090,954</u>	<u>4,090,954</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(64,919)</u>	<u>386,472</u>	<u>386,472</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>160,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources and Uses	<u>160,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>95,081</u>	<u>386,472</u>	<u>386,472</u>	<u>-</u>
Fund Balances - Beginning	<u>1,450,281</u>	<u>1,450,281</u>	<u>1,791,774</u>	<u>341,493</u>
Fund Balances - Ending	<u>\$ 1,545,362</u>	<u>1,836,753</u>	<u>2,178,246</u>	<u>341,493</u>

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

**LAFAYETTE COUNTY, MISSISSIPPI**

Budgetary Comparison Schedule -

Budget and Actual (Non-GAAP Basis)

Bridge and Culvert Fund

For the Year Ended September 30, 2019

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 2,666,455	2,806,597	2,806,597	-
Licenses, Commissions and other revenue:	-	34,059	34,059	-
Interest income	23,000	34,955	34,955	-
Total Revenues	<u>2,689,455</u>	<u>2,875,611</u>	<u>2,875,611</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
Public works	3,687,337	4,016,050	4,016,050	-
Debt service:				
Principal	71,256	70,175	70,175	-
Interest	1,098	2,178	2,178	-
Total Expenditures	<u>3,759,691</u>	<u>4,088,403</u>	<u>4,088,403</u>	<u>-</u>
Net Change in Fund Balance	<u>(1,070,236)</u>	<u>(1,212,792)</u>	<u>(1,212,792)</u>	<u>-</u>
Fund Balances - Beginning	<u>3,207,626</u>	<u>3,207,626</u>	<u>3,136,613</u>	<u>(71,013)</u>
Fund Balances - Ending	<u>\$ 2,137,390</u>	<u>1,994,834</u>	<u>1,923,821</u>	<u>(71,013)</u>

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

**LAFAYETTE COUNTY, MISSISSIPPI**

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

Last 10 Fiscal Years\*

For the Year Ended September 30, 2019

	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset)	0.154851%	0.144042%	0.133787%	0.126966%	0.125327%	0.121016%
County's proportionate share of the net pension liability (asset)	\$ 27,241,346	23,958,464	22,239,940	22,679,298	19,373,083	14,689,127
County's covered payroll	\$ 10,350,479	10,085,048	8,582,533	8,122,343	7,829,708	7,391,308
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	263.19%	237.56%	259.13%	279.22%	247.43%	198.74%
Plan fiduciary net position as a percentage of the total pension liability	61.59%	61.59%	61.49%	57.47%	61.70%	67.21%

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

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

**LAFAYETTE COUNTY, MISSISSIPPI**

## Schedule of County Contributions

Last 10 Fiscal Years\*

For the Year Ended September 30, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,698,608	1,471,416	1,377,476	1,273,972	1,244,311	1,181,341
Contributions in relation to the contractually required contribution	<u>1,698,608</u>	<u>1,471,416</u>	<u>1,377,476</u>	<u>1,273,972</u>	<u>1,244,311</u>	<u>1,181,341</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
County's covered payroll	\$ 10,350,479	9,342,324	8,745,880	8,088,711	7,900,387	7,500,578
Contributions as a percentage of covered payroll	16.41%	15.75%	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 and, until, a full ten-year (10) 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.



**Lafayette County, Mississippi**

## Schedule of Changes in the Total OPEB Liability and Related Ratios

## OPEB

Last 10 Fiscal Years\*

	2019
<b>Total OPEB Liability</b>	
Service Cost	\$ 306,734
Interest	54,074
Contributions - Employer	(52,709)
Net change in Total OPEB Liability	\$ 308,099
 Total OPEB Liability - beginning	 \$ 2,272,804
Total OPEB Liability - ending	<u>\$ 2,580,903</u>
 Covered Employee Payroll	 \$ 9,619,709
 Total OPEB Liability as a percentage of covered employee payroll	 26.8%

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

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City has only presented information for the years in which information is available.

## **Lafayette County, Mississippi**

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

#### 1) Budgetary Schedules

##### 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 supplementary information.

##### C. Budget/GAAP Reconciliation.

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

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

## Lafayette County, Mississippi

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

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

	<u>Governmental Funds</u>			
	General Fund	Hospital Proceeds	County Wide Road Maintenance	Bridge and Culvert Fund
Budget (Cash Basis)	\$ 143,910	359,744	386,472	(1,212,792)
Increase (Decrease)				
Net adjustments for revenue accruals	47,385	(66,823)	(21,362)	5,187
Net adjustments for expenditure accruals	1,632,783	63,708	205,018	(34,441)
Other reconciling items:				
Transfers in	(663,585)			
GAAP Basis	\$ <u>1,160,493</u>	<u>356,629</u>	<u>570,128</u>	<u>(1,242,046)</u>

## 2) Pension Schedules

### A. Changes of assumptions

#### 2015

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

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

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

## **Lafayette County, Mississippi**

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

#### 2016

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

#### 2017

The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Mortality Table projected with Scale BB to 2022 rather than projected with Scale BB to 2016, which was used prior to 2017. Small adjustments were also made to the Mortality Table for disabled lives.

The Wage inflation assumption was reduced from 3.75% to 3.25%.

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

The percentage of active member disabilities assumed to be in the line of duty was increased from 6% to 7%.

#### 2019

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

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

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

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

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

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

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

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

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.

## Lafayette County, Mississippi

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

The percentage of active member disabilities assumed to be in the line of duty was increased from 7% to 9%.

#### (B) Change in Benefit Provisions.

##### 2016

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

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

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

#### (3) OPEB Schedules

##### A. Changes of Assumptions.

##### 2019

None.

##### B. Changes in Benefit Provisions.

##### 2019

None.

## Lafayette County, Mississippi

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

#### C. Actuarial Methods and Assumptions

##### 2019

Actuarial valuation method	Entry age normal
Discount rate	2.14 percent per annum
Salary increases	3.00 percent per annum
Expected long-term rate of return on plan assets	Not applicable
Plan participation	90 percent of future eligible retirees are assumed to elect medical coverage upon retirement
Dependent coverage	For current and future retirees, actual spouse coverage information was used. Actual spouse ages were used.
Age variance	Medical claims were adjusted by both age and gender based on the aging factors in the Dale Yamamoto study released by the Society of Actuaries in June 2013.
Administrative expenses	Assumed to be included in the medical claims cost.
Retiree contributions	Assumed to increase at the health care cost trend rate. Retirees are required to contribute 100 percent of the total fully insured premium rate.

## OTHER INFORMATION

**LAFAYETTE COUNTY, MISSISSIPPI**  
Schedule of Surety Bonds for County Officials  
For the Year Ended September 30, 2019  
"Unaudited"

Name	Position	Company	Bond
Kevin Frye	Supervisor District 1	Western Surety	\$100,000
Jeff Busby	Supervisor District 2	Western Surety	\$100,000
David Richard	Supervisor District 3	Western Surety	\$100,000
Chad McLarty	Supervisor District 4	Western Surety	\$100,000
Mike Roberts	Supervisor District 5	Western Surety	\$100,000
Lisa Carwyle	County Administrator	Western Surety	\$100,000
Sherry Wall	Chancery Clerk	Western Surety	\$100,000
Annie M. Baker	Deputy Clerk	Western Surety	\$50,000
Gloria Ann Nicks	Deputy Clerk	Western Surety	\$50,000
Meri Jo Hardin	Deputy Clerk	Western Surety	\$50,000
Kerri Coleman	Deputy Clerk	Western Surety	\$50,000
Lisa Carwyle	Purchase Clerk	Western Surety	\$75,000
Lisa Carwyle	Inventory Control Clerk	Western Surety	\$75,000
Stacie VanLandingham	Receiving Clerk	FCII	\$75,000
Jamie Rose	Assistant Receiving Clerk	FCII	\$50,000
Judy Ballard	Assistant Receiving Clerk	Western Surety	\$50,000
Robert burns	Assistant Receiving Clerk	Western Surety	\$50,000
Mary Catherine Conner	Assistant Receiving Clerk	Western Surety	\$50,000
Lesley Depreist	Assistant Receiving Clerk	Western Surety	\$50,000
Fonda Kannada	Assistant Receiving Clerk	Western Surety	\$50,000
Mary Pettis	Assistant Receiving Clerk	Western Surety	\$50,000
Carrie Traylor	Assistant Receiving Clerk	Western Surety	\$50,000
Joel Hollowell	Building Inspector	Western Surety	\$100,000
Jerry Haynie	Road Manager	Western Surety	\$50,000
Jack Edward Theobald	Constable	Western Surety	\$50,000
Jody Mayfield	Constable	Western Surety	\$50,000
Greg Pettis	Constable	Western Surety	\$50,000
Baretta Mosley	Circuit Clerk	Western Surety	\$100,000
Katreena Thompson	Deputy Circuit Clerk	Western Surety	\$50,000
Lasonja Pettis	Deputy Circuit Clerk	Western Surety	\$50,000
Barbara Dunn	Deputy Circuit Clerk	Western Surety	\$100,000
Alice Adams	Deputy Circuit Clerk	Western Surety	\$50,000
Nina Rikard	Deputy Circuit Clerk	Western Surety	\$50,000
F.D. "Buddy" East	Sheriff	RLI Insurance	\$100,000
Mike Hill	Sheriff	Western Surety	\$100,000
Charles Edward Smith	Deputy Sheriff*	Western Surety	\$50,000
John Earl Dukes, Jr.	Deputy Sheriff*	Western Surety	\$50,000
Jack Edward Theobald	Deputy Sheriff*	Western Surety	\$50,000
Jody Mayfield	Deputy Sheriff*	Western Surety	\$50,000
Timmy Pruitt	Deputy Sheriff*	Western Surety	\$50,000
Caleb East	Deputy Sheriff*	Western Surety	\$50,000
Micah East	Deputy Sheriff*	Western Surety	\$50,000
Omar Ahmed	Deputy Sheriff*	Western Surety	\$50,000
Darren Allen Roberts	Deputy Sheriff*	Western Surety	\$50,000
Art Watts	Deputy Sheriff*	Western Surety	\$50,000
Nathan Noe	Deputy Sheriff*	Western Surety	\$50,000
Willie Holloway Tidwell, III	Deputy Sheriff*	Western Surety	\$50,000



**LAFAYETTE COUNTY, MISSISSIPPI**  
Schedule of Surety Bonds for County Officials  
For the Year Ended September 30, 2019  
"Unaudited"

Name	Position	Company	Bond
James Kimmons Gray	Deputy Sheriff*	Western Surety	\$50,000
Michael Darrick Bevill	Deputy Sheriff*	Western Surety	\$50,000
Jonathan Granthom	Deputy Sheriff*	Western Surety	\$50,000
Joey Carwile	Deputy Sheriff*	Western Surety	\$50,000
Tyler Wren	Deputy Sheriff*	Western Surety	\$50,000
Brandon Vance	Deputy Sheriff*	Western Surety	\$50,000
Alan Wilburn	Deputy Sheriff*	Western Surety	\$50,000
Joseph Quarles	Deputy Sheriff*	Western Surety	\$50,000
Jeffrey South	Deputy Sheriff*	Western Surety	\$50,000
Wendell McNeece	Deputy Sheriff*	Western Surety	\$50,000
Chequille Wilson	Deputy Sheriff*	Western Surety	\$50,000
David Wilson	Deputy Sheriff*	Western Surety	\$50,000
Christopher Gwen Smith	Deputy Sheriff*	Western Surety	\$50,000
Scott Mills	Deputy Sheriff*	Western Surety	\$50,000
David Hoyt Box	Deputy Sheriff*	RLI Insurance	\$50,000
Randall K. Davis	Deputy Sheriff*	RLI Insurance	\$50,000
Benjamin Watts	Deputy Sheriff*	RLI Insurance	\$50,000
David Clay Cullison	Deputy Sheriff*	RLI Insurance	\$50,000
Justin Parker Canterbury	Deputy Sheriff*	Travelers	\$50,000
Courtney Terrell Dixon	Deputy Sheriff*	Travelers	\$50,000
William Bradley McDonald	Deputy Sheriff*	Travelers	\$50,000
Hoby James	Deputy Sheriff*	Travelers	\$50,000
Arthur Lee Durham	Deputy Sheriff*	Travelers	\$50,000
Justin L. Wilson	Deputy Sheriff*	Travelers	\$50,000
Rowland Carrothers	Deputy Sheriff*	Travelers	\$50,000
John E. Prince, III	Deputy Sheriff*	Western Surety	\$50,000
George Alan Castle	Deputy Sheriff*	Western Surety	\$50,000
John Brian Hill	Deputy Sheriff*	Western Surety	\$50,000
Jarrett Bundren	Deputy Sheriff*	Western Surety	\$50,000
Nora Lynn Webb	Deputy Sheriff*	Western Surety	\$50,000
Ricky Roy	Deputy Sheriff*	Western Surety	\$50,000
James Milliner	Deputy Sheriff*	Western Surety	\$50,000
Virgil M. Box	Deputy Sheriff*	Western Surety	\$50,000
Brian Lon Howell	Deputy Sheriff*	Western Surety	\$50,000
Carolyn Bell	Justice Court Judge	Western Surety	\$50,000
Mickey Avent	Justice Court Judge	FCCI	\$50,000
Johnny Wayne McLarty	Justice Court Judge	Travelers	\$50,000
Jill Carwyle	Justice Court Judge	Western Surety	\$50,000
Eulana Beavers	Deputy Justice Court Clerk	Western Surety	\$50,000
Sherrita Harris	Deputy Justice Court Clerk	Western Surety	\$50,000
Laci Frye	Deputy Justice Court Clerk	Western Surety	\$50,000
Mary Ann Pettis	Deputy Justice Court Clerk	Western Surety	\$50,000
Sylvia Baker	Tax Collector-Assessor	Western Surety	\$100,000
Abbie Schove	Deputy Collector	Western Surety	\$50,000
Kori Cupps	Deputy Collector	Western Surety	\$50,000
Sheila Kelly	Deputy Collector	Western Surety	\$50,000
Kristy Hollowell	Deputy Collector	Western Surety	\$50,000
Mary McCain	Deputy Collector	Western Surety	\$50,000
Sophia Sawin	Deputy Collector	Western Surety	\$50,000
Kelly Smith	Deputy Collector	Western Surety	\$50,000
Alicia Watts	Deputy Assessor	Western Surety	\$10,000
Alta Byrd	Deputy Assessor	Western Surety	\$10,000
Lindsey Ann Hill	Deputy Assessor	Western Surety	\$10,000
Larry Britt	County Engineer	Travelers	\$50,000

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

## SPECIAL REPORTS

FORTENBERRY & BALLARD, PC  
CERTIFIED PUBLIC ACCOUNTANTS

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

Members of the Board of Supervisors  
Lafayette 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 Lafayette County, Mississippi, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated April 27, 2021.

**Internal Control Over Financial Reporting**

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

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

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

## Compliance and Other Matters

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

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

FORTENBERRY & BALLARD, PC

Fortenberry & Ballard PC  
April 27, 2021

Certified Public Accountants

FORTENBERRY & BALLARD, PC  
CERTIFIED PUBLIC ACCOUNTANTS

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

Members of the Board of Supervisors  
Lafayette County, Mississippi

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

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

Because of inherent limitations in any central purchasing system and inventory control system, errors or irregularities may occur and not be detected. Also, projection of any current evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate. The results of our audit procedures disclosed certain instances of noncompliance with the aforementioned code sections. These instances of noncompliance were considered in forming our opinion on compliance. Our findings and recommendations and your responses are disclosed below:

1929 SPILLWAY ROAD, SUITE B  
BRANDON, MISSISSIPPI 39047  
TELEPHONE 601-992-5292 FAX 601-992-2033

Purchase Clerk, Receiving Clerk and Inventory Control Clerk.

1. The Purchase Clerk, Receiving Clerk and Inventory Control Clerk Should Ensure Compliance with State Law Over Surety Bonds.

Finding:

Section 25-1-5, Miss. Code Ann. (1972), requires, “A new bond in an amount not less than required by law shall be secured upon employment and coverage shall continue by the securing of a new bond every four (4) years concurrent with the normal election cycle of the Governor or with the normal election cycle of the local government applicable to the employee.” Section 31-7-124, Miss. Code Ann. (1972), requires, “The Purchase Clerk, Receiving Clerk and Inventory Control Clerk shall give bond in a penalty equal to Seventy-five Thousand Dollars (\$75,000) with sufficient surety, to be payable, conditioned and approved as provided by law. All Assistant Purchasing, Receiving and Inventory Control Clerks shall be bonded in a penalty not less than Fifty Thousand Dollars (\$50,000).”

Condition:

Upon our review of the bond schedule and the surety bonds required to be secured by Section 31-7-124, Miss. Code Ann. (1972), the following exceptions were noted:

- a. Purchase Clerk and Inventory Control Clerk’s bonds were continuation certificates followed by one-year bonds.
- b. Assistant Purchase Clerk had no bond on file.
- c. Receiving Clerk and four (4) Assistant Receiving Clerks had no bond on file.
- d. Six (6) Assistant Receiving Clerks had one-year bonds.

A continuation certificate is a document extending the life of the original surety bond covering only the current bonding period rather than both current and previous periods.

Cause:

New bonds were not secured every four (4) years concurrent with the normal election cycle as required by statute.

Effect:

Failure to have a bond in place for a specific term or office could limit amount available for recovery if a loss occurred over multiple periods.

Recommendation:

The Purchase Clerk, Receiving Clerk and Inventory Control Clerk should ensure that bonds secured list a term of office covered, and secure new bonds every four (4) years concurrent with the normal election cycle of the Governor. Furthermore, the Purchase Clerk, Receiving Clerk and Inventory Control Clerk should ensure that Assistant Clerks are bonded as required by law.

Purchase Clerk's, Receiving Clerk's and Inventory Control Clerk's Responses:

Purchase Clerk: A new bond is now in place for the length of term going forward as of 1/6/2020. A surety bond has been obtained for the Assistant Purchase Clerk as of 1/6/2020.

Receiving Clerk: A new bond is now in place for the length of term going forward as of 3/8/2019 for the Receiving Clerk and Assistant Receiving Clerks. Surety bonds have been obtained for all Assistant Receiving Clerks as of 1/6/2020.

Inventory Control Clerk: A new bond is now in place for the length of term going forward as of 1/6/2020.

In our opinion, Lafayette County, Mississippi, complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements for the year ended September 30, 2019.

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

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

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

*FORTENBERRY & BALLARD, PC*

Fortenberry & Ballard, PC  
April 27, 2021

Certified Public Accountants

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

**Schedule 1**

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



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

**Schedule 2**

Our test results did not identify any emergency purchases.

**Lafayette County, Mississippi****Schedule 3**

## Schedule of Purchases Made Noncompetitively From a Sole Source

For the Year Ended September 30, 2019

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>
11/05/18	Tasers for law enforcement	\$ 30,804	Axon Enterprises

FORTENBERRY & BALLARD, PC  
CERTIFIED PUBLIC ACCOUNTANTS

LIMITED INTERNAL CONTROL  
AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors  
Lafayette County, Mississippi

In planning and performing our audit of the financial statements of Lafayette County, Mississippi for the year ended September 30, 2019, we considered Lafayette County, Mississippi's internal control to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on internal control.

In addition, for areas not considered material to Lafayette County, Mississippi's financial reporting, we have performed some additional limited internal control and state legal compliance review procedures as identified in the state legal compliance audit program issued by the Office of the State Auditor. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the county's compliance with these requirements. Accordingly, we do not express such an opinion. This report does not affect our report dated April 27, 2021, on the financial statements of Lafayette County, Mississippi.

Due to the reduced scope, these review procedures and compliance tests cannot and do not provide absolute assurance that all state legal requirements have been complied with. Also, our consideration of internal control would not necessarily disclose all matters within the internal control that might be weaknesses. In accordance with Section 7-7-211, Miss. Code Ann. (1972), the Office of the State Auditor, when deemed necessary, may conduct additional procedures and tests of transactions for this or other fiscal years to ensure compliance with legal requirements.

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

1929 SPILLWAY ROAD, SUITE B  
BRANDON, MISSISSIPPI 39047  
TELEPHONE 601-992-5292 FAX 601-992-2033

## Finding #1

### Board of Supervisors Should Ensure Compliance with State Laws Over Quarterly Budget Appropriation for Tax Assessor/Collector and Sheriff.

Repeat Finding: Yes

#### Criteria:

Section 19-25-13, Miss. Code Ann. (1972), states, “The Board of Supervisors shall, at its first meeting of each quarter beginning October 1, January 1, April 1 and July 1, appropriate a lump sum for the Sheriff for the expenses of his office during the current quarter. The quarterly appropriation shall be one-fourth (1/4) of the amount approved in the annual budget unless the Sheriff requests a different amount.”

Section 27-1-9(c), Miss. Code Ann. (1972), states, “The Board of Supervisors shall, at its first meeting of each quarter beginning October 1, January 1, April 1 and July 1, appropriate a lump sum for the Assessor and Tax Collector for the expenses of his office during the current quarter. The quarterly appropriation shall be one-fourth (1/4) of the amount approved in the annual budget unless the Assessor and Tax Collector requests a different amount.”

#### Condition:

The Board of Supervisors has not spread upon the official board minutes of the first meeting of each quarter beginning on October 1, January 1, April 1 and July 1, the lump sum appropriations for the Sheriff and Tax Assessor/Collector for the expenses of their offices during the current quarter.

#### Cause:

Board of Supervisors noncompliance with the aforementioned statutes.

#### Effect:

Failure to spread upon the official board minutes of the first meeting of each quarter, the lump sum appropriations for the for the Sheriff and Tax Assessor/Collector for the expenses of their offices during the current quarter is a violation of Sections 19-25-13 and 27-1-9(c).

#### Recommendation:

The Board of Supervisors should spread upon the official board minutes of the first meeting of each quarter, the lump sum appropriations for the for the Sheriff and Tax Assessor/Collector for the expenses of their offices during the current quarter.

#### Officials' Response:

Upon awareness of these statutes, the Board started publishing in its official minutes the quarterly budgets for the Sheriff and the Tax Assessor/Collector as of October 7, 2019.

## Finding #2

### Board of Supervisors Should Ensure Compliance with State Laws Over Entering Executive Session.

Repeat Finding: Yes

#### Criteria:

Section 25-41-7(4), Miss. Code Ann. (1972), provides reasons that a public body may hold an executive session.

#### Condition:

The Board of Supervisors entered into several executive sessions over the audited fiscal year with either no stated reason or the reason was not provided by statute.

#### Cause:

The Board of Supervisors did not comply with Section 25-41-7(4).

#### Effect:

Failure to provide a statutory reason for an executive session is a violation of Section 25-41-7(4), Miss. Code Ann. (1972) ensuring open meetings for all public bodies.

#### Recommendation:

The Board of Supervisors should provide a statutory reason for entering into an executive session.

#### Official Response:

Since February 19, 2019, the Board of Supervisors now states in its official minutes a reason for entering into executive sessions.

## Finding #3

### Board of Supervisors Should Ensure Compliance with State Law Over Road Inspection Reports.

Repeat Finding: Yes

#### Criteria:

Section 65-7-117, Miss. Code Ann. (1972), states, "Each member of the Board of Supervisors shall inspect every road and bridge in the County under the jurisdiction of the County not later than December 31, 1989, and thereafter, not less than once each fiscal year. Each member shall file with the Clerk of the Board a report, under oath, of the condition of the roads and bridges inspected by

him with recommendations by him for a four-year plan for construction and major maintenance of such roads and bridges.”

Condition:

Per test work, it was noted that road inspection reports were not spread upon the official minutes of the Board of Supervisors.

Cause:

Road inspection reports were not spread upon the official minutes of the Board of Supervisors.

Effect:

Failure to inspect every road and bridge in each district and spreading road inspection reports upon the official minutes of the Board of Supervisors may result in insufficient maintenance of public roads and bridges.

Recommendation:

The Board of Supervisors should inspect all roads and bridges in each district and reports of such should be spread upon the official minutes.

Official Response:

As of April 5, 2021 and for each fiscal year thereafter, the Board of Supervisors will spread road inspection reports on the Board minutes.

Finding #4

Sheriff Should Ensure Compliance with State Law Over Presentation of Meal Logs and Affidavit to the Board of Supervisors Monthly.

Repeat Finding: Yes

Criteria:

Section 19-25-74, Miss. Code Ann. (1972), states, “in respect to the feeding of prisoners...., the Sheriff shall maintain a log, showing the name of each prisoner, the date and time of incarceration and release, to be posted daily, which shall record the number of meals served to prisoners at mealtime, and the hours of the days served, and shall make affidavit to correctness thereof and file the same monthly with the Board of Supervisors’. In addition, the Board is not allowed to pay claims for food expenses if this report has not been filed.

Condition:

During test work, it was noted both the inmate meal logs and an affidavit to the correctness thereof

were not being filed monthly with the Board of Supervisors. Additionally, the Board approved claims for food expenses without this report filed.

Cause:

Sheriff did not file the meal logs or affidavit to correctness thereof, and the Board approved claims for food expenses without this report filed.

Effect:

Failure to submit the meal log to the Board of Supervisors for approval as spread upon the official board minutes and an affidavit to the correctness thereof could result in a loss or misappropriation of public funds by paying for an incorrect number of meals.

Recommendation:

The Sheriff should ensure the meal log is maintained and filed monthly with the Board of Supervisors, and an affidavit to the correctness thereof before meal expenses are approved through the claims docket.

Official Response:

The County has corrected this finding since March 18, 2019. Inmate meal logs along with the affidavit attesting to the correctness are spread upon the Board minutes every month.

Finding #5

County Officials Should Ensure Compliance with State Laws Over Surety Bonds.

Repeat Finding: Yes

Criteria:

Section 25-1-15, Miss. Code Ann. (1972), requires, "A new bond in an amount not less than required by law shall be secured upon employment and coverage shall continue by the securing of a new bond every four (4) years concurrent with the normal election cycle of the Governor or with the normal election cycle of the local government applicable to the employee."

Condition:

Upon review of the County's surety bond schedule and statutorily required surety bonds for officials and employees, several exceptions were noted:

- a. Nine (9) officials and employees were covered by continuation certificates for all or part of the fiscal year.
- b. Eight (8) officials and employees had no bond on file for all or part of the fiscal year.
- c. Twenty-two (22) officials and employees were covered by one-year bonds for all or

part of the fiscal year, not a four-year bond concurrent with the normal election cycle of the Governor.

A continuation certificate is a document extending the life of the original surety bond covering only the current bonding period rather than both current and previous periods.

Cause:

Surety bonds for officials and employees were not secured in the manner required by statute.

Effect:

Failure to have a bond in place for a specific term or office could limit amount available for recovery if a loss occurred over multiple periods.

Recommendation:

County officials should ensure that required surety bonds are secured in the correct amounts, that the bonds list a term of office covered and new bonds are secured every four (4) years concurrent with the normal election cycle of the Governor.

Official Response:

**Board of Supervisors:** A new bond is now in place for the length of term going forward as of 1/1/2020. Also, the District 4 Supervisor's surety bond was extended to the end of the current term as of 9/26/2019.

**Chancery Clerk:** A new bond is now in place for the length of term going forward as of 12/30/2019.

**Circuit Clerk:** A new bond is now in place for the length of term going forward as of 3/18/2019. Also, the new Circuit Clerk's surety bond is compliant with the aforementioned statutes upon going into office January 2020.

**Tax Assessor/Collector:** A new bond is now in place for the length of term going forward as of 9/20/2019.

**Sheriff:** The interim Sheriff has a new bond is now in place for the length of term going forward as of 9/24/2018. Also, the new Sheriff's surety bond is compliant with the aforementioned statutes upon going into office January 2020.

**Justice Court Clerk:** A new bond is now in place for the length of term going forward as of 5/6/2019.

**Road Manager:** A new bond is now in place for the length of term going forward as of 1/6/2020.

**County Administrator:** A new bond is now in place for the length of term going forward as of 1/6/2020.



Northern District Justice Court Judge: A new bond is now in place for the length of term going forward as of 1/1/2020.

Central District Justice Court Judge: A new bond is now in place for the length of term going forward as of 1/1/2020.

Central District Constable: A new bond is now in place for the length of term going forward as of 1/6/2020.

Southern District Constable: A new bond is now in place for the length of term going forward as of 1/1/2019.

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

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

*FORTENBERRY & BALLARD, PC*

Fortenberry & Ballard, PC  
April 27, 2021

Certified Public Accountants

## SCHEDULE OF FINDINGS AND RESPONSES

## **Lafayette County, Mississippi**

### **Schedule of Findings and Responses For the Year Ended September 30, 2019**

#### **Section I: Summary of Auditor's Results**

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

1. Type of auditor's report issued on the financial statements: Unmodified.
2. Internal control over financial reporting:
  - a. Material weakness identified? None.
  - b. Significant deficiency identified? None reported.
3. Noncompliance material to financial statements noted? No.

#### **Section II: Financial Statement Findings**

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