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**QUITMAN COUNTY, MISSISSIPPI**

**Audited Financial Statements and Special Reports**

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



# QUITMAN COUNTY

## TABLE OF CONTENTS

FINANCIAL SECTION .....	1
INDEPENDENT AUDITOR’S REPORT .....	2
FINANCIAL STATEMENTS .....	5
Statement of Net Position – Cash Basis .....	6
Statement of Activities – Cash Basis .....	7
Statement of Cash Basis Assets and Fund Balances – Governmental Funds.....	8
Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances – Governmental Funds.....	9
Statement of Fiduciary Assets and Liabilities – Cash Basis .....	10
Notes to Financial Statements.....	11
OTHER INFORMATION .....	19
Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis) General Fund .....	20
Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis) Road and Bridge Fund ....	21
Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis) E911 Commission Fund ..	22
Schedule of Capital Assets .....	23
Schedule of Changes in Long-term Debt .....	24
Schedule of Surety Bonds for County Officials .....	25
Notes to Other Information .....	26
SPECIAL REPORTS.....	27
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	28
SCHEDULE OF FINDINGS AND RESPONSES .....	30

# **QUITMAN COUNTY**

## **FINANCIAL SECTION**



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## INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors  
Quitman County, Mississippi

### Report on the Financial Statements

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

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting, as described in Note 1. This includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of 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 cash basis financial position of the governmental activities, each major fund and the aggregate remaining fund information of Quitman County, Mississippi, as of September 30, 2019, and the respective changes in cash basis financial position, thereof for the year then ended, in accordance with the basis of accounting described in Note 1.

### **Basis of Accounting**

We draw attention to Note 1 of the financial statements which describes that Quitman County, Mississippi prepares its financial statements on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United State of America. Our opinions are not modified with respect to this matter.

### **Other Matters**

#### *Report on Other Information*

The Budgetary Comparison Schedules, Schedule of Capital Assets, Schedule of Changes in Long-term Debt, and Schedule of Surety Bonds for County Officials and corresponding notes have 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 them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2020, on our consideration of Quitman 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 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 Quitman 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 Quitman County, Mississippi's internal control over financial reporting and compliance.

*Bridgers, Goodman, Baird & Clarke, PLLC*

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

December 18, 2020

## **QUITMAN COUNTY**

## **FINANCIAL STATEMENTS**



**QUITMAN COUNTY**  
**Statement of Net Position – Cash Basis**  
**September 30, 2019**

**Exhibit 1**

	Primary Government Governmental Activities
	<hr/>
<b>Assets</b>	
Cash	\$ 3,928,688
Total Assets	<hr/> <hr/>
<b>Net Position</b>	
Restricted:	
Expendable:	
General government	30,421
Debt service	229,630
Public safety	530,839
Public works	1,423,921
Economic Development	19,193
Unrestricted	1,694,684
Total Net Position	\$ <hr/> <hr/>

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

**QUITMAN COUNTY**  
**Statement of Activities – Cash Basis**  
**For the Year Ended September 30, 2019**

**Exhibit 2**

Functions/Programs	Cash Disbursements	Charges for Services	Program Receipts		Net (Disbursements) Receipts and Changes in Net Position
			Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities
Primary government:					
Governmental activities:					
General government	\$ 2,594,252	229,794	4,157		(2,360,301)
Public safety	1,912,980	53,099	42,637		(1,817,244)
Public works	3,674,818	150,821		614,605	(2,909,392)
Health and welfare	117,240				(117,240)
Culture and recreation	81,000				(81,000)
Conservation of natural resources	53,020				(53,020)
Economic development and assistance	188,933			508,834	319,901
Debt Service:					
Principal	295,779				(295,779)
Interest	26,734				(26,734)
Total Governmental Activities	\$ 8,944,756	433,714	46,794	1,123,439	(7,340,809)
<b>General receipts:</b>					
Property taxes				\$	6,972,505
Road & bridge privilege taxes					75,871
Grants and contributions not restricted to specific programs					779,372
Unrestricted investment income					29,322
Proceeds from sale of capital assets					185,534
Miscellaneous					96,488
Total General Receipts					8,139,092
Changes in Net Position					798,283
Net Position - Beginning					3,130,405
Net Position - Ending				\$	3,928,688

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

**QUITMAN COUNTY**  
**Statement of Cash Basis Assets and Fund Balances**  
**Governmental Funds**  
**September 30, 2019**

**Exhibit 3**

	<u>Major Funds</u>			<u>Other</u>	<u>Total</u>
	<u>General Fund</u>	<u>E911 Commission</u>	<u>Road &amp; Bridge Fund</u>	<u>Governmental Funds</u>	<u>Governmental Funds</u>
<b>ASSETS</b>					
Cash	\$ 1,694,684	377,155	1,189,655	667,194	3,928,688
Total Assets	<u>1,694,684</u>	<u>377,155</u>	<u>1,189,655</u>	<u>667,194</u>	<u>3,928,688</u>
<b>FUND BALANCES</b>					
Restricted for:					
General government				30,421	30,421
Public safety		377,155		153,684	530,839
Public works			1,189,655	234,266	1,423,921
Economic Development				19,193	19,193
Debt service				229,630	229,630
Unassigned	1,694,684				1,694,684
Total Fund Balances	\$ <u>1,694,684</u>	<u>377,155</u>	<u>1,189,655</u>	<u>667,194</u>	<u>3,928,688</u>

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

**QUITMAN COUNTY****Exhibit 4**

**Statement of Cash Receipts, Disbursements, and Changes in Cash Basis  
Fund Balances - Governmental Funds  
For the Year Ended September 30, 2019**

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General Fund	E911 Commission	Road & Bridge Fund		
<b>RECEIPTS</b>					
Property taxes	\$ 4,308,041		2,523,529	140,935	6,972,505
Road and bridge privilege taxes			75,871		75,871
Licenses, commissions and other receipts	97,968			2,804	100,772
Fines and forfeitures	129,022				129,022
Intergovernmental receipts	284,656		902,599	762,350	1,949,605
Charges for services		53,099		150,821	203,920
Interest income	28,714			608	29,322
Miscellaneous receipts	49,498		59	46,931	96,488
<b>Total Receipts</b>	<b>4,897,899</b>	<b>53,099</b>	<b>3,502,058</b>	<b>1,104,449</b>	<b>9,557,505</b>
<b>DISBURSEMENTS</b>					
Current:					
General government	2,586,848			7,404	2,594,252
Public safety	1,761,733	35,435		115,812	1,912,980
Public works	10,000		3,431,779	233,039	3,674,818
Health and welfare	117,240				117,240
Culture and recreation	81,000				81,000
Conservation of natural resources	53,020				53,020
Economic development and assistance	23,374			165,559	188,933
Debt service:					
Principal	14,146		211,289	70,344	295,779
Interest	415		20,867	5,452	26,734
<b>Total Disbursements</b>	<b>4,647,776</b>	<b>35,435</b>	<b>3,663,935</b>	<b>597,610</b>	<b>8,944,756</b>
<b>Excess of Receipts over (under) Disbursements</b>	<b>250,123</b>	<b>17,664</b>	<b>(161,877)</b>	<b>506,839</b>	<b>612,749</b>
<b>OTHER CASH SOURCES ( USES)</b>					
Proceeds from sale of capital assets	12,923		172,611		185,534
Transfers in	418,445		-	35,000	453,445
Transfers out	(35,000)			(418,445)	(453,445)
<b>Total Other Cash Sources and Uses</b>	<b>396,368</b>	<b>-</b>	<b>172,611</b>	<b>(383,445)</b>	<b>185,534</b>
<b>Net Changes in Cash Basis Fund Balances</b>	<b>646,491</b>	<b>17,664</b>	<b>10,734</b>	<b>123,394</b>	<b>798,283</b>
<b>Cash Basis Fund Balances - Beginning</b>	<b>1,048,193</b>	<b>359,491</b>	<b>1,178,921</b>	<b>543,800</b>	<b>3,130,405</b>
<b>Cash Basis Fund Balances - Ending</b>	<b>\$ 1,694,684</b>	<b>377,155</b>	<b>1,189,655</b>	<b>667,194</b>	<b>3,928,688</b>

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

QUITMAN COUNTY  
Statement of Fiduciary Assets and Liabilities – Cash Basis  
September 30, 2019

Exhibit 5

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash	\$ 9,775
Total Assets	<u>9,775</u>
<b>LIABILITIES</b>	
Intergovernmental payables	1,204
Amounts held in custody for others	8,571
Total Liabilities	\$ <u>9,775</u>

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

**QUITMAN COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2019**

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

**A. Financial Reporting Entity** - Quitman 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. The financial statements of the County are presented on a cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America as established by the Governmental Accounting Standards Board. These accounting principles require Quitman County to present these financial statements on the primary government and its component units which have significant operational or financial relationships with the County. There are no outside organizations that should be included as component units of the County reporting entity.

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

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

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

**Government-wide Financial Statements:**

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

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

**QUITMAN COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2019**

receipts identify the extent to which each governmental function is self-financing or draws from the general receipts 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, fund balances, receipts and disbursements. Funds are organized into governmental and fiduciary. Major individual Governmental Funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column as Other Governmental Funds.

**C. Measurement Focus and Basis of Accounting** – The Government-wide, Governmental Funds and Fiduciary Funds financial statements are presented on a cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. This basis of accounting involves the reporting of only cash and cash equivalents and the changes therein resulting from cash inflows (cash receipts) and cash outflows (cash disbursements) reported in the period in which they occurred. This cash basis of accounting differs from GAAP primarily because revenues (cash receipts) are recognized when received in cash rather than when earned and susceptible to accrual, and expenditures or expenses (cash disbursements) are recognized when paid rather than when incurred or subject to accrual.

The County reports the following major governmental funds:

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

Road and Bridge Fund – This fund is used to account for monies from specific revenue sources that are restricted for road and bridge maintenance.

E911 Commission Fund – This fund is used to account for monies from specific revenue sources that are restricted for E911 emergency services.

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 cash sources that are restricted or committed to disbursement 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 disbursement for principal and interest.

**QUITMAN COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2019**

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

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

**FIDUCIARY FUND TYPE**

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

**D. 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 Associations.

**E. Deposits** – 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).

**F. Equity Classifications**

Government-wide Financial Statements:

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

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

Unrestricted net position – All other net position not meeting the definition of "restricted."

Net Position Flow Assumption – When a disbursement is paid for purposes for which both restricted and unrestricted (unassigned) resources are available, it is the County's general policy to use restricted resources first. When disbursements are made for purposes for which unrestricted (unassigned) resources are available, and amounts in the unrestricted classification could be used, it is the County's general policy to spend 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.



**QUITMAN COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2019**

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

*Restricted fund balance* includes amount 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 disbursements paid 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 a disbursement is paid for purposes for which both restricted and unrestricted (unassigned) resources are available, it is the County’s general policy to use restricted resources first. When disbursements are paid for purposes for which unrestricted (unassigned) resources are available, it is the County’s general policy to spend unassigned amounts.

**G. Property Tax Receipts** – 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. All property taxes are recognized as receipts when collected.

**NOTE 2 – DEPOSITS.**

The carrying amount of the County’s total deposits with financial institutions at September 30, 2019, was \$3,938,463, and the bank balance was \$4,172,599. 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).

**QUITMAN COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2019**

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

**NOTE 3 – INTERFUND TRANSFERS.**

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

A. Transfers In/Out:

Transfers In	Transfers Out	Amount
General Fund	Other Governmental Fund	\$ 418,445
Other Governmental Fund	General Fund	35,000
Total		<u>\$ 453,445</u>

The principal purpose of the transfer in to the General fund was for repayment of prior years' expenses. The principal purpose of the transfers in to other governmental funds was for allocation of funds for payment of notes for capital purchases. All interfund transfers were routine and consistent with the activities of the fund making the transfer.

**NOTE 4 – CLAIMS AND JUDGMENTS.**

Risk Financing.

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

**QUITMAN COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2019**

**NOTE 5 – OPERATING LEASES.**

As Lessor:

In March 2014, the County entered into a lease agreement with Clarksdale HMA Physician Management, LLC for the purpose of operating a hospital. The lease states the LLC is to pay \$1,522 per month.

On February 1, 2005, the County entered into a lease with Rushing Aviation for rental of an airplane hangar for \$921 per month for the first 10 years and decreasing to \$798 per month for the next 10 years, ending January of 2025.

On May 1, 2018, a lease agreement was updated whereby the County leases a cell tower to AT&T for \$1,500 per month.

**NOTE 6 – 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 disbursements of resources for allowable purposes. The County may be responsible for any disallowances.

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.

Claim Liability – Pursuit to Section 65-15-21 “Refund to Municipalities” and Section 65-15-23 “Payment of Municipal Refund”, Mississippi Code Ann. (1972), the County received a request to refund one-half (1/2) of all ad valorem taxes collected by or for the county on property within the municipality (the streets of which are worked at the expense of the municipal treasury) for road purposes of the County. The claim requested that ad valorem taxes collected for the fiscal years 2018, 2019, and 2020 be refunded to the municipality. While it appears the municipality has authority to make such a claim, there are certain mitigating factors which may affect the amount of the claim. It is not possible at the present time to estimate the ultimate outcome or liability.

**NOTE 7 – JOINTLY GOVERNED ORGANIZATIONS.**

The County participates in the following jointly governed organizations:

Coahoma Community College operates in a district composed of the Counties of Bolivar, Coahoma, Quitman, Tallahatchie and Tunica. The Quitman County Board of Supervisors appoints 2 of the 12 members of the College Board of Trustees. The County levied \$138,287 in taxes for maintenance and support in the fiscal year 2019.

**QUITMAN COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2019**

Northwest Community College operates in a district composed of the Counties of Benton, Calhoun, DeSoto, Lafayette, Marshal, Panola, Quitman, Tallahatchie, Tunica, and Yalobusha. The Quitman County Board of Supervisors appoints one of the 23 members of the College Board of Trustees. The County levied \$138,287 in taxes for maintenance and support in the fiscal year 2019.

Mid-State Opportunity, Inc. operates in a district composed of the counties of DeSoto, Panola, Quitman, Tallahatchie, Tate, and Tunica. The Quitman County Board of Supervisors appoints two of the 30 members of the Board of Directors. The other member counties appoint eight members, in the aggregate. Ten members are appointed from the business sector and ten members are appointed by minority disadvantaged persons who use the services of the organization. Most of the entity's funding comes from federal funds, with less than one percent coming from the counties in the aggregate.

Yazoo-Mississippi Water Management District operates in a district composed of the Counties of Bolivar, Carroll, Coahoma, DeSoto, Holmes, Humphreys, Issaquena, Leflore, Panola, Quitman, Sharkey, Sunflower, Tallahatchie, Tate, Tunica, Washington and Yazoo. The Quitman County Board of Supervisors appoints 2 of 21 members of the Board of Commissioners. The County levied \$149,379 in taxes to support the district in fiscal year 2019.

Region One Mental Health Center operates in a district composed of the counties of Coahoma, Quitman, Tallahatchie, and Tunica. The Quitman County Board of Supervisors appoints one of the four member board of commissioners. The County appropriated \$25,200 to the Center for support in the fiscal year 2019.

North Delta Planning and Development District operates in a district composed of the counties of Coahoma, DeSoto, Panola, Quitman, Tallahatchie, Tate, and Tunica. The Quitman County Board of Supervisors appoints four of the 30 members of the Board of Directors. The County contributes a small percentage of the District's total revenue. The County appropriated \$17,500 for support of the District in fiscal year 2019.

**NOTE 8 – DEFINED BENEFIT PENSION PLAN.**

*General Information about the Pension Plan*

Plan Description. Quitman 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. Benefit provisions are established by state law and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to Public Employees' Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling 1-800-444-PERS.

Funding Policy. 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 rate at September 30, 2019 was 15.75% of annual covered payroll. The contribution requirements of PERS

**QUITMAN COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2019**

members 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 \$450,038, \$419,678, and \$406,439, respectively, equal to the required contributions for each year.

**NOTE 9 – 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 Quitman County evaluated the activity of the County through December 18, 2020, (the date the financial statements were available to be issued), and determined that the following subsequent events occurred requiring disclosure in the notes to the financial statements:

<u>Issue Date</u>	<u>Interest Rate</u>	<u>Issue Amount</u>	<u>Type of Financing</u>
5/7/2020	2.44%	\$ 595,940	Other Loan

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

**NOTE 10 – COMPLIANCE AUDIT**

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

## **QUITMAN COUNTY**

## **OTHER INFORMATION**

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

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Property taxes	\$ 3,827,208	4,308,041	4,308,041	-
Licenses, commissions and other receipts	98,500	97,968	97,968	-
Fines and forfeitures	110,000	129,022	129,022	-
Intergovernmental receipts	466,610	284,656	284,656	-
Charges for services	-	-	-	-
Interest income	21,000	28,714	28,714	-
Miscellaneous receipts	51,000	49,498	49,498	-
Total Receipts	<u>4,574,318</u>	<u>4,897,899</u>	<u>4,897,899</u>	<u>-</u>
<b>DISBURSEMENTS</b>				
General government	2,573,645	2,586,848	2,586,848	-
Public safety	1,506,100	1,761,733	1,761,733	-
Public works	10,000	10,000	10,000	-
Health and welfare	117,000	117,240	117,240	-
Culture and recreation	81,000	81,000	81,000	-
Conservation of natural resources	61,600	53,020	53,020	-
Economic development and assistance	24,000	23,374	23,374	-
Debt service	18,200	14,561	14,561	-
Total Disbursements	<u>4,391,545</u>	<u>4,647,776</u>	<u>4,647,776</u>	<u>-</u>
Excess of Receipts over (under) Disbursements	<u>182,773</u>	<u>250,123</u>	<u>250,123</u>	<u>-</u>
<b>OTHER CASH SOURCES (USES)</b>				
Sources	2,000	431,368	431,368	-
Uses	<u>(25,000)</u>	<u>(35,000)</u>	<u>(35,000)</u>	<u>-</u>
Total Other Cash Sources and Uses	<u>(23,000)</u>	<u>396,368</u>	<u>396,368</u>	<u>-</u>
Net Change in Cash Basis Fund Balance	159,773	646,491	646,491	-
Cash Basis Fund Balances - Beginning	<u>549,440</u>	<u>1,048,193</u>	<u>1,048,193</u>	<u>-</u>
Cash Basis Fund Balance - Ending	<u>\$ 709,213</u>	<u>1,694,684</u>	<u>1,694,684</u>	<u>-</u>

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

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

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Property taxes	\$ 2,301,961	2,523,529	2,523,529	-
Road and bridge privilege taxes	75,000	75,871	75,871	-
Intergovernmental receipts	477,000	902,599	902,599	-
Miscellaneous receipts	-	59	59	-
Total receipts	<u>2,853,961</u>	<u>3,502,058</u>	<u>3,502,058</u>	<u>-</u>
<b>DISBURSEMENTS</b>				
Public works	2,829,960	3,431,779	3,431,779	-
Debt service	<u>177,480</u>	<u>232,156</u>	<u>232,156</u>	<u>-</u>
Total Disbursements	<u>3,007,440</u>	<u>3,663,935</u>	<u>3,663,935</u>	<u>-</u>
Excess of Receipts over (under) Disbursements	<u>(153,479)</u>	<u>(161,877)</u>	<u>(161,877)</u>	<u>-</u>
<b>OTHER CASH SOURCES (USES)</b>				
Sources	<u>2,000</u>	<u>172,611</u>	<u>172,611</u>	<u>-</u>
Total Other Cash Sources and Uses	<u>2,000</u>	<u>172,611</u>	<u>172,611</u>	<u>-</u>
Net Change in Cash Basis Fund Balance	(151,479)	10,734	10,734	-
Cash Basis Fund Balance - Beginning	<u>911,208</u>	<u>1,178,921</u>	<u>1,178,921</u>	<u>-</u>
<b>Cash Basis Fund Balance - Ending</b>	<u>\$ 759,729</u>	<u>1,189,655</u>	<u>1,189,655</u>	<u>-</u>

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



**QUITMAN COUNTY**  
**Budgetary Comparison Schedule – Budget to Actual (Non-GAAP Basis)**  
**E911 Commission Fund**  
**For the Year Ended September 30, 2019**  
**UNAUDITED**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Charges for services	\$ 62,200	53,099	53,099	-
Total receipts	62,200	53,099	53,099	-
<b>DISBURSEMENTS</b>				
Public safety	34,200	35,435	35,435	-
Total Disbursements	34,200	35,435	35,435	-
Excess of Receipts over (under) Disbursements	28,000	17,664	17,664	-
Net Change in Cash Basis Fund Balance	28,000	17,664	17,664	-
Cash Basis Fund Balance - Beginning	466,635	359,491	359,491	-
<b>Cash Basis Fund Balance - Ending</b>	<b>\$ 494,635</b>	<b>377,155</b>	<b>377,155</b>	<b>-</b>

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

**QUITMAN COUNTY**  
**Schedule of Capital Assets**  
**For the Year Ended September 30, 2019**  
**UNAUDITED**

<b>GOVERNMENTAL ACTIVITIES</b>	<b>Balance</b>			<b>Balance</b>
	<b>Oct. 1, 2018</b>	<b>Additions</b>	<b>Deletions</b>	<b>Sept. 30, 2019</b>
Land	\$ 325,060	-	-	325,060
Construction in progress	-	119,928	-	119,928
Infrastructure	3,563,924	281,231	-	3,845,155
Buildings	3,679,533	66,000	-	3,745,533
Improvements other than buildings	659,371	2,860	-	662,231
Mobile equipment	5,186,346	572,761	183,604	5,575,503
Furniture & equipment	654,603	53,119	1,740	705,982
Capital Leases	-	-	-	-
Total capital assets	\$ 14,068,837	1,095,899	185,344	14,979,392

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

**QUITMAN COUNTY**  
**Schedule of Changes in Long-Term Debt**  
**For the Year Ended September 30, 2019**  
**UNAUDITED**

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

Governmental activities:								
DESCRIPTION	Issue Date	Maturity Date	Interest Rate	Balance Oct. 1, 2018	Issued	Principal Payments	Adjustments	Balance Sept. 30, 2019
<b>A. Equipment Notes</b>								
Deporres building	11/19/13	11/19/19	3.00%	\$ 14,146		14,146		-
Chips spreader	9/19/14	7/15/19	3.50%	32,827		32,827		-
Komatsu excavator	2/25/15	5/25/19	2.29%	15,333		15,333		-
Motor Graders	11/10/16	11/10/21	2.35%	669,850		161,637		508,213
Dump Truck	11/27/17	11/27/22	2.38%	253,527		49,652		203,875
<b>B. Other Loans</b>								
Capital loan - airport (hangar)	1/2/05	4/1/26	3.00%	65,469		7,689		57,780
Capital improvements revolving loan	7/16/08	8/1/23	3.00%	75,053		14,495		60,558
				<u>\$ 1,126,205</u>	<u>-</u>	<u>295,779</u>	<u>-</u>	<u>830,426</u>

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

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

<b>Name</b>	<b>Position</b>	<b>Surety Company</b>	<b>Amount</b>
Sheridan Boyd	Supervisor District 1	Old Republic Surety Company	100,000.00
Greg Thomas	Supervisor District 2	Western Surety Company	100,000.00
Johnny Tullos	Supervisor District 3	Western Surety Company	100,000.00
Manual Killebrew	Supervisor District 4	Western Surety Company	100,000.00
Jesse G. Ellis	Supervisor District 5	Western Surety Company	100,000.00
Velma Wilson	County Administrator	Western Surety Company	100,000.00
T.H. Butch Skipper	Chancery Clerk	Western Surety Company	100,000.00
Tracy G. Pinkston	Purchasing Clerk	Western Surety Company	75,000.00
Sheryl S Cole	Assistant Purchasing Clerk	Western Surety Company	50,000.00
Rosie B. Autman Moss	Receiving Clerk	Western Surety Company	75,000.00
Sheryl S Cole	Assistant Receiving Clerk	Western Surety Company	50,000.00
Carol Foster	Assistant Receiving Clerk	Western Surety Company	50,000.00
Stacie Veal	Inventory Control Clerk	Western Surety Company	75,000.00
Brenda Wiggs	Circuit Clerk	Western Surety Company	100,000.00
Bobbie Buggs	Deputy Circuit Clerk	Western Surety Company	50,000.00
Oliver Parker, Jr.	Sheriff	Western Surety Company	100,000.00
Cedric Holman	Deputy Sheriff	Western Surety Company	50,000.00
Robert Haywood, III	Deputy Sheriff	Western Surety Company	50,000.00
Rocky Jaco	Deputy Sheriff	Western Surety Company	50,000.00
Dan Harrell	Deputy Sheriff	Western Surety Company	50,000.00
Terry Williams, Sr	Deputy Sheriff	Western Surety Company	50,000.00
Jimmy Mathews, Sr	Deputy Sheriff	Western Surety Company	50,000.00
Willie Horhn	Deputy Sheriff	Western Surety Company	50,000.00
Darryl Linzy	Deputy Sheriff	Western Surety Company	50,000.00
Oddie Orange	Deputy Sheriff	Western Surety Company	50,000.00
Ashley Pratcher, Jr	Deputy Sheriff	Western Surety Company	50,000.00
Marvin Pryor	Deputy Sheriff	Western Surety Company	50,000.00
Bennie Christian	Deputy Sheriff	Western Surety Company	50,000.00
Thomas Bryant	Deputy Sheriff	Western Surety Company	50,000.00
Nicholas Turner	Deputy Sheriff	Western Surety Company	50,000.00
Tyrone Survillion	Deputy Sheriff	Western Surety Company	50,000.00
Anthony Cox	Deputy Sheriff	Western Surety Company	50,000.00
James McGregory	Deputy Sheriff	Western Surety Company	50,000.00
Raymond Thomas	Deputy Sheriff	Western Surety Company	50,000.00
Jason West	Deputy Sheriff	Western Surety Company	50,000.00
Melvin Wilson	Deputy Sheriff	Western Surety Company	50,000.00
Britton Crawford	Deputy Sheriff	Western Surety Company	50,000.00
Barbara Redeaux	Deputy Sheriff	Western Surety Company	50,000.00
Chadwick Smith	Deputy Sheriff	Western Surety Company	50,000.00
Brenda Cook	Justice Court Judge	Western Surety Company	50,000.00
Joe M Brown	Justice Court Judge	Western Surety Company	50,000.00
Gloria Survillion	Justice Court Clerk	Western Surety Company	50,000.00
Haley Pennington	Deputy Justice Court Clerk	Western Surety Company	50,000.00
Alice Smith	Tax Collector/Assessor	Western Surety Company	100,000.00
Sallie M Price	Tax Collector/Assessor Deputy	Western Surety Company	50,000.00
Tiffany Griffin	Tax Collector/Assessor Deputy	Western Surety Company	50,000.00
Dorothy People	Tax Collector/Assessor Deputy	Western Surety Company	50,000.00
Robert Andrews	Road Manager	Western Surety Company	50,000.00
Tyrone Survillion	Constable	RLI Insurance Company	50,000.00
Thomas Bryant	Constable	RLI Insurance Company	50,000.00

**QUITMAN COUNTY, MISSISSIPPI**  
**NOTES TO OTHER INFORMATION**  
**For the Year Ended September 30, 2019**  
**UNAUDITED**

**NOTE 1 - Budgetary Comparison Schedule**

**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 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 receipt, each general item of disbursement, 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 presents the original legally adopted budget, the final legally adopted budget, actual amounts on a budgetary 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.

**NOTE 2 – LONG-TERM DEBT INFORMATION**

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 of outstanding debt was equal to 1.02% of the latest property assessments.

## **QUITMAN COUNTY**

### **SPECIAL REPORTS**

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GOVERNMENT AUDIT QUALITY CENTER

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

Members of the Board of Supervisors  
Quitman County, Mississippi

We have audited, 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, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Quitman County, Mississippi (the County), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 18, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Quitman County, Mississippi's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Quitman County, Mississippi'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 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 Quitman County, Mississippi's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

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

*Bridgers, Goodman, Baird & Clarke, PLLC*

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

December 18, 2020



## **QUITMAN COUNTY**

### **SCHEDULE OF FINDINGS AND RESPONSES**

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

Section 1: Summary of Auditor's Results

**Financial Statements:**

- |  |            |
|--|------------|
| 1. Type of auditor's report issued on the financial statements | Unmodified |
| 2. Internal control over financial reporting:                  |            |
| a. Material weaknesses identified?                             | No         |
| b. Significant deficiency identified?                          | No         |
| 3. Noncompliance material to the financial statements?         | No         |

Section 2: 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*.