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Sharkey County, Mississippi
Audited Financial Statements
And Special Reports
For the Year Ended
September 30, 2019

Fortenberry & Ballard, PC
Certified Public Accountants

Sharkey County, Mississippi
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FINANCIAL REPORT

FORTENBERRY & BALLARD, PC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors
Sharkey 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 Sharkey 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 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 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.

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Basis for Adverse Opinion on the Aggregate Discretely Presented Component Units

The financial statements do not include financial data for the County's legally separate component units. Accounting principles applicable to the County's cash basis of accounting require the financial data for those component units to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units. The County has not issued such reporting entity financial statements. The amount by which this departure would affect the cash basis assets, net position, receipts and disbursements of the aggregate discretely presented component units is not reasonably determinable.

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on the Aggregate Discretely Presented Component Units" paragraph, the financial statements referred to above do not present fairly, the cash basis financial position of the aggregate discretely presented component units of Sharkey County, Mississippi, as of September 30, 2019, or the changes in cash basis financial position thereof for the year then ended in accordance with accounting principles applicable to the County's cash basis of accounting.

Unmodified Opinions

In our opinion, the financial statements referred to previously 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 Sharkey 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 Sharkey 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 States of America. Our opinions are not modified with respect to this matter.

Other Matters

Report on Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Sharkey County, Mississippi's basic financial statements. The accompanying Reconciliation of Operating Costs of Solid Waste is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Reconciliation of Operating Costs of Solid Waste is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Reconciliation of Operating Costs of Solid Waste is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Budgetary Comparison Schedules, Schedule of Interfund Loans and Advances, Schedule of Capital Assets, Schedule of Changes in Long-term Debt, 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 February 9, 2023, on our consideration of Sharkey 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 Sharkey 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 Sharkey County, Mississippi's internal control over financial reporting and compliance.

Fortenberry & Ballard, PC

Fortenberry and Ballard, PC
February 9, 2023

Certified Public Accountants

FINANCIAL STATEMENTS

SHARKEY COUNTY, MISSISSIPPI
Statement of Net Position - Cash Basis
September 30, 2019

Exhibit 1

	Governmental Activities
ASSETS	
Cash	\$ 2,465,289
Total Assets	<u>2,465,289</u>
NET POSITION	
Restricted:	
Expendable:	
General government	58,985
Public safety	29,046
Public works	771,517
Health and welfare	160,466
Culture and recreation	50,125
Conservation of natural resources	14,165
Unrestricted	1,380,985
Total Net Position	<u>\$ 2,465,289</u>

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

SHARKEY COUNTY, MISSISSIPPI
Statement of Activities - Cash Basis
For the Year Ended September 30, 2019

Exhibit 2

Functions/Programs	Cash Disbursements	Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Primary Governmental Activities
Primary government:				
Governmental activities:				
General government	\$ 1,791,166	173,817	23,071	(1,594,278)
Public safety	751,963	49,656	27,991	(674,316)
Public works	1,861,977	321,299	594,500	(946,178)
Health and welfare	461,811		13,442	(448,369)
Culture and recreation	76,596			(76,596)
Conservation of natural resources	45,423			(45,423)
Economic development and assistance	2,458			(2,458)
Debt service:				
Principal	543,197			(543,197)
Interest	50,014			(50,014)
Total Governmental Activities	<u>5,584,605</u>	<u>544,772</u>	<u>659,004</u>	<u>(4,380,829)</u>
General receipts:				
Property taxes			\$	3,548,873
Road & bridge privilege taxes				49,245
Grants and contributions not restricted to specific programs				231,370
Unrestricted interest income				19,268
Miscellaneous				136,682
Proceeds of long-term debt				558,954
Total General Receipts and Other Cash Sources				<u>4,544,392</u>
Changes in Net Position				<u>163,563</u>
Net Position - Beginning				<u>2,301,726</u>
Net Position - Ending			\$	<u><u>2,465,289</u></u>

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

SHARKEY COUNTY, MISSISSIPPIExhibit 3

Statement of Cash Basis Assets and Fund Balances

Governmental Funds

September 30, 2019

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General Fund	Garbage and Solid Waste	District 5 Road Maintenance		
ASSETS					
Cash	\$ 1,380,985	22,305	249,187	812,812	2,465,289
Total Assets	<u>\$ 1,380,985</u>	<u>22,305</u>	<u>249,187</u>	<u>812,812</u>	<u>2,465,289</u>
FUND BALANCES					
Restricted for:					
General government	\$			58,985	58,985
Public safety				29,046	29,046
Public works		22,305	249,187	500,025	771,517
Health and welfare				160,466	160,466
Culture and recreation				50,125	50,125
Conservation of natural resources				14,165	14,165
Unassigned	1,380,985				1,380,985
Total Fund Balances	<u>\$ 1,380,985</u>	<u>22,305</u>	<u>249,187</u>	<u>812,812</u>	<u>2,465,289</u>

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

SHARKEY COUNTY, MISSISSIPPI

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				
	General Fund	Garbage and Solid Waste	District 5 Road Maintenance	Other Governmental Funds	Total Governmental Funds
RECEIPTS					
Property taxes	\$ 2,250,065	197,335	79,686	1,021,787	3,548,873
Road and bridge privilege taxes			9,849	39,396	49,245
Licenses, commissions and other receipts	89,133			3,269	92,402
Fines and forfeitures	89,763				89,763
Intergovernmental receipts	285,460		103,478	501,436	890,374
Charges for services		321,298		41,309	362,607
Interest income	17,725	9	375	1,159	19,268
Miscellaneous receipts	80,172	1,809		54,701	136,682
Total Receipts	<u>2,812,318</u>	<u>520,451</u>	<u>193,388</u>	<u>1,663,057</u>	<u>5,189,214</u>
DISBURSEMENTS					
General government	1,694,439			96,727	1,791,166
Public safety	677,736			74,227	751,963
Public works		553,394	221,190	1,087,393	1,861,977
Health and welfare	261,811			200,000	461,811
Culture and recreation	20,884			55,712	76,596
Conservation of natural resources	45,423				45,423
Economic development and assistance	2,458				2,458
Debt service:					
Principal	13,002	157,098	23,474	349,623	543,197
Interest	892	7,741	5,421	35,960	50,014
Total Disbursements	<u>2,716,645</u>	<u>718,233</u>	<u>250,085</u>	<u>1,899,642</u>	<u>5,584,605</u>
Excess (Deficiency) of Receipts over (under) disbursements	<u>95,673</u>	<u>(197,782)</u>	<u>(56,697)</u>	<u>(236,585)</u>	<u>(395,391)</u>
OTHER CASH SOURCES (USES)					
Proceeds of long-term debt		211,500	69,506	277,948	558,954
Transfers in				59,600	59,600
Transfers out			(2,400)	(57,200)	(59,600)
Total Other Cash Sources and Uses	<u>0</u>	<u>211,500</u>	<u>67,106</u>	<u>280,348</u>	<u>558,954</u>
Excess (Deficiency) of Receipts and other Cash Sources over (under) Disbursements and other Cash Uses	<u>95,673</u>	<u>13,718</u>	<u>10,409</u>	<u>43,763</u>	<u>163,563</u>
Cash Basis Fund Balances - Beginning	<u>1,285,312</u>	<u>8,587</u>	<u>238,778</u>	<u>769,049</u>	<u>2,301,726</u>
Cash Basis Fund Balances - Ending	<u>\$ 1,380,985</u>	<u>22,305</u>	<u>249,187</u>	<u>812,812</u>	<u>2,465,289</u>

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

SHARKEY COUNTY, MISSISSIPPIStatement of Fiduciary Assets and Liabilities - Cash Basis
September 30, 2019Exhibit 5

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 140,147
Total Assets	\$ <u>140,147</u>
LIABILITIES	
Intergovernmental payables	\$ 136,198
Amounts held in custody for others	3,949
Total Liabilities	\$ <u>140,147</u>

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

Sharkey County, Mississippi

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

Sharkey County, Mississippi

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

(1) Summary of Significant Accounting Policies.

A. Financial Reporting Entity.

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

Management has chosen to omit from these financial statements the following component units which have significant operational or financial relationships with the County. Accordingly, the financial statements do not include the data of all of the County's component units necessary for reporting in accordance with accounting principles applicable to the County's cash basis of accounting.

- Sharkey-Issaquena Community Hospital
- Sharkey-Issaquena County Library

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 primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Sharkey County, Mississippi

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

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 not classified as program receipts are presented as general receipts of the County, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies 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 equity, 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.

Garbage and Solid Waste Fund – This fund is used to account for receipts and disbursements related to garbage and solid waste pickup and disposal.

District 5 Road Maintenance Fund - This fund is used to account for monies from specific sources that are restricted for road maintenance in District 5.

Sharkey County, Mississippi

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

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 expenditure for principal and interest.

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 Association.

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.”

Sharkey County, Mississippi

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

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 paid for purposes for which unrestricted (unassigned) resources are available and amounts in any of these unrestricted classifications 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.

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

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 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 and amounts in any of these unrestricted classifications could be used, 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.

Sharkey County, Mississippi

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

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

(2) Deposits.

The carrying amount of the County's total deposits with financial institutions at September 30, 2019, was \$2,605,436, and the bank balance was \$2,627,102. The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC).

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of the failure of a financial institution, the County will not be able to recover deposits or collateral securities that are in the possession of an outside party. The County does not have a formal policy for custodial credit risk. However, the Mississippi State Treasurer manages that risk on behalf of the County. 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.

(3) 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.

(4) 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.

Sharkey County, Mississippi

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

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.

(5) Jointly Governed Organizations.

The County participates in the following jointly governed organizations:

Delta Community Mental Health Services operates in a district composed of the Counties of Bolivar, Issaquena, Sharkey, and Washington. The Sharkey County Board of Supervisors appoints one of the four members of the Board of Commissioners. The County appropriated \$49,000 for financial support in fiscal year 2019.

Mississippi Delta Community College operates in a district composed of the Counties of Bolivar, Coahoma, Humphreys, Issaquena, Leflore, Sharkey, Sunflower, and Washington. The Sharkey County Board of Supervisors appoints three of the twenty members of the College Board of Trustees. The County appropriated \$176,803 for financial support in fiscal year 2019.

South Delta Planning and Development District operates in a district composed of the Counties of Bolivar, Humphreys, Issaquena, Sharkey, Sunflower, and Washington. The Sharkey County Board of Supervisors appoints three of the twenty-two members of the Board of Directors. The County contributes only a small part of the entity's total revenues.

The Yazoo-Mississippi Water Management District operates in a district composed of the Counties of Bolivar, Carroll, Coahoma, DeSoto, Holmes, Humphreys, Issaquena, Leflore, Panola, Quitman, Sharkey, Sunflower, Tallahatchie, Tate, Tunica, Washington, and Yazoo. The Sharkey County Board of Supervisors appoints one of the twenty-one members of the Board of Commissioners. The County appropriated \$17,610 for financial support in fiscal year 2019.

(6) Defined Benefit Pension Plan.

Plan Description. Sharkey 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 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 \$272,037, \$264,134 and \$248,206, respectively, equal to the required contributions for each year.

SUPPLEMENTARY INFORMATION

SHARKEY COUNTY, MISSISSIPPI
Reconciliation of Operating Costs of Solid Waste
For the Year Ended September 30, 2019

Operating Disbursements, Cash Basis:

Salaries	\$	315,417
Expendable Commodities:		
Gasoline and petroleum products		47,722
Repairs and parts		28,362
Garbage cans for customers		4,900
Solid waste pickup and disposal fees		129,300
Maintenance, supplies and utilities		7,608
Postage and box rent		<u>4,921</u>
Solid Waste Operating Costs Disbursements, Cash Basis	\$	<u><u>538,230</u></u>

OTHER INFORMATION

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

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
RECEIPTS				
Property taxes	\$ 1,850,199	2,250,065	2,250,065	-
Licenses, commissions and other receipts	92,000	89,133	89,133	-
Fines and forfeitures	78,000	89,763	89,763	-
Intergovernmental receipts	209,601	285,460	285,460	-
Charges for services	200	-	-	-
Interest income	10,000	17,725	17,725	-
Miscellaneous receipts	30,218	74,619	80,172	5,553
Total Receipts	<u>2,270,218</u>	<u>2,806,765</u>	<u>2,812,318</u>	<u>5,553</u>
DISBURSEMENTS				
Current:				
General government	1,829,710	1,690,084	1,694,439	(4,355)
Public safety	652,288	676,743	677,736	(993)
Health and welfare	274,109	261,811	261,811	-
Culture and recreation	23,750	20,884	20,884	-
Conservation of natural resources	46,846	40,030	45,423	(5,393)
Economic development and assistance	2,458	2,458	2,458	-
Debt service:				
Principal		23,086	13,002	10,084
Interest and bond issuance costs		892	892	-
Total Disbursements	<u>2,829,161</u>	<u>2,715,988</u>	<u>2,716,645</u>	<u>(657)</u>
Net Change in Fund Balance	(558,943)	90,777	95,673	4,896
Cash Basis Fund Balances - Beginning	<u>-</u>	<u>1,571,908</u>	<u>1,285,312</u>	<u>(286,596)</u>
Cash Basis Fund Balances - Ending	<u>\$ (558,943)</u>	<u>1,662,685</u>	<u>1,380,985</u>	<u>(281,700)</u>

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

SHARKEY COUNTY, MISSISSIPPI
 Budgetary Comparison Schedule -
 Budget and Actual (Non-GAAP Basis)
 Garbage and Solid Waste
 For the Year Ended September 30, 2019
 UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
RECEIPTS				
Property taxes	\$ 160,000	197,335	197,335	-
Charges for services	320,000	321,299	321,298	(1)
Interest income		9	9	-
Miscellaneous receipts		123,098	1,809	(121,289)
Total Receipts	<u>480,000</u>	<u>641,741</u>	<u>520,451</u>	<u>(121,290)</u>
DISBURSEMENTS				
Current:				
Public works	431,783	540,020	553,394	(13,374)
Debt service:				
Principal	91,250	80,261	157,098	(76,837)
Interest and bond issuance costs		7,741	7,741	(0)
Total Disbursements	<u>523,033</u>	<u>628,022</u>	<u>718,233</u>	<u>(90,211)</u>
Excess (Deficiency) of Receipts over (under) Disbursements	<u>(43,033)</u>	<u>13,719</u>	<u>(197,782)</u>	<u>(211,501)</u>
OTHER CASH SOURCES (USES)				
Proceeds of long-term debt			211,500	211,500
Total Other Cash Sources (Uses)	<u>-</u>	<u>-</u>	<u>211,500</u>	<u>211,500</u>
Net Change in Fund Balance	(43,033)	13,719	13,718	(1)
Cash Basis Fund Balances - Beginning	-	(79,821)	8,587	88,408
Cash Basis Fund Balances - Ending	<u>\$ (43,033)</u>	<u>(66,102)</u>	<u>22,305</u>	<u>88,407</u>

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

SHARKEY COUNTY, MISSISSIPPI
 Budgetary Comparison Schedule -
 Budget and Actual (Non-GAAP Basis)
 District 5 Road Maintenance
 For the Year Ended September 30, 2019
 UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
RECEIPTS				
Property taxes	\$ 64,400	79,686	79,686	-
Road and bridge privilege tax	10,000	9,849	9,849	-
Intergovernmental receipts	95,000	103,478	103,478	-
Interest income		375	375	-
Total Receipts	<u>169,400</u>	<u>193,388</u>	<u>193,388</u>	<u>0</u>
DISBURSEMENTS				
Current:				
Public works	171,200	146,935	221,190	(74,255)
Debt service:				
Principal	9,000	28,223	23,474	4,749
Interest		5,421	5,421	-
Total Disbursements	<u>180,200</u>	<u>180,579</u>	<u>250,085</u>	<u>(69,506)</u>
Excess (Deficiency) of Receipts over (under) Disbursements	<u>(10,800)</u>	<u>12,809</u>	<u>(56,697)</u>	<u>(69,506)</u>
OTHER CASH SOURCES (USES)				
Proceeds of long-term debt		-	69,506	69,506
Transfers out		(2,400)	(2,400)	-
Total Other Cash Sources and Uses	<u>-</u>	<u>(2,400)</u>	<u>67,106</u>	<u>69,506</u>
Net Change in Fund Balance	(10,800)	10,409	10,409	-
Cash Basis Fund Balances - Beginning	<u>-</u>	<u>250,414</u>	<u>238,778</u>	<u>(11,636)</u>
Cash Basis Fund Balances - Ending	<u>\$ (10,800)</u>	<u>260,823</u>	<u>249,187</u>	<u>(11,636)</u>

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

SHARKEY COUNTY, MISSISSIPPI
Schedule of Interfund Loans and Advances
For the Year Ended September 30, 2019
UNAUDITED

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

A. Advances from/to Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Balance at Sept. 30, 2019</u>
General Fund	Other Governmental Funds	\$ 89,511
Other Governmental Funds	General Fund	28,467
Other Governmental Funds	Other Governmental Funds	<u>40,000</u>
Total		\$ <u><u>157,978</u></u>

Advances were funds provided for operating expenses, advances on grant matching requirements and debt service. None of these advances were expected to be repaid within one year.

B. Transfers In/Out:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Balance at Sept. 30, 2019</u>
Other Governmental Funds	District 5 Road Maintenance	\$ 2,400
Other Governmental Funds	Other Governmental Funds	<u>57,200</u>
Total		\$ <u><u>59,600</u></u>

Transfers made for the following: 1) assist with capital purchases in Beats 1 and 3 Road Maintenance Funds and 2) pay back Beat 2 Road Maintenance Fund for lease purchase assistance.

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

SHARKEY COUNTY, MISSISSIPPI
Schedule of Capital Assets
For the Year Ended September 30, 2019
UNAUDITED

Governmental activities:

	Balance Oct. 1, 2018	Additions	Deletions	Balance Sept. 30, 2019
Land	\$ 90,871			90,871
Infrastructure	21,426,125			21,426,125
Buildings	1,467,952			1,467,952
Mobile equipment	998,892			998,892
Furniture and equipment	76,428			76,428
Leased property under capital leases	1,561,882	587,634	443,280	1,706,236
Total capital assets	\$ 25,622,150	587,634	443,280	25,766,504

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

SHARKEY COUNTY, MISSISSIPPI
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:

Description and Purpose	Issue Date	Maturity Date	Interest Rate	Balance Oct. 1, 2018	Issued	Principal Payments	Balance Sept. 30, 2019
Governmental Activities:							
A. General Obligation Bonds:							
Hospital Bonds, Series 2015	12/2015	12/2030	3 - 4.00%	\$ 494,000		30,000	464,000
B. Capital Leases:							
Caterpillar Bulldozer - Solid Waste	11/2014	11/2019	2.01%	100,615		8,712	91,903
Backhoe - District 1	06/2015	06/2020	2.19%	57,064		5,198	51,866
Caterpillar Motor Grader - Districts 3 & 4	06/2015	06/2020	2.01%	175,736		10,905	164,831
Caterpillar Motor Grader - Districts 1 & 5	06/2015	06/2020	2.01%	176,053		10,905	165,148
Backhoe - Districts 4 & 5	07/2015	07/2020	2.23%	58,170		5,406	52,764
Bat Wing Cutter - District 1	05/2016	05/2021	2.28%	10,644		3,952	6,692
2016 Mack Dump Truck - General Road*	05/2016	06/2019	1.75%	80,911		80,911	-
Excavator - General Road	07/2016	07/2020	2.29%	22,971		11,394	11,577
2017 Mack Dump Truck - General Road*	07/2016	08/2019	1.77%	84,986		84,986	-
2016 Mack Dump Truck - Solid Waste*	07/2016	08/2019	1.69%	121,190		121,190	-
2017 Mack Dump Truck - Solid Waste	08/2016	09/2021	2.17%	110,712		21,586	89,126
(2) 2016 Ford Explorers - Sheriff	08/2016	08/2021	2.22%	40,086		13,002	27,084
2017 F-150 Crew Cab - District 5	01/2017	01/2022	3.00%	17,893		7,518	10,375
Tractor - District 2	03/2017	03/2022	4.50%	10,968		3,905	7,063
Caterpillar Motor Grader - District 4	09/2017	09/2022	2.54%	194,815		19,448	175,367
2018 Mack Dump Truck - Solid Waste/General Road	10/2017	10/2022	2.54%	117,492		11,219	106,273
2018 John Deere Tractor - District 5	09/2018	09/2021	3.69%		69,506	7,800	61,706
Pickup Truck - District 4	05/2019	04/2023	4.50%		28,474	2,734	25,740
(2) 2019 Mac Day Cab Trucks - General Road	06/2019	06/2022	3.98%		221,000	37,379	183,621
2019 Ram 1500 - District 3	04/2019	07/2022	4.50%		28,474	2,740	25,734
Garbage Truck - Solid Waste	09/2019	10/2021	3.99%		211,500	30,000	181,500
C. Other Loans:							
District 1 Road Projects	07/2017	07/2022	4.00%	38,347		12,307	26,040
Total				\$ 1,912,653	558,954	543,197	1,928,410

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

* balloon payment made to pay off loan

SHARKEY COUNTY, MISSISSIPPI

Schedule of Surety Bonds for County Officials

For the Year Ended September 30, 2019

UNAUDITED

Name	Position	Company	Bond
Bill Newsom	Supervisor District 1	Travelers	\$100,000
Leroy Smith, Jr.	Supervisor District 2	Travelers	\$100,000
Sam Matthews	Supervisor District 3	Travelers	\$100,000
King Evans, Jr.	Supervisor District 4	Travelers	\$100,000
Willie Smith	Supervisor District 5	Western Surety	\$100,000
Murindia Williams	Chancery Clerk	Travelers	\$100,000
Diana Sutton	Deputy Clerk	Travelers	\$50,000
Donna Baugh	Deputy Clerk	Travelers	\$50,000
John Bass	Deputy Clerk	Travelers	\$50,000
Murindia Williams	Purchase Clerk	Travelers	\$75,000
Donna Baugh	Assistant Purchase Clerk	Travelers	\$50,000
Donna Anderson	Receiving Clerk	Travelers	\$75,000
Cindy Wilson	Assistant Receiving Clerk	Travelers	\$50,000
Henry Dennis (District 1)	Assistant Receiving Clerk	Travelers	\$50,000
Ellis Stamps (District 2)	Assistant Receiving Clerk	Travelers	\$50,000
Charles Ray Coleman (District 3)	Assistant Receiving Clerk	Travelers	\$50,000
James Davis (District 4)	Assistant Receiving Clerk	Travelers	\$50,000
Diana Sutton (District 5)	Assistant Receiving Clerk	Travelers	\$50,000
Lynn Newman (DHS)	Assistant Receiving Clerk	Travelers	\$50,000
Donna Baugh	Inventory Control Clerk	Travelers	\$75,000
Terrance Alford	Constable Post 1	Travelers	\$50,000
Charlie Marshall	Constable Post 2	Travelers	\$50,000
Murindia Williams	Circuit Clerk	Travelers	\$100,000
Diana Sutton	Deputy Clerk	Travelers	\$50,000
Donna Baugh	Deputy Clerk	Travelers	\$50,000
John Bass	Deputy Clerk	Travelers	\$50,000
Lindsey Adams	Sheriff	Travelers	\$100,000
Michael Daves	Deputy Sheriff*	Travelers	\$50,000
Carolyn Tillis	Deputy Sheriff*	Travelers	\$50,000
Stanley Coleman	Deputy Sheriff*	Travelers	\$50,000
William Bethley	Deputy Sheriff*	Travelers	\$50,000
Darris Pinkins	Deputy Sheriff*	Travelers	\$50,000
Herbert Ceasar	Deputy Sheriff*	Travelers	\$50,000
Angela Jenkins	Sheriff's Office Manager	Travelers	\$50,000
Charles Smith	Justice Court Judge Post 1	Travelers	\$50,000
Elvis C. Secoy	Justice Court Judge Post 2	Travelers	\$50,000
Princess Turner	Justice Court Clerk	Travelers	\$50,000
Kashianna Keys	Deputy Justice Court Clerk	Travelers	\$50,000
Patty Stevens	Deputy Justice Court Clerk	Travelers	\$50,000
Tracy Brown	Tax Collector-Assessor	Travelers	\$100,000
Donna Anderson	Deputy Collector-Assessor	Travelers	\$50,000
Cindy Wilson	Deputy Collector-Assessor	Travelers	\$50,000
Marcus Hooker	County Engineer	Travelers	\$50,000

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

Sharkey County, Mississippi

Notes to the Other Information
For the Year Ended September 30, 2019

(1) Budgetary Comparison Information.

A. Budgetary Information.

Statutory requirements dictate how and when the County's budget is to be prepared. Generally, in the month of August, prior to the ensuing fiscal year beginning each October 1, the Board of Supervisors of the County, using historical and anticipated fiscal data and proposed budgets submitted by the Sheriff and the Tax Assessor-Collector for his or her respective department, prepares an original budget for each of the Governmental Funds for said fiscal year. The completed budget for the fiscal year includes for each fund every source of 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.

(2) Long-term Debt information:

- A. 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 less than 1% of the latest property assessments.

Sharkey County, Mississippi

Notes to the Other Information
For the Year Ended September 30, 2019

B. Subsequent Events.

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

<u>Issue Date</u>	<u>Interest Rate</u>		<u>Issue Amount</u>	<u>Type of Financing</u>	<u>Source of Financing</u>
03/04/20	3.79%	\$	185,000	Capital lease	Ad valorem revenue
04/07/20	4.50%		27,591	Capital lease	Ad valorem revenue
05/05/20	4.50%		19,591	Capital lease	Ad valorem revenue
06/08/20	2.59%		91,758	Capital lease	Ad valorem revenue
08/11/20	4.50%		99,645	Capital lease	Ad valorem revenue
08/21/20	3.34%		245,107	Capital lease	Ad valorem revenue
08/21/20	3.34%		245,107	Capital lease	Ad valorem revenue
09/21/20	4.50%		60,961	Capital lease	Ad valorem revenue
05/11/21	4.50%		99,645	Capital lease	Ad valorem revenue
05/11/21	4.50%		28,474	Capital lease	Ad valorem revenue
07/08/21	1.57%		40,000	Capital lease	Ad valorem revenue
07/23/21	4.50%		146,860	Capital lease	Ad valorem revenue
08/18/21	4.50%		83,741	Capital lease	Ad valorem revenue
08/18/21	4.50%		24,585	Capital lease	Ad valorem revenue
10/01/21	1.39%		98,173	Capital lease	Ad valorem revenue
11/05/21	1.39%		11,450	Capital lease	Ad valorem revenue
12/17/21	1.39%		35,000	Capital lease	Ad valorem revenue
04/18/22	2.49%		63,241	Capital lease	Ad valorem revenue
05/13/22	2.49%		86,220	Capital lease	Ad valorem revenue
08/22/22	3.56%		220,000	Capital lease	Ad valorem revenue
08/22/22	3.56%		220,000	Capital lease	Ad valorem revenue
11/21/22	4.48%		100,000	Capital lease	Ad valorem revenue
12/29/22	4.56%		211,779	Capital lease	Ad valorem revenue
12/29/22	4.56%		211,779	Capital lease	Ad valorem revenue

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 THE
FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Members of the Board of Supervisors
Sharkey 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 cash basis financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Sharkey 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 February 9, 2023. Our report includes an adverse opinion on the aggregate discretely presented component units due to the omission of the discretely presented component units which are required by accounting principles applicable to the County's cash basis of accounting to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Sharkey 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 Sharkey 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.

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Compliance and Other Matters

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

We noted a certain matter that we reported to the management of Sharkey County, Mississippi, in the Limited Internal Control and Compliance Review Management Report dated February 9, 2023, included within this document.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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 and Ballard, PC
February 9, 2023

Certified Public Accountants

FORTENBERRY & BALLARD, PC
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'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
Sharkey County, Mississippi

We have examined Sharkey 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 Sharkey County, Mississippi is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

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

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

In our opinion, Sharkey 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 examination of the purchasing system and, in our opinion, is fairly presented when considered in relation to that examination.

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This report is intended for use in evaluating the central purchasing system and inventory control system of Sharkey County, Mississippi, 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
February 9, 2023

Certified Public Accountants

Sharkey County, Mississippi

Schedule 1

Schedule of Purchases Not Made From the Lowest Bidder

For the Year Ended September 30, 2019

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

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

Schedule 2

Our test results did not identify any emergency purchases.

Sharkey County, Mississippi

Schedule 3

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

Our test results did not identify any purchases made noncompetitively from a sole source.

FORTENBERRY & BALLARD, PC
CERTIFIED PUBLIC ACCOUNTANTS

LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors
Sharkey County, Mississippi

In planning and performing our audit of the cash basis financial statements of Sharkey County, Mississippi (the County) for the year ended September 30, 2019, we considered Sharkey 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 Sharkey 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 February 9, 2023, on the financial statements of Sharkey 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 an immaterial instance of noncompliance with state laws and regulations that are opportunities for strengthening internal controls and operating efficiency. Our finding, recommendation, and your response are disclosed below:

Chancery Clerk.

1. Annual depositor report not sent to State Treasurer within thirty days of fiscal year-end.

Criteria:

Section 27-105-5(5)(b), Miss. Code Ann. (1972) states that as of January 1, 2013, public depositories (the banks) are required to submit a collateral report to the county annually within thirty days of fiscal year-end. Also, the County must reconcile this information from the annual report to their records. Upon reconciliation, according to Section 27-105-5(6)(b), Miss. Code Ann. (1972) the County must submit the Public Depositors' Annual Report to the Office of the State Treasurer within thirty days of fiscal year-end.

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MADISON, MISSISSIPPI 39110
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Condition:

Both the depositor and the County failed to submit their requested information within the thirty-day time period according to statute.

Cause:

The depositor submitted their collateral report to the County April 22, 2020. In turn, the County submitted the Public Depositors' Annual Report to the Office of the State Treasurer on May 7, 2020.

Effect:

County did not comply with Sections 27-105-5(5)(b) and 27-105-5(6)(b), Miss. Code Ann. (1972).

Recommendation

The Chancery Clerk shall submit the Public Depositors' Annual Report to the Office of the State Treasurer within the thirty-day period in October following the end of the previous fiscal year. Also, the county depository should provide the collateral information to allow the County to submit this report in a timely manner.

Chancery Clerk's Response

We are now in compliance and submitting the form in a timely manner.

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

This report is intended 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
February 9, 2023

Certified Public Accountants

SCHEDULE OF FINDINGS AND RESPONSES

Sharkey County, Mississippi

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:

Governmental activities:	<u>Unmodified</u>
Aggregate discretely presented component units:	<u>Adverse</u>
General Fund:	<u>Unmodified</u>
Garbage and Solid Waste Fund:	<u>Unmodified</u>
District 5 Road Maintenance Fund:	<u>Unmodified</u>
Aggregate remaining fund information:	<u>Unmodified</u>

2. Internal control over financial reporting:

a. Material weaknesses identified?	<u>No</u>
b. Significant deficiencies identified?	<u>None reported</u>

3. Noncompliance material to financial statements noted? **None**

Section 2: Financial Statement Findings

The results of our tests disclosed no findings related to financial statements that are required to be reported under *Governmental Auditing Standards*.