

WAYNE COUNTY, MISSISSIPPI

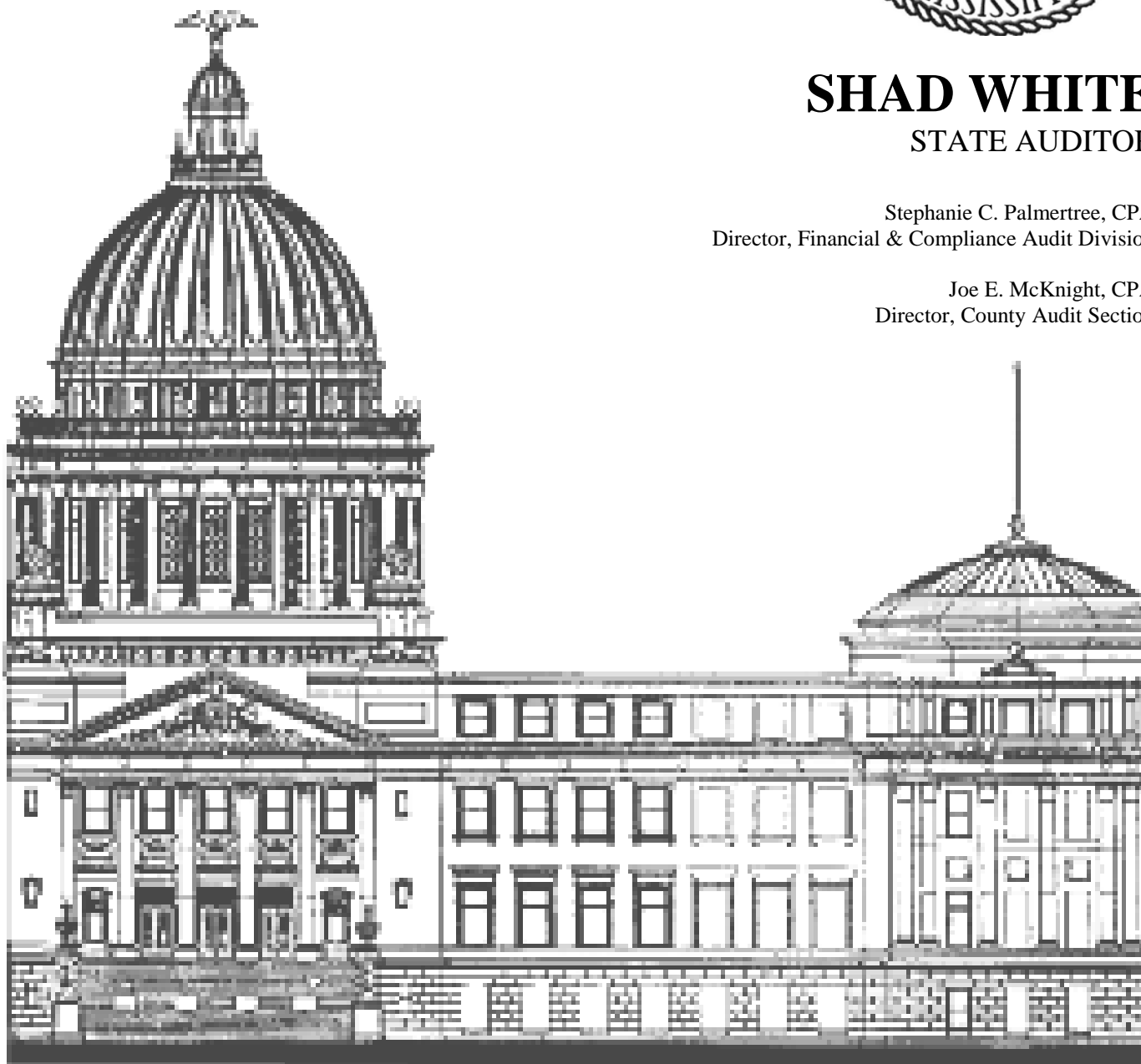
Audited Financial Statements and Special Reports
For the Year Ended September 30, 2019



SHAD WHITE
STATE AUDITOR

Stephanie C. Palmertree, CPA
Director, Financial & Compliance Audit Division

Joe E. McKnight, CPA
Director, County Audit Section



A Report from the County Audit Section

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**STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR**

Shad White
AUDITOR

May 14, 2021

Members of the Board of Supervisors
Wayne County, Mississippi

Dear Board Members:

I am pleased to submit to you the 2019 financial and compliance audit report for Wayne County. This audit was performed pursuant to Section 7-7-211(e), Mississippi Code Ann. (1972). The audit was performed 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.

I appreciate the cooperation and courtesy extended by the officials and employees of Wayne County throughout the audit. Thank you for working to move Mississippi forward by serving as a supervisor for Wayne County. If I or this office can be of any further assistance, please contact me or Joe McKnight of my staff at (601) 576-2674.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Shad White", is written over a horizontal line.

Shad White

WAYNE COUNTY
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WAYNE COUNTY

FINANCIAL SECTION

WAYNE COOUNTY

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STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
SHAD WHITE
AUDITOR

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors
Wayne 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 Wayne 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.

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 Wayne 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 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 Wayne 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 Wayne 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 Wayne County, Mississippi's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the accompanying Schedule of Operating Costs of Solid Waste are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the Schedule of Operating Costs of Solid Waste are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and the Schedule of Operating Costs of Solid Waste are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Budgetary Comparison Schedule, Schedule of 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 May 14, 2021 on our consideration of Wayne County, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Wayne 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 Wayne County, Mississippi's internal control over financial reporting and compliance.

A handwritten signature in black ink, reading "Joe E. McKnight". The signature is fluid and cursive, with the first name "Joe" and last name "McKnight" clearly legible.

JOE E. MCKNIGHT, CPA
Director, County Audit Section

May 14, 2021

WAYNE COUNTY

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WAYNE COUNTY

FINANCIAL STATEMENTS

WAYNE COUNTY

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

Exhibit 1

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>
ASSETS	
Cash	\$ 8,870,320
Total Assets	<u>8,870,320</u>
NET POSITION	
Restricted:	
Expendable:	
General government	562,761
Public safety	364,233
Public works	3,887,559
Culture and recreation	40,575
Economic development and assistance	2,141,239
Debt service	218,747
Unrestricted	1,655,206
Total Net Position	<u>\$ 8,870,320</u>

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

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

Exhibit 2

Functions/Programs	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities
Primary government:					
Governmental activities:					
General government	\$ 3,025,756	568,015	131,172		(2,326,569)
Public safety	3,122,756	515,443	143,641		(2,463,672)
Public works	5,169,911	576,954	1,861,367	444,850	(2,286,740)
Health and welfare	288,531		44,632		(243,899)
Culture and recreation	15,966				(15,966)
Conservation of natural resources	62,466				(62,466)
Economic development and assistance	149,013				(149,013)
Debt service:					
Principal	1,053,027				(1,053,027)
Interest	284,778				(284,778)
Total Governmental Activities	\$ 13,172,204	1,660,412	2,180,812	444,850	(8,886,130)
General receipts:					
Property taxes				\$	6,255,659
Road & bridge privilege taxes					274,190
Grants and contributions not restricted to specific programs					1,876,056
Unrestricted interest income					83,221
Miscellaneous					272,799
Proceeds from debt issuance					346,147
Sale of county property					7,435
Compensation for loss of county property					121,370
Total General Receipts and Other Cash Sources					9,236,877
Changes in Net Position					350,747
Net Position - Beginning					8,519,573
Net Position - Ending				\$	8,870,320

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

WAYNE County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
September 30, 2019

Exhibit 3

	Major Funds			
	General	Meadowland Park Construction	Other Governmental	Total Governmental
	Fund	Fund	Funds	Funds
ASSETS				
Cash	\$ 1,655,206	2,122,648	5,092,466	8,870,320
Total Assets	\$ 1,655,206	2,122,648	5,092,466	8,870,320
FUND BALANCES				
Restricted for:				
General government	\$		562,761	562,761
Public safety			364,233	364,233
Public works			3,887,559	3,887,559
Culture and recreation			40,575	40,575
Economic development and assistance		2,122,648	18,591	2,141,239
Debt service			218,747	218,747
Unassigned	1,655,206			1,655,206
Total Fund Balances	\$ 1,655,206	2,122,648	5,092,466	8,870,320

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

WAYNE 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			
	General	Meadowland Park	Other	Total
	Fund	Construction	Governmental	Governmental
	Fund	Fund	Funds	Funds
RECEIPTS				
Property taxes	\$ 3,805,445		2,450,214	6,255,659
Road and bridge privilege taxes			274,190	274,190
Licenses, commissions and other receipts	245,678		100,334	346,012
Fines and forfeitures	267,651		3,271	270,922
Intergovernmental receipts	1,592,644	164	2,908,910	4,501,718
Charges for services	146,755		896,723	1,043,478
Interest income	27,653	16,921	38,647	83,221
Miscellaneous receipts	210,553		62,246	272,799
Total Receipts	6,296,379	17,085	6,734,535	13,047,999
DISBURSEMENTS				
General government	2,915,126		110,630	3,025,756
Public safety	2,203,410		919,346	3,122,756
Public works			5,169,911	5,169,911
Health and welfare	288,531			288,531
Culture and recreation	10,000		5,966	15,966
Conservation of natural resources	62,466			62,466
Economic development and assistance	86,710	4,065	58,238	149,013
Debt service:				
Principal	7,166		1,045,861	1,053,027
Interest	1,619		283,159	284,778
Total Disbursements	5,575,028	4,065	7,593,111	13,172,204
Excess (Deficiency) of Receipts over (under) Disbursements	721,351	13,020	(858,576)	(124,205)
OTHER CASH SOURCES (USES)				
Proceeds from long-term debt issuance			346,147	346,147
Sale of county property	1		7,434	7,435
Compensation for loss of county property	21,308		100,062	121,370
Transfers in	1,077		225,749	226,826
Transfers out	(225,749)		(1,077)	(226,826)
Total Other Cash Sources and Uses	(203,363)	0	678,315	474,952
Excess (Deficiency) of Receipts and other Cash Sources over (under) Disbursements and other Cash Uses	517,988	13,020	(180,261)	350,747
Cash Basis Fund Balances - Beginning	1,137,218	2,109,628	5,272,727	8,519,573
Cash Basis Fund Balances - Ending	\$ 1,655,206	2,122,648	5,092,466	8,870,320

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

WAYNE COUNTY
Statement of Fiduciary Assets and Liabilities - Cash Basis
September 30, 2019

Exhibit 5

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 12,882
Total Assets	\$ <u>12,882</u>
LIABILITIES	
Amounts held in custody for others	\$ 12,882
Total Liabilities	\$ <u>12,882</u>

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

WAYNE COUNTY

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WAYNE COUNTY

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

(1) Summary of Significant Accounting Policies.

A. Financial Reporting Entity.

Wayne 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 Wayne 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 these component units necessary for reporting in accordance with accounting principles applicable to the County's cash basis of accounting.

- Wayne County Economic Development District
- Wayne General Hospital

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

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

B. Individual Component Unit Disclosures.

Blended Component Units

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

The Wayne County Volunteer Fire Department, Inc. was organized under Section 19-5-151, Mississippi Code Annotated (1972), and is a legally separate entity. The Fire Department provides fire protection and other emergency services to all areas of the county outside the cities of Waynesboro and State Line. A majority of the Department's funding is supplied by the County. The Fire Department is included as a special revenue fund in the County's financial statements.

The Emergency Management District of Wayne County was created by Wayne County and the City of Waynesboro under the authority of Section 33-15-17, Mississippi Code Annotated (1972), to provide emergency management and communications services and facilities (E-911), including emergency radio and telephone dispatching service, in a manner which best fills the needs of all local communities. The President of The Board of Supervisors and the Wayne County Sheriff serve as two of the five members of the governing county of the District. The County is legally entitled

WAYNE COUNTY

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

to and can access the District's resources; and the County is obligated for the debt of the District. The Emergency Management District of Wayne County is included in the County's financial statements as a special revenue fund.

C. 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 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 a separate accounting entity. 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.

D. Measurement Focus and Basis of Accounting.

The Government-wide, Governmental Funds, and Fiduciary Funds financial statements are presented on the 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.

WAYNE COUNTY

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

Meadowland Park Construction Fund – This fund is used to account for resources accumulated and used for infrastructure construction at the Meadowland Industrial Park.

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.

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

FIDUCIARY FUND TYPE

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

E. Account Classifications.

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

F. Deposits.

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).

G. 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”.

WAYNE COUNTY

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 (committed, assigned or 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 (committed, assigned and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the County's general policy to spend committed resources first, followed by assigned amounts, and then unassigned amounts.

Fund Financial Statements:

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

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 (committed, assigned or 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 (committed, assigned and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the County's general policy to spend committed resources first, followed by assigned amounts, and then unassigned amounts.

H. 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.

WAYNE COUNTY

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

(2) Deposits.

The carrying amount of the County's total deposits with financial institutions at September 30, 2019, was \$8,883,202, and the bank balance was \$9,272,049. The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC).

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

(3) Interfund Transfers.

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

Transfers In/Out:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 1,077
Other Governmental Funds	General Fund	<u>225,749</u>
Total		<u>\$ 226,826</u>

The primary purpose of interfund transfers was to provide funds for debt service payments.

(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.

WAYNE COUNTY

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

(5) Deficit Fund Balances of Individual Funds.

The following fund reported a deficit fund balance at September 30, 2019:

<u>Fund</u>	<u>Deficit Amount</u>
Waste Tire Facility Fund	\$ 8,838

(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.

(7) Joint Ventures.

The County participates in the following joint venture:

Wayne County is a participant with the City of Waynesboro in a joint venture authorized by Section 39-3-8, Miss. Code Ann. (1972), to operate the Waynesboro-Wayne County Library System. The Library was created to provide free public library service to citizens of the respective county and city. The Library is governed by a ten-member board, one from each county and city district. The County and city are obligated by contract to levy not more than a four mill and three mill tax, respectively, as provided by Sections 39-3-5(1) and 39-3-7(1), Miss. Code Ann. (1972), respectively, for the ongoing financial support of the Library. By contractual agreement, the County's contribution to the joint venture this year amounted to \$141,985. Complete financial statements for the Library can be obtained from the Waynesboro-Wayne County Library, 1103A Mississippi Drive, Waynesboro, Mississippi 39367.

(8) Jointly Governed Organizations.

The County participates in the following jointly governed organizations:

Southern Mississippi Planning and Development District operates in a district composed of the Counties of Covington, Forrest, George, Greene, Hancock, Harrison, Jackson, Jefferson Davis, Jones, Lamar, Marion, Pearl River, Perry, Stone and Wayne. The Wayne County Board of Supervisors appoints one of the 27 members of the board of directors. The County contributed \$28,187 for support of the district in fiscal year 2019, a small percentage of the district's total revenue.

Pine Belt Mental Health Care Resources operates in an district composed of the Counties of Covington, Forrest, Greene, Jefferson Davis, Jones, Lamar, Marion, Perry and Wayne. The Wayne County Board of Supervisors appoints one of the nine members of the board of commissioners. The County contributed \$47,500 for support of the entity in fiscal year 2019.

Jones County Junior College operates in a district composed of the Counties of Clarke, Covington, Greene, Jasper, Jones, Perry, Smith and Wayne. The college is governed by a 20-member board of trustees. Each county appoints two of the college's trustees, except Jones County, which appoints six. The County contributed \$600,157 for maintenance and support of the college in fiscal year 2019.

WAYNE COUNTY

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

Mississippi Regional Housing Authority VIII operates in a district composed of the Counties of Covington, Forrest, George, Greene, Hancock, Harrison, Jackson, Jones, Lamar, Marion, Pearl River, Perry, Stone and Wayne. The governing body is a 15-member board of commissioners, one appointed by the Board of Supervisors of each of the member counties and one appointed at-large. The counties generally provide no financial support to the organization.

Multi-County Community Service Agency is a human resources agency created to administer programs conducted by community action agencies, limited purpose agencies and related programs authorized by federal laws. Its six members are as follows: Clarke, Jasper, Kemper, Lauderdale, Newton and Wayne Counties. Each member appoints three of the 18 board members. The county contributed \$10,000 for support of the agency in fiscal year 2019.

The Regional Railroad Authority of East Mississippi was created in September 2009 by Clarke, George, Greene, and Wayne Counties; Lauderdale County's membership was effective a month later. The Authority was created to preserve, develop and maintain rail service in the member counties. Each member county appoints five commissioners to the Board of Commissioners of the Authority, while any municipality in each of these counties through which such railroad(s) run appoints one commissioner. The County contributed \$26,606 for support of the Authority in fiscal year 2019.

(9) Defined Benefit Pension Plan.

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

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 17.40% 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 \$676,383, \$673,265 and \$624,897, respectively, equal to the required contributions for each year.

(10) Tax Abatements.

As of September 30, 2019, Wayne County provides tax-exempt status subject to the requirements of GASB Statement No. 77 to five manufacturing facilities, one processing plant and four public utilities. These companies are exempt from real property taxes and personal property taxes except for levies involving the schools; the mandatory mill, and community college tax levies. These exemptions are authorized by Sections 27-31-101, 27-31-102 and 27-31-105, Mississippi Code Annotated (1972). These exemptions encourage businesses to locate or expand operations in the County and create jobs. The taxes abated for fiscal year 2019 totaled \$215,808.

WAYNE COUNTY

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WAYNE COUNTY

SUPPLEMENTARY INFORMATION

WAYNE COUNTY

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

Federal Grantor/ Pass-through Grantor/ Program Title or Cluster	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture - Forest Service/ Passed-through the Mississippi State Treasurer's Office Forest service schools and roads cluster: Schools and roads - grants to states	10.665	N/A	\$ 313,692
U.S. Department of Transportation/ Passed-through the Mississippi Department of Transportation Public transportation emergency relief program	20.527	ER-0077(20)B	215,542
Passed-through the Mississippi Emergency Management Agency Interagency hazardous materials public sector training and planning grants	20.703	HM-HMP-0554-16-01-00	8,843
Total U.S. Department of Transportation			224,385
U.S. Department of Homeland Security/ Passed-through the Mississippi Emergency Management Agency Disaster grants - public assistance (Presidentially declared disasters)*	97.036	FEMA-4268-DR-MS	143,661
Disaster grants - public assistance (Presidentially declared disasters)*	97.036	FEMA-4415-DR-MS	896,974
Subtotal			1,040,635
Emergency management performance grant	97.042	EMA-2019-EP-00006	22,382
Total U.S. Department of Homeland Security			1,063,017
Total Expenditures of Federal Awards			\$ 1,601,094

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note A - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Wayne County under programs of the federal government for the year ended September 30, 2019. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Wayne County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Wayne County.

Note B - Summary of Significant Accounting Policies

Expenditures are reported on the Schedule on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note C - Indirect Cost Rate

Wayne County has elected to use the 10% minimis indirect cost rate allowed under the Uniform Guidance.

* Denotes major federal award program.

WAYNE COUNTY
Schedule of Operating Costs of Solid Waste
For the Year Ended September 30, 2019

Operating Disbursements, Cash Basis:

Salaries	\$	510,230
Expendable Commodities:		
Gasoline and petroleum products		66,494
Repair parts		27,885
Clothing		470
Hauling and landfill fees		79,694
Maintenance		12,039
Contractual services		40,552
Supplies		<u>5,760</u>
Solid Waste Operating Costs Disbursements	\$	<u><u>743,124</u></u>

WAYNE COUNTY

OTHER INFORMATION

WAYNE COUNTY

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

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
RECEIPTS				
Property taxes	\$ 3,723,864	3,805,446	3,805,445	(1)
Licenses, commissions and other receipts	241,640	244,339	245,678	1,339
Fines and forfeitures	317,700	280,717	267,651	(13,066)
Intergovernmental receipts	1,153,250	1,532,381	1,592,644	60,263
Charges for services	77,100	96,631	146,755	50,124
Interest income	25,700	27,653	27,653	
Miscellaneous receipts	271,482	310,842	210,553	(100,289)
Total Receipts	<u>5,810,736</u>	<u>6,298,009</u>	<u>6,296,379</u>	<u>(1,630)</u>
DISBURSEMENTS				
Current:				
General government	3,320,138	2,915,125	2,915,126	(1)
Public safety	2,312,508	2,203,409	2,203,410	(1)
Health and welfare	311,787	290,165	288,531	1,634
Culture and recreation	10,000	10,000	10,000	
Conservation of natural resources	81,300	62,465	62,466	(1)
Economic development and assistance	115,187	86,710	86,710	
Debt service:				
Principal	7,126	200,602	7,166	193,436
Interest	1,659	33,932	1,619	32,313
Total Disbursements	<u>6,159,705</u>	<u>5,802,408</u>	<u>5,575,028</u>	<u>227,380</u>
Excess (Deficiency) of Receipts over (under) Disbursements	<u>(348,969)</u>	<u>495,601</u>	<u>721,351</u>	<u>225,750</u>
OTHER CASH SOURCES (USES)				
Sale of county property		1	1	
Compensation for loss of county property	5,000	21,308	21,308	
Transfers in	2,110	1,077	1,077	
Transfers out			(225,749)	(225,749)
Total Other Cash Sources and Uses	<u>7,110</u>	<u>22,386</u>	<u>(203,363)</u>	<u>(225,749)</u>
Excess (Deficiency) of Receipts and other Cash Sources over (under) Disbursements and other Cash Uses	<u>(341,859)</u>	<u>517,987</u>	<u>517,988</u>	<u>1</u>
Cash Basis Fund Balances - Beginning	<u>740,571</u>	<u>1,137,218</u>	<u>1,137,218</u>	
Cash Basis Fund Balances - Ending	<u>\$ 398,712</u>	<u>1,655,205</u>	<u>1,655,206</u>	<u>1</u>

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

WAYNE COUNTY
Schedule of Interfund 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	\$ 191,459
Meadowland Park Construction Fund	Other Governmental Funds	44,338
Other Governmental Funds	General Fund	106,404
Other Governmental Funds	Other Governmental Funds	193,778
Agency Funds	Other Governmental Funds	<u>33,417</u>
Total		\$ <u><u>569,396</u></u>

The amounts due represent various receipts posted to the incorrect funds that were not repaid within one year.

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

Governmental activities:

	Balance Oct. 1, 2018	Additions	Deletions	Adjustments*	Balance Sept. 30, 2019
Land	\$ 2,038,596				2,038,596
Construction in progress	4,517,815	619,019		(72,412)	5,064,422
Infrastructure	133,678,617			72,412	133,751,029
Buildings	9,379,925				9,379,925
Improvements other than buildings	1,094,481				1,094,481
Mobile equipment	8,077,547	220,109	119,092	234,727	8,413,291
Furniture and equipment	1,950,079		82,147	56,604	1,924,536
Leased property under capital leases	3,752,332	176,886		(597,433)	3,331,785
Total capital assets	\$ <u>164,489,392</u>	<u>1,016,014</u>	<u>201,239</u>	<u>(306,102)</u>	<u>164,998,065</u>

*Adjustments were for paid-off leased property that was reclassified to mobile equipment and furniture and equipment, completed construction in progress reclassified to infrastructure and to correct prior year errors in capital assets.

WAYNE 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:

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:							
General obligation industrial development bonds 2013	12/19/2013	12/2033	4.00-5.25%	\$ 4,830,000		190,000	4,640,000
B. Capital Leases:							
County Escrow - New Phone System	02/16/2017	03/2022	6.72%	27,329		7,166	20,163
Emergency Oper Center/911 - Communication equipment	06/29/2012	06/2019	2.02%	49,736		49,736	0
District 1 - Caterpillar	03/10/2016	03/2020	2.09%	33,864		22,458	11,406
District 1 - Caterpillar Mini excavator	07/12/2018	07/2023	5.05%	52,535		5,495	47,040
District 1 - Caterpillar 299D2 XHP skid steer	04/04/2019	04/2024	4.95%		94,126	4,301	89,825
District 2 - Caterpillar Mini excavator	05/18/2018	05/2023	4.55%	49,653		5,412	44,241
District 2 - Caterpillar 430F2 Backhoe Loader	10/11/2017	10/2022	3.19%	102,945		9,568	93,377
District 2 - 2014 Mack dump truck (refinanced)	01/23/2018	11/2017	3.39%	47,778		19,890	27,888
District 2 - 2014 Caterpillar 930K loader	10/30/2014	11/2019	2.12%	112,334		15,036	97,298
District 2 - 2014 Mack dump truck (refinanced)	01/23/2018	01/2021	3.39%	47,778		19,789	27,989
District 2 - Caterpillar 299D2 XHP skid steer	10/29/2018	09/2023	5.05%		83,060	11,402	71,658
District 3 - John Deere backhoe (refinanced)	01/04/2018	01/2021	2.78%	35,607		14,978	20,629
District 3 - 2016 Western Star truck	10/29/2015	10/2020	2.14%	53,133		53,133	0
District 3 - New Holland tractor w/ mower	09/13/2016	09/2020	2.15%	39,583		19,579	20,004
District 3 - Kubota tractor	09/30/2016	08/2019	1.78%	15,035		15,035	0
District 3 - Motor Grader	05/01/2017	05/2022	2.31%	204,729		15,792	188,937
District 4 - Refinanced 2012 Mack Truck	04/28/2017	04/2020	2.49%	29,002		18,184	10,818
District 4 - 2013 Mack dump truck (refinanced)	01/23/2018	01/2021	3.39%	47,043		19,707	27,336
District 4 - New Kubota tractor/boom mower	01/11/2017	01/2022	2.25%	76,514		22,356	54,158
District 5 - Caterpillar motor grader	01/21/2015	02/2020	2.03%	158,740		17,913	140,827
District 5 - Caterpillar backhoe loader	01/27/2016	02/2020	1.94%	82,252		12,903	69,349
District 5 - John Deere 544K loader	04/22/2016	05/2020	1.84%	124,953		16,726	108,227
District 5 - Kubota cab tractor with bushhog	05/23/2016	05/2020	1.84%	22,048		13,147	8,901
Countywide - New 2018 Komatsu Wheel loader	01/01/2018	01/2021	2.16%	203,525		17,238	186,287
Sanitation - 2017 Western Star truck	06/02/2016	05/2020	1.82%	54,975		34,558	20,417
Fire Department - 2 Freightliner pumper fire trucks	01/29/2016	12/2019	1.86%	166,926		148,631	18,295

WAYNE 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:

Description and Purpose	Issue Date	Maturity Date	Interest Rate	Balance Oct. 1, 2018	Issued	Principal Payments	Balance Sept. 30, 2019
Governmental Activities:							
Fire Department - Freightliner pumper fire truck	09/12/2016	09/2020	1.95%	57,403		28,422	28,981
Fire Department - 120 Kenwood portable radios	05/01/2019	05/2024	4.03%		168,961		168,961
C. Other Loans:							
Industrial development loan	06/10/2016	06/2019	2.40%	187,461		187,461	
Countywide Dozer - Signature Loan	08/10/2017	08/2019	2.95%	11,741		11,741	
District 2 - 2017 Ford F350 Signature Loan	05/01/2017	06/2019	2.85%	11,015		11,015	
Countywide Excavator - Signature Loan	06/28/2017	07/2022	3.90%	155,754		14,255	141,499
Total				\$ 7,091,391	346,147	1,053,027	6,384,511

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

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

Name	Position	Company	Bond
David Mills	Supervisor District 1	RLI Insurance Company	\$100,000
Joe Dyess	Supervisor District 2	RLI Insurance Company	\$100,000
Jerry Hutto	Supervisor District 3	RLI Insurance Company	\$100,000
Tommy Roberts, Sr.	Supervisor District 4	RLI Insurance Company	\$100,000
Gaston Hutcherson	Supervisor District 5	RLI Insurance Company	\$100,000
Geary Jackson	Chancery Clerk	RLI Insurance Company	\$100,000
Kristen Harrison	Purchase Clerk	RLI Insurance Company	\$75,000
Tina Cochran	Assistant Purchase Clerk	Western Surety Compnay	\$50,000
Melissa Davis	Receiving Clerk	Western Surety Compnay	\$75,000
Brenda B. Mills	Assistant Receiving Clerk	RLI Insurance Company	\$50,000
Christopher S. McIlwain	Assistant Receiving Clerk	RLI Insurance Company	\$50,000
Keith McLaughlin	Assistant Receiving Clerk	RLI Insurance Company	\$50,000
John P. Donald	Assistant Receiving Clerk	RLI Insurance Company	\$50,000
Johnny W. Lee	Assistant Receiving Clerk	RLI Insurance Company	\$50,000
Martin D. Steverson	Assistant Receiving Clerk	RLI Insurance Company	\$50,000
Janet Bishop	Assistant Receiving Clerk	RLI Insurance Company	\$50,000
Kevin Stevens	Inventory Control Clerk	RLI Insurance Company	\$75,000
James Beard	Constable	RLI Insurance Company	\$50,000
Alan Scott Frost	Constable	RLI Insurance Company	\$50,000
Rose Bingham	Circuit Clerk	RLI Insurance Company	\$100,000
Lisa D. Seeger	Deputy Circuit Clerk	RLI Insurance Company	\$50,000
Evelyn Stone	Deputy Circuit Clerk	RLI Insurance Company	\$50,000
Katherine Revette	Deputy Circuit Clerk	RLI Insurance Company	\$50,000
Jody Ashley	Sheriff	RLI Insurance Company	\$100,000
Charles Chapman	Justice Court Judge	Western Surety Compnay	\$50,000
Leslie S. Walker	Justice Court Judge	RLI Insurance Company	\$50,000
Larita Michelle McCann	Justice Court Clerk	RLI Insurance Company	\$50,000
Jimmie Ashley Pitts	Deputy Justice Court Clerk	RLI Insurance Company	\$50,000
Georgia M. Vaughn	Deputy Justice Court Clerk	Western Surety Company	\$50,000
Wanda Worsham	Deputy Justice Court Clerk	RLI Insurance Company	\$50,000
Crystal Dennis	Deputy Justice Court Clerk	RLI Insurance Company	\$50,000
Debbie Richards	Tax Assessor-Collector	RLI Insurance Company	\$100,000
Candace Cooley	Deputy Tax Assessor	RLI Insurance Company	\$10,000
Rose M. Trisler	Deputy Tax Assessor	RLI Insurance Company	\$10,000
Candace Cooley	Deputy Tax Collector	RLI Insurance Company	\$50,000
Abby S. Holifield	Deputy Tax Collector	RLI Insurance Company	\$50,000
Christina Lewis	Deputy Tax Collector	RLI Insurance Company	\$50,000
Latonia M. McIlwain	Deputy Tax Collector	RLI Insurance Company	\$50,000
Priscilla A. Pittman	Deputy Tax Collector	RLI Insurance Company	\$50,000
Deborah Snith	Deputy Tax Collector	RLI Insurance Company	\$50,000
Melinda P. Taylor	Deputy Tax Collector	RLI Insurance Company	\$50,000
Rose M. Trisler	Deputy Tax Collector	RLI Insurance Company	\$50,000

WAYNE COUNTY

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

UNAUDITED

(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.

(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 2.15% of the latest property assessments.

WAYNE COUNTY

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

UNAUDITED

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>
11/21/2019	3.60%	\$ 95,000	Refinance	Ad valorem taxes
02/03/2020	3.19%	64,000	Refinance	Ad valorem taxes
02/03/2020	3.24%	281,289	Capital Lease	Ad valorem taxes
05/12/2020	2.79%	98,475	Capital Lease	Ad valorem taxes
08/04/2020	2.99%	60,023	Capital Lease	Ad valorem taxes
07/23/2020	3.09%	69,997	Capital Lease	Ad valorem taxes
08/06/2020	1.76%	150,499	Capital Lease	Ad valorem taxes
08/06/2020	1.76%	150,499	Capital Lease	Ad valorem taxes
09/30/2020	2.00-2.75%	1,850,000	General obligation bonds	Ad valorem taxes
09/30/2020	3.00-3.50%	900,000	General obligation bonds	Ad valorem taxes
12/07/2020	2.62%	234,981	Capital Lease	Ad valorem taxes
03/11/2021	0.88%	313,800	Capital Lease	Ad valorem taxes
03/22/2021	1.55%	24,000	Capital Lease	Ad valorem taxes

WAYNE COUNTY

SPECIAL REPORTS

WAYNE COUNTY

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STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
SHAD WHITE
AUDITOR

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
Wayne 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 Wayne 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 May 14, 2021. 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 Wayne 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 Wayne 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as 2019-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Wayne 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2019-001.

We also noted certain matters which we have reported to the management of Wayne County, Mississippi, in the Limited Internal Control and Compliance Review Management Report dated May 14, 2021, included within this document.

Wayne County's Response to Finding

Wayne County's response to the finding identified in our audit is described in the accompanying Auditee's Corrective Action Plan. Wayne County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

A handwritten signature in black ink, appearing to read "Joe E. Mcknight", written in a cursive style.

JOE E. MCKNIGHT, CPA
Director, County Audit Section

May 14, 2021



STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
SHAD WHITE
AUDITOR

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

Members of the Board of Supervisors
Wayne County, Mississippi

Report on Compliance for the Major Federal Program

We have audited Wayne County, Mississippi's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Wayne County, Mississippi's major federal program for the year ended September 30, 2019. Wayne County, Mississippi's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Wayne County, Mississippi's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Wayne County, Mississippi's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Wayne County, Mississippi's compliance.

Basis for Qualified Opinion on CFDA 97.036 Disaster Grants – Public Assistance (Presidentially Declared Disasters)

As described in the accompanying Schedule of Findings and Questioned Costs, Wayne County, Mississippi did not comply with requirements regarding CFDA 97.036 Disaster Grants – Public Assistance (Presidentially Declared Disasters) as described in finding number 2019-002 for Allowable Costs/Cost Principles. Compliance with such requirement is necessary, in our opinion, for Wayne County, Mississippi to comply with the requirements applicable to that program.

Qualified Opinion on CFDA 97.036 Disaster Grants – Public Assistance (Presidentially Declared Disasters)

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, Wayne County, Mississippi complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on CFDA 97.036 Disaster Grants – Public Assistance (Presidentially Declared Disasters) for the year ended September 30, 2019.

Report on Internal Control Over Compliance

Management of Wayne County, Mississippi, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Wayne County, Mississippi's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2019-002 that we consider to be a material weakness.

Wayne County, Mississippi's response to the internal control over compliance finding identified in our audit is described in the accompanying Auditee's Corrective Action Plan. Wayne County, Mississippi's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.



JOE E. MCKNIGHT, CPA
Director, County Audit Section

May 14, 2021



STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
SHAD WHITE
AUDITOR

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

Members of the Board of Supervisors
Wayne County, Mississippi

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

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the County's compliance with specified requirements. The Board of Supervisors of Wayne 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 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, Wayne County, Mississippi complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements for the year ended September 30, 2019.

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

This report is intended for use in evaluating the central purchasing system and inventory control system of Wayne 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.

A handwritten signature in black ink, reading "Joe E. McKnight". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.

JOE E. MCKNIGHT, CPA
Director, County Audit Section

May 14, 2021

WAYNE COUNTY

Schedule 1

Schedule of Purchases From Other Than the Lowest Bidder

For the Year Ended September 30, 2019

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

WAYNE COUNTY

Schedule 2

Schedule of Emergency Purchases

For the Year Ended September 30, 2019

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>	<u>Reason for Emergency Purchase</u>
10/18/2018	Bridge repairs	\$ 44,928	Pandle, Inc.	Safety concerns

WAYNE COUNTY

Schedule 3

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

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

WAYNE COUNTY

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STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
SHAD WHITE
AUDITOR

LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors
Wayne County, Mississippi

In planning and performing our audit of the cash basis financial statements of Wayne County, Mississippi (the County) for the year ended September 30, 2019, we considered Wayne 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 Wayne 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 May 14, 2021, on the financial statements of Wayne 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 the internal control would not necessarily disclose all matters within the internal control that might be weaknesses. In accordance with Section 7-7-211, Miss. Code Ann. (1972), the Office of the State Auditor, when deemed necessary, may conduct additional procedures and tests of transactions for this or other fiscal years to ensure compliance with legal requirements.

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

Board of Supervisors.

1. Tax levies should be sufficient to pay principal and interest on bonds.

Repeat Finding No

Criteria Section 19-9-9, Miss. Code Ann. (1972), requires the Board of Supervisors to levy taxes sufficient to provide for the payment of principal of and the interest on bonds according to the terms thereof.

Condition Taxes collected in fiscal year 2019 were \$71,938 less than the required principal and interest payments on the county's general obligation bonds.

Cause This shortage was due to the failure of the Board of Supervisors to set the levy at a rate sufficient to provide for the debt service payments.

Effect Failure to levy taxes at a sufficient rate caused a negative cash balance in the debt service fund and could result in the misuse of funds restricted for other purposes.

Recommendation The Board of Supervisors should ensure the proceeds of the debt service levy is sufficient to pay the obligations when due.

Views of Responsible Official(s) We will look into increasing the tax levy in the upcoming year.

2. Interfund transfers should be approved in the minutes of the Board of Supervisors' meetings.

Repeat Finding No

Criteria Section 19-3-27, Miss. Code Ann. (1972), requires the maintenance of a complete and correct record of all proceedings of the Board of Supervisors.

Condition Interfund transfers were made without board orders being spread on the minutes.

Cause The Board of Supervisors did not comply with applicable state laws.

Effect The failure to obtain the Board of Supervisors' approval for all interfund transfers could result in the reporting of erroneous amounts and increases the possibility of the loss or misappropriation of public funds.

Recommendation The Board of Supervisors should approve and spread complete orders on the minutes relative to all interfund transfers.

Views of Responsible Official(s) We will ensure interfund transfers are approved before transferring.

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

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



JOE E. MCKNIGHT, CPA
Director, County Audit Section

May 14, 2021

WAYNE COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

WAYNE COUNTY

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WAYNE COUNTY

Schedule of Findings and Questioned Costs 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	Unmodified
Aggregate discretely presented component units	Adverse
General Fund	Unmodified
Meadowland Park Construction Fund	Unmodified
Aggregate remaining fund information	Unmodified
2. Internal control over financial reporting:
 - a. Material weakness identified? Yes
 - b. Significant deficiency identified? None Reported
3. Noncompliance material to the financial statements noted? Yes

Federal Awards:

4. Internal control over major federal programs:
 - a. Material weakness identified? Yes
 - b. Significant deficiency identified? None Reported
5. Type of auditor's report issued on compliance for major federal program:

CFDA 97.036 Disaster grants - public assistance (Presidentially Declared Disasters)	Qualified
---	-----------
6. Any audit finding(s) disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes
7. Identification of major federal program:

97.036, Disaster grants - public assistance (Presidentially Declared Disasters)
8. Dollar threshold used to distinguish between type A and type B programs: \$750,000
9. Auditee qualified as low-risk auditee? No
10. Prior fiscal year audit finding(s) and questioned costs relative to federal awards which would require the auditee to prepare a summary schedule of prior audit findings in accordance with 2 CFR 200.511(b)? No

WAYNE COUNTY

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

Section 2: Financial Statement Findings

Board of Supervisors.

Material Weakness

Material Noncompliance

2019-001. Warrants should not be signed without sufficient money in the funds.

Repeat Finding Yes.

Criteria Section 19-13-43, Miss. Code Ann. (1972), prohibits the signing of warrants or the delivery of warrants until there is sufficient money in the fund upon which it is drawn to pay the same.

Condition As reported in the prior year's audit report, warrants were issued on funds which did not have sufficient money available. At September 30, 2019, the Waste Tire Facility Fund and the Agency Clearing Fund had negative cash balances of \$8,838 and \$1,923, respectively.

Cause The County failed to correctly settle waste tire grants to the Waste Tire Facility Fund and state court assessments to the Agency Clearing Fund which caused the negative cash balances.

Effect Failure to maintain sufficient cash balances prior to issuing warrants on these funds resulted in the use of cash from other funds for purposes other than their intended purposes.

Recommendation The Board of Supervisors should ensure that no warrants are signed or delivered until there is sufficient money in the funds upon which they are drawn to pay the same as required by law.

**Views of Responsible
Official(s)**

See Auditee's Corrective Action Plan.

Section 3: Federal Award Findings and Questioned Costs

**Compliance
Requirement**

Allowable Costs/Cost Principles

Material Weakness

Material Noncompliance

2019-002. The County should strengthen controls to ensure only allowable costs are submitted for federal reimbursement.

CFDA Number 97.036 Disaster Grants-Public Assistance (Presidentially Declared Disasters)

Federal Award FEMA-4268-DR-MS

Pass-through Mississippi Emergency Management Agency

Questioned Costs \$646,752

Context Due to the nature of the costs and our assessment of control risk, 100% of the program costs were examined and sampling was not used.

Repeat Finding No

WAYNE COUNTY

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

Criteria *The Code of Federal Regulations (2 CFR 200.403(b)) states that in order to be allowable under Federal awards, a cost must (1) be necessary and reasonable for the performance of the Federal award; (2) be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the county; and (3) be adequately documented.*

Condition During our testwork, we determined the following costs were unallowable:

	Reason for Disallowance	Amount
a.	Material costs were not adequately documented	\$ 584,617
b.	Project management and grant administration costs were not charged consistently throughout the county	15,825
c.	Force account equipment costs were charged for dates on which there were no corresponding allowable force account labor hours	23,329
d.	The fringe benefit rate used to compute force account labor costs was incorrect	10,501
e.	Force account labor costs were charged for days for which the employee was not paid by the county	7,993
f.	Force account labor costs were charged at an hourly rate different from that paid by the county	2,523
g.	Force account labor costs were charged for the same employee on the same day for two different projects	1,964
	Total	\$ <u>646,752</u>

Cause County personnel did not follow identified policies and procedures applicable to allowable cost requirements.

Effect The United States Department of Homeland Security could demand repayment of federal funds and the county's ability to receive federal awards in the future could be hindered.

Recommendation The Board of Supervisors should strengthen control procedures to ensure all expenditures are allowable in respect to a specific federal award.

Views of Responsible Official(s) See Auditee's Corrective Action Plan.

WAYNE COUNTY

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WAYNE COUNTY

AUDITEE'S CORRECTIVE ACTION PLAN/
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

WAYNE COUNTY

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WAYNE COUNTY BOARD OF SUPERVISORS
WAYNE COUNTY COURTHOUSE
609 AZALEA DRIVE
WAYNESBORO, MISSISSIPPI 39367
Telephone: (601) 735-3414
Fax: (601) 735-6230

HAL HAYES, District 1
HENRY COOLEY, District 5
GARY MALONE, District 4

OFFICERS
JERRY HUTTO, President-District 3
MARVIN CHAPMAN, Vice President, District 2
GEARY JACKSON, Chancery Clerk

COOPER LEGGETT, Attorney
P.O. Box 384, Waynesboro, MS 39367
Telephone: (601) 735-4920

CORRECTIVE ACTION PLAN

April 16, 2021

Mr. Shad White
Office of the State Auditor
501 N. West Street, Suite 801
Jackson, Mississippi 39201

Dear Sir,

Wayne County Respectfully submits the following corrective action plan for the year ended September 30, 2019.

The findings from the Schedule of Findings and Questioned Costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

SECTION 2: FINANCIAL STATEMENT FINDINGS

2019-001 Corrective Action Planned: We will ensure the fund's cash balance is sufficient before issuing warrants in the future.

Anticipated Completion Date: Unknown

Name of Contact Person Responsible for Corrective Action:
Holley Henderson, Comptroller

SECTION 3: FEDERAL AWARD FINDINGS

2019-002 Corrective Action Planned: We are currently strengthening our procedures to ensure this doesn't happen again.

Anticipated Completion Date: Unknown

Name of Contact Person Responsible for Corrective Action:
Holley Henderson, Comptroller

Sincerely,



Jerry Hutto, President
Wayne County Board of Supervisors

WAYNE COUNTY BOARD OF SUPERVISORS
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Telephone: (601) 735-4920

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended September 2019

Office of the State Auditor
P.O. Box 956
Jackson, MS 39205

Gentlemen:

The Wayne County Board of Supervisors respectfully submits the following summary schedule of prior audit findings.

2018-001. Revenues and general journal entries should be recorded correctly in the general ledger

Repeat Finding No

Criteria An effective system of internal control includes properly recording revenues and general journal entries in the general ledger.

Condition Several cash basis adjusting entries were proposed to management and made to correct improper revenue recognition and general journal entries in some of the county funds.

Cause The County failed to correctly recognize revenues and general journal entries which caused misclassification errors in the County's cash basis general ledger.

Effect Failure to properly record revenues and general journal entries could result in misstated cash basis financial statements.

Recommendation The Board of Supervisors should ensure that all revenues are properly classified and all general journal entries are properly recorded in the general ledger

Views of Responsible Official(s) Measures are being taken to correct this matter.

Current Status Revenues and general journal entries are being recorded properly in the general ledger.

2018-002. Warrants should not be signed without sufficient money in the funds.

Repeat Finding No

Criteria Section 19-13-43, Miss. Code Ann. (1972), prohibits the signing of warrants or the delivery of warrants until there is sufficient money in the fund upon which it is drawn to pay the same.

Condition Warrants were issued on funds which did not have sufficient money available. At September 30, 2018 the Agency Clearing fund had a negative cash balance of \$8,413.

Cause The County failed to correctly settle state court assessments which caused a negative cash balance in the Agency Clearing Fund.

Effect Failure to maintain sufficient cash balances in county fund prior to writing checks on these funds results in other funds' cash being used for purposes other than their intended purpose.

Recommendation The Board of Supervisors should ensure that no warrants are signed or delivered until there is sufficient money in the funds upon which it is drawn to pay the same, as required by law.

Views of Responsible Official(s) Measures have been taken to correct this error. Upon proof to the State, Wayne County will receive a credit for the negative balance.

Current Status Checking the funds before warrants are being signed to prevent insufficient funds.

Wayne County Board of Supervisors



Jerry Hutto, President