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**YAZOO COUNTY, MISSISSIPPI**

**Audited Financial Statements and Special Reports**

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



YAZOO COUNTY  
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# **YAZOO COUNTY**

## **FINANCIAL SECTION**

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PRIVATE COMPANIES PRACTICE SECTION

## INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors  
Yazoo County, Mississippi

### Report on the Financial Statements

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

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We 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 of 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 Qualified Opinions on Governmental Activities, Business-type Activities, Yazoo County Regional Jail Fund and Port Fund**

As discussed in Note 10 to the financial statements, the County has not recorded a liability for other postemployment benefits in the governmental activities, business-type activities, Yazoo County Regional Jail Fund and Port Fund and, accordingly, has not recorded an expense for the current period change in that liability. Accounting principles generally accepted in the United States of America require that other postemployment benefits attributable to employee services already rendered and that are not contingent on a specific event that is outside the control of the employer and employee be accrued as liabilities and expenses as employees earn the rights to the benefits, which would increase the liabilities, reduce the net position and change the expenses of the governmental activities, business-type activities, Yazoo County Regional Jail Fund and Port Fund. The amount by which this departure would affect the liabilities, net position and expenses of the governmental activities, business-type activities, Yazoo County Regional Jail Fund and Port Fund is not reasonably determinable.

#### **Qualified Opinions**

In our opinion, except for the effects of the matter discussed in “Basis for Qualified Opinions on Governmental Activities, Business-type Activities, Yazoo County Regional Jail Fund and Port Fund” paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, Yazoo County Regional Jail Fund, and Port Fund, of Yazoo County, Mississippi, as of September 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Unmodified Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the General Fund, Road Fund, Bridge Fund and the aggregate remaining fund information of Yazoo County, Mississippi, as of September 30, 2019, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Other Matters**

##### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedules and corresponding notes, the Schedule of the County’s Proportionate Share of the Net Pension Liability, and the Schedule of the County’s Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or

historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Omission of Required Supplementary Information**

Yazoo County, Mississippi has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Yazoo 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 Reconciliation of the 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 Regulation Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the Reconciliation of the 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 Reconciliation of Operating Costs of Solid Waste are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2020, on our consideration of Yazoo 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 Yazoo 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 Yazoo County, Mississippi's internal control over financial reporting and compliance.

*Bridgers, Goodman, Baird & Clarke, PLLC*

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

June 5, 2020

## **YAZOO COUNTY**

## **FINANCIAL STATEMENTS**

**YAZOO COUNTY**  
**Statement of Net Position**  
**September 30, 2019**

**Exhibit 1**

	<b>Primary Government</b>		
	<b>Governmental</b>	<b>Business-type</b>	
	<b>Activities</b>	<b>Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash	\$ 12,529,097	1,028,105	13,557,202
Property tax receivable	7,227,500	-	7,227,500
Fines receivable (net of allowance for uncollectibles of \$1,066,312)	386,542	-	386,542
Intergovernmental receivables	164,464	259,203	423,667
Other receivables	51,232	-	51,232
Internal balances	(58,909)	58,909	-
Land and construction in progress	478,860	75,000	553,860
Other capital assets, net	57,575,971	12,995,788	70,571,759
Restricted assets:			
Investments	-	1,432,698	1,432,698
Total Assets	<u>78,354,757</u>	<u>15,849,703</u>	<u>94,204,460</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	491,248	115,232	606,480
Deferred amount on refunding	27,834	-	27,834
Total Deferred Outflows of Resources	<u>519,082</u>	<u>115,232</u>	<u>634,314</u>
<b>LIABILITIES</b>			
Claims payable	298,196	119,496	417,692
Intergovernmental payables	526,727	-	526,727
Matured bonds and interest payable	48,110	-	48,110
Accrued interest payable	68,919	105,320	174,239
Amounts held in custody for others	1,279,319	-	1,279,319
Other payables	12,685	-	12,685
Claims and judgments payable	410,889	-	410,889
Long-term liabilities			
Net pension liability	12,411,309	2,911,295	15,322,604
Due within one year:			
Capital debt	1,601,692	938,088	2,539,780
Due in more than one year:			
Capital debt	1,617,130	11,789,450	13,406,580
Non-capital debt	224,104	45,715	269,819
Total Liabilities	<u>18,499,080</u>	<u>15,909,364</u>	<u>34,408,444</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	336,654	78,968	415,622
Deferred revenues - property taxes	7,227,500	-	7,227,500
Total Deferred Inflows of Resources	<u>7,564,154</u>	<u>78,968</u>	<u>7,643,122</u>
<b>NET POSITION</b>			
Net investment in capital assets	54,836,009	343,250	55,179,259
Restricted for:			
Expendable:			
General government	565,143	-	565,143
Public safety	386,809	-	386,809
Public works	4,624,836	-	4,624,836
Port		776,147	776,147
Economic development and assistance	274,381	-	274,381
Unemployment compensation	122,362	-	122,362
Debt service	337,891	-	337,891
Capital projects	72	-	72
Unrestricted	(8,336,898)	(1,142,794)	(9,479,692)
Total Net Position	<u>\$ 52,810,605</u>	<u>(23,397)</u>	<u>52,787,208</u>

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

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

**Exhibit 2**

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary government:							
Governmental activities:							
General government	\$ 6,652,805	505,167	21,429	-	(6,126,209)		(6,126,209)
Public safety	4,182,594	739,214	1,518,498	-	(1,924,882)		(1,924,882)
Public works	4,939,995	302,769	92,961	656,990	(3,887,275)		(3,887,275)
Health and welfare	970,744	3,902	412,076		(554,766)		(554,766)
Conservation of natural resources	47,497	-	-	-	(47,497)		(47,497)
Economic development and assistance	229,621	-	10,722	-	(218,899)		(218,899)
Interest on long-term debt	66,600	-	-	-	(66,600)		(66,600)
Pension expense	1,325,925	-	-	-	(1,325,925)		(1,325,925)
Total Governmental Activities	18,415,781	1,551,052	2,055,686	656,990	(14,152,053)		(14,152,053)
Business-type activities:							
Regional jail	3,535,690	3,455,467				(80,223)	(80,223)
Port	577,968					(577,968)	(577,968)
Total Business-type Activities	4,113,658	3,455,467	-	-	-	(658,191)	(658,191)
Total Primary Government	\$ 22,529,439	5,006,519	2,055,686	656,990	(14,152,053)	(658,191)	(14,810,244)
General revenues:							
Property taxes				\$	13,178,793	788	13,179,581
Road & bridge privilege taxes					257,736		257,736
Rental Income						298,408	298,408
Grants and contributions not restricted to specific programs					1,357,595		1,357,595
Unrestricted interest income					135,847	306,108	441,955
Miscellaneous					227,648	488,061	715,709
Gain (Loss) on disposal and sale of assets					(1,414,291)	(2,138)	(1,416,429)
Total General Revenues					13,743,328	1,091,227	14,834,555
Changes in Net Position					(408,725)	433,036	24,311
Net Position - Beginning, as previously stated					52,955,620	(456,433)	52,499,187
Prior Period Adjustments					263,710		263,710
Net Position- Beginning, as restated					53,219,330	(456,433)	52,762,897
Net Position - Ending					\$ 52,810,605	(23,397)	52,787,208

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

**YAZOO COUNTY**  
**Balance Sheet – Governmental Funds**  
**September 30, 2019**

**Exhibit 3**

	<b>Major Funds</b>			<b>Other</b>	<b>Total</b>
	<b>General</b>	<b>Road</b>	<b>Bridge</b>	<b>Governmental</b>	<b>Governmental</b>
	<b>Fund</b>	<b>Fund</b>	<b>Fund</b>	<b>Funds</b>	<b>Funds</b>
<b>ASSETS</b>					
Cash	\$ 5,996,105	2,438,799	1,103,620	2,990,573	12,529,097
Property tax receivable	4,425,000	2,000,000	280,000	522,500	7,227,500
Fines receivable (net of allowance for uncollectibles of \$ 1,066,312)	386,542	-	-	-	386,542
Intergovernmental receivables	132,473	-	-	31,991	164,464
Other receivables	51,232	-	-	-	51,232
Due from other funds	-	116,163	17,640	58,448	192,251
Advances to other funds	63,571	-	-	-	63,571
Total Assets	<u>\$ 11,054,923</u>	<u>4,554,962</u>	<u>1,401,260</u>	<u>3,603,512</u>	<u>20,614,657</u>
<b>LIABILITIES</b>					
Claims payable	\$ 14,854	241,985	-	41,357	298,196
Intergovernmental payables	526,727	-	-	-	526,727
Due to other funds	275,416	-	-	-	275,416
Advances from other funds	-	-	-	52,000	52,000
Matured bonds and interest payable	-	-	-	48,110	48,110
Amounts held in custody for others	1,279,319	-	-	-	1,279,319
Claims and judgments payable	410,889	-	-	-	410,889
Total Liabilities	<u>\$ 2,507,205</u>	<u>241,985</u>	<u>-</u>	<u>141,467</u>	<u>2,890,657</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Unavailable revenue - property taxes	4,425,000	2,000,000	280,000	522,500	7,227,500
Unavailable revenue - fines	386,542	-	-	-	386,542
Total Deferred Inflows of Resources	<u>\$ 4,811,542</u>	<u>2,000,000</u>	<u>280,000</u>	<u>522,500</u>	<u>7,614,042</u>
<b>Fund balances:</b>					
<b>Nonspendable:</b>					
Advances	63,571	-	-	-	63,571
<b>Restricted for:</b>					
General government	-	-	-	565,143	565,143
Public safety	-	-	-	386,809	386,809
Public works	-	2,312,977	1,121,260	1,190,599	4,624,836
Economic development and assistance	-	-	-	274,381	274,381
Capital Projects	-	-	-	72	72
Debt service	-	-	-	406,810	406,810
Unemployment compensation	-	-	-	122,362	122,362
Unassigned	3,672,605	-	-	(6,631)	3,665,974
Total Fund Balances	<u>\$ 3,736,176</u>	<u>2,312,977</u>	<u>1,121,260</u>	<u>2,939,545</u>	<u>10,109,958</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 11,054,923</u>	<u>4,554,962</u>	<u>1,401,260</u>	<u>3,603,512</u>	<u>20,614,657</u>

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

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

	<u>Amount</u>
Total Fund Balance - Governmental Funds	\$ 10,109,958
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets are used in governmental activities and are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$84,226,635.	58,054,831
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	386,542
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(3,442,926)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(12,411,309)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(68,919)
Deferred amount on refunding	27,834
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:	
Deferred outflows of resources related to pensions	491,248
Deferred inflows of resources related to pensions	<u>(336,654)</u>
Total Net Position - Governmental Activities	\$ <u>52,810,605</u>

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

**YAZOO COUNTY****Exhibit 4****Statement of Revenues, Expenditures, and Changes in Fund Balances for Governmental Funds  
For the Year Ended September 30, 2019**

	<b>Major Funds</b>			<b>Other</b>	<b>Total</b>
	<b>General Fund</b>	<b>Road Fund</b>	<b>Bridge Fund</b>	<b>Governmental Funds</b>	<b>Governmental Funds</b>
<b>REVENUES</b>					
Property taxes	\$ 6,681,559	4,151,837	570,747	1,774,650	13,178,793
Road and bridge privilege taxes	-	257,736	-	-	257,736
Licenses, commissions and other revenue	504,137	-	-	7,493	511,630
Fines and forfeitures	159,741	13,951	-	1,508	175,200
Intergovernmental revenues	1,630,828	216,945	-	2,222,498	4,070,271
Charges for services	149,599	754	-	853,199	1,003,552
Interest income	112,470	10,817	4,352	8,208	135,847
Miscellaneous revenues	74,151	5,628	1,255	146,614	227,648
Total Revenues	<u>9,312,485</u>	<u>4,657,668</u>	<u>576,354</u>	<u>5,014,170</u>	<u>19,560,677</u>
<b>EXPENDITURES</b>					
<b>Current:</b>					
General government	6,395,486	-	-	320,095	6,715,581
Public safety	2,674,041	-	-	1,784,985	4,459,026
Public works	15,607	4,453,542	467,839	1,410,809	6,347,797
Health and welfare	502,379	-	-	508,611	1,010,990
Culture and recreation	-	-	-	-	-
Conservation of natural resources	56,727	-	-	-	56,727
Economic development and assistance	20,765	-	-	200,731	221,496
<b>Debt service:</b>					
Principal	53,428	1,373,286	-	896,582	2,323,296
Interest	1,959	6,556	-	51,112	59,627
Total Expenditures	<u>9,720,392</u>	<u>5,833,384</u>	<u>467,839</u>	<u>5,172,925</u>	<u>21,194,540</u>
Excess of Revenues over (under) Expenditures	<u>(407,907)</u>	<u>(1,175,716)</u>	<u>108,515</u>	<u>(158,755)</u>	<u>(1,633,863)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Long-term capital debt issued	84,501	1,032,720	-	560,000	1,677,221
Proceeds from sale of capital assets	54,747	225,323	-	3,244	283,314
Transfers In	-	-	-	105,304	105,304
Transfers Out	(105,304)	-	-	-	(105,304)
Total Other Financing Sources and Uses	<u>33,944</u>	<u>1,258,043</u>	<u>-</u>	<u>668,548</u>	<u>1,960,535</u>
Net Changes in Fund Balances	<u>(373,963)</u>	<u>82,327</u>	<u>108,515</u>	<u>509,793</u>	<u>326,672</u>
Fund Balance- Beginning	<u>4,110,139</u>	<u>2,230,650</u>	<u>1,012,745</u>	<u>2,429,752</u>	<u>9,783,286</u>
Fund balance, ending	<u>\$ 3,736,176</u>	<u>2,312,977</u>	<u>1,121,260</u>	<u>2,939,545</u>	<u>10,109,958</u>

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

**YAZOO COUNTY****Exhibit 4-1****Reconciliation of the Statement of Revenues, Expenditures and Changes in  
Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended September 30, 2019**

	<u>Amount</u>
Net Changes in Fund Balances - Governmental Funds	\$ 326,672
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Thus, the change in net position differs from the change in fund balances by the amount that capital outlays of 4,144,204 exceeded depreciation of \$3,112,714 in the current period.	1,031,490
In the Statement of Activities, only gains and losses from the sale of capital assets are reported, whereas in the Governmental Funds, proceeds from the sale of capital assets increase financial resources. Thus, the change in net position differs from the change in fund balances by the amount of the net loss of \$1,414,291 and the proceeds from the sale of \$283,314 in the current period.	(1,697,605)
Fine revenue recognized on the modified accrual basis in the funds during the current year is reduced because prior year recognition would have been required on the Statement of Activities using the full- accrual basis of accounting.	(139,330)
Debt proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Thus, the change in net position differs from the change in fund balances by the amount that debt repayments of \$2,323,296 exceeded debt proceeds of \$1,677,221.	646,075
Under the modified accrual basis of accounting used in the Governmental Funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However, in the Statement of Activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is recognized under the modified accrual basis of accounting when due, rather than as it accrues. Thus, the change in net position differs from the change in fund balances by a combination of the following items:	
Amortization of bond premium	539
Amortization of refunding charges on long-term debt	(1,402)
Compensated absences payable	9,179
Accrued interest payable	(6,110)
Some items reported in the Statement of Activities relating to the implementation of GASB 68 are not reported in the governmental funds. These activities include:	
Recording of pension expense for the current period	(1,325,925)
Recording of contributions made during the year	<u>747,692</u>
Change in Net Position of Governmental Activities	\$ <u><u>(408,725)</u></u>

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



**YAZOO COUNTY**  
**Statement of Net Position – Proprietary Funds**  
**September 30, 2019**

**Exhibit 5**

	Business-Type Activities		
	Enterprise Funds		
	Yazoo County		
	Regional Jail	Port	Total
<b>ASSETS</b>			
Current assets:			
Cash	\$ 94,102	934,003	1,028,105
Intergovernmental receivables	259,203	-	259,203
Due from other funds	70,477	3	70,480
Total Current Assets	423,782	934,006	1,357,788
Noncurrent assets:			
Restricted assets			
Investments	1,432,698	-	1,432,698
Capital assets:			
Land and construction in progress	75,000	904,683	979,683
Other capital assets, net	11,290,167	800,938	12,091,105
Total Noncurrent Assets	12,797,865	1,705,621	14,503,486
Total Assets	13,221,647	2,639,627	15,861,274
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	109,167	6,065	115,232
Total Deferred Outflows of Resources	109,167	6,065	115,232
<b>LIABILITIES</b>			
Current liabilities:			
Claims payable	119,496	-	119,496
Advances from other funds	11,571	-	11,571
Accrued interest payable	105,320	-	105,320
Capital debt:			
Other long-term liabilities	938,088	-	938,088
Total Current Liabilities	1,174,475	-	1,174,475
Noncurrent liabilities:			
Net pension liability	2,758,069	153,226	2,911,295
Capital debt:			
Other long-term liabilities	11,789,450	-	11,789,450
Non-capital debt:			
Compensated absences payable	39,173	6,542	45,715
Total Noncurrent Liabilities	14,586,692	159,768	14,746,460
Total Liabilities	15,761,167	159,768	15,920,935
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	74,812	4,156	78,968
Total Deferred Inflows of Resources	74,812	4,156	78,968
<b>NET POSITION</b>			
Net investment in capital assets	(1,362,371)	1,705,621	343,250
Restricted for:			
Port	-	776,147	776,147
Unrestricted	(1,142,794)		(1,142,794)
Total Net Position	\$ (2,505,165)	2,481,768	(23,397)

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

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

	<b>Business-Type Activities Enterprise Funds</b>		
	<b>Yazoo County Regional Jail</b>	<b>Port</b>	<b>Total</b>
<b>Operating Revenues</b>			
Charges for services	\$ 3,455,467	-	3,455,467
Rental Income	-	298,408	298,408
Miscellaneous	350	487,711	488,061
Total Operating Revenues	<u>3,455,817</u>	<u>786,119</u>	<u>4,241,936</u>
<b>Operating Expenses</b>			
Personal services	1,378,187	172,997	1,551,184
Contractual services	537,711	380,639	918,350
Materials and supplies	660,875	5,083	665,958
Depreciation expense	293,897	2,880	296,777
Pension expense	294,650	16,369	311,019
Total Operating Expenses	<u>3,165,320</u>	<u>577,968</u>	<u>3,743,288</u>
Operating Income (Loss)	<u>290,497</u>	<u>208,151</u>	<u>498,648</u>
<b>Nonoperating Revenues (Expenses)</b>			
Property taxes		788	788
Interest income	301,770	4,338	306,108
Interest expense	(370,370)	-	(370,370)
Gain (Loss) on sale of assets	(2,138)	-	(2,138)
Net Nonoperating Revenue (Expenses)	<u>(70,738)</u>	<u>5,126</u>	<u>(65,612)</u>
Changes in Net Position	<u>219,759</u>	<u>213,277</u>	<u>433,036</u>
Net Position- Beginning	<u>(2,724,924)</u>	<u>2,268,491</u>	<u>(456,433)</u>
Net Position - Ending	<u>\$ (2,505,165)</u>	<u>2,481,768</u>	<u>(23,397)</u>

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

**YAZOO COUNTY****Exhibit 7****Statement of Cash Flows – Proprietary Funds  
For the Year Ended September 30, 2019**

	<b>Business-Type Activities</b>		
	<b>Enterprise Funds</b>		
	<b>Yazoo County Regional Jail</b>	<b>Port</b>	<b>Total</b>
Cash Flows From Operating Activities			
Receipts from customers	\$ 3,399,933	298,410	3,698,343
Payments to suppliers	(1,132,684)	(385,721)	(1,518,405)
Payments to employees for services	(1,566,140)	(179,551)	(1,745,691)
Other operating cash receipts	350	487,711	488,061
Net Cash Provided (Used) by Operating Activities	701,459	220,849	922,308
Cash Flows From Noncapital Financing Activities			
Cash received from property taxes		1,716	1,716
Cash received from other funds			
Repayment of interfund loan	(26,934)		(26,934)
Net Cash Provided (Used) by Noncapital Financing Activities	(26,934)	1,716	(25,218)
Cash Flows From Capital and Related Financing Activities			
Principal paid on debt	(825,000)	-	(825,000)
Interest paid on debt	(455,438)	-	(455,438)
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,280,438)	-	(1,280,438)
Cash Flows From Investing Activities			
Interest on deposits		4,338	4,338
Interest on investments	301,770		301,770
Net Cash Provided (Used) by Investing Activities	301,770	4,338	306,108
Net Increase (Decrease) in Cash and Cash Equivalents	(304,143)	226,903	(77,240)
Cash and Cash Equivalents at Beginning of Year	1,830,943	707,100	2,538,043
Cash and Cash Equivalents at End of Year	\$ 1,526,800	934,003	2,460,803
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 290,497	208,151	498,648
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	293,897	2,880	296,777
Changes in assets and liabilities:			
(Increase) decrease in intergovernmental receivable	(34,910)	-	(34,910)
(Increase) decrease in interfund receivable	(20,626)	3	(20,623)
(Increase) decrease in deferred outflows of resources	14,395	800	15,195
Increase (decrease) in claims payable	65,902	-	65,902
Increase (decrease) in compensated absences liability	(21,797)	2,677	(19,120)
Increase (decrease) in net pension liability	174,304	9,683	183,987
Increase (decrease) in deferred inflows of resources	(60,203)	(3,345)	(63,548)
Total Adjustments	410,962	12,698	423,660
Net Cash Provided (Used) by Operating Activities	\$ 701,459	220,849	922,308

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

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

**Exhibit 8**

	<b><u>Agency Funds</u></b>
<b>ASSETS</b>	
Cash	\$ 596,277
Due from other funds	12,685
Total Assets	<u>\$ 608,962</u>
<b>LIABILITIES</b>	
Amounts held in custody for others	\$ 511,016
Intergovernmental payables	97,946
Total Liabilities	<u>\$ 608,962</u>

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

**YAZOO COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2019**

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

**A. Financial Reporting Entity.**

Yazoo County, Mississippi (the County) is a political subdivision of the State of Mississippi. The County is governed by an elected five-member Board of Supervisors. Accounting principles generally accepted in the United States of America require Yazoo County to present these financial statements on the primary government and its component units which have significant operational or financial relationships with the County. There are no outside organizations that should be included as component units of the County's reporting entity.

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

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

Yazoo County Human Resource Agency - The mission of the agency is to provide human services to people in need in that meet the general and specialized needs of the citizens of Yazoo County.

Yazoo County Port Commission – This commission was created for the purpose of overseeing the operations of the Yazoo County Port. A five-member board of commissioners is appointed as follows: one commissioner is appointed by the Governor; two commissioners are appointed by Yazoo County; and two commissioners are appointed by Yazoo City.

**YAZOO COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2019**

**C. Basis of Presentation.**

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

**Government-wide Financial Statements:**

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

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

**Fund Financial Statements:**

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

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

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

**YAZOO COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2019**

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

Governmental financial statements are presented using a current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period when they are both measurable and available to finance operations during the year or to liquidate liabilities existing at the end of the year. Available means collected in the current period or within 60 days after year end to liquidate liabilities existing at the end of the year. Measurable means knowing or being able to reasonably estimate the amount. Expenditures are recognized in the accounting period when the related fund liabilities are incurred. Debt service expenditures and expenditures related to compensated absences and claims and judgments, are recognized only when payment is due. Property taxes, state appropriations and federal awards are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period.

The County reports the following major Governmental Funds:

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

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

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

The County reports the following major Enterprise Funds:

Yazoo County Regional Jail Fund – This fund is used to account for the County's activities of the regional jail.

Port Fund – This fund is used to account for the activities of the port.

Additionally, the County reports the following fund types:

**GOVERNMENTAL FUND TYPES**

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

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

**YAZOO COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2019**

**PROPRIETARY FUND TYPE**

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

**FIDUCIARY FUND TYPE**

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

**E. Account Classifications.**

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

**F. Deposits and Investments.**

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

Cash includes cash on hand, demand deposits, certificates of deposit, and other cash equivalents, which are short-term highly liquid investments that are readily convertible to cash (generally three months or less). Investments in governmental securities are stated at fair market value.

**G. Receivables.**

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

**H. Inter-fund Transactions and Balances.**

Transactions between funds that are representative of short-term lending/borrowing arrangements and transactions that have not resulted in the actual transfer of cash at the end of the fiscal year are referred to as "due to/from other funds." Noncurrent portions of interfund receivables and payables are reported as "advances to/from other funds." Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in the General Fund, if applicable, to indicate that they are not available for appropriation and are not expendable available financial resources. However, this is not applicable to advances reported in other governmental funds, which are reported, by definition, as restricted, committed, or assigned. Inter-fund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. Any outstanding balances



**YAZOO COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2019**

between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

**I. Restricted Assets**

Proprietary Fund assets required to be held and/or used as specified in bond indentures, bond resolutions, trustee agreements, board resolutions and donor specifications have been reported as restricted assets. When both restricted and nonrestricted assets are available for use, the policy is to use restricted assets first.

Certain proceeds of the County's enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The "revenue" account is funded by revenues received for housing of inmates and is used to fund the General Account. Revenues exceeding the amount necessary to fund the General Account are transferred to the County upon request and substantiation of monthly expenditures. The "bond issuance expense" account is used to segregate resources set aside to pay bond issue cost. The "escrow" account is used to set aside funds to repay the refinanced bonds. The "debt service reserve" account is used to report resources set aside to subsidize potential deficiencies from the County's operation that could adversely affect debt service payments. The "general" account is funded by the revenue account and used to pay bondholder interest and principal payments as they come due.

**J. Capital Assets.**

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

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

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

**YAZOO COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2019**

	<u>Capitalization Thresholds</u>	<u>Estimated Service Life</u>
Land	\$ 0	N/A
Buildings	50,000	40 years
Improvements other than buildings	25,000	20 years
Mobile equipment	5,000	5 to 10 years
Furniture and equipment	5,000	3 to 7 years
Infrastructure	0	20 to 50 years
Leased property under capital leases	*	*

\* Leased property capitalization policy and estimated useful life will correspond with the amounts for the asset classification, as listed above.

**K. Deferred Outflows/Inflows of Resources.**

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

Deferred outflows related to pensions – This amount represents the County's proportionate share of the deferred outflows of resources reported by the pension plan in which the County participates. See Note 11 for additional details.

Deferred amount on refunding. – For current refundings and advance refundings resulting in defeasance of debt reported by governmental activities, business-type activities, and proprietary funds, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as inflows of resources (revenues) until that time.

Property tax for future reporting period/unavailable revenue – property taxes – Deferred inflows of resources should be reported when resources associated with imposed non-exchange revenue transactions are received or reported as a receivable before the period for which property taxes are levied.

Unavailable revenue – fines – When an asset is recorded in the governmental fund financial statements but the revenue is not available, the government should report a deferred inflow of resources until such time the revenue becomes available.

**YAZOO COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2019**

Deferred inflows related to pensions – This amount represents the County's proportionate share of the deferred inflows of resources reported by the pension plan in which the County participates. See Note 11 for additional details.

**L. Pensions.**

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

**M. Long-term Liabilities.**

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

In the government-wide financial statements and in the Proprietary Fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or Proprietary Funds Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

**N. Equity Classifications.**

Government-wide Financial Statements:

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

Net Investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings attributable to the acquisition, construction or improvement of those assets.

Restricted net position - Consists of net position with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws 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" or "net investment in capital assets."

Net Position Flow Assumption:

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

**YAZOO COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2019**

used, it is the County's general policy to spend committed resources first, followed by assigned amounts, and then unassigned amounts.

**Fund Financial Statements:**

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

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

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

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

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

**Fund Balance Flow Assumption:**

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

**O. Property Tax Revenues.**

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

The Board of Supervisors, each year at a meeting in September, levies property taxes for the ensuing fiscal year which begins on October 1. Real property taxes become a lien on January 1 of the current year, and

**YAZOO COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2019**

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 the original purchase.

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

**P. Intergovernmental Revenues in Governmental Funds.**

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

**Q. Compensated Absences.**

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

**NOTE 2 – PRIOR PERIOD ADJUSTMENTS.**

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

Exhibit 2- Statement of Activities- Governmental Activities

Explanation	Amount
To correct prior year error in fines receivable	\$ 263,710
Total prior period adjustments	\$ 263,710

**YAZOO COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2019**

**NOTE 3 – DEPOSITS AND INVESTMENTS.**

Deposits:

The carrying amount of the County's total deposits with financial institutions at September 30, 2019, was \$14,153,479 and the bank balance was \$14,480,225. 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.

Investments:

As provided in Section 91-13-8, Miss. Code Ann. (1972), the following investments of the County are handled through a trust indenture between the County and the trustee related to the operations of the Yazoo County Regional Correctional Facility.

Investments balances at September 30, 2019, are as follows:

<u>Investment Type</u>	<u>Maturities</u>	<u>Fair Value Level</u>	<u>Fair Value</u>
Hancock Horizon Government Money Market Fund	Less than one year	Level 1	\$ 1,432,698

**Interest Rate Risk:** The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, Section 19-9-29, Miss. Code Ann. (1972), limits the maturity period of any investment to no more than one year.

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

**Custodial Credit Risk - Investments.** Custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The county does not have a formal policy for custodial credit risk. Of the County's investment, \$1,432,698 were held in trust accounts by the trustee on behalf of the County.

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**NOTE 4 – INTER-FUND TRANSACTIONS AND BALANCES.**

The following is a summary of inter-fund balances at September 30, 2019:

A. Due From/To Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Road Fund	General Fund	\$ 116,163
Bridge Fund	General Fund	17,640
Other Governmental Funds	General Fund	58,448
Agency Funds	General Fund	12,685
Yazoo County Regional Jail Fund	General Fund	70,477
Port Fund	General Fund	3
	Total	<u>\$ 275,416</u>

The amount payable to the Yazoo County Regional Jail Fund of \$70,477 represents the amount due from the General Fund for the housing of prisoners. The remaining receivables represent the tax revenues collected in September 2019, but not settled until October 2019. All interfund balances are expected to be repaid within one year from the date of the financial statements.

B. Advances from/to Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Yazoo County Regional Jail Fund	\$ 11,571
General Fund	Other Governmental Funds	52,000
	Total	<u>\$ 63,571</u>

Amounts listed represent amounts paid in 2010 for the Regional Jail construction and matching funds to start up Human Resource Agency federal programs in fiscal year 2005.

C. Transfers In/Out:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Other Governmental Funds	General Funds	\$ 105,304
	Total	<u>\$ 105,304</u>

The transfers to the Other Governmental Funds were to provide cash matches for federal grants.

**YAZOO COUNTY, MISSISSIPPI**  
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**NOTE 5 – INTERGOVERNMENTAL RECEIVABLES.**

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

Description	Amount
Governmental Activities:	
Legislative tax credit	\$ 132,473
Human resources agencies grants	31,991
Total Governmental Activities	<u>\$ 164,464</u>

Description	Amount
Business-type Activities:	
Housing Inmate revenues from various governments	\$ 259,203
Total Business-type Activities	<u>\$ 259,203</u>

**NOTE 6 – OTHER RECEIVABLES.**

The other receivables at September 30, 2019, consisted of the following:

Description	Amount
Tax Collector receivable	\$ 51,232
Total Other Receivables	<u>\$ 51,232</u>

**NOTE 7– CAPITAL ASSETS.**

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

Governmental Activities	Balance Oct. 1, 2018	Additions	Deletions	Adjustments	Balance Sept. 30, 2019
Non-depreciable capital assets:					
Land	478,860	-	-	-	478,860
Construction in progress	5,312,004	364,947	-	(5,676,951)	-
Total non-depreciable capital assets	5,790,864	364,947	-	(5,676,951)	478,860
Depreciable capital assets:					
Infrastructure	115,886,539	-	-	5,676,951	121,563,490
Buildings	7,242,454	-	-	-	7,242,454
Mobile equipment	5,120,996	1,871,065	125,418	-	6,866,643
Furniture & equipment	1,373,797	230,970	-	-	1,604,767
Leased property under capital lease	5,606,279	1,677,222	2,758,249	-	4,525,252
Total depreciable capital assets	135,230,065	3,779,257	2,883,667	5,676,951	141,802,606
Less accumulated depreciation for:					
Infrastructure	72,784,707	1,790,999	-	-	74,575,706
Buildings	2,771,168	146,005	-	-	2,917,173
Mobile equipment	3,636,706	553,618	47,772	-	4,142,552
Other furniture & equipment	1,062,610	90,865	-	-	1,153,475
Leased property under capital lease	2,044,792	531,227	1,138,290	-	1,437,729
Total accumulated depreciation	82,299,983	3,112,714	1,186,062	-	84,226,635
Depreciable capital assets, net	52,930,082	666,543	1,697,605	5,676,951	57,575,971
Governmental activities capital assets, net	58,720,946	1,031,490	1,697,605	-	58,054,831



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	<b>Balance</b>				<b>Balance</b>
<b>Business-type Activities</b>	<b>Oct. 1, 2018</b>	<b>Additions</b>	<b>Deletions</b>	<b>Adjustments</b>	<b>Sept. 30, 2019</b>
Non-depreciable capital assets:					
Land	979,683	-	-	-	979,683
Total non-depreciable capital assets	979,683	-	-	-	979,683
Depreciable capital assets:					
Buildings	14,164,892	-	-	-	14,164,892
Improvements other than buildings	3,425,186	-	-	-	3,425,186
Mobile equipment	322,563	-	21,383	-	301,180
Furniture & equipment	128,134	-	-	-	128,134
Total depreciable capital assets	18,040,775	-	21,383	-	18,019,392
Less accumulated depreciated for:					
Buildings	2,574,331	283,299	-	-	2,857,630
Improvements other than buildings	2,740,149	-	-	-	2,740,149
Mobile equipment	286,858	3,449	19,245	-	271,062
Other furniture & equipment	49,417	10,029	-	-	59,446
Total accumulated depreciation	5,650,755	296,777	19,245	-	5,928,287
Total depreciable capital assets, net	12,390,020	(296,777)	2,138	-	12,091,105
Business-type activities capital assets, net	13,369,703	(296,777)	2,138	-	13,070,788

Adjustments are to reclassify completed construction in progress to infrastructure.

Depreciation expense was charged to the following functions:

<b>Governmental Activities</b>	<b>Amount</b>
General government	\$ 237,241
Public safety	149,590
Public works	2,721,558
Economic Development	4,325
Total	\$ <u>3,112,714</u>

<b>Business-type Activities</b>	
Correctional facility	\$ 293,897
Port	2,880
Total	\$ <u>296,777</u>

**NOTE 8 – CLAIMS AND JUDGMENTS.**

Risk Financing – The County finances its exposure to risk of loss related to workers' compensation for injuries to its employees through the Mississippi Public Entity Workers' Compensation Trust, a public entity risk pool. The County pays premiums to the pool for its workers' compensation insurance coverage, and the participation agreement provides that the pool will be self-sustaining through member premiums. The retention for the pool is \$1,000,000 for each accident and completely covers statutory limits set by

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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.

The County finances its exposure to risk of loss relating to employee health and accident coverage through the Mississippi Public Entity Employee Benefit Trust, a public entity risk pool. The pool is a claims-servicing organization with the County retaining the risk of loss on all claims to which the County is exposed. Premium payments to the pool are determined on an actuarial basis. The County has reinsurance which functions on a specific stop loss coverage. This coverage is purchased from an outside commercial carrier. For the current fiscal year, the specific coverage begins when an individual participant's claim exceeds \$50,000. Claims expenses and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs).

The following table provides changes in the balances of claims liabilities for fiscal years 2018 and 2019:

	2018	2019
Unpaid Claims, Beginning of Fiscal Year	\$ 295,704	455,763
Plus: Incurred Claims (Including IBNRs)	2,423,101	2,391,142
Less: Claims payments	(2,263,042)	(2,436,016)
Unpaid Claims, End of Fiscal Year	\$ <u>455,763</u>	<u>410,889</u>

**NOTE 9 – CAPITAL LEASES.**

As Lessee

The County is obligated for the following capital assets acquired through capital leases as of September 30, 2019:

Classes of Property	Governmental Activities
Mobile equipment	\$ 4,110,799
E-911 Viper Upgrade	287,026
E-911 Equipment	127,427
Total	<u>4,525,252</u>
Less: Accumulated depreciation	1,437,729
Leased Property Under Capital Leases	\$ <u>3,087,523</u>

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

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Year Ending September 30:	Governmental Activities	
	Principal	Interest
2020	\$ 1,131,179	66,392
2021	580,772	33,019
2022	426,166	14,521
Total	\$ 2,138,117	113,932

**NOTE 10 – OTHER POSTEMPLOYMENT BENEFITS (OPEB).**

Plan Description

The Yazoo County Board of Supervisors administers the County's health insurance plan which is authorized by Sections 25-15-101 et seq., Mississippi Code Ann. (1972). The County's health insurance plan may be amended by the Yazoo County Board of Supervisors. The County provides health insurance coverage through the Mississippi Public Entity Employee Benefit Trust, a public entity risk pool, and offers health insurance benefit coverage through the County's health insurance plan (the Plan). Since retirees may obtain health insurance by participating in a group with active employees and consequently receive a health insurance premium rate differential, the County has a postemployment healthcare benefit reportable under GASB Statement 75 as an agent multiple-employer health care plan. However, the County has not recorded a liability for other postemployment benefits nor has the County reported the note disclosures which are required by accounting principles generally accepted in the United States of America. The County does not issue a publicly available financial report for the Plan.

**NOTE 11 – DEFINED BENEFIT PENSION PLAN**

*General Information about the Pension Plan*

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

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

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payable monthly for life in an amount equal to 2.0 percent of their average compensation for each year of creditable service up to and including 30 years (25 years for those who became members of PERS before July 1, 2011), plus 2.5 percent for each additional year of creditable service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age that the member is below 65, whichever is less. Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. A Cost-of-Living Adjustment (COLA) payment is made to eligible retirees and beneficiaries. The COLA is equal to 3.0 percent of the annual retirement allowance for each full fiscal year of retirement up to the year in which the retired member reaches age 60 (55 for those who became members of PERS before July 1, 2011), with 3.0 percent compounded for each fiscal year thereafter. Plan provisions are established and may be amended only by the State of Mississippi Legislature.

Contributions. At September 30, 2019, PERS members were required to contribute 9% of their annual covered salary, and the County is required to contribute at an actuarially determined rate. The employer's rate at September 30, 2019 was 17.40% of annual covered payroll. This rate increased as of July 1, 2019 from 15.75%. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. The County's contributions (employer share only) to PERS for the years ending September 30, 2019, 2018, and 2017 were \$923,077, \$864,628, and \$893,026, respectively, equal to the required contributions for each year.

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

At September 30, 2019, the County reported a liability of \$15,322,604 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. The County's proportionate share used to calculate the September 30, 2019 net pension liability was 0.0871 percent, which was based on a measurement date of June 30, 2019. This was an increase of 0.0008 percent from its proportionate share used to calculate the September 30, 2018 net pension liability, which was based on a measurement date of June 30, 2018.

For the year ended September 30, 2019, the County recognized pension expense of \$1,636,944. At September 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,983	16,797
Net difference between projected and actual earnings on pension plan investments	-	190,232
Changes of assumptions	150,267	-
Changes in the proportion and differences between actual contributions and proportionate share of contributions	207,499	208,593
Contributions subsequent to the measurement date	239,731	-
	<u>\$ 606,480</u>	<u>415,622</u>

The \$239,731 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending September 30:	Amount
2020	\$ 94,038
2021	(283,704)
2022	70,838
2023	69,955
Total	<u>\$ (48,873)</u>

Actuarial Assumptions. The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods in the measurement:

Inflation percentage	2.75%
Salary increases, including inflation	3.00 - 18.25%
Investment rate of return net of pension plan investment expense, including inflation	7.75%

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

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

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The most recent target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2019, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	27.00 %	4.90 %
International Equity	22.00	4.75
Global Equity	12.00	5.00
Fixed Income	20.00	1.50
Real Estate	10.00	4.00
Private Equity	8.00	6.25
Cash	1.00	0.25
	<u>100.00 %</u>	

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

Sensitivity to the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Discount Rate (7.75%)	1% Increase (8.75%)
Proportionate share of the net pension liability	\$ 20,142,100	15,322,604	11,344,551

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

**YAZOO COUNTY, MISSISSIPPI**  
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**NOTE 12 – LONG TERM DEBT**

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

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
<b>Governmental Activities:</b>			
A. General Obligation Bonds:			
2010 refunding bond	\$ 190,000	3.000 to 3.500%	2/2020
2012 general obligation bond	880,000	1.600 to 2.250%	9/2022
Total General Obligation Bonds	<u>1,070,000</u>		
B. Capital Leases			
Dodge Chargers	51,538	2.150%	11/2020
3 Dodge Chargers	62,142	3.950%	2/2022
Motor Graders	320,854	2.150%	7/2020
Excavator	40,204	3.010%	6/2020
JD Tractors & Mowers	134,668	2.430%	4/2020
Backhoes	761,745	3.291%	6/2022
Macktrucks	119,621	3.400%	8/2021
E-911 Viper Upgrade	111,168	6.470%	6/2021
E-911 Equipment	64,662	1.480%	11/2020
Garbage Trucks	58,680	1.631%	10/2019
Garbage Trucks	412,835	3.400%	3/2022
Total Capital Leases	<u>2,138,117</u>		
Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
<b>Business-type Activities:</b>			
A. Bond			
Regional Jail Refunding 2016	\$ 11,810,000	3.000 to 5.000%	7-2031
Total Bond	<u>11,810,000</u>		

**YAZOO COUNTY, MISSISSIPPI**  
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Annual debt service requirements to maturity for the following debt reported in the Statement of Net Position are as follows:

Year ending September 30:	Governmental Activities		Business-type Activities	
	General obligation Bonds		Bonds	
	Principal	Interest	Principal	Interest
2020	\$ 470,000	19,334	860,000	422,438
2021	295,000	10,034	890,000	388,038
2022	305,000	3,431	925,000	352,438
2023			965,000	315,438
2024			980,000	296,138
2025-2029			5,465,000	815,798
2030-2031			1,725,000	64,338
Total	\$ 1,070,000	32,799	11,810,000	2,654,626

Pledge of Future Revenues –The County has pledged future revenues for housing inmates, net of specified operating expenses, to repay, \$14,165,000 in limited obligation urban renewal revenue bonds issued in June 2016. Proceeds from the bonds were used to refund the urban renewal revenue bonds issued to provide financing for the construction of the Yazoo County Regional Correctional Facility (YCRCF). The bonds are not a general obligation of the County and, therefore, are not secured by the full faith and credit of the County. The bonds are payable solely from income derived from an inmate housing agreement with the Mississippi Department of Corrections for housing state prisoners and income received from any other governments for housing and holding prisoners and are payable through July, 2031. The total principal and interest remaining to be paid on the bonds is \$14,464,626.

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 counties issue bonds to repair or replace washed out or collapsed bridges on the public roads of the County. As of September 30, 2019, the amount of outstanding debt was equal to 1.10% of the latest property assessments.

Prior Year Defeasance of Debt – In prior years, the County defeased certain bonds by placing proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. On September 30, 2019, \$680,000 of bonds outstanding were considered defeased.



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

	Balance Oct. 1, 2018	Additions	Reductions	Adjustments	Balance Sept. 30, 2019	Amount due within one year
<b>Governmental Activities:</b>						
Compensated absences	\$ 233,283	-	9,179	-	224,104	
General obligation bonds	1,520,000	-	450,000	-	1,070,000	470,000
Add:						
Premiums	11,244	-	539	-	10,705	513
Other loans	31,051	-	31,051	-	-	-
Capital leases	2,303,141	1,677,221	1,842,245	-	2,138,117	1,131,179
Total	<u>\$ 4,098,719</u>	<u>1,677,221</u>	<u>2,333,014</u>	<u>-</u>	<u>3,442,926</u>	<u>1,601,692</u>

	Balance Oct. 1, 2018	Additions	Reductions	Adjustments	Balance Sept. 30, 2019	Amount due within one year
<b>Business-Type Activities:</b>						
Compensated absences	\$ 64,835	-	19,120	-	45,715	
Bonds	12,635,000		825,000		11,810,000	860,000
Add:						
Premiums	995,626		78,088		917,538	78,088
Total	<u>\$ 13,695,461</u>	<u>-</u>	<u>922,208</u>	<u>-</u>	<u>12,773,253</u>	<u>938,088</u>

Compensated absences will be paid by the funds from which the employees' salaries were paid which are generally the General Fund, Road Fund, Other Governmental, Yazoo County Regional Correctional Facility Fund and Port Fund.

**NOTE 13 – DEFICIT FUND BALANCES OF INDIVIDUAL FUNDS.**

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

Fund	Deficit Amount
Governmental Activities	
Human Resource Agency:	
Foster Grandparent	\$ 6,631
Total	<u>\$ 6,631</u>
Business-Type Activities	
Enterprise Fund:	
Regional Jail Facility	\$ 1,142,794
Total	<u>\$ 1,142,794</u>

**YAZOO COUNTY, MISSISSIPPI**  
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**NOTE 14 – CONTINGENCIES.**

Federal Grants - The County has received federal grants for specific purposes that are subject to audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a grantor audit may become a liability of the County. No provision for any liability that may result has been recognized in the County's financial statement.

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.

**NOTE 15 - EFFECT OF DEFERRED AMOUNTS ON NET POSITION.**

The governmental activities' unrestricted net position deficit amount of \$(8,364,732) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflow of resources related to pension in the amount of \$194,182 resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2020. The \$297,066 balance of the deferred outflow of resources related to pensions at September 30, 2019, will be recognized in pension expense over the next 4 years. The \$336,654 balance of the deferred inflow of resources related to pension at September 30, 2019, will be recognized in pension expense over the next 3 years.

The governmental activities' net investment in capital assets net position of \$54,863,843 includes the effect of deferring the recognition of expenditures resulting from an advance refunding of County debt. The \$27,834 balance of deferred outflows of resources at September 30, 2019, will be recognized as an expense and will decrease the net investment in capital assets net position over the next 3 years.

The business-type activities' unrestricted net position deficit amount of \$(1,142,794) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflow of resources related to pension in the amount of \$45,549 resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2020. The \$69,683 balance of the deferred outflow of resources related to pensions at September 30, 2019, will be recognized in pension expense over the next 4 years. The \$78,968 balance of the deferred inflow of resources related to pension at September 30, 2019, will be recognized in pension expense over the next 3 years.

**NOTE 16 – RELATED ORGANIZATIONS.**

The Yazoo County Board of Supervisors are responsible for appointing a voting majority of the members of the boards of the following organizations, but the County's accountability for these organizations does

**YAZOO COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2019**

not extend beyond making the appointments to these organizations. The County periodically makes small appropriations to these organizations:

- Eden Drainage District
- Silver Creek Drainage District
- Fifteen Mile Bayou Water Management District
- Rocky Bayou Drainage District
- Atchafalaya Drainage District
- Yazoo County Convention and Visitor's Bureau

**NOTE 17 – JOINTLY GOVERNED ORGANIZATIONS.**

The County participates in the following jointly governed organizations:

Holmes Community College operates in a district composed of the Counties of Attala, Carroll, Choctaw, Grenada, Holmes, Madison, Montgomery, Webster and Yazoo. The Yazoo County Board of Supervisors appoints two of the 22 members of the board of trustees. The County appropriated \$431,339 for maintenance and support of the college in fiscal year 2019.

The Yazoo-Mississippi Water Management District operates in a district composed of the counties of Bolivar, Carroll, Coahoma, DeSoto, Holmes, Humphreys, Issaquena, Leflore, Panola, Quitman, Sharkey, Sunflower, Tallahatchie, Tate, Tunica, Washington and Yazoo. The Yazoo County Board of Supervisors appoints one of the 21 members of the district board of commissioners. The County appropriated \$46,622 for support of the district in fiscal year 2019.

Central Mississippi Planning and Development District operates in a district composed of the Counties of Copiah, Hinds, Madison, Rankin, Simpson, Warren and Yazoo. The Yazoo County Board of Supervisors appoints three of the 33 members of the board of directors. The County appropriated \$17,676 for support of the district in fiscal year 2019.

Central Mississippi Emergency Medical Services District operates in a district composed of the Counties of Attala, Clarke, Copiah, Holmes, Lauderdale, Leake, Rankin, Scott, Smith, Warren and Yazoo. The Yazoo County Board of Supervisors appoints two of the 26 members of the board. The County provides minimal support for the district.

**NOTE 18 - TAX ABATEMENT**

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

The Yazoo County Board of Supervisors negotiates property tax abatements on an individual or entity basis with varying abatement periods. These abatements contribute to the economic development and

**YAZOO COUNTY, MISSISSIPPI**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2019**

citizenry of the County. The County had tax abatement agreements with three entities as of September 30, 2019.

The County had abatements under the following statutes, which do not provide for the abatement of school or state tax levies: 27-31-102 and 27-31-105, Miss. Code (Ann.) 1972. All allowable property tax levies are as follows:

Category	Fiscal Year 2019	
	% of Taxes Abated	Amount of Taxes Abated
Oil recovery equipment	100%	1,114
Additions, expansions or equipment replacement	75%	6,877

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

**NOTE 19 – SUBSEQUENT EVENTS.**

Events that occur after the Statement of Net Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management of Yazoo County evaluated the activity of the County through June 5, 2020 (the date the financial statements were available to be issued) and determined that the following subsequent events have occurred that require disclosure in the notes to the financial statements.

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

Issue Date	Interest Rate	Issue Amount	Type of Financing	Source of Financing
10/31/2019	2.850%	\$ 250,000	Loan	Advalorem taxes
1/21/2020	2.601%	280,000	Loan	Garbage Fees

**SUBSEQUENT EVENT DISCLOSURE FOR COVID-19**

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

## **YAZOO COUNTY**

### **REQUIRED SUPPLEMENTARY INFORMATION**

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

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Property taxes	\$ 5,734,546	5,734,546	6,025,888	291,342
Licenses, commissions and other revenue	440,117	440,117	503,830	63,713
Fines and forfeitures	147,226	147,226	158,709	11,483
Intergovernmental revenues	1,932,656	1,932,656	2,373,161	440,505
Charges for services	61,390	61,390	141,173	79,783
Interest income	63,908	63,908	112,396	48,488
Miscellaneous revenues	311,808	311,808	253,208	(58,600)
Total Revenues	<u>8,691,651</u>	<u>8,691,651</u>	<u>9,568,365</u>	<u>876,714</u>
<b>EXPENDITURES</b>				
Current:				
General government	6,442,486	6,442,486	6,543,784	(101,298)
Public safety	2,504,849	2,504,849	2,571,339	(66,490)
Public works	-	-	-	-
Health and welfare	185,440	185,440	170,304	15,136
Culture and recreation	211,075	211,075	256,075	(45,000)
Conservation of natural resources	75,750	75,750	75,750	-
Economic development and assistance	104,020	104,020	77,490	26,530
Debt service:				-
Principal	83,031	83,031	66,324	16,707
Interest	-	-	138	(138)
Total Expenditures	<u>9,606,651</u>	<u>9,606,651</u>	<u>9,761,204</u>	<u>(154,553)</u>
Excess of Revenues over (under) Expenditures	<u>(915,000)</u>	<u>(915,000)</u>	<u>(192,839)</u>	<u>722,161</u>
Net Change in Fund Balance	(915,000)	(915,000)	(192,839)	722,161
Fund Balances- Beginning	<u>(2,614,994)</u>	<u>4,692,617</u>	<u>4,021,202</u>	<u>(671,415)</u>
Fund Balances- Ending	<u>\$ (3,529,994)</u>	<u>3,777,617</u>	<u>3,828,363</u>	<u>50,746</u>

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

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

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Property taxes	\$ 3,304,165	3,304,165	3,522,777	218,612
Road and bridge privilege taxes	273,876	273,876	265,234	(8,642)
Intergovernmental revenues	454,743	454,743	547,818	93,075
Interest income	13,302	13,302	10,817	(2,485)
Miscellaneous revenues	20,000	20,000	238,582	218,582
Total Revenues	<u>4,066,086</u>	<u>4,066,086</u>	<u>4,585,228</u>	<u>519,142</u>
<b>EXPENDITURES</b>				
Current:				
Public works	3,308,419	3,308,419	3,282,543	25,876
Debt service:				
Principal	1,124,700	1,124,700	1,204,398	(79,698)
Interest	-	-	6,556	(6,556)
Total Expenditures	<u>4,433,119</u>	<u>4,433,119</u>	<u>4,493,497</u>	<u>(60,378)</u>
Excess of Revenues over (under) Expenditures	<u>(367,033)</u>	<u>(367,033)</u>	<u>91,731</u>	<u>458,764</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	-	-	291	291
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>291</u>	<u>291</u>
Net Change in Fund Balance	(367,033)	(367,033)	92,022	459,055
Fund Balances- Beginning	<u>(720,000)</u>	<u>2,777,305</u>	<u>2,690,964</u>	<u>(86,341)</u>
Fund Balances- Ending	<u>\$ (1,087,033)</u>	<u>2,410,272</u>	<u>2,782,986</u>	<u>372,714</u>

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

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

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Property taxes	\$ 543,232	543,232	556,842	13,610
Road and bridge privilege taxes	-	-	-	-
Intergovernmental revenues	-	-	-	-
Interest income	-	-	4,352	4,352
Miscellaneous revenues	-	-	1,256	1,256
Total Revenues	<u>543,232</u>	<u>543,232</u>	<u>562,450</u>	<u>19,218</u>
<b>EXPENDITURES</b>				
Current:				
Public works	632,082	632,082	487,566	144,516
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>632,082</u>	<u>632,082</u>	<u>487,566</u>	<u>144,516</u>
Excess of Revenues over (under) Expenditures	<u>(88,850)</u>	<u>(88,850)</u>	<u>74,884</u>	<u>163,734</u>
Net Change in Fund Balance	(88,850)	(88,850)	74,884	163,734
Fund Balances- Beginning	<u>-</u>	<u>924,518</u>	<u>1,153,057</u>	<u>228,539</u>
Fund Balances- Ending	<u>\$ (88,850)</u>	<u>835,668</u>	<u>1,227,941</u>	<u>392,273</u>

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



**YAZOO COUNTY**  
**Schedule of the County's Proportionate Share of the Net Pension Liability**  
**Last 10 Fiscal Years\***  
**For the Year Ended September 30, 2019**  
**UNAUDITED**

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
County's proportion of the net pension liability (asset)	0.0871%	0.0863%	0.0887%	0.083%	0.085%	0.088%
County's proportionate share of the net pension liability (asset)	\$ 15,322,604	14,354,252	14,744,951	14,843,734	13,108,407	10,668,844
County's covered payroll	\$ 5,671,992	5,508,133	5,690,051	5,318,019	5,296,419	5,370,825
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	270.15%	260.60%	259.09%	279.12%	247.50%	198.64%
Plan fiduciary net position as a percentage of the total pension liability	61.59%	61.54%	61.49%	57.47%	61.70%	67.21%

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

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

**YAZOO COUNTY**  
**Schedule of the County's Contributions**  
**Last 10 Fiscal Years\***  
**For the Year Ended September 30, 2019**  
**UNAUDITED**

	2019	2018	2017	2016	2015
Contractually required contribution	\$ 923,077	864,628	893,026	835,010	834,148
Contributions in relation to the contractually required contribution	<u>923,077</u>	<u>864,628</u>	<u>893,026</u>	<u>835,010</u>	<u>834,148</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
County's covered payroll	\$ 5,716,450	5,489,699	5,670,006	5,301,651	5,296,178
Contributions as a percentage of covered payroll	16.15%	15.75%	15.75%	15.75%	15.75%

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

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

**YAZOO COUNTY, MISSISSIPPI**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended September 30, 2019**

**UNAUDITED**

**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, Tax Assessor and Tax Collector for his or her respective department, prepares an original budget for each of the Governmental Funds for said fiscal year. The completed budget for the fiscal year includes for each fund every source of revenue, each general item of expenditure, and the unencumbered cash and investment balances. When during the fiscal year it appears to the Board of Supervisors that budgetary estimates will not be met, it may make revisions to the budget.

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

**B. Basis of Presentation.**

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

**C. Budget/GAAP Reconciliation.**

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

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

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

	Governmental Fund Types		
	General Fund	Road Fund	Bridge Fund
Budget (Cash basis)	\$ (192,839)	92,022	74,884
Increase (Decrease)			
Net adjustments for revenue accruals	(211,283)	81,243	13,904
Net adjustments for expenditure accruals	30,159	(90,938)	19,727
GAAP Basis	<u>\$ (373,963)</u>	<u>82,327</u>	<u>108,515</u>

**YAZOO COUNTY, MISSISSIPPI**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended September 30, 2019**

**UNAUDITED**

**Pension Schedules**

**A. Changes of assumptions.**

**2015**

- The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Table projected to 2016 using Scale BB rather than the RP-2000 Mortality Table, which was used prior to 2015.
- The expectation of disabled mortality was changed to the RP-2014 Disabled Retiree Table, rather than the RP-2000 Disabled Mortality Table, which was used prior to 2015.
- Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience.
- Assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.
- The price inflation and investment rate of return assumptions were changed from 3.50% to 3.00% and 8.00% to 7.75%, respectively.

**2016**

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

**2017**

- The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Mortality Table projected with Scale BB to 2022. Small adjustments were also made to the Mortality Table for disabled lives.
- The wage inflation assumption was reduced from 3.75% to 3.25%.
- Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience.
- The percentage of active member disabilities assumed to be in the line of duty was increased from 6% to 7%.

**2019**

- The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:
  - For males, 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119.
  - For females, 85% of the female rates from ages 18 to 65 scaled up to 102% for ages 75 to 119.
  - Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.
- The expectation of disabled mortality was changed to PubT.H-2010 Disabled Retiree Table for disabled retirees with the following adjustments:
  - For males, 137% of male rates at all ages.
  - For females, 115% of female rates at all ages.

**YAZOO COUNTY, MISSISSIPPI**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended September 30, 2019**

**UNAUDITED**

- Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.
- The price inflation assumption was reduced from 3.00% to 2.75%.
- The wage inflation assumption was reduced from 3.25% to 3.00%.
- Withdrawal rates, pre-retirement mortality rates, and service retirement rates were also adjusted to more closely reflect actual experience.
- The percentage of active member disabilities assumed to be in the line of duty was increased from 7% to 9%.

**B. Changes in benefit provisions.**

**2016**

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

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

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

## **YAZOO COUNTY**

## **SUPPLEMENTARY INFORMATION**

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

Yazoo County  
**Schedule of Expenditures of Federal Awards By Grant**  
**For the Year Ended September 30, 2019**

<i><b>Federal Grantor/Program or Cluster Title</b></i>	<i><b>Federal CFDA Number</b></i>	<i><b>Pass-through Grantor and Number</b></i>	<i><b>Name of Grant Grant ID No.</b></i>	<i><b>Federal Expenditures</b></i>
Department of Health and Human Services				
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	CMPDD,1077-77	Title IIIB-Transportation	\$ 48,000
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	CMPDD,1037-77	Title IIIB-Outreach	10,943
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	CMPDD	Title IIIC-1	16,085
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	CMPDD,1217-77	Title IIIC-2	30,742
Social Services Block Grant	93.667	CMPDD,1557-77		40,000
<i>Total Department of Health and Human Services</i>				<u>145,770</u>
Corporation for National and Community Service				
Foster Grandparent Program	94.011			120,454
<i>Total Corporation for National and Community Service</i>				<u>120,454</u>
Department of Transportation				
National Priority Safety Programs	20.616	Mississippi Office of Highway Safety,16-MD-182-1		7,727
Airport Improvement Program	20.106			59,158
<i>Total Department of Transportation</i>				<u>66,885</u>
Department of Homeland Security				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036			4,275
Emergency Management Performance Grants	97.042	Mississippi Emergency Management Agency,EMW-2016-EP-00005		26,775
Assistance to Firefighters Grant	97.044			1,269,848
<i>Total Department of Homeland Security</i>				<u>1,300,898</u>
<b>Total Expenditures of Federal Awards</b>				<b>\$ <u>1,634,007</u></b>

**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 Yazoo 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 Yazoo County it is not intended to and does not present the financial position, changes in net position, or cash flows of Yazoo County.

**Note B - Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the modified accrual 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 (if any) 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**

Yazoo County has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**YAZOO COUNTY**  
**Reconciliation of Operating Costs of Solid Waste**  
**For the Year Ended September 30, 2019**

Operating Expenditures, Cash Basis:

Personnel	\$ 359,234
Expendable Commodities:	
Gasoline and petroleum products	57,429
Repair parts	32,985
Office, field and shop supplies	23,230
Solid waste contract and disposal fees	<u>253,861</u>
 Solid Waste Cash Basis Operating Expenditures	 726,739
 Full Cost Expenses:	
Indirect administrative costs	3,136
Depreciation on equipment	142,706
Net effect of other accrued expenses	<u>15,261</u>
 Solid Waste Full Cost Operating Expenses	 \$ <u>887,842</u>



## **YAZOO COUNTY**

## **OTHER INFORMATION**

**YAZOO COUNTY**  
**Schedule of Surety Bonds for County Officials**  
**For the Year Ended September 30, 2019**  
**“Unaudited”**

NAME	POSITION	AMOUNT OF BOND	COMPANY
Van Foster	Supervisor	100,000	Western Surety Co.
David Ford Berry, III	Supervisor	100,000	Fidelity & Deposit Co. of MD
Willie Wright	Supervisor	100,000	Fidelity & Deposit Co. of MD
Jayne H. Dew	Supervisor	100,000	Western Surety Co.
Cobie Collins	Supervisor	100,000	FCCI
Donna Kraft	County Administrator	100,000	Fidelity & Deposit Co. of MD
Quint Carver	Chancery Clerk	100,000	Brierfield Insurance Co
Robert Coleman	Circuit Clerk	100,000	Western Surety Co.
Janet Adams	Deputy Circuit Clerk	50,000	Western Surety Co.
Crystal Collins	Deputy Circuit Clerk	50,000	Fidelity & Deposit Co. of MD
Tommy Irvine	Tax Collector	50,000	Western Surety Co.
Anita Crump	Deputy Tax Collector	50,000	Fidelity & Deposit Co. of MD
Shelly Gilmore	Deputy Tax Collector	50,000	Western Surety Co.
Jakese Westbrook Martin	Deputy Tax Collector	50,000	Western Surety Co.
Barbara Johnson	Deputy Tax Collector	50,000	Western Surety Co.
Shequita Young	Deputy Tax Collector	50,000	Western Surety Co.
Beverly Ladner	Tax Assessor	50,000	Fidelity & Deposit Co. of MD
Noreene Girard	Interim Tax Assessor	50,000	Western Surety Co.
Susan Jenkins	Deputy Tax Assessor	10,000	Fidelity & Deposit Co. of MD
Bruce Templeton	Deputy Tax Assessor	10,000	Fidelity & Deposit Co. of MD
Joetta Harris	Deputy Tax Assessor	10,000	Western Surety Co.
Nanci Boatner	Deputy Tax Assessor	10,000	Western Surety Co.
Belinda Niven	Deputy Tax Assessor	10,000	Western Surety Co.
Jacob Sheriff	Sheriff	100,000	Western Surety Co.
Patricia Aldridge	Sheriff's Deputy	50,000	FCCI Insurance Group
George Tindle, Jr.	Sheriff's Deputy	50,000	Western Surety Co.
Terry Gann	Sheriff's Deputy	50,000	Western Surety Co.
Randall Rucker, Jr.	Sheriff's Deputy	50,000	Western Surety Co.
Richard Speight	Sheriff's Deputy	50,000	Western Surety Co.
Jacqueline Hudson (Shelton)	Sheriff's Deputy	50,000	Western Surety Co.
Loraine Hudson	Sheriff's Deputy	50,000	Western Surety Co.
Cory Freeman	Sheriff's Deputy	50,000	Western Surety Co.
Joseph Head	Sheriff's Deputy	50,000	Western Surety Co.
Michael Wilson	Sheriff's Deputy	50,000	Western Surety Co.
Simon Stubblefield	Sheriff's Deputy	50,000	Western Surety Co.
Jason Bright	Sheriff's Deputy	50,000	Western Surety Co.
Christopher Dean	Sheriff's Deputy	50,000	Western Surety Co.
Edward Ferrell	Sheriff's Deputy	50,000	Western Surety Co.
Johnny Rucker	Sheriff's Deputy	50,000	Western Surety Co.
John M. Gibson	Sheriff's Deputy	50,000	Western Surety Co.
Bennie K. Warrington	Justice Court Judge	50,000	Travelers Casualty & Surety
Pam I. May	Justice Court Judge	50,000	Brierfield Insurance Co
Demetrius Westbrook	Justice Court Clerk	50,000	Western Surety Co
Teresa Luckett	Deputy Justice Court Clerk	50,000	Western Surety Co.
Hailey Douglas	Deputy Justice Court Clerk	50,000	Western Surety Co.
David Starling	Constable	50,000	State Farm Fire & Casualty Co.
Robert Peterson	Constable	50,000	Western Surety Co.
John Byrd	Purchase Clerk	75,000	Western Surety Co.
Tricia Y. Brumfield	Receiving Clerk	75,000	Western Surety Co.
Cassandra Davis	Asst Receiving Clerk-Jail	50,000	Fidelity & Deposit Co. of MD
Henry Engleman	Asst Receiving Clerk-Barn	50,000	Western Surety Co.
Nellie Hollis	Asst Receiving Clerk-DHS	50,000	Fidelity & Deposit Co. of MD
Patricia Fletcher	Inventory Control Clerk	75,000	Fidelity & Deposit Co. of MD
James Warrington, Jr.	Road Manager	50,000	Western Surety Co.

## **YAZOO COUNTY**

## **SPECIAL REPORTS**

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**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  
Yazoo County, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Yazoo 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 June 5, 2020. The report is qualified on the governmental activities, business-type activities, Yazoo County Regional Jail Fund and Port Fund because the County did not record a liability or current year expense for other postemployment benefits as required by accounting principles generally accepted in the United States of America.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Yazoo 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 Yazoo 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 were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2019-001, 2019-002, 2019-003, 2019-004, and 2019-005 that we consider to be material weaknesses.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Yazoo 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 certain matters that we reported to the management of Yazoo County, Mississippi, in the Independent Accountant's Report on Central Purchasing System, Inventory Control System and Purchase Clerk Schedules and the Limited Internal Control and Compliance Review Management Report June 5, 2020, included within this document.

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

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

### **Purpose of this Report**

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

*Bridgers, Goodman, Baird & Clarke, PLLC*

Bridgers, Goodman, Baird & Clarke, PLLC  
Certified Public Accountants  
Vicksburg, Mississippi  
June 5, 2020

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## **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  
Yazoo County, Mississippi

### **Report on Compliance for Each Major Federal Program**

We have audited Yazoo 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 Yazoo County, Mississippi's major federal program for the year ended September 30, 2019. Yazoo 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 Yazoo 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 Yazoo 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 Yazoo County, Mississippi's compliance.

## Opinion on the Major Federal Program

In our opinion, Yazoo 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 its major federal program for the year ended September 30, 2019.

## Report on Internal Control Over Compliance

Management of Yazoo 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 Yazoo 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 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

*Bridgers, Goodman, Baird & Clarke, PLLC*

Bridgers, Goodman, Baird & Clarke, PLLC  
Certified Public Accountants  
Vicksburg, Mississippi  
June 5, 2020

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

Members of the Board of Supervisors  
Yazoo County, Mississippi

We have examined Yazoo County, Mississippi's (the County) compliance with establishing and maintaining a central purchasing system and inventory control system in accordance with Section 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 Yazoo County, Mississippi is responsible for 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 Yazoo County, Mississippi, has established centralized purchasing for all funds of the County and has established an inventory control system. The objective of the central purchasing system is to provide reasonable, but not absolute, assurance that purchases are executed in accordance with state law.

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

The results of our audit procedures disclosed certain instances of noncompliance with the aforementioned code sections. These instances of noncompliance were considered in forming our opinion on compliance. Our finding and recommendation and your response are disclosed below:

**Purchase Clerk.**

1. Establish and maintain internal control and compliance with Public Purchasing Laws.

**Repeat Finding**      No



<b>Criteria</b>	The County is responsible for complying with the requirements of the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws; Titles 31 and 37.
<b>Condition</b>	The County failed to comply with the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws: Titles 31 and 37. A well-designed purchasing system would comply with the provisions of Titles 31 and 37 and would include the use of purchase requisitions, purchase orders, and receiving reports. During our test work we selected twenty items and noted several instances where purchase orders and/or requisitions were not completed before making purchases.
<b>Cause</b>	The County has failed to establish and maintain an adequate internal control system to ensure compliance with the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws: Titles 31 and 37.
<b>Effect</b>	The County is not in compliance with the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws: Titles 31 and 37.
<b>Recommendation</b>	The County should establish and maintain an adequate internal control system which would ensure that the County is in compliance with the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws: Titles 31 and 37.
<b>Response</b>	I will comply.

In our opinion, except for the noncompliance referred to in the preceding paragraph, Yazoo County, Mississippi, complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements for the year ended September 30, 2019.

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

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

*Bridgers, Goodman, Baird & Clarke, PLLC*  
 Bridgers, Goodman, Baird & Clarke, PLLC  
 Certified Public Accountants  
 Vicksburg, Mississippi  
 June 5, 2020

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

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

**YAZOO COUNTY**  
**Schedule of Emergency Purchases**  
**For the Year Ended September 30, 2019**

**Schedule 2**

Our tests did not identify any emergency purchases.

**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.

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## LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors  
Yazoo County, Mississippi

In planning and performing our audit of the financial statements of Yazoo County, Mississippi for the year ended September 30, 2019, we considered Yazoo 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 Yazoo 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 June 5, 2020, on the financial statements of Yazoo County, Mississippi.

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

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

### Board of Supervisors

**1.** Depositories were not commissioned for 2018 and 2019.

**Repeat Finding** No

**Criteria** Counties are required to advertise for and select depositories every two years as required by Section 27-105-305, Miss. Code Ann. (1972)

**Condition** The County has not advertised for depository services as required by law.

<b>Cause</b>	The County has not advertised for depository services as required by law.
<b>Effect</b>	The County is not in compliance with the law regarding depository selection.
<b>Recommendation</b>	We recommend that the County advertise for and select depositories every two years as required by law.
<b>Response</b>	We will comply.
<b>2.</b>	<u>Tax Collector was not bonded in the appropriate amount.</u>
<b>Repeat Finding</b>	No
<b>Criteria</b>	Section 27-1-13, Miss. Code Ann. (1972), requires tax collectors to be bonded in the amount equal to 5 percent of the prior year's taxes with a maximum of \$100,000.
<b>Condition</b>	During the course of our test work, we found that the tax collector was not bonded for an appropriate amount. This issue has been corrected for the upcoming fiscal year.
<b>Cause</b>	The County failed to appropriately bond the tax collector.
<b>Effect</b>	In the event of loss or misappropriation of funds by the tax collector, the County would not be able to recover the entirety of fund available under the correct bond amount.
<b>Recommendation</b>	The County should ensure that the tax collector is bonded for the appropriate legal amount in accordance with Section 27-1-13 of Miss. Code Ann. (1972).
<b>Response</b>	Issue has been corrected.
<b>3.</b>	<u>The Board of Supervisors should ensure compliance with State Law over the Renewal of the Interlocal Agreement with the Town of Bentonina at the Beginning of Board Member's New Office Terms.</u>
<b>Repeat Finding</b>	No
<b>Criteria</b>	Section 17-13-7(4), Miss. Code Ann. (1972), provides that "Any two (2) or more local government units may enter into written contractual agreements with one another for joint or cooperative action to provide services and facilities..." Section 17-13-7(4) supports Section 27-41-2 which allows inter-local agreements for collection by county of ad valorem taxes due to municipality.
<b>Condition</b>	During our testing, we noted the County entered into an inter-local contractual agreement with the Town of Bentonina for the collection of its taxes. The written contractual agreement expired a number of years ago.
<b>Cause</b>	The inter-local agreement has not been renewed between the Town of Bentonina and Yazoo County.
<b>Effect</b>	Failure to renew contractual agreements could result in the loss or misappropriation of public funds. Successor board members may not be bound to a contract of previous boards.

**Recommendation** The Board of Supervisors should renew the inter-local agreement with the Town of Bentonina at the beginning of each new term of office.

**Response** We will comply.

**4.** Deficit fund balances

**Repeat Finding** No

**Criteria** Management is responsible for establishing a proper internal control system to ensure the County operates within its means.

**Condition** We noted deficit fund balances at September 30, 2019. These deficit fund balances existed in the Foster Grandparent (9,189) and Regional Jail Correctional Facility funds (359,484).

**Cause** The Foster Grandparent fund and Regional Jail Correctional Facility fund were operating with a cash deficit.

**Effect** Prolonged deficit fund balances, especially in grant funding accounts, could result in loss of future grant funding.

**Recommendation** The Board of Supervisors should determine the reasons for the deficit fund balance and take the appropriate actions to reduce the deficit.

**Response** We will comply.

**Chancery Clerk**

**5.** Statutory fees for attending board meetings.

**Repeat Finding** No

**Criteria** The Chancery Clerk is allowed to collect \$20 each for each day's attendance of the meeting of the Board of Supervisors for the Clerk and one deputy provided the Clerk and the deputy actually attend the meeting.

**Condition** During the course of our test work, we noted multiple instances where the Chancery Clerk charged \$40 per meeting with no deputy in attendance.

**Cause** This overcharge was due to a misunderstanding of Section 25-7-9 of the Miss. Code Ann. (1972).

**Effect** The Chancery Clerk has overcharged the County for attendance of the meetings of the Board of Supervisors.

**Recommendation** The Chancery Clerk should ensure that the County is charged the appropriate amount for attendance of the meetings of Board of Supervisors for the Clerk and one deputy, when applicable.

**Response** No response was provided for this finding.

## Circuit Clerk

### 6. Circuit Clerk's Deputy was not bonded.

**Repeat Finding** No

**Criteria** Section 9-7-123(2), Miss. Code Ann. (1972), requires deputy circuit clerks to be bonded in the amount equal to 3 percent of the prior year's taxes with a minimum of \$50,000 and a maximum of \$100,000.

**Condition** During the course of our test work, we found that one of the Deputy Circuit Clerks was not bonded. This issue has been corrected for the upcoming fiscal year.

**Cause** The Circuit Clerk failed to appropriately bond a deputy clerk.

**Effect** In the event of loss or misappropriation of funds by the deputy clerk, the County would not be able to recover the funds.

**Recommendation** The Circuit Clerk should ensure that all deputy clerks are bonded as required by Section 9-7-123(2), Miss. Code Ann. (1972).

**Response** No response was provided for this finding.

Yazoo 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.

*Bridgers, Goodman, Baird & Clarke, PLLC*

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

June 5, 2020



## **YAZOO COUNTY**

### **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**YAZOO 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                                      | Qualified     |
|    | Business-type activities                                     | Qualified     |
|    | General Fund   | Unmodified    |
|    | Road Fund  | Unmodified    |
|    | Bridge Fund  | Unmodified    |
|    | Yazoo County Regional Jail Fund                              | Qualified     |
|    | Port Fund  | Qualified     |
|    | Aggregate remaining fund information                         | Unmodified    |
| 2. | Internal control over financial reporting:                   |               |
|    | a. Material weaknesses identified?                           | Yes           |
|    | b. Significant deficiencies identified?                      | None reported |
| 3. | Noncompliance material to the financial statements noted?    | No            |

**Federal Awards:**

- |    |  |               |
|----|--|---------------|
| 4. | Internal control over major programs:  |               |
|    | a. Material weakness identified  | No            |
|    | b. Significant deficiencies identified   | None reported |
| 5. | Type of auditor's report issued on compliance for major federal programs:                          | Unmodified    |
| 6. | Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | No            |
| 7. | Identification of major federal programs   |               |
|    | a. CFDA #97.044, Assistance to Firefighters  |               |
| 8. | Dollar threshold used to distinguish between type A and type B programs:                           | \$750,000     |
| 9. | Auditee qualified as low-risk auditee?   | No            |

**YAZOO COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended September 30, 2019**

Section 2: Financial Statement Findings

**Material Weaknesses**

**Board of Supervisors and County Administrator**

**2019-001.**                    The County does not record a liability for other postemployment benefits in the governmental activities, business-type activities, Yazoo County Regional Jail Fund and Port Fund.

**Repeat Finding**            Yes, 2018-001

**Criteria**                    Yazoo County provides health insurance coverage through the Mississippi Public Entity Employee Benefit Trust, a public entity risk pool, and offers health insurance benefit coverage through the County's health insurance plan. Since retirees may obtain health insurance by participating in a group with active employees and consequently receive a health insurance premium rate differential, the County has a postemployment healthcare benefit reportable under GASB Statement No. 75 Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions as an agent multiple employer health care plan. The failure to properly follow generally accepted accounting principles resulted in a qualified opinion on the governmental activities, business-type activities, Yazoo County Regional Jail Fund and Port Fund. The County does not issue a publicly available financial report for their health insurance plan.

**Condition**                    GASB Statement No. 75 requires the County to report on an accrual basis the liability associated with other postemployment benefits. However, the County has not recorded a liability for other postemployment benefits, nor has the county reported the note disclosures which are required by accounting principles generally accepted in the United States of America.

**Cause**                        The County does not have an actuarial valuation performed annually so that a liability for other postemployment benefits could be recorded.

**Effect**                        The failure to properly follow generally accepted accounting principles resulted in a qualified opinion on the governmental activities, business-type activities, Yazoo County Regional Jail Fund and Port Fund.

**Recommendation**        The Board of Supervisors should have an actuarial valuation performed annually so that a liability for other postemployment benefits can be recorded and appropriate note disclosures can be made in accordance with accounting principles generally accepted in the United States of America.

**Response**                    We believe that the cost of compliance with this statement outweighs the benefits, therefore we will not have an actuarial valuation performed.

**YAZOO COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended September 30, 2019**

**County Administrator**

<b>2019-002.</b>	<u>The County did not prepare the Schedule of Expenditures of Federal Awards.</u>
<b>Repeat Finding</b>	Yes, 2018-002
<b>Criteria</b>	The County is responsible for the preparation of the Schedule of Expenditures of Federal Awards (SEFA).
<b>Condition</b>	The County relies on external auditors to accumulate grant information from the various locations and prepare the SEFA.
<b>Cause</b>	No one individual has the responsibility of maintaining grant information or the training to allow for the preparation of the SEFA.
<b>Effect</b>	Error or omission may exist in the SEFA and not be detected.
<b>Recommendation</b>	The County should designate one person in the accounting office with the responsibility of maintaining all grant documentation to allow for the complete and accurate preparation SEFA.
<b>Response</b>	At the present time, I do not have the staff available for this.

**County Administrator and Chancery Clerk**

<b>2019-003.</b>	<u>Untimely recognition of electronic fund deposits</u>
<b>Repeat Finding</b>	Yes, 2018-003
<b>Criteria</b>	Management is responsible for establishing a proper internal control system to ensure the proper bank balance is represented in each of the corresponding funds.
<b>Condition</b>	We noted the County did not recognize electronic deposits timely within the general ledger cash accounts.
<b>Cause</b>	The Chancery Clerk's office receives notices of electronic funds and receipts electronic funds. The County Administrator receipts these funds into the accounting software of the County. Communication inconsistencies and inefficiencies between the Chancery Clerk's office and County Administrator's office has led to the deposits not being timely receipted into the accounting software.
<b>Effect</b>	Cash balances were misstated at year end.
<b>Recommendation</b>	The County should ensure that deposits are recorded in the general ledger accurately and in a timely manner.
<b>Response</b>	Repeated discussions with Chancery Clerk to take proper action as Treasurer of the County. Chancery Clerk continues to ignore importance of responsibility.

**YAZOO COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended September 30, 2019**

**County Administrator**

<b>2019-004.</b>	<u>Untimely and improper bank reconciliations</u>
<b>Repeat Finding</b>	Yes, 2018-004
<b>Criteria</b>	An effective system of internal controls requires the bank reconciliations be prepared accurately and timely and any identified unreconciled differences be resolved in a timely manner.
<b>Condition</b>	During the course of our test work we found that bank reconciliations had been prepared, but did not reconcile back to the general ledger cash balances.
<b>Cause</b>	The reconciliations provided by the County are not properly completed to ensure that all transactions are appropriately recorded in the accounting software.
<b>Effect</b>	A delay in accurate bank reconciliations results in a weakness in the system of internal controls over cash.
<b>Recommendation</b>	The County should establish and maintain an effective internal control system over cash and ensure that all bank reconciliations are prepared correctly on a monthly basis.
<b>Response</b>	Electronic deposits are not receipted timely by Chancery Clerk. Continue discussions with Chancery Clerk to take proper action as Treasurer of the County.

**County Administrator and Chancery Clerk**

<b>2019-005.</b>	<u>Controls over classifications should be strengthened</u>
<b>Repeat Finding</b>	Yes, 2018-005
<b>Criteria</b>	Revenues and disbursements should be recorded in the proper accounts.
<b>Condition</b>	We noted a significant amount of transactions that were recorded in incorrect accounts.
<b>Cause</b>	Numerous deposits and disbursements were recorded to incorrect accounts.
<b>Effect</b>	Revenue and expenses were misclassified
<b>Recommendation</b>	We recommend controls be implemented to review financial information on a monthly basis to ensure proper classification.
<b>Response</b>	Deposits are receipted by Chancery Clerk as miscellaneous with no explanations. My staff continues to work toward transactions in disbursements being properly classified.

Section 3: Federal Award Findings and Questioned Costs

The results of our tests did not disclose any findings and questioned costs related to federal awards.