

AMITE COUNTY, MISSISSIPPI

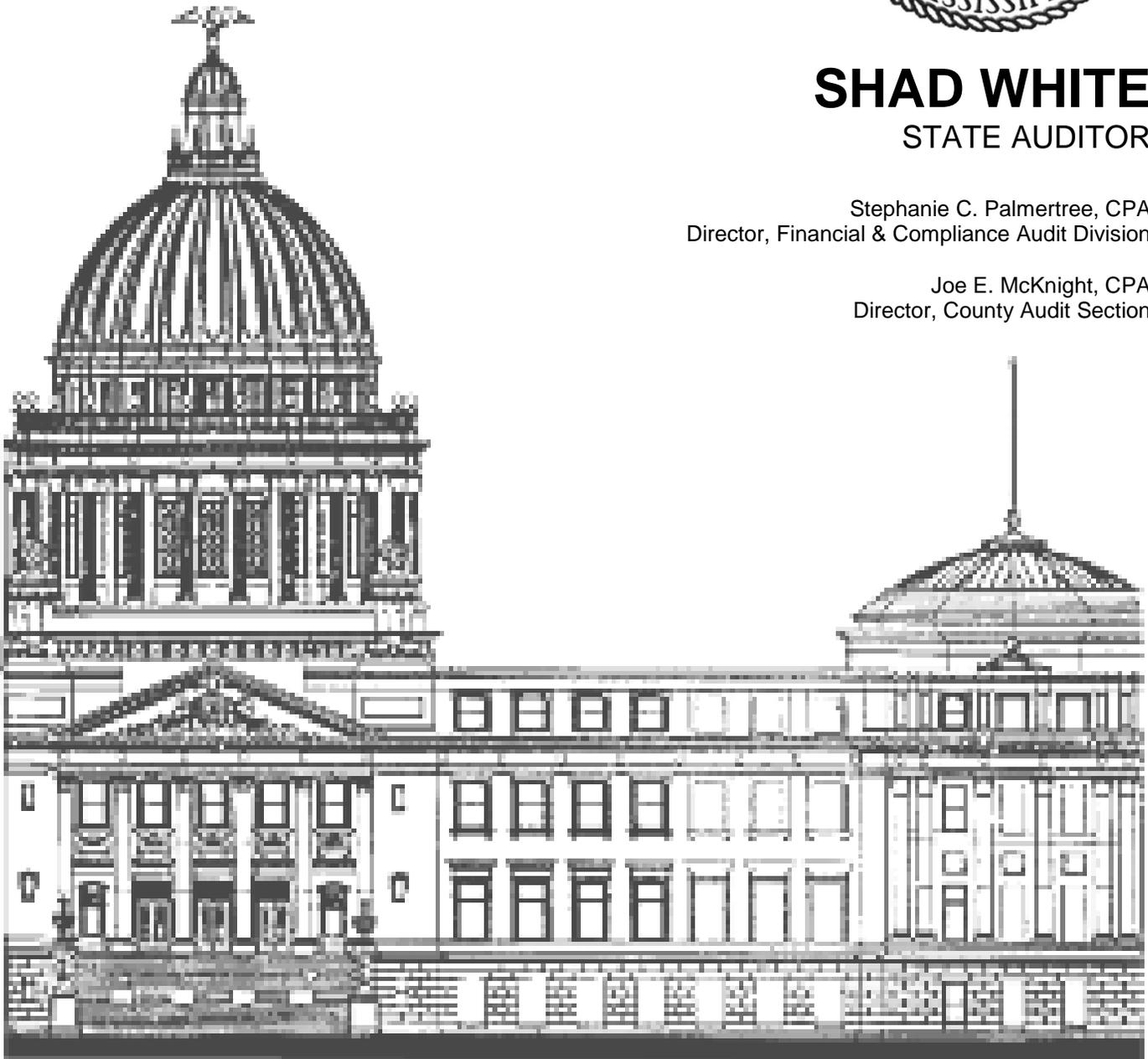
Audited Financial Statements and Special Reports
For the Year Ended September 30, 2020



SHAD WHITE
STATE AUDITOR

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

Joe E. McKnight, CPA
Director, County Audit Section



A Report from the County Audit Section

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STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
Shad White
AUDITOR

September 20, 2021

Members of the Board of Supervisors
Amite County, Mississippi

Dear Board Members:

I am pleased to submit to you the 2020 financial and compliance audit report for Amite County. This audit was performed pursuant to Section 7-7-211(e), Mississippi Code Ann. (1972). The audit was performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Shad White", is written over a faint, circular watermark or background.

Shad White

AMITE COUNTY
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AMITE COUNTY

FINANCIAL SECTION

AMITE COUNTY

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**STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
SHAD WHITE
AUDITOR**

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors
Amite County, Mississippi

Report on the Financial Statements

We have audited the accompanying cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Amite County, Mississippi, (the County) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting, as described in Note 1. This includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Amite County, Mississippi, as of September 30, 2020, and the respective changes in cash basis financial position thereof for the year then ended, in accordance with the basis of accounting described in Note 1.

Basis of Accounting

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

Other Matters

Report on Other Information

The Budgetary Comparison Schedules, Schedule of Capital Assets, Schedule of Surety Bonds for County Officials and corresponding notes have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2021 on our consideration of Amite 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 Amite 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 Amite County, Mississippi's internal control over financial reporting and compliance.



JOE E. MCKNIGHT, CPA
Director, County Audit Section

September 20, 2021

AMITE COUNTY

FINANCIAL STATEMENTS

AMITE COUNTY

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AMITE COUNTY
Statement of Net Position - Cash Basis
September 30, 2020

Exhibit 1

| | Primary Government | | Total |
|---------------------------|----------------------------|-----------------------------|------------------|
| | Governmental Activities | Business-type Activities | |
| ASSETS | | | |
| Cash | \$ 7,654,578 | 1,149,168 | 8,803,746 |
| Total Assets | <u>7,654,578</u> | <u>1,149,168</u> | <u>8,803,746</u> |
| NET POSITION | | | |
| Restricted: | | | |
| Expendable: | | | |
| General government | 183,187 | | 183,187 |
| Public safety | 991,142 | | 991,142 |
| Public works | 3,871,890 | 1,149,168 | 5,021,058 |
| Culture and recreation | 73,275 | | 73,275 |
| Unemployment compensation | 153,931 | | 153,931 |
| Unrestricted | 2,381,153 | | 2,381,153 |
| Total Net Position | <u>\$ 7,654,578</u> | <u>1,149,168</u> | <u>8,803,746</u> |

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

AMITE COUNTY
Statement of Activities - Cash Basis
For the Year Ended September 30, 2020

Exhibit 2

| Functions/Programs | Program Cash Receipts | | | | Net (Disbursements) Receipts and Changes in Net Position | | |
|--|-----------------------|----------------------|------------------------------------|----------------------------------|--|--------------------------|--------------------|
| | Cash Disbursements | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government Governmental Activities | Business-type Activities | Total |
| Primary government: | | | | | | | |
| Governmental activities: | | | | | | | |
| General government | \$ 2,375,684 | 201,614 | 6,638 | | (2,167,432) | | (2,167,432) |
| Public safety | 1,411,238 | 179,351 | 122,667 | 17,519 | (1,091,701) | | (1,091,701) |
| Public works | 3,911,021 | | 821,384 | 104,046 | (2,985,591) | | (2,985,591) |
| Health and welfare | 126,958 | | 16,463 | | (110,495) | | (110,495) |
| Culture and recreation | 94,810 | | | | (94,810) | | (94,810) |
| Conservation of natural resources | 76,845 | | | | (76,845) | | (76,845) |
| Economic development and assistance | 20,786 | | | | (20,786) | | (20,786) |
| Total Governmental Activities | <u>8,017,342</u> | <u>380,965</u> | <u>967,152</u> | <u>121,565</u> | <u>(6,547,660)</u> | <u>0</u> | <u>(6,547,660)</u> |
| Business-type activities: | | | | | | | |
| Solid Waste | 698,491 | 726,089 | 29,492 | | | 57,090 | 57,090 |
| Total Business-type Activities | <u>698,491</u> | <u>726,089</u> | <u>29,492</u> | <u>0</u> | | <u>57,090</u> | <u>57,090</u> |
| Total Primary Government | <u>\$ 8,715,833</u> | <u>1,107,054</u> | <u>996,644</u> | <u>121,565</u> | <u>(6,547,660)</u> | <u>57,090</u> | <u>(6,490,570)</u> |
| General receipts: | | | | | | | |
| Property taxes | | | | | \$ 4,425,422 | | 4,425,422 |
| Road & bridge privilege taxes | | | | | 204,529 | | 204,529 |
| Grants and contributions not restricted to specific programs | | | | | 871,524 | | 871,524 |
| Unrestricted interest income | | | | | 211,509 | 28,634 | 240,143 |
| Miscellaneous | | | | | 148,432 | 46,793 | 195,225 |
| Sale of county property | | | | | 17,486 | | 17,486 |
| Total General Receipts and Other Cash Sources | | | | | <u>5,878,902</u> | <u>75,427</u> | <u>5,954,329</u> |
| Changes in Net Position | | | | | <u>(668,758)</u> | <u>132,517</u> | <u>(536,241)</u> |
| Net Position - Beginning of year | | | | | <u>8,323,336</u> | <u>1,016,651</u> | <u>9,339,987</u> |
| Net Position - Ending | | | | | <u>\$ 7,654,578</u> | <u>1,149,168</u> | <u>8,803,746</u> |

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

AMITE COUNTY
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
September 30, 2020

Exhibit 3

| | <u>Major Funds</u> | | | | Other Governmental Funds | Total Governmental Funds |
|---------------------------|-------------------------|------------------------------------|------------------------------------|--|--------------------------------|--------------------------------|
| | <u>General Fund</u> | <u>District Four Road Fund</u> | <u>District Five Road Fund</u> | <u>Emergency Road and Bridge Repair Fund</u> | | |
| ASSETS | | | | | | |
| Cash | \$ 2,381,153 | 1,050,277 | 814,316 | 256,723 | 3,152,109 | 7,654,578 |
| Total Assets | <u>\$ 2,381,153</u> | <u>1,050,277</u> | <u>814,316</u> | <u>256,723</u> | <u>3,152,109</u> | <u>7,654,578</u> |
| FUND BALANCES | | | | | | |
| Restricted for: | | | | | | |
| General government | | | | | 183,187 | 183,187 |
| Public safety | | | | | 991,142 | 991,142 |
| Public works | | 1,050,277 | 814,316 | 256,723 | 1,750,574 | 3,871,890 |
| Culture and recreation | | | | | 73,275 | 73,275 |
| Unemployment compensation | | | | | 153,931 | 153,931 |
| Unassigned | 2,381,153 | | | | | 2,381,153 |
| Total Fund Balances | <u>\$ 2,381,153</u> | <u>1,050,277</u> | <u>814,316</u> | <u>256,723</u> | <u>3,152,109</u> | <u>7,654,578</u> |

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

Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances -
 Governmental Funds
 For the Year Ended September 30, 2020

| | Major Funds | | | | Other Governmental Funds | Total Governmental Funds |
|---|---------------------|----------------------------|----------------------------|---|--------------------------------|--------------------------------|
| | General Fund | District Four Road Fund | District Five Road Fund | Emergency Road and Bridge Repair Fund | | |
| RECEIPTS | | | | | | |
| Property taxes | \$ 2,754,397 | 326,078 | 286,949 | | 1,057,998 | 4,425,422 |
| Road and bridge privilege taxes | | 51,132 | 44,996 | | 108,401 | 204,529 |
| Licenses, commissions and other receipts | 129,366 | | | | 2,754 | 132,120 |
| Fines and forfeitures | 79,426 | | | | 10,749 | 90,175 |
| Intergovernmental receipts | 631,044 | 267,524 | 237,796 | | 823,877 | 1,960,241 |
| Charges for services | 36,700 | | | | 121,970 | 158,670 |
| Interest income | 89,414 | 29,698 | 18,793 | | 73,604 | 211,509 |
| Miscellaneous receipts | 66,549 | 104 | 53 | | 81,726 | 148,432 |
| Total Receipts | <u>3,786,896</u> | <u>674,536</u> | <u>588,587</u> | <u>0</u> | <u>2,281,079</u> | <u>7,331,098</u> |
| DISBURSEMENTS | | | | | | |
| General government | 2,269,702 | | | | 105,982 | 2,375,684 |
| Public safety | 1,219,450 | | | | 191,788 | 1,411,238 |
| Public works | | 684,401 | 370,608 | 1,286,886 | 1,569,126 | 3,911,021 |
| Health and welfare | 126,958 | | | | | 126,958 |
| Culture and recreation | 94,810 | | | | | 94,810 |
| Conservation of natural resources | 76,845 | | | | | 76,845 |
| Economic development and assistance | 20,786 | | | | | 20,786 |
| Total Disbursements | <u>3,808,551</u> | <u>684,401</u> | <u>370,608</u> | <u>1,286,886</u> | <u>1,866,896</u> | <u>8,017,342</u> |
| Excess (Deficiency) of Receipts over (under) Disbursements | <u>(21,655)</u> | <u>(9,865)</u> | <u>217,979</u> | <u>(1,286,886)</u> | <u>414,183</u> | <u>(686,244)</u> |
| OTHER CASH SOURCES (USES) | | | | | | |
| Sale of county property | | 425 | 15,801 | | 1,260 | 17,486 |
| Transfers in | | | | | 217,931 | 217,931 |
| Transfers out | | (32,500) | (44,579) | | (140,852) | (217,931) |
| Total Other Cash Sources and Uses | <u>0</u> | <u>(32,075)</u> | <u>(28,778)</u> | <u>0</u> | <u>78,339</u> | <u>17,486</u> |
| Excess (Deficiency) of Receipts and other Cash Sources over (under) Disbursements and other Cash Uses | <u>(21,655)</u> | <u>(41,940)</u> | <u>189,201</u> | <u>(1,286,886)</u> | <u>492,522</u> | <u>(668,758)</u> |
| Cash Basis Fund Balances - Beginning | <u>2,402,808</u> | <u>1,092,217</u> | <u>625,115</u> | <u>1,543,609</u> | <u>2,659,587</u> | <u>8,323,336</u> |
| Cash Basis Fund Balances - Ending | <u>\$ 2,381,153</u> | <u>1,050,277</u> | <u>814,316</u> | <u>256,723</u> | <u>3,152,109</u> | <u>7,654,578</u> |

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

AMITE COUNTY
 Statement of Net Position - Cash Basis - Proprietary Fund
 September 30, 2020

Exhibit 5

| | Business-type Activities - <u>Enterprise Fund</u> |
|--------------------|---|
| | Solid Waste Services <u>Fund</u> |
| ASSETS | |
| Cash | \$ 1,149,168 |
| Total Assets | <u>1,149,168</u> |
| NET POSITION | |
| Restricted for: | |
| Public works | 1,149,168 |
| Total Net Position | <u>\$ 1,149,168</u> |

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

AMITE COUNTY

Exhibit 6

Statement of Cash Receipts, Disbursements and Changes in Net Position - Proprietary Fund
For the Year Ended September 30, 2020

| | Business-type Activities - <u>Enterprise Funds</u> |
|---|--|
| | Solid Waste Services Fund |
| Operating Receipts | |
| Charges for services | \$ 726,089 |
| Miscellaneous | 46,793 |
| Total Operating Receipts | <u>772,882</u> |
| Operating Disbursements | |
| Cost of sales | |
| Personal services | 419,426 |
| Contractual services | 178,574 |
| Materials and supplies | 100,491 |
| Total Operating Disbursements | <u>698,491</u> |
| Operating Income (Loss) | <u>74,391</u> |
| Nonoperating Receipts (Disbursements) | |
| Interest income | 28,634 |
| Intergovernmental grants | 29,492 |
| Net Nonoperating Receipts (Disbursements) | <u>58,126</u> |
| Changes in Net Position | <u>132,517</u> |
| Net Position - Beginning | <u>1,016,651</u> |
| Net Position - Ending | <u>\$ 1,149,168</u> |

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

AMITE COUNTY
Statement of Fiduciary Assets and Liabilities - Cash Basis
September 30, 2020

Exhibit 7

| | <u>Agency Funds</u> |
|------------------------------------|-------------------------|
| ASSETS | |
| Cash | \$ 56,139 |
| Total Assets | \$ <u>56,139</u> |
| LIABILITIES | |
| Amounts held in custody for others | \$ 56,139 |
| Total Liabilities | \$ <u>56,139</u> |

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

AMITE COUNTY

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AMITE COUNTY

Notes to Financial Statements For the Year Ended September 30, 2020

(1) Summary of Significant Accounting Policies.

A. Financial Reporting Entity.

Amite County, Mississippi (the County), is a political subdivision of the State of Mississippi. The County is governed by an elected five-member Board of Supervisors. The financial statements of the County are presented on a cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America as established by the Governmental Accounting Standards Board. These accounting principles require Amite 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-Collector
- Sheriff

B. Basis of Presentation.

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

Government-wide Financial Statements:

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

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

AMITE COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2020

Fund Financial Statements:

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

C. Measurement Focus and Basis of Accounting.

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

The County reports the following major Governmental Funds:

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

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

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

Emergency Road and Bridge Repair - This fund is used to account for monies that are restricted for the repair of roads and bridges throughout the County.

The County reports the following major Enterprise Fund:

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

Additionally, the County reports the following fund types:

GOVERNMENTAL FUND TYPES

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

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

AMITE COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2020

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

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 receipts collected, disbursements paid 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.

D. Account Classifications.

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

E. Deposits.

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

Cash includes cash on hand, demand deposits, all certificates of deposit and cash equivalents, which are short-term highly liquid investments that are readily convertible to cash (generally three months or less).

F. Equity Classifications.

Government-wide Financial Statements:

Equity is classified as net position and displayed in two components:

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

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

Net Position Flow Assumption:

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

AMITE COUNTY

Notes to Financial Statements For the Year Ended September 30, 2020

Fund Financial Statements:

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

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

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

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

Fund Balance Flow Assumption:

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

G. Property Tax Receipts.

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

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

(2) Deposits.

The carrying amount of the County's total deposits with financial institutions at September 30, 2020, was \$8,859,885, and the bank balance was \$8,887,307. 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).

AMITE COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2020

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

(3) Interfund Transfers.

The following is a summary of interfund transfers at September 30, 2020:

Transfers In/Out:

| Transfers In | Transfers Out | Amount |
|--------------------------|--------------------------|-------------------|
| Other Governmental Funds | District Four Road Fund | \$ 32,500 |
| Other Governmental Funds | District Five Road Fund | 44,579 |
| Other Governmental Funds | Other Governmental Funds | <u>140,852</u> |
| Total | | <u>\$ 217,931</u> |

The principal purpose of interfund transfers was to provide funds for operating expenses. All interfund transfers were routine and consistent with the activities of the fund making the transfer.

(4) Claims and Judgments.

Risk Financing.

The County finances its exposure to risk of loss related to workers' compensation for injuries to its employees through the Mississippi Public Entity Workers' Compensation Trust, a public entity risk pool. The County pays premiums to the pool for its workers' compensation insurance coverage, and the participation agreement provides that the pool will be self-sustaining through member premiums. The retention for the pool is \$1,000,000 for each accident and completely covers statutory limits set by the Workers' Compensation Commission. Risk of loss is remote for claims exceeding the pool's retention liability. However, the pool also has catastrophic reinsurance coverage for statutory limits above the pool's retention, provided by Safety National Casualty Corporation, effective from January 1, 2020, to January 1, 2021. The pool may make an overall supplemental assessment or declare a refund depending on the loss experience of all the entities it insures.

(5) Operating Leases.

As Lessor:

On April 1, 2016, Amite County entered into a non-cancellable operating lease agreement with Air Cruisers Company LLC for the lease of land and a building owned by the County for any purpose the lessor deems appropriate. The operating lease stipulated that the lease would pay approximately \$750 per month in lease payments commencing April 1, 2016 for a term of five (5) years. At the end of the lease term, Air Cruisers Company LLC has the right to renew for an additional five (5) years.

The County receives income from property it leases under a non-cancellable operating lease. Total income from this lease was \$8,250 for the year ended September 30, 2020. The future minimum lease receivables for this lease is as follows:

AMITE COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2020

| <u>Year Ending September 30</u> | <u>Amount</u> |
|---------------------------------|------------------|
| 2021 | \$ 9,750 |
| 2022 | 9,000 |
| 2023 | 9,000 |
| 2024 | 9,000 |
| 2025 | 9,000 |
| 2026 - 2030 | <u>4,500</u> |
| Total Minimum Payments Required | <u>\$ 50,250</u> |

(6) Contingencies.

Federal Grants - The County has received federal grants for specific purposes that are subject to audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the disbursements of resources for allowable purposes. The County may be responsible for any disallowances.

Litigation - The County is party to legal proceedings, many of which occur in the normal course of governmental operations. It is not possible at the present time to estimate ultimate outcome or liability, if any, of the County with respect to the various proceedings. However, the County's legal counsel believes that ultimate liability resulting from these lawsuits will not have a material adverse effect on the financial condition of the County.

(7) Joint Ventures.

The County participates in the following joint ventures:

Amite County is a participant with the Counties of Pike and Walthall in a joint venture, authorized by Section 39-3-11, Miss. Code Ann. (1972), to operate the Pike-Amite-Walthall Regional Library System. The joint venture was created to provide library service for the three counties and is governed by five board members. The Counties of Amite and Pike appoint two board members each and Walthall appoints one board member. By contractual agreement, the County's contribution to the joint venture was \$94,510 in fiscal year 2020. Complete financial statements for the Pike-Amite-Walthall Regional Library System can be obtained from 1022 Virginia Avenue, McComb, MS 39648.

Amite County is a participant with Pike County and the City of McComb in a joint venture, authorized by Section 41-13-15 Miss. Code Ann. (1972), to operate the Southwest Mississippi Regional Medical Center. The joint venture was created to provide medical services for the residents of the local area and is governed by seven board members. Amite County appoints one board member, while Pike County and the City of McComb appoint two members individually and jointly they appoint two members. The hospital is basically self-supporting. However, the Counties and City have the power to approve or disapprove the hospital's budget and are authorized to levy taxes for the maintenance and operation of the hospital. Complete financial statements for the Southwest Mississippi Regional Medical Center can be obtained from 215 Marion Avenue, McComb, MS 39648.

Amite County is a participant with Wilkinson County in a joint venture, authorized by Section 41-13-15, Miss. Code Ann. (1972), to operate the Field Memorial Community Hospital. The joint venture was created to provide medical services for the residents of the local area and is governed by five board members. Amite County appoints two board members, while Wilkinson County appoints three members. The hospital is basically self-supporting. However, the Counties have the power to approve or disapprove the hospital's budget and are authorized to levy taxes for the maintenance and operation of the hospital. Complete financial statements for the Field Memorial Community Hospital can be obtained from 270 West Main Street, Centreville, MS 39631.

AMITE COUNTY

Notes to Financial Statements For the Year Ended September 30, 2020

(8) Jointly Governed Organizations.

The County participates in the following jointly governed organizations:

Southwest Mississippi Planning and Development District operates in a district composed of the Counties of Adams, Amite, Claiborne, Franklin, Jefferson, Lawrence, Lincoln, Pike, Walthall and Wilkinson. The Amite County Board of Supervisors appoints four of the 40 members of the board of directors. The County contributes a small percentage of the district's total revenue. The County contributed \$22,530 for support of the district in fiscal year 2020.

Southwest Mississippi Mental Health Complex operates in a district composed of the Counties of Adams, Amite, Claiborne, Franklin, Jefferson, Lawrence, Lincoln, Pike, Walthall and Wilkinson. The Amite County Board of Supervisors appoints one of the ten members of the board of commissioners. The County contributed \$37,560 for its support in fiscal year 2020.

Southwest Mississippi Community College operates in a district composed of the Counties of Amite, Pike, Walthall and Wilkinson. The Amite County Board of Supervisors appoints three of the 14 members of the college board of trustees. The County contributed \$500,915 for the operation and maintenance of the college in fiscal year 2020.

Southwest Mississippi Partnership Development Corporation operates in a district composed of the Counties of Adams, Amite, Claiborne, Franklin, Jefferson, Lawrence, Lincoln, Pike, Walthall and Wilkinson. The entity is governed by ten members, appointed by each county's lead industrial foundation or chamber of commerce. If no industrial foundation or chamber of commerce is present, the member is appointed by the County's Board of Supervisors. The County contributed \$2,626 for its maintenance and support of the Southwest Mississippi Partnership Development Corporation in fiscal year 2020.

Scenic Rivers Development Authority Alliance operates in a District composed of the Counties of Amite, Franklin, Pike, and Walthall, as well as the City of McComb, the Board of Wilkinson County Industrial Development Authority, and Pike County Economic Development District. The Amite County Board of Supervisors appoints 1 of the 16-member board of trustees. The County contributed \$10,000 for its support in fiscal year 2020.

(9) Defined Benefit Pension Plan.

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

Funding Policy. At September 30, 2020, PERS members were required to contribute 9% of their annual covered salary, and the County is required to contribute at an actuarially determined rate. The rate at September 30, 2020 was 17.40% of annual covered payroll. The contribution requirements of PERS members are established and may be amended only by the State of Mississippi Legislature. The County's contributions (employer share only) to PERS for the years ending September 30, 2020, 2019 and 2018 were \$401,989, \$381,027 and \$362,949, respectively, equal to the required contributions for each year.

AMITE COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2020

(10) Tax Abatements.

As of September 30, 2020, Amite County provides tax exempt status to two manufacturing companies subject to the requirements of GASB Statement No. 77. These manufacturing companies are exempt from real property taxes and personal property taxes except for levies involving the school, the mandatory mill and the community college tax levies. These exemptions are authorized under Sections 27-31-101 and 27-31-105 of the Miss. Code Ann. (1972). These exemptions encourage businesses to locate or expand operations in the County and to create jobs. The amount of taxes abated during fiscal year 2020 totaled \$562,110.

AMITE COUNTY

OTHER INFORMATION

AMITE COUNTY

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AMITE COUNTY
 Budgetary Comparison Schedule -
 Budget and Actual (Non-GAAP Basis)
 General Fund
 For the Year Ended September 30, 2020
 UNAUDITED

| | Original Budget | Final Budget | Actual (Budgetary Basis) | Variance with Final Budget Positive (Negative) |
|---|---------------------|------------------|--------------------------------|---|
| RECEIPTS | | | | |
| Property taxes | \$ 2,832,801 | 2,754,397 | 2,754,397 | |
| Licenses, commissions and other receipts | 122,000 | 129,366 | 129,366 | |
| Fines and forfeitures | 104,000 | 79,426 | 79,426 | |
| Intergovernmental receipts | 701,500 | 631,770 | 631,044 | (726) |
| Charges for services | 40,000 | 36,700 | 36,700 | |
| Interest income | 35,000 | 89,414 | 89,414 | |
| Miscellaneous receipts | 27,500 | 63,173 | 66,549 | 3,376 |
| Total Receipts | <u>3,862,801</u> | <u>3,784,246</u> | <u>3,786,896</u> | <u>2,650</u> |
| DISBURSEMENTS | | | | |
| Current: | | | | |
| General government | 2,409,950 | 2,269,702 | 2,269,702 | |
| Public safety | 1,269,800 | 1,219,450 | 1,219,450 | |
| Health and welfare | 124,490 | 126,958 | 126,958 | |
| Culture and recreation | | 94,810 | 94,810 | |
| Education | 94,510 | | | |
| Conservation of natural resources | 78,970 | 76,845 | 76,845 | |
| Economic development and assistance | 24,160 | 20,786 | 20,786 | |
| Total Disbursements | <u>4,001,880</u> | <u>3,808,551</u> | <u>3,808,551</u> | <u>0</u> |
| Excess (Deficiency) of Receipts over (under) Disbursements | <u>(139,079)</u> | <u>(24,305)</u> | <u>(21,655)</u> | <u>2,650</u> |
| OTHER CASH SOURCES (USES) | | | | |
| Transfers in | | 100,000 | | (100,000) |
| Transfers out | | (100,000) | | 100,000 |
| Other financing sources | 250,000 | | | |
| Other financing uses | (250,000) | | | |
| Total Other Cash Sources and Uses | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Excess (Deficiency) of Receipts and other Cash Sources over (under) Disbursements and other Cash Uses | <u>(139,079)</u> | <u>(24,305)</u> | <u>(21,655)</u> | <u>2,650</u> |
| Cash Basis Fund Balances - Beginning | <u>2,270,700</u> | <u>2,406,778</u> | <u>2,402,808</u> | <u>(3,970)</u> |
| Cash Basis Fund Balances - Ending | <u>\$ 2,131,621</u> | <u>2,382,473</u> | <u>2,381,153</u> | <u>(1,320)</u> |

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

AMITE COUNTY
 Budgetary Comparison Schedule -
 Budget and Actual (Non-GAAP Basis)
 District Four Road Fund
 For the Year Ended September 30, 2020
 UNAUDITED

| | Original Budget | Final Budget | Actual (Budgetary Basis) | Variance with Final Budget Positive (Negative) |
|---|--------------------|------------------|--------------------------------|---|
| RECEIPTS | | | | |
| Property taxes | \$ 327,994 | 326,078 | 326,078 | |
| Road and bridge privilege taxes | 40,000 | 51,132 | 51,132 | |
| Intergovernmental receipts | 272,600 | 267,524 | 267,524 | |
| Interest income | 5,000 | 29,698 | 29,698 | |
| Miscellaneous receipts | | 104 | 104 | |
| Total Receipts | <u>645,594</u> | <u>674,536</u> | <u>674,536</u> | <u>0</u> |
| DISBURSEMENTS | | | | |
| Current: | | | | |
| Public works | 620,700 | 684,401 | 684,401 | |
| Total Disbursements | <u>620,700</u> | <u>684,401</u> | <u>684,401</u> | <u>0</u> |
| Excess (Deficiency) of Receipts over (under) Disbursements | <u>24,894</u> | <u>(9,865)</u> | <u>(9,865)</u> | <u>0</u> |
| OTHER CASH SOURCES (USES) | | | | |
| Sale of county property | | 425 | 425 | |
| Transfers out | | (32,500) | (32,500) | |
| Other financing uses | (130,000) | | | |
| Total Other Cash Sources and Uses | <u>(130,000)</u> | <u>(32,075)</u> | <u>(32,075)</u> | <u>0</u> |
| Excess (Deficiency) of Receipts and other Cash Sources over (under) Disbursements and other Cash Uses | (105,106) | (41,940) | (41,940) | |
| Cash Basis Fund Balances - Beginning | <u>1,082,600</u> | <u>1,092,217</u> | <u>1,092,217</u> | |
| Cash Basis Fund Balances - Ending | <u>\$ 977,494</u> | <u>1,050,277</u> | <u>1,050,277</u> | <u>0</u> |

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

AMITE COUNTY
 Budgetary Comparison Schedule -
 Budget and Actual (Non-GAAP Basis)
 District Five Road Fund
 For the Year Ended September 30, 2020
 UNAUDITED

| | Original Budget | Final Budget | Actual (Budgetary Basis) | Variance with Final Budget Positive (Negative) |
|---|--------------------|-----------------|--------------------------------|---|
| RECEIPTS | | | | |
| Property taxes | \$ 288,634 | 286,949 | 286,949 | |
| Road and bridge privilege taxes | 38,000 | 44,996 | 44,996 | |
| Intergovernmental receipts | 240,100 | 237,796 | 237,796 | |
| Interest income | 3,500 | 18,793 | 18,793 | |
| Miscellaneous receipts | | 53 | 53 | |
| Total Receipts | <u>570,234</u> | <u>588,587</u> | <u>588,587</u> | <u>0</u> |
| DISBURSEMENTS | | | | |
| Current: | | | | |
| Public works | 559,000 | 370,608 | 370,608 | 0 |
| Total Disbursements | <u>559,000</u> | <u>370,608</u> | <u>370,608</u> | <u>0</u> |
| Excess (Deficiency) of Receipts over (under) Disbursements | <u>11,234</u> | <u>217,979</u> | <u>217,979</u> | <u>0</u> |
| OTHER CASH SOURCES (USES) | | | | |
| Sale of county property | | 15,801 | 15,801 | |
| Transfers out | | (44,579) | (44,579) | |
| Other financing uses | (150,000) | | | |
| Total Other Cash Sources and Uses | <u>(150,000)</u> | <u>(28,778)</u> | <u>(28,778)</u> | <u>0</u> |
| Excess (Deficiency) of Receipts and other Cash Sources over (under) Disbursements and other Cash Uses | (138,766) | 189,201 | 189,201 | |
| Cash Basis Fund Balances - Beginning | <u>618,800</u> | <u>625,115</u> | <u>625,115</u> | |
| Cash Basis Fund Balances - Ending | <u>\$ 480,034</u> | <u>814,316</u> | <u>814,316</u> | <u>0</u> |

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

AMITE COUNTY
Schedule of Capital Assets
For the Year Ended September 30, 2020
UNAUDITED

Governmental activities:

| | Balance Oct. 1, 2019 | Additions | Deletions | Balance Sept. 30, 2020 |
|--------------------------|-------------------------|------------------|---------------|---------------------------|
| Land | \$ 114,552 | | | 114,552 |
| Construction in progress | | 72,543 | | 72,543 |
| Infrastructure | 898,506 | 5,185,943 | | 6,084,449 |
| Buildings | 3,149,941 | | | 3,149,941 |
| Mobile equipment | 6,035,421 | 126,895 | 48,600 | 6,113,716 |
| Furniture and equipment | 775,834 | 17,857 | 5,995 | 787,696 |
| Total capital assets | \$ <u>10,974,254</u> | <u>5,403,238</u> | <u>54,595</u> | <u>16,322,897</u> |

Business-type activities:

| | Balance Oct. 1, 2019 | Additions | Deletions | Balance Sept. 30, 2020 |
|-------------------------|-------------------------|-----------|-----------|---------------------------|
| Land | \$ 47,838 | | | 47,838 |
| Buildings | 149,317 | | | 149,317 |
| Mobile equipment | 1,239,647 | | | 1,239,647 |
| Furniture and equipment | 109,439 | | | 109,439 |
| Total capital assets | \$ <u>1,546,241</u> | <u>0</u> | <u>0</u> | <u>1,546,241</u> |

AMITE COUNTY
Schedule of Surety Bonds for County Officials
For the Year Ended September 30, 2020
UNAUDITED

| Name | Position | Company | Bond |
|----------------------|----------------------------|------------------------------|-----------|
| Warren Leake | Supervisor District 1 | Western Surety Company | \$100,000 |
| Earl Guy McNab | Supervisor District 2 | Brierfield Insurance Company | \$100,000 |
| Jackie Whittington | Supervisor District 3 | Western Surety Company | \$100,000 |
| Melvin Graves | Supervisor District 4 | Western Surety Company | \$100,000 |
| Tony Patterson | Supervisor District 5 | Brierfield Insurance Company | \$100,000 |
| Jana Causey | Chancery Clerk | Western Surety Company | \$100,000 |
| Brittani Dixon | Purchase Clerk | Brierfield Insurance Company | \$75,000 |
| Lisa Sullivan | Assistant Purchase Clerk | Brierfield Insurance Company | \$50,000 |
| Carylin Patterson | Receiving Clerk | Brierfield Insurance Company | \$75,000 |
| Lisa Sullivan | Assistant Receiving Clerk | Brierfield Insurance Company | \$50,000 |
| Jana Causey | Inventory Control Clerk | Western Surety Company | \$75,000 |
| Murry Toney | Constable | Brierfield Insurance Company | \$50,000 |
| Jerry Bates | Constable | Brierfield Insurance Company | \$50,000 |
| Celeste McIntyre | Circuit Clerk | State Farm Fire and Casualty | \$100,000 |
| Barbara McDonald | Deputy Circuit Clerk | Western Surety Company | \$100,000 |
| Calista Lewis | Deputy Circuit Clerk | Brierfield Insurance Company | \$100,000 |
| Tim Wroten | Sheriff | Brierfield Insurance Company | \$100,000 |
| Roger Arnold | Justice Court Judge | Brierfield Insurance Company | \$50,000 |
| Gloria D. Perry | Justice Court Judge | Western Surety Company | \$50,000 |
| Melanie Netterville | Justice Court Clerk | Brierfield Insurance Company | \$50,000 |
| Tommie Dee Otts | Deputy Justice Court Clerk | Brierfield Insurance Company | \$50,000 |
| Jessica Cook | Deputy Justice Court Clerk | Western Surety Company | \$50,000 |
| Eunice Blake | Tax Assessor-Collector | Brierfield Insurance Company | \$100,000 |
| Traci Dykes | Deputy Tax Collector | Brierfield Insurance Company | \$50,000 |
| Patricia Robinson | Deputy Tax Collector | Western Surety Company | \$50,000 |
| Bobbie Cindy Edwards | Deputy Tax Collector | Western Surety Company | \$50,000 |
| Pamela Wilkinson | Deputy Tax Collector | Brierfield Insurance Company | \$50,000 |
| Marilyn Harvey | Deputy Tax Collector | Brierfield Insurance Company | \$50,000 |
| Amanda D. Cothorn | Deputy Tax Collector | Brierfield Insurance Company | \$50,000 |

AMITE COUNTY

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AMITE COUNTY

Notes to Other Information
For the Year Ended September 30, 2020

UNAUDITED

(1) Budgetary Comparison Information.

A. Budgetary Information.

Statutory requirements dictate how and when the County's budget is to be prepared. Generally, in the month of August, prior to the ensuing fiscal year beginning each October 1, the Board of Supervisors of the County, using historical and anticipated fiscal data and proposed budgets submitted by the Sheriff and the Tax Assessor-Collector for his or her respective department, prepares an original budget for each of the Governmental Funds for said fiscal year. The completed budget for the fiscal year includes for each fund every source of receipt, each general item of disbursement, and the unencumbered cash and investment balances. When during the fiscal year it appears to the Board of Supervisors that budgetary estimates will not be met, it may make revisions to the budget.

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

B. Basis of Presentation.

The Budgetary Comparison Schedule - Budget and Actual presents the original legally adopted budget, the final legally adopted budget, actual amounts on a budgetary basis and variances between the final budget and the actual amounts. The schedule is presented for the General Fund and each major Special Revenue Fund.

(2) Long-term Debt Information:

A. Legal Debt Margin - The amount of debt, excluding specific exempted debt that can be incurred by the County is limited by state statute. Total outstanding debt during a year can be no greater than 15% of assessed value of the taxable property within the County, according to the then last completed assessment for taxation. However, the limitation is increased to 20% whenever a county issues bonds to repair or replace washed out or collapsed bridges on the public roads of the county. As of September 30, 2020, the amount of outstanding debt was equal to 0% of the latest property assessments.

B. Subsequent Events.

Subsequent to September 30, 2020, the County issued the following debt obligation:

| <u>Issue Date</u> | <u>Interest Rate</u> | <u>Issue Amount</u> | <u>Type of Financing</u> | <u>Source of Financing</u> |
|-------------------|----------------------|---------------------|--------------------------|----------------------------|
| 01/12/2021 | 2.34% | \$ 93,000 | Capital Lease | Ad valorem taxes |

AMITE COUNTY

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AMITE COUNTY

SPECIAL REPORTS

AMITE COUNTY

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**STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
SHAD WHITE
AUDITOR**

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

Members of the Board of Supervisors
Amite County, Mississippi

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Amite County, Mississippi (the County), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 20, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Amite 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 Amite County, Mississippi's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Amite 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 Amite County, Mississippi, in the Independent Accountant's Report on Central Purchasing System, Inventory Control System and Purchase Clerk Schedules dated September 20, 2021, included within this document.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.



JOE E. MCKNIGHT, CPA
Director, County Audit Section

September 20, 2021



STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
SHAD WHITE
AUDITOR

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

Members of the Board of Supervisors
Amite County, Mississippi

We have examined Amite County, Mississippi's (the County) compliance with establishing and maintaining a central purchasing system and inventory control system in accordance with Sections 31-7-101 through 31-7-127, Miss. Code Ann. (1972) and compliance with the purchasing requirements in accordance with the bid requirements of Section 31-7-13, Miss. Code Ann. (1972) during the year ended September 30, 2020. The Board of Supervisors of Amite County, Mississippi is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

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

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

The results of our audit procedures disclosed a certain instance of noncompliance with the aforementioned code sections. This instance of noncompliance was considered in forming our opinion on compliance. Our finding and recommendation and your response is disclosed below.

Purchase Clerk.

1. Competitive quotes should be obtained for purchases over \$5,000.

Repeat Finding No

Criteria Section 31-7-13, Miss. Code Ann. (1972), requires purchases of more than \$5,000 but not more than \$50,000, exclusive of freight and shipping charges, may be made from the lowest and best bidder without publishing or posting advertisement for bids, provided at least two competitive written bids have been obtained.

| | |
|---|--|
| Condition | A purchase was made for \$8,752 without obtaining at least two competitive bids. |
| Cause | The County did not follow State purchase law. |
| Effect | Failure to solicit competitive bids could result in the loss or misappropriation of public funds. |
| Recommendation | Prior to purchase, all competitive written bids should be solicited by the Purchase Clerk and if necessary brought before the Board of Supervisors to be accepted. |
| Views of Responsible Official(s) | During this time, I was out on maternity leave and purchasing was left up to the assistant purchase clerk. |

In our opinion, except for the noncompliance referred to in the preceding paragraph, Amite County, Mississippi, complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements for the year ended September 30, 2020.

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

Amite 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 the central purchasing system and inventory control system of Amite County, Mississippi, and is not intended to be and should not be relied upon for any other purpose. However, this report is a matter of public record and its distribution is not limited.


 JOE E. MCKNIGHT, CPA
 Director, County Audit Section

September 20, 2021

Amite County
Schedule of Purchases From Other Than the Lowest Bidder
For the Year Ended September 30, 2020

Schedule 1

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

Amite County
Schedule of Emergency Purchases
For the Year Ended September 30, 2020

Schedule 2

Our tests did not identify any emergency purchases.

Amite County
Schedule of Purchases Made Noncompetively From a Sole Source
For the Year Ended September 30, 2020

Schedule 3

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

AMITE COUNTY

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STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
SHAD WHITE
AUDITOR

LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors
Amite County, Mississippi

In planning and performing our audit of the cash basis financial statements of Amite County, Mississippi (the County) for the year ended September 30, 2020, we considered Amite 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 Amite 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 September 20, 2021, on the financial statements of Amite County, Mississippi.

Although no findings came to our attention as a result of these review procedures and compliance tests, these procedures and tests cannot and do not provide absolute assurance that all state legal requirements have been complied with. Also, our consideration of the internal control would not necessarily disclose all matters within the internal control that might be weaknesses. In accordance with Section 7-7-211, Miss. Code Ann. (1972), the Office of the State Auditor, when deemed necessary, may conduct additional procedures and tests of transactions for this or other fiscal years to ensure compliance with legal requirements.

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.

A handwritten signature in black ink that reads "Joe E. Mcknight".

JOE E. MCKNIGHT, CPA
Director, County Audit Section

September 20, 2021

AMITE COUNTY

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AMITE COUNTY

SCHEDULE OF FINDINGS AND RESPONSES

AMITE COUNTY

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AMITE COUNTY

Schedule of Findings and Responses
For the Year Ended September 30, 2020

Section 1: Summary of Auditor's Results

Financial Statements:

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

Section 2: Financial Statement Findings

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