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# **CARROLL COUNTY, MISSISSIPPI**

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



# CARROLL COUNTY

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**CARROLL COUNTY**

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## INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors  
Carroll 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 Carroll 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 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 from material misstatement.

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Carroll County, Mississippi, as of September 30, 2020, 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.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedules and corresponding notes, the Schedule of the County's Proportionate Share of the Net Pension Liability, and the Schedule of County 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***

Carroll County, Mississippi, has omitted the Management's Discussion and Analysis, that accounting principles generally accepted in the United States of America require 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 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 Carroll 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 Operating Costs of Solid Waste are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the Reconciliation of Operating Costs of Solid Waste are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and the Reconciliation of Operating Costs of Solid Waste are fairly stated, in all material respects, in relation to the basic financial statements 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 September 14, 2022 on our consideration of Carroll 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 Carroll 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 Carroll County, Mississippi's internal control over financial reporting and compliance.

*Bridgers, Goodman, Baird & Clarke, PLLC*

Bridgers, Goodman, Baird & Clarke, PLLC  
September 14, 2022

**CARROLL COUNTY**

**FINANCIAL STATEMENTS**

**CARROLL COUNTY, MISSISSIPPI**

## Statement of Net Position

September 30, 2020

Exhibit 1

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash	\$ 10,053,723	886,286	10,940,009
Investments	-	643,486	643,486
Property tax receivable	5,124,223	-	5,124,223
Accounts receivable (net of allowance for uncollectibles of \$ 485,078)	137,717	-	137,717
Fines receivable (net of allowance for uncollectibles of \$533,030)	239,334	-	239,334
Capital leases receivable	376,963	-	376,963
Intergovernmental receivables	247,358	377,696	625,054
Other receivables	25,954	5,242	31,196
Capital assets:			
Land and construction in progress	755,737	-	755,737
Other capital assets, net	14,340,742	2,650,851	16,991,593
Total Assets	31,301,751	4,563,561	35,865,312
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	519,538	355,336	874,874
Total Deferred Outflows of Resources	519,538	355,336	874,874
LIABILITIES			
Claims payable	284,434	61,341	345,775
Intergovernmental payables	163,820	210	164,030
Accrued interest payable	-	-	-
Unearned revenue	37,760	-	37,760
Amounts held in custody for others	12,966	-	12,966
Long-term liabilities			
Net pension liability	6,711,707	3,993,731	10,705,438
Due within one year:			
Capital debt	279,027	-	279,027
Non-capital debt	102,107	-	102,107
Due in more than one year:			
Capital debt	1,108,240	-	1,108,240
Non-capital debt	253,926	-	253,926
Compensated absences	-	14,329	14,329
Total Liabilities	8,953,987	4,069,611	13,023,598
DEFERRED INFLOWS OF RESOURCES			
Interest income on capital lease for future reporting period	23,232	-	23,232
Deferred revenues - property taxes	5,124,223	-	5,124,223
Total Deferred Inflows of Resources	5,147,455	-	5,147,455
NET POSITION			
Net investment in capital assets	13,709,212	2,650,851	16,360,063
Restricted for:			
Expendable:			
General government	422,344	-	422,344
Public safety	595,282	-	595,282
Public works	6,487,027	-	6,487,027
Health and welfare	60,353	-	60,353
Debt service	111,677	-	111,677
Unrestricted	(3,666,048)	(1,801,565)	(5,467,613)
Total Net Position	\$ 17,719,847	849,286	18,569,133

**CARROLL COUNTY, MISSISSIPPI**  
**Statement of Activities**  
**For the Year Ended September 30, 2020**

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		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 2,475,016	289,144	31,886	1,566	(2,152,420)		(2,152,420)
Public safety	1,673,682	100,016	145,276	138,610	(1,289,780)		(1,289,780)
Public works	5,543,102	761,453	2,595,257	198,539	(1,987,853)		(1,987,853)
Health and welfare	85,239	-	13,181	6,449	(65,609)		(65,609)
Culture and recreation	174,942	-	-	-	(174,942)		(174,942)
Conservation of natural resources	75,236	-	-	-	(75,236)		(75,236)
Economic development and assistance	150,389	-	107,759	-	(42,630)		(42,630)
Interest on long-term debt	46,834	-	-	-	(46,834)		(46,834)
Pension expense	807,495	-	-	-	(807,495)		(807,495)
Total Governmental Activities	11,031,935	1,150,613	2,893,359	345,164	(6,642,799)		(6,642,799)
Business-type activities:							
Regional jail	2,864,541	2,589,197	-	-		(275,344)	(275,344)
Total Business-type Activities	2,864,541	2,589,197	-	-		(275,344)	(275,344)
Total Primary Government	\$ 13,896,476	3,739,810	2,893,359	345,164	(6,642,799)	(275,344)	(6,918,143)
General revenues:							
Property taxes					\$ 5,374,932	-	5,374,932
Road & bridge privilege taxes					143,644	-	143,644
Grants and contributions not restricted to specific programs					297,872	-	297,872
Unrestricted interest income					49,726	-	49,726
Unrestricted investment income					-	9,697	9,697
Miscellaneous					344,014	240,810	584,824
Total General Revenues					6,210,188	250,507	6,460,695
Changes in Net Position					(432,611)	(24,837)	(457,448)
Net Position - Beginning					18,152,458	874,123	19,026,581
Net Position - Ending					\$ 17,719,847	849,286	18,569,133

**CARROLL COUNTY, MISSISSIPPI**  
Balance Sheet- Governmental Funds  
September 30, 2020

Exhibit 3

	Major Funds			
	General	ERBR-STP/BR 0008(13)B BT5	Other	Total
	Fund	Fund	Governmental Funds	Governmental Funds
<b>ASSETS</b>				
Cash	\$ 2,262,238	2,045,891	5,745,594	10,053,723
Property tax receivable	3,460,090		1,664,133	5,124,223
Accounts receivable (net of allowance for uncollectibles of \$485,078)	-	-	137,717	137,717
Fines receivable (net of allowance for uncollectibles of \$533,030)	239,334	-	-	239,334
Capital lease receivable	-	-	376,963	376,963
Intergovernmental receivables	207,988	-	39,370	247,358
Other receivables	730	-	25,224	25,954
Due from other funds	-	-	46,975	46,975
Total Assets	<u>\$ 6,170,380</u>	<u>2,045,891</u>	<u>8,035,976</u>	<u>16,252,247</u>
<b>LIABILITIES</b>				
Liabilities:				
Claims payable	\$ 96,456	41,180	146,798	284,434
Intergovernmental payables	163,187	-	633	163,820
Due to other funds	46,975	-	-	46,975
Unearned revenue	-	-	37,760	37,760
Amounts held in custody for others	12,966	-	-	12,966
Total Liabilities	<u>\$ 319,584</u>	<u>41,180</u>	<u>185,191</u>	<u>545,955</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Unavailable revenue - property taxes	3,460,090	-	1,664,133	5,124,223
Unavailable revenue - capital lease	-	-	376,963	376,963
Unavailable revenue - fines	239,334	-	-	239,334
Unavailable revenue - accounts receivable	-	-	137,717	137,717
Total Deferred Inflows of Resources	<u>\$ 3,699,424</u>	<u>-</u>	<u>2,178,813</u>	<u>5,878,237</u>
<b>FUND BALANCES:</b>				
Restricted for:				
General government	-	-	422,344	422,344
Public safety	-	-	552,718	552,718
Public works	-	2,004,711	4,217,575	6,222,286
Debt service	-	-	111,677	111,677
Committed to:				
Public safety	-	-	42,564	42,564
Public works	-	-	264,741	264,741
Health and welfare	-	-	60,353	60,353
Unassigned	2,151,372	-	-	2,151,372
Total Fund Balances	<u>\$ 2,151,372</u>	<u>2,004,711</u>	<u>5,671,972</u>	<u>9,828,055</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 6,170,380</u>	<u>2,045,891</u>	<u>8,035,976</u>	<u>16,252,247</u>

**CARROLL COUNTY, MISSISSIPPI**Exhibit 3-1Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position  
September 30, 2020

	<u>Amount</u>
Total Fund Balance - Governmental Funds	\$ 9,828,055
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 \$9,977,889.	15,096,479
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	377,051
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(1,743,300)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(6,711,707)
Capital leases are not available to pay for current period expenditures and, therefore, are deferred in the funds.	353,731
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	<u>519,538</u>
Total Net Position - Governmental Activities	\$ <u><u>17,719,847</u></u>

**CARROLL COUNTY, MISSISSIPPI****Exhibit 4**

**Statement of Revenues, Expenditures and Changes in Fund Balances- Governmental Funds**  
**For the Year Ended September 30, 2020**

	<u>Major Funds</u>			
	General	ERBR-STP/BR	Other	Total
	Fund	0008(13)B BT5	Governmental	Governmental
	Fund	Fund	Funds	Funds
<b>REVENUES</b>				
Property taxes	\$ 3,500,716	-	1,874,216	5,374,932
Road and bridge privilege taxes	-	-	143,644	143,644
Licenses, commissions and other revenue	139,368	-	8,198	147,566
Fines and forfeitures	147,476	-	685	148,161
Intergovernmental revenues	561,930	-	2,974,465	3,536,395
Charges for services	4,632	-	856,366	860,998
Interest income	11,294	-	38,432	49,726
Miscellaneous revenues	79,145	-	254,624	333,769
Total Revenues	<u>4,444,561</u>	<u>-</u>	<u>6,150,630</u>	<u>10,595,191</u>
<b>EXPENDITURES</b>				
Current:				
General government	2,430,920	-	205,148	2,636,068
Public safety	1,216,545	-	559,339	1,775,884
Public works	20,806	1,294,406	4,156,595	5,471,807
Health and welfare	79,278	-	-	79,278
Culture and recreation	168,656	-	-	168,656
Conservation of natural resources	84,136	-	-	84,136
Economic development and assistance	150,389	-	-	150,389
Debt service:				
Principal	12,487	-	369,668	382,155
Interest	487	-	59,917	60,404
Total Expenditures	<u>4,163,704</u>	<u>1,294,406</u>	<u>5,350,667</u>	<u>10,808,777</u>
Excess of Revenues over (under) Expenditures	<u>280,857</u>	<u>(1,294,406)</u>	<u>799,963</u>	<u>(213,586)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-term capital debt issued	63,610	-	94,238	157,848
Proceeds from sale of capital assets	12,550	-	2,501	15,051
Transfers in	3,394	-	312,123	315,517
Transfers out	(312,123)	-	(3,394)	(315,517)
Lease principal payments	-	-	99,197	99,197
Total Other Financing Sources and Uses	<u>(232,569)</u>	<u>-</u>	<u>504,665</u>	<u>272,096</u>
Net Changes in Fund Balances	<u>48,288</u>	<u>(1,294,406)</u>	<u>1,304,628</u>	<u>58,510</u>
Fund Balances - Beginning	<u>2,103,084</u>	<u>3,299,117</u>	<u>4,367,344</u>	<u>9,769,545</u>
Fund Balances - Ending	<u>\$ 2,151,372</u>	<u>2,004,711</u>	<u>5,671,972</u>	<u>9,828,055</u>

**CARROLL COUNTY, MISSISSIPPI**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, 2020

	<u>Amount</u>
Net Changes in Fund Balances - Governmental Funds	\$ 58,510
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 depreciation of \$720,014 exceeded capital outlays of \$484,207 in the current period.	(235,807)
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 losses of \$13,400 and gains of \$10,245 and the proceeds from the sale of \$15,051 in the current period.	(18,206)
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.	8,133
Solid waste 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.	(14,245)
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 \$382,155 exceeded debt proceeds of \$157,848.	224,307
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:	
The amount of the decrease in accrued interest payable	13,570
In the Statement of Activities, only interest income from payments received on capital leases are reported, whereas in the governmental funds, both principal and interest payments received increase financial resources. Thus, the change in net position differs from change in fund balances by the principal collections on the capital leases.	(99,197)
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	(807,495)
Recording of contributions made during the year	437,819
Change in Net Position of Governmental Activities	\$ <u>(432,611)</u>

**CARROLL COUNTY, MISSISSIPPI**

## Statement of Net Position- Proprietary Fund

September 30, 2020

Exhibit 5

	Business-type Activities Enterprise Fund
	CMRCF Fund
ASSETS	
Current assets:	
Cash	\$ 886,286
Investments	643,486
Intergovernmental receivables	377,696
Other receivables	5,242
Total Current Assets	<u>1,912,710</u>
Noncurrent assets:	
Capital assets:	
Other capital assets, net	<u>2,650,851</u>
Total Noncurrent Assets	<u>2,650,851</u>
Total Assets	<u>4,563,561</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	<u>355,336</u>
Total Deferred Outflows of Resources	<u>355,336</u>
LIABILITIES	
Current liabilities:	
Claims payable	61,341
Intergovernmental payables	<u>210</u>
Total Current Liabilities	<u>61,551</u>
Noncurrent liabilities:	
Net pension liability	3,993,731
Non-capital debt:	
Compensated absences payable	<u>14,329</u>
Total Noncurrent Liabilities	<u>4,008,060</u>
Total Liabilities	<u>4,069,611</u>
NET POSITION	
Net investment in capital assets	2,650,851
Unrestricted	<u>(1,801,565)</u>
Total Net Position	<u>\$ 849,286</u>

**CARROLL COUNTY, MISSISSIPPI**Exhibit 6Statement of Revenues, Expenses and Changes in Net Position- Proprietary Fund  
For the Year Ended September 30, 2020

	Business-type Activities Enterprise Fund
	CMRCF Fund
Operating Revenues	
Charges for services	\$ 2,589,197
Miscellaneous	244,655
Total Operating Revenues	<u>2,833,852</u>
Operating Expenses	
Personal services	1,572,181
Contractual services	284,493
Materials and supplies	502,810
Depreciation expense	122,216
Indirect administrative cost	15,480
Pension expense	367,361
Total Operating Expenses	<u>2,864,541</u>
Operating Income (Loss)	<u>(30,689)</u>
Nonoperating Revenues (Expenses)	
Interest income	9,697
Loss on disposal of capital assets	(3,845)
Net Nonoperating Revenue (Expenses)	<u>5,852</u>
Changes in Net Position	(24,837)
Net Position - Beginning	874,123
Net Position - Ending	\$ <u><u>849,286</u></u>

**CARROLL COUNTY, MISSISSIPPI**Exhibit 7Statement of Cash Flows- Proprietary Fund  
For the Year Ended September 30, 2020

	Business-type Activities Enterprise Fund
	CMRCF Fund
Cash Flows From Operating Activities	
Receipts from customers	\$ 2,578,147
Payments to suppliers	(501,672)
Payments to employees	(1,769,901)
Payments for contractual services	(285,139)
Payments to General Fund for indirect costs	(15,480)
Other operating cash receipts	89,086
Net Cash Provided (Used) by Operating Activities	95,041
Cash Flows From Capital and Related Financing Activities	
Acquisition and construction of capital assets	(27,615)
Net Cash Provided (Used) by Capital and Related Financing Activities	(27,615)
Cash Flows From Investing Activities	
Proceeds from sale and maturities of investments	(20,746)
Interest and dividends on investments	9,697
Net Cash Provided (Used) by Investing Activities	(11,049)
Net Increase (Decrease) in Cash and Cash Equivalents	56,377
Cash and Cash Equivalents at Beginning of Year	829,909
Cash and Cash Equivalents at End of Year	\$ 886,286
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	\$ (30,689)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation expense	122,216
Changes in assets and liabilities:	
(Increase) decrease in intergovernmental receivable	(165,677)
(Increase) decrease in other receivables	(942)
(Increase) decrease in deferred outflows of resources	(103,840)
Increase (decrease) in deferred inflows of resources	(28,016)
Increase (decrease) in claims payable	(511)
Increase (decrease) in intergovernmental payable	210
Increase (decrease) in pension liability	300,080
Increase (decrease) in compensated absences liability	2,210
Total Adjustments	125,730
Net Cash Provided (Used) by Operating Activities	\$ 95,041

**CARROLL COUNTY, MISSISSIPPI**Statement of Fiduciary Assets and Liabilities  
September 30, 2020Exhibit 8

	Agency Funds
ASSETS	
Cash and investments	\$ 3,858
Total Assets	<u>3,858</u>
LIABILITIES	
Amounts held in custody for others	3,858
Total Liabilities	<u>\$ 3,858</u>

## CARROLL COUNTY

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

#### (1) Summary of Significant Accounting Policies.

##### A. Financial Reporting Entity.

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

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

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

##### B. Individual Component Unit Disclosures

###### Blended Component Units

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

The Carroll County Economic Development District is comprised solely of the five members of the Carroll County Board of Supervisors. Although it is created legally separate from the county under Section 19-5-99, Miss. Code Ann. (1972), the district is reported as if it were part of the primary government because its sole purpose is to enhance and develop the economic development resources of the County.

##### 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 Statement of Activities 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 revenues and other nonexchange revenues and are

## CARROLL COUNTY

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

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, 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. Nonmajor 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.

The revenues and expenses of Proprietary Funds are classified as operating or nonoperating. 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 nonoperating.

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.

## CARROLL COUNTY

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

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.

ERBR-STP/BR-0008(13)B BT5 – This fund is used to account for monies from specific revenue sources that are restricted for emergency road and bridge repair projects.

The County reports the following major Enterprise Fund:

Carroll-Montgomery Regional Correctional Facility (CMRCF) – This fund is used to account for the County's activities of operating the correctional facility.

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 expenditure for specified purposes other than debt service or capital projects.

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

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

#### PROPRIETARY FUND TYPES

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 TYPES

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

## CARROLL COUNTY

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

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). Investments in governmental securities are stated at fair value.

#### G. Receivables.

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

#### H. Interfund 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." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. Any outstanding balances between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

#### I. 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 assets costs 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.

Governmental accounting and financial reporting standards allow governments meeting certain criteria to elect not to report major general infrastructure assets retroactively. Carroll County meets this criteria and has so elected. Therefore, the major general infrastructure assets acquired prior to October 1, 2002, are not reported in the government-wide financial statements. General infrastructure assets include all roads and bridges and other infrastructure assets acquired subsequent to October 1, 2002.

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 noncapitalization 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

# CARROLL COUNTY

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

following schedule details those thresholds and estimated useful lives:

	Capitalization Thresholds	Estimated Useful Life
Land	\$ 0	N/A
Infrastructure	0	20-50 years
Buildings	50,000	40 years
Mobile equipment	5,000	5-10 years
Furniture and equipment	5,000	3-7 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.

### J. 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 9 for additional details.

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 an inflow of resources (revenue) until that time.

Deferred revenues- property taxes/unavailable revenue – property taxes – Deferred inflows of resources should be reported when resources associated with imposed nonexchange 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 as the revenue becomes available.

Unavailable revenue – accounts receivable – 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 as the revenue becomes available.

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 9 for additional details.

Interest income on capital lease for future reporting period/unavailable revenue – capital leases – When a capital lease receivable is recorded in the governmental fund financial statements but the revenue is not

## CARROLL COUNTY

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

available, the government should report a deferred inflow of resources until such time as the revenue becomes available.

#### K. 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.

In the fund financial statements, the face amount of debt issued is reported as other financing sources.

#### 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. Compensated Absences

The Carroll-Montgomery Regional Correctional Facility has adopted a policy of compensation for accumulated unpaid employee benefits. 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.

#### 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:

## CARROLL COUNTY

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

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 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 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.

*Committed fund balance* includes amounts that can be used only for specific purposes pursuant to constraints imposed by a formal action of the Board of Supervisors, the County's highest level of decision-making authority. This formal action is an order of the Board of Supervisors as approved in the board minutes.

*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

## CARROLL COUNTY

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

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.

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 collectibility criteria for property tax recognition because the lien and due date cannot be established until the date of 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. Changes in Accounting Standards.

The Governmental Accounting Standards Board issued GASB 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* in May 2020. The objective of this Statement was to provide temporary relief to governments in light of the COVID-19 pandemic by postponing effective dates of certain Statements and Implementation Guides. The effective dates of GASB 83-84, GASB 88-93, and Implementation Guides No. 2017-3, 2018-1, 2019-1, and 2019-2 were postponed one year. The effective dates of GASB 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, were postponed eighteen months.

(2) Deposits and Investments.

Deposits:

The carrying amount of the County's total deposits with financial institutions at September 30, 2020, was \$10,943,867, and the bank balance was \$11,093,457. 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:

CARROLL COUNTY

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

Investments balances at September 30, 2020, are as follows:

<u>Investment Type</u>	<u>Maturities</u>	<u>Fair Value Level</u>	<u>Fair Value</u>
Federated Government Obligation			
Mutual Funds	N/A	Level 1	<u>\$ 643,486</u>

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. The investments are uninsured, unregistered and were held by the counterparty in trusts on behalf of the County.

(3) Interfund Transactions and Balances.

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

A. Due From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Other Governmental Funds	General Fund	\$ 46,975
		<u>46,975</u>

The receivables represent the tax revenue collected in September 2020, but not settled until October 2020. All interfund balances are expected to be repaid within one year from the date of the financial statements.

B. Transfers In/Out:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 3,394
Other Governmental Funds	General Fund	<u>312,123</u>
		<u>315,517</u>

The purpose of interfund transfers was to close an inactive fund and to disburse reappraisal escrow monies and provide money for operations.

CARROLL COUNTY

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

(4) Intergovernmental Receivables.

Intergovernmental receivables at September 30, 2020, consisted of the following:

Description	Amount
Governmental Activities	
Legislative tag credit	\$ 75,862
Emergency management performance grant	16,343
Tire waste grant	4,290
Youth court	1,200
DUI grant	3,680
Occupant grant	1,957
Welfare reimbursement	1,105
Timber severance tax	1,029
Tag proportion	9,160
Garbage fees	3,000
Overweight fines	55
Truck & bus privilege tax	2,420
Economic development grant	48,232
Heavy duty truck tax	2,515
Waste treatment	420
FEMA CARES grant	75,418
Miscellaneous	672
Total Governmental Activities	\$ <u>247,358</u>
Business-type Activities	
Litter pick up	\$ 1,373
FEMA CARES grant	154,841
Reimbursement for housing prisoners	221,482
Total Business-type Activities	\$ <u>377,696</u>

CARROLL COUNTY

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

(5) Capital Assets.

The following is a summary of capital assets activity for the year ended September 30, 2020:

**Governmental activities:**

	Balance Oct. 1, 2019	Additions	Deletions	Adjustments*	Balance Sept. 30, 2020
<b>Non-depreciable capital assets:</b>					
Land	\$ 192,419	10,400	-	-	202,819
Construction in progress	1,322,129	43,858	-	(813,069)	552,918
Total non-depreciable capital assets	1,514,548	54,258	-	(813,069)	755,737
<b>Depreciable capital assets:</b>					
Infrastructure	13,127,773	-	-	813,069	13,940,842
Buildings	2,138,258	-	-	-	2,138,258
Mobile equipment	6,318,044	180,510	136,737	243,659	6,605,476
Furniture and equipment	789,873	-	6,321	-	783,552
Leased property under capital leases	844,723	249,439	-	(243,659)	850,503
Total depreciable capital assets	23,218,671	429,949	143,058	813,069	24,318,631
<b>Less accumulated depreciated for:</b>					
Infrastructure	2,523,681	293,998	-	-	2,817,679
Buildings	833,296	39,871	-	-	873,167
Mobile equipment	4,996,372	284,537	119,163	133,890	5,295,636
Furniture and equipment	710,528	2,346	5,689	-	707,185
Leased property under capital leases	318,850	99,262	-	(133,890)	284,222
Total accumulated depreciation	9,382,727	720,014	124,852	-	9,977,889
Total depreciable capital assets, net	13,835,944	(290,065)	18,206	813,069	14,340,742
Governmental activities capital assets, net	\$ 15,350,492	(235,807)	18,206	-	15,096,479

**Business-type Activities**

	Balance Oct. 1, 2019	Additions	Deletions	Adjustments*	Balance Sept. 30, 2020
<b>Depreciable capital assets:</b>					
Buildings	4,575,063	-	-	-	4,575,063
Mobile equipment	184,471	27,615	38,447	-	173,639
Furniture and equipment	267,393	-	-	-	267,393
Total depreciable capital assets	5,026,927	27,615	38,447	-	5,016,095
<b>Less accumulated depreciated for:</b>					
Buildings	1,921,525	91,501	-	-	2,013,026
Mobile equipment	148,944	16,261	34,602	-	130,603
Furniture and equipment	207,161	14,454	-	-	221,615
Total accumulated depreciation	2,277,630	122,216	34,602	-	2,365,244
Total depreciable capital assets, net	2,749,297	(94,601)	3,845	-	2,650,851

The building for the CMRCF is constructed on sixteenth section land that is not owned by the County.

\*Adjustments are to reclassify completed construction in progress to infrastructure and to reclassify paid out lease purchase to their proper classifications.

CARROLL COUNTY

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

Depreciation expense was charged to the following functions:

	<u>Amount</u>
<b>Governmental activities:</b>	
General government	\$ 42,808
Public safety	104,713
Public works	554,894
Health and welfare	5,961
Culture and Recreation	11,638
Total governmental activities depreciation expense	\$ <u>720,014</u>
<b>Business-type activities:</b>	
Correctional facility	\$ <u>122,216</u>

Commitments with respect to unfinished capital projects at September 30, 2020, consisted of the following:

<u>Description of Commitment</u>	<u>Remaining Financial Commitment</u>	<u>Expected Date of Completion</u>
LSBP-08(40) CR157 & 45	Unknown at this time	Unknown at this time

(6) 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.

(7) Capital Leases.

As Lessor:

On December 5, 2005, Carroll County entered into a capital lease agreement with the Anel Corporation for the lease of a building. The capital lease stipulated that the lessee would pay approximately \$49,913 per year in lease payments commencing April 2006 for a term of 20.25 years. At the end of the lease term, the Anel Corporation has the option to purchase the building for the final payment of \$19,924.

On June 26, 2012, Carroll County entered into a capital lease agreement with the Anel Corporation for the lease of a building. The capital lease stipulated that the lessee would pay approximately \$61,412 per year in lease payments commencing June 2012, for a term of 10 years. At the end of the lease term, the Anel Corporation has the option to purchase the building for the final payment of \$46,061.

CARROLL COUNTY

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

The County leases the following property with varying terms and options as of September 30, 2020:

<u>Classes of Property</u>	<u>Amount</u>
Anel Building	* \$ 1,280,000

\*Building listed at historical cost

The future minimum lease receivables and the present value of the net minimum lease receivables as of September 30, 2020, are as follows:

<u>Year Ended September 30</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 98,369	8,071
2022	89,711	6,259
2023	45,567	4,346
2024	46,953	2,960
2025	48,381	1,532
2026	24,750	64
Total	<u>\$ 353,731</u>	<u>23,232</u>

As Lessee:

The County is obligated for the following capital assets acquired through capital leases as of September 30, 2020:

<u>Classes of Property</u>	<u>Governmental Activities</u>
Mobile equipment	\$ 732,482
Other Furniture & Equipment	118,021
Less: Accumulated depreciation	(284,222)
	<u>\$ 566,281</u>

The following is a schedule by years of the total payments due as of September 30, 2020:

<u>Year Ended September 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 144,027	6,910
2022	98,289	3,900
2023	55,882	1,619
2024	25,889	537
2025	13,180	227
Total	<u>\$ 337,267</u>	<u>13,193</u>

CARROLL COUNTY

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

(8) Long-term Debt.

Debt outstanding as of September 30, 2020, consisted of the following:

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
Governmental Activities:			
A. General Obligation Bonds:			
Road & Bridge Bonds, Series 2012	\$ <u>1,050,000</u>	2.30/3.25%	05/2027
B. Capital Leases:			
J D Tractor w/ loader	5,933	1.89%	04/2021
J D Tractor w/ loader	8,474	1.89%	07/2021
J D Tractor w/ loader	5,965	1.89%	04/2021
3- 2010 Int 4300 Tanker Trucks	63,911	1.85%	11/2021
2016 Ford Explorer	6,358	1.90%	10/2020
2016 Ford Explorer	6,340	1.90%	10/2020
2016 GMC Sierra 150	6,806	2.09%	08/2021
Viper phone system	78,823	3.39%	12/2023
Alamo Samurai cutter	9,303	3.17%	10/2021
JD 310 SL Backhoe	24,390	2.72%	2/2023
2020 Ford F150	32,185	1.81%	6/2024
Alamo Mower	25,169	2.58%	6/2024
2 2020 Dodge Ram 1500	<u>63,610</u>	1.70%	9/2025
Total Capital Leases	<u>337,267</u>		
C. Other Loans:			
CAP Loan- Anel Building	105,109	3.00%	2/2022
CAP loan- Anel Building	<u>250,924</u>	3.00%	03/2026
Total Other Loans	<u>356,033</u>		

Annual debt service requirements to maturity for the following debt reported in the Statement of Net Position are as follows:

Year Ended September 30	General Obligation Bonds		Other Loans	
	Principal	Interest	Principal	Interest
2021	\$ 135,000	24,150	102,107	9,220
2022	140,000	21,045	90,358	6,094
2023	145,000	17,825	45,681	4,232
2024	150,000	14,490	47,070	2,843
2025	155,000	11,040	48,502	1,411
2026-2027	<u>325,000</u>	<u>11,269</u>	<u>22,315</u>	<u>155</u>
Total	\$ <u>1,050,000</u>	<u>99,819</u>	<u>356,033</u>	<u>23,955</u>

# CARROLL COUNTY

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

**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 1.17 percentage of the latest property assessments.

The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2020:

	Balance Oct. 1, 2019	Additions	Reductions	Adjustments	Balance Sept. 30, 2020	Amount Due Within One Year
Governmental Activities:						
General obligation bonds	\$ 1,180,000	-	130,000	-	1,050,000	135,000
Capital leases	322,700	157,848	143,281	-	337,267	144,027
Other loans	464,907	-	108,874	-	356,033	102,107
Total	<u>\$ 1,967,607</u>	<u>157,848</u>	<u>382,155</u>	<u>-</u>	<u>1,743,300</u>	<u>381,134</u>
Business-type Activities:						
Compensated absences	\$ 12,119	2,210	-	-	14,329	-
Total	<u>\$ 12,119</u>	<u>2,210</u>	<u>-</u>	<u>-</u>	<u>14,329</u>	<u>-</u>

### (9) Defined Benefit Pension Plan.

#### *General Information about the Pension Plan*

**Plan Description.** Carroll 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 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

# CARROLL COUNTY

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

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, 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 employer's rate at September 30, 2020 was 17.40% of annual covered payroll. 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, 2020, 2019, and 2018 were \$636,958, \$586,217, and \$541,477, 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, 2020, the County reported a liability of \$10,705,438 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 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, 2020 net pension liability was 0.05530 percent, which was based on a measurement date of June 30, 2020. This was a decrease of 0.000097 percent from its proportionate share used to calculate the September 30, 2019 net pension liability, which was based on a measurement date of June 30, 2019.

For the year ended September 30, 2020, the County recognized pension expense of \$1,174,856. At September 30, 2020, the County reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 91,868
Net difference between projected and actual earnings on pension plan investments	474,325
Changes of assumptions	59,991
Changes in the proportion and differences between actual contributions and proportionate share of contributions	110,248
Contributions subsequent to the measurement date	138,442
	<u>\$ 874,874</u>

\$138,442 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, 2021. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

CARROLL COUNTY

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

Year ending September 30:	Amount
2021	\$ 130,617
2022	257,568
2023	206,549
2024	141,698
Total	\$ <u>736,432</u>

Actuarial Assumptions. The total pension liability as of the June 30, 2020 was determined by an actuarial valuation prepared as of June 30, 2019, using the following actuarial assumptions, applied to all periods in the measurement:

Inflation	2.75 percent
Salary increases	3.00 – 18.25 percent, including inflation
Investment rate of return	7.75 percent, net of pension plan investment expense, including inflation

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 to 119. For females, 85% of the female rates from ages 18 to 65 scaled up to 102% for ages 75 to 119. Mortality rates will be projected generationally using the MP-2018 projection scale to account for future improvements in life expectancy.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the four-year period from July 1, 2014 to June 30, 2018. The experience report is dated April 2, 2019.

The long-term expected rate of return on pension plan investments was determined using a lognormal 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 real rates of return by the target asset allocation percentage and by adding expected inflation. The most recent target asset allocation and best estimates of arithmetic real rates of return for each major asset class 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	0.50
Real Estate	10.00	4.00
Private Equity	8.00	6.25
Cash	1.00	0.00
	<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 contribution rate (17.40%).

# CARROLL COUNTY

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

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	\$ 13,856,873	10,705,438	8,104,237

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

### (10) 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 statements.

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.

### (11) Effect of Deferred Amounts on Net Position

The governmental activities' unrestricted net position amount of (\$3,666,048) 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 \$95,160 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, 2021. The \$424,378 balance of the deferred outflow of resources related to pensions at September 30, 2020, will be recognized in pension expense over the next 4 years.

The governmental activities' unrestricted net position amount of (\$3,666,048) includes the effect of deferring the recognition of revenue resulting from capital leases receivable. The \$23,232 balance of deferred inflows of resources at September 30, 2020, will be recognized as revenue and will increase the unrestricted net position over the next 6 years.

The business-type activities' unrestricted net position amount of (\$1,801,565) includes the effect of deferred outflows of resources related to pensions. A portion of the deferred outflow of resources related to pension in the amount of \$43,282 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, 2021. The \$312,054 balance of the deferred outflow of resources related to pensions at September 30, 2020, will be recognized in pension expense over the next 4 years.

## CARROLL COUNTY

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

#### (12) 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 Carroll County Board of Supervisors appoints two of the 22 members of the college Board of Trustees. The County appropriated \$177,876 for maintenance and support of the college in fiscal year 2020.

North Central Planning and Development District operates in a district composed of the counties of Attala, Carroll, Grenada, Holmes, Leflore, Montgomery and Yalobusha. The Carroll County Board of Supervisors appoints four of the 28 members of the district Board of Directors. The County appropriated \$17,352 for support of the district in the fiscal year of 2020.

Region Six Mental Health/Mental Retardation Center Life Help operates in a district composed of the counties of Attala, Carroll, Grenada, Holmes, Humphreys, Leflore, Montgomery and Sunflower. The Carroll County Board of Supervisors appoints one of the eight members of the Board of Commissioners. The County appropriated \$25,000 for the support of the center in fiscal year 2020.

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 Carroll County Board of Supervisors appoints one of the 21 members of the district Board of Commissioners. The County appropriated \$6,059 for the support of the district in the fiscal year 2020.

Mississippi Regional Housing Authority IV operates in a district composed of the Counties of Carroll, Choctaw, Clay, Grenada, Lowndes, Montgomery, Oktibbeha, Webster and Winston. The Carroll County Board of Supervisors appoints one of the 9 members of the Board of Commissioners. The County did not appropriate for the support of the authority in the fiscal year 2020.

#### (13) Tax Abatements.

For the year beginning October 1, 2016, the Governmental Accounting Standards Board (GASB) implemented Statement 77, Tax Abatements Disclosures. This statement 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 government or the citizens of those governments.

The Carroll County Board of Supervisors negotiates property tax abatements on an individual basis. All abatements are for 10 years and are for economic development purposes. The County had tax abatement agreements with one entity as of September 30, 2020.

The County had one type of abatement. None of which provides for the abatement of school or state tax levies.

#### Section 27-31-51 Miss. Code Ann. (1972)

All allowable property tax levies.

There is one entity that has a tax abatements under this statute. The exemption expires with fiscal year end within a ten-year time frame. For fiscal year 2020, \$27,106 in taxes was abated for this entity.

CARROLL COUNTY

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

<u>Category</u>	<u>% of Taxes Abated During the Fiscal Year</u>	<u>Amount of Taxes Abated During the Fiscal Year</u>
Economic development projects	64.35%	\$ 27,106

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.

(14) 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 Carroll County evaluated the activity of the County through September 14, 2022, the date the financial statements were available to be issued, and determined that the following subsequent events have occurred requiring disclosure in the notes to the financial statements.

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

	<u>Issue Date</u>	<u>Issue Rate</u>	<u>Issue Amount</u>	<u>Type of Financing</u>
Case 850 M Dozer	2/16/2022	2.65%	\$ 181,900	Capital Lease

## **CARROLL COUNTY**

### **REQUIRED SUPPLEMENTARY INFORMATION**

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

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 3,533,806	3,525,873	3,525,873	-
Licenses, commissions and other revenue	79,525	117,409	117,409	-
Fines and forfeitures	149,500	137,975	137,975	-
Intergovernmental revenues	345,722	476,792	476,792	-
Charges for services	4,700	4,584	4,584	-
Interest income	5,200	11,379	11,379	-
Miscellaneous revenues	6,000	91,689	91,689	-
Total Revenues	<u>4,124,453</u>	<u>4,365,701</u>	<u>4,365,701</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
General government	2,441,700	2,434,994	2,434,994	-
Public safety	1,112,849	1,164,945	1,164,945	-
Public works	20,390	21,080	21,080	-
Health and welfare	85,000	79,716	79,716	-
Culture and recreation	170,733	170,178	170,178	-
Conservation of natural resources	88,434	85,755	85,755	-
Economic development and assistance	17,352	95,326	95,326	-
Total Expenditures	<u>3,936,458</u>	<u>4,051,994</u>	<u>4,051,994</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	<u>187,995</u>	<u>313,707</u>	<u>313,707</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Other financing sources	131,000	3,394	3,394	-
Other financing uses	(406,500)	(312,123)	(312,123)	-
Total Other Financing Sources and Uses	<u>(275,500)</u>	<u>(308,729)</u>	<u>(308,729)</u>	<u>-</u>
Net Change in Fund Balance	(87,505)	4,978	4,978	-
Fund Balances - Beginning	<u>1,900,000</u>	<u>2,049,726</u>	<u>2,049,726</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 1,812,495</u>	<u>2,054,704</u>	<u>2,054,704</u>	<u>-</u>

CARROLL COUNTY  
 Budgetary Comparison Schedule- Budget and Actual (Non-GAAP Basis)  
 ERBR-STP/BR 0008(13)B BT5 Fund  
 For the Year Ended September 30, 2020

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental revenues	\$ -	-	-	-
Total Revenues	-	-	-	-
EXPENDITURES				
Current:				
Public works	-	1,253,226	1,253,226	-
Total Expenditures	-	1,253,226	1,253,226	-
Excess of Revenues over (under) Expenditures	-	(1,253,226)	(1,253,226)	-
OTHER FINANCING SOURCES (USES)				
Other financing sources	-	-	-	-
Other financing uses	-	-	-	-
Total Other Financing Sources and Uses	-	-	-	-
Net Change in Fund Balance	-	(1,253,226)	(1,253,226)	-
Fund Balances - Beginning	-	3,299,117	3,299,117	-
Fund Balances - Ending	\$ -	2,045,891	2,045,891	-

CARROLL COUNTY  
Schedule of the County's Proportionate Share of the Net Pension Liability  
Last Ten Fiscal Years\*  
For the Year Ended September 30, 2020  
UNAUDITED

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
County's proportion of the net pension liability (asset)	0.055300%	0.055397%	0.054071%	0.054601%	0.050528%	0.058139%
County's proportionate share of the net pension liability (asset) \$	10,705,438	9,745,425	8,993,614	9,076,540	9,025,563	8,987,142
Covered payroll \$	3,623,443	3,655,666	3,464,369	3,502,698	3,179,924	3,632,216
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	295.45%	266.58%	259.60%	259.13%	283.83%	247.43%
Plan fiduciary net position as a percentage of the total pension liability	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%

\* 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.

CARROLL COUNTY  
Schedule of the Pension Contributions  
Last Ten Fiscal Years\*  
For the Year Ended September 30, 2020  
UNAUDITED

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 636,958	586,217	541,477	543,285	500,838	569,362
Contributions in relation to the contractually required contribution	<u>636,958</u>	<u>586,217</u>	<u>541,477</u>	<u>543,285</u>	<u>500,838</u>	<u>569,362</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered payroll	\$ 3,660,678	3,620,858	3,437,949	3,449,429	3,179,924	3,614,997
Contributions as a percentage of covered payroll	17.40%	16.19%	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.

# CARROLL COUNTY

## Notes to the Required Supplementary Information For the Year Ended September 30, 2020

### 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 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 Budgetary 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	ERBR-STP/BR 0008(13)B BT5 Fund
Budget (Cash Basis)	\$ 4,978	(1,253,226)
Increase (Decrease)		
Net adjustments for revenue accruals	155,020	-
Net adjustments for expenditure accruals	(111,710)	(41,180)
GAAP Basis	\$ <u>48,288</u>	<u>(1,294,406)</u>

CARROLL COUNTY

Notes to the Required Supplementary Information  
For the Year Ended September 30, 2020

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 assumptions 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 6.00% to 7.00%.

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.

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%.

CARROLL COUNTY

Notes to the Required Supplementary Information  
For the Year Ended September 30, 2020

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, 2018 valuation for the June 30, 2020 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	30.9 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

## **CARROLL COUNTY**

### **SUPPLEMENTARY INFORMATION**

CARROLL COUNTY  
Schedule of Expenditures of Federal Awards  
For the Year Ended September 30, 2020

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor and Number</i>	<i>Federal Expenditures(\$)</i>
U.S. Department of Agriculture- Rural Development (Direct)			
Community Facilities Grant	10.766	N/A	\$ 191,100
Emergency Watershed Protection Program	10.923	N/A	<u>551,914</u>
Total U.S. Department of Agriculture			<u>743,014</u>
U.S. Department of Transportation			
Passed-through Mississippi Department of Public Safety			
State and Community Highway Safety	20.600	154AL-2020-ST-10-81	12,134
Alcohol Open Containers Requirements	20.607	154AL-2020-ST-10-81	<u>36,180</u>
Total U.S. Department of Transportation			<u>48,314</u>
U.S. Department of Treasury			
Passed through the Mississippi Emergency Management Agency			
Coronavirus Relief Fund	21.019	N/A	<u>230,259</u>
U.S. Department of Homeland Security (Direct)			
Emergency Management Performance Grants	97.042	EMA-2019	16,343
Passed through the Mississippi Emergency Management Agency			
Disaster Grants- Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4429-DR-MS	313,373
Passed through the Mississippi Department of Public Safety			
Homeland Security Grant	97.067	N/A	<u>33,700</u>
Total U.S. Department of Homeland Security			<u>363,416</u>
Total Expenditures of Federal Awards			<u>\$ 1,385,003</u>

**Notes to Schedule of Expenditures of Federal Awards**

Note A: Significant Accounting Policies

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of Carroll County and is presented on the modified accrual basis of accounting. Therefore, some amounts presented in this Schedule may differ from amounts presented in or used in the preparations of the basic financial statements. 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 Carroll County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Carroll 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

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

CARROLL COUNTY  
Reconciliation of Operating Costs of Solid Waste  
For the Year Ended September 30, 2020

Operating Expenditures, Cash Basis:

Salaries	\$	43,740
Solid Waste Pickup and Disposal Fees		664,608
Utilities		1,372
Supplies		2,796
Postage		<u>8,092</u>

Solid Waste Cash Basis Operating Expenditures		720,608
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Full Cost Expenses:

Indirect administrative costs		4,381
Net effect of other accrued expenses		1,439

Solid Waste Full Cost Operating Expenses	\$	<u><u>726,428</u></u>
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## **CARROLL COUNTY**

## **OTHER INFORMATION**

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

NAME	DEPARTMENT OR POSITION	AMOUNT OF BOND	BONDING COMPANY
James A. Neill, Jr.	Supervisor	100,000	Western Surety Company
Josh Hurst	Supervisor	100,000	Western Surety Company
Edward Dill Tucker	Supervisor	100,000	Western Surety Company
Claude Fluker	Supervisor	100,000	Western Surety Company
Rickie Corley	Supervisor	100,000	Western Surety Company
Sherry Blaylock	Purchase Clerk	75,000	Western Surety Company
Casey Carpenter	Assistant Purchase Clerk	75,000	Western Surety Company
Durward Stanton	Inventory Clerk	75,000	Western Surety Company
Tara R. McDonald	Receiving Clerk	75,000	Western Surety Company
Durward Stanton	Assistant Receiving Clerk	50,000	Western Surety Company
Johnny Burrell	Assistant Receiving Clerk	50,000	Western Surety Company
Debra Sproles	Assistant Receiving Clerk	50,000	Western Surety Company
Michael Haddon	Assistant Receiving Clerk	50,000	Western Surety Company
Mary Jane King	Assistant Receiving Clerk	50,000	Western Surety Company
Alan Jackson	Assistant Receiving Clerk	50,000	Western Surety Company
Stephen Everett	Assistant Receiving Clerk	50,000	Western Surety Company
James R. Woodson	Assistant Receiving Clerk	50,000	Western Surety Company
Connie C. Morgan	Assistant Receiving Clerk	50,000	Western Surety Company
Timothy D. Beasley	Assistant Receiving Clerk	50,000	Western Surety Company
Brenda M. Westmoreland	Assistant Receiving Clerk	50,000	Western Surety Company
Barbara W. Matthews	Assistant Receiving Clerk	50,000	Western Surety Company
Rogan G. Jackson	Assistant Receiving Clerk	50,000	Western Surety Company
Casey Carpenter	Chancery Clerk	100,000	Western Surety Company
Durward Stanton	Circuit Clerk	100,000	Western Surety Company
Casey Carpenter	Deputy Circuit Clerk	50,000	Western Surety Company
Stanley "Sugar" Mullins	Deputy Circuit Clerk	50,000	Western Surety Company
Brenda King	Deputy Circuit Clerk	50,000	Western Surety Company
Marlee Golden	Deputy Circuit Clerk	50,000	Western Surety Company
Christy Noah	Deputy Circuit Clerk	50,000	Western Surety Company
Frances C. Andrews	Deputy Circuit Clerk	50,000	Western Surety Company
Michelle Heath	Deputy Circuit Clerk	50,000	Western Surety Company
Monica P. Jones	Deputy Circuit Clerk	50,000	Western Surety Company
Clint H. Walker	Sheriff	100,000	Western Surety Company
Joe Holman	Constable	50,000	Western Surety Company
Roshawn Daniels	Constable	50,000	Western Surety Company
Wilton A. Neal	Tax Assessor/Collector	100,000	Western Surety Company
Beth Magee	Deputy Tax Collector	50,000	Western Surety Company
Debra Sproles	Deputy Tax Collector	50,000	Western Surety Company
Tammy Inmon	Deputy Tax Collector	50,000	Western Surety Company
Alison Dowdle	Deputy Tax Collector	50,000	Western Surety Company
Jimmy Avant	Justice Court Judge	50,000	Western Surety Company
Tinesha Eve Earnest	Justice Court Judge	50,000	Western Surety Company
Mary Jane King	Justice Court Clerk	50,000	Western Surety Company
Michelle Heath	Justice Court Clerk	50,000	Western Surety Company
Judy Mainelli	Deputy Justice Court Clerk	50,000	Western Surety Company
Miriam Dockery	Deputy Justice Court Clerk	50,000	Western Surety Company
Dorothy Prewitt	Sanitation Clerk	35,000	Western Surety Company
Frances C. Andrews	Deputy Sanitation Clerk	35,000	Western Surety Company
Mark Stiles	Coroner	10,000	Western Surety Company

## **CARROLL 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  
Carroll 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 Carroll 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 14, 2022

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Carroll 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 Carroll 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as 2020-001 that we consider to be a significant deficiency.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Carroll 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 Carroll 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 dated September 14, 2022, included within this document.

#### **Carroll County's Response to Finding**

Carroll County's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Carroll County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

#### **Purpose of this Report**

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

*Bridgers, Goodman, Baird & Clarke, PLLC*

Bridgers, Goodman, Baird & Clarke, PLLC  
September 14, 2022



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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  
Carroll County, Mississippi

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

We have audited Carroll 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 each of Carroll County, Mississippi's major federal programs for the year ended September 30, 2020. Carroll County, Mississippi's major federal programs are 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 each of Carroll County, Mississippi's major federal programs 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 Carroll 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 each major federal program. However, our audit does not provide a legal determination of Carroll County, Mississippi's compliance.

***Opinion on Each Major Federal Program***

In our opinion, Carroll 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 each of its major federal programs for the year ended September 30, 2020.

## Report on Internal Control Over Compliance

Management of Carroll 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 Carroll County, Mississippi's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a 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  
September 14, 2022



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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  
Carroll County, Mississippi

We have examined Carroll 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 bid requirements of Section 31-7-13, Miss. Code Ann. (1972) during the year ended September 30, 2020. The Board of Supervisors of Carroll 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 Carroll County, Mississippi, has established centralized purchasing for all funds of the County and has established an inventory control system. The objective of the central purchasing system is to provide reasonable, but not absolute, assurance that purchases are executed in accordance with state law.

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

In our opinion, Carroll 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 and, in our opinion, is fairly presented in relation to that examination.

This report is intended for use in evaluating Carroll 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  
September 14, 2022

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

Schedule 1

Date	Item Purchases	Lowest Bid Amount	Bid Accepted Amount	Vendor	Reason
9/8/2020	2018 Deere 770G Grader	\$ 139,800	\$ 140,022	Stribling Equipment, Deer Credit Inc.	other bid not manufactured in the US, not with in the 50 mile radius
9/8/2020	Higher Ground Recorder	\$ 18,967	\$ 19,627	AT&T	Past Business Relationship

CARROLL COUNTY  
Schedule of Emergency Purchases  
For the Year Ended September 30, 2020

Schedule 2

<b>Date</b>	<b>Item Purchases</b>	<b>Amount</b>	<b>Vendor</b>	<b>Reason</b>
4/9/2020	2-60" Couplers, 3-60"x30' Culverts	\$ 9,943	D&O Supply	storm damage

CARROLL COUNTY  
Schedule of Purchases Made Noncompetitively from a Sole Source  
For the Year Ended September 30, 2020

Schedule 3

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

## LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors  
Carroll County, Mississippi

In planning and performing our audit of the financial statements of Carroll County, Mississippi for the year ended September 30, 2020, we considered Carroll 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 Carroll 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 14, 2022, on the financial statements of Carroll 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:

### Payroll Clerk

<b>1.</b>	<u>Employee File Documentation.</u>
<b>Repeat Finding</b>	No
<b>Criteria</b>	The County is responsible for establishing and maintaining an effective system of internal controls pertaining to the documentation in employee files.
<b>Condition</b>	During the course of our test work, we noted the following: <ul style="list-style-type: none"> <li>• Seven (7) instances where the I-9 was incomplete or improperly completed</li> <li>• Three (3) instances where there was no I-9 on file</li> </ul>
<b>Cause</b>	The employee files are not being reviewed regularly to identify any files lacking proper documentation.
<b>Effect</b>	The County face liability due to having improperly executed Form I-9s.

**Recommendation** The County should maintain a complete employee file system that would ensure that the County is in compliance with State and Federal employee documentation laws.

**Views of Responsible Officials**

In response to this finding, going forward, the payroll/human resources clerk will be making monthly personnel file checks. These checks will include monitoring for complete paperwork and check to ensure all documentation is in place.

**2. Public Officials Should Ensure Compliance with State Law over Rehiring PERS Retirees.**

**Repeat Finding** Yes; 2019-#8

**Criteria**

*Section 25-11-127, Mississippi Code Annotated (1972)*, states, "No person who is being paid a retirement allowance or a pension after retirement under this article shall be employed or paid for any service by the State of Mississippi, including services as an employee, contract worker, contractual employee or independent contractor, until the retired person has been retired for not less than ninety (90) consecutive days from his or her effective date of retirement. After the person has been retired for not less than ninety (90) consecutive days from his or her effective date of retirement or such later date as established by the board, he or she may be reemployed while being paid a retirement allowance under the terms and conditions provided in this section....

4) The provisions of this section shall not be construed to prohibit any retiree, regardless of age, from being employed and drawing a retirement allowance either:

(a) For a period of time not to exceed one-half (½) of the normal working days for the position in any fiscal year during which the retiree will receive no more than one-half (½) of the salary in effect for the position at the time of employment, or

(b) For a period of time in any fiscal year sufficient in length to permit a retiree to earn not in excess of twenty-five percent (25%) of retiree's average compensation.

To determine the normal working days for a position under paragraph (a) of this subsection, the employer shall determine the required number of working days for the position on a full-time basis and the equivalent number of hours representing the full-time position. The retiree then may work up to one-half (½) of the required number of working days or up to one-half (½) of the equivalent number of hours and receive up to one-half (½) of the salary for the position. In the case of employment with multiple employers, the limitation shall equal one-half (½) of the number of days or hours for a single full-time position.

Notice shall be given in writing to the executive director, setting forth the facts upon which the employment is being made, and the notice shall be given within five (5) days from the date of employment and also from the date of termination of the employment. *[Note: This notice is provided on PERS Form 4B and must be executed annually and sent to PERS]*

(6) (a) A member may retire and continue in municipal or county elective office provided that the member has reached the age and/or service requirement that will not result in a prohibited in-service distribution as defined by the Internal Revenue Service, or a retiree may be elected to a municipal or county office, provided that the person:

(i) Files annually, in writing, in the office of the employer and the office of the executive director of the system before the person takes office or as soon as possible after retirement, a waiver of all salary or compensation and elects to receive in lieu of that salary or compensation a retirement allowance as provided in this section, in which event no salary or compensation shall thereafter be due or payable for those services; however, any such officer or employee may receive, in addition

to the retirement allowance, office expense allowance, mileage or travel expense authorized by any statute of the State of Mississippi; or

(ii) Elects to receive compensation for that elective office in an amount not to exceed twenty-five percent (25%) of the retiree's average compensation. In order to receive compensation as allowed in this subparagraph, the retiree shall file annually, in writing, in the office of the employer and the office of the executive director of the system, an election to receive, in addition to a retirement allowance, compensation as allowed in this subparagraph. *[Note: This notice is provided on PERS Form 9C and must be executed annually and sent to PERS]*

(b) The municipality or county in which the retired person holds elective office shall pay to the board the amount of the employer's contributions on the full amount of the regular compensation for the elective office that the retired person holds.

<b>Condition</b>	During the course of our audit, we noted the following: <ul style="list-style-type: none"><li>• One (1) individual did not have an executed PERS Form 4B on file</li></ul>
<b>Cause</b>	The County did not comply with <i>Section 25-11-127, Mississippi Code Annotated (1972)</i> in that it failed to ensure proper notice to PERS, proper execution of required documents, and proper monitoring of wages to ensure the PERS cap was not exceeded.
<b>Effect</b>	The failure to comply with the reemployment conditions as reported on PERS Form 4B and 9C could jeopardize the provisions for reemployment and result in a penalty assessed by PERS against the County.
<b>Recommendation</b>	The County should timely and accurately file PERS Form 4Bs and 9Cs for all re-hired retirees and ensure that the statutory conditions for reemployment are met.
<b>Views of Responsible Officials</b>	In response, the payroll/human resources clerk will make sure that all retirees will have a form 4B or 9C filed in an accurate and timely manner.

#### **Board of Supervisors**

3. The Board of Supervisors should ensure compliance with state law over entering into an inter-local agreement with a local taxing entity for the collection of ad valorem taxes.

<b>Repeat Finding</b>	No
<b>Criteria</b>	<i>§17-13-7(4), Mississippi Code Annotated (1972)</i> , provides that, "Any two (2) or more local governmental units may enter into written contractual agreements with one another for joint or cooperative action to provide services and facilities..." <i>§17-13-7(4)</i> supports <i>§27-41-2</i> , which allows inter-local agreements for collection by county of ad valorem taxes due to the municipality.
<b>Condition</b>	During the course of our audit, we observed that the Tax Collector has been collecting ad valorem taxes for the municipalities of Carrollton, North Carrollton, and Vaiden in the absence of any inter-local agreements. We do note, however, that the Tax Collector is not receiving compensation for said services.
<b>Cause</b>	An inter-local agreement has not been executed by the County and the local government entity for the collection of ad valorem taxes.
<b>Effect</b>	Failure to enter into adequate and appropriate contractual agreements could result in the loss or misappropriation of public funds.
<b>Recommendation</b>	The Board of Supervisors should enter into an inter-local agreement with the local government entity for the collection of ad valorem taxes.

**Views of Responsible Officials**

Carroll County is in the process of entering into an interlocal agreement with all three towns allowing the Carroll County tax assessor/collector to collect the city taxes for the three towns at no cost to the towns.

**Sheriff**

**4.** The Sheriff Should Strengthen Controls to Ensure Adequate Segregation of Duties.

**Repeat Finding** Yes; 2019-#7

**Criteria** An effective system of internal control should include an adequate segregation of duties in the collection, deposit preparation, recording, and reconciling functions.

**Condition** During the course of our audit, we observed that the same individual is responsible for receipting, recording, preparing deposits, taking deposits to the bank, and reconciling the bank statement.

**Cause** The Sheriff has not established a system of internal control with adequate separation of duties concerning the collection, deposit preparation, recording, and reconciliation of revenues.

**Effect** Failure to properly separate the accounting duties could result in the misappropriation of public funds.

**Recommendation** The Sheriff should ensure that there is an adequate separation of duties in the collection, recording, deposit preparation, recording, and reconciling functions within the office.

**Views of Responsible Officials**

Going forward, the Sheriff Department will comply with the recommendation to separate the duties of collection, recording, deposit preparation, and reconciliation functions within the office.

Carroll 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  
September 14, 2022

## **CARROLL COUNTY**

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

CARROLL COUNTY

Schedule of Findings and Questioned Costs  
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(es) identified?                            | No         |
| b. | Significant deficiency(ies) identified?                      | Yes        |
| 3. | Noncompliance material to the financial statements noted?    | No         |

**Federal Awards:**

- |     |  |               |
|-----|--|---------------|
| 4.  | Internal control over major federal programs:  |               |
| a.  | Material weakness(es) identified?  | No            |
| b.  | Significant deficiency(ies) identified?  | None Reported |
| 5.  | Type of auditor's report issued on compliance for major federal programs:  | Unmodified    |
| 6.  | Any audit finding(s) disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?   | No            |
| 7.  | Identification of major federal programs:  |               |
| a.  | CFDA #10.923, Emergency Watershed Protection Program   |               |
| b.  | CFDA #21.019, Coronavirus Relief Fund  |               |
| 8.  | Dollar threshold used to distinguish between type A and type B programs:   | \$750,000     |
| 9.  | Auditee qualified as low-risk auditee?   | No            |
| 10. | Prior fiscal year audit finding(s) and questioned costs which would require the auditee to prepare a summary schedule of prior audit findings in accordance with 2 CFR 200.511(b)? | Yes           |

Section 2: Financial Statement Findings

The results of our tests disclosed the following finding related to the financial statements that is required to be reported by *Government Auditing Standards*.

Chancery Clerk

Significant Deficiency

2020-001.                    Adequate separation of duties should be implemented.

Repeat Finding            Yes, 2019-001

CARROLL COUNTY

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

Criteria	An effective system of internal controls includes adequate separation of duties.
Condition	As reported in the last twenty-six years' audit reports, audit observations reveal adequate separation of duties does not exist in accounting functions.
Cause	County size interferes with the cost-benefit relationship in implementing separation of duties.
Effect	Failure to have adequate separation of duties could result in the loss of public funds due to possibility of funds being mishandled.
Recommendation	The County should separate duties for individuals involved in receipting and disbursing funds, recording transactions and reconciling accounts.
Views of Responsible Officials	In response to the finding of insufficient separation of duties, Carroll County has put some measures in place to alleviate this finding for future years. The staff in the Chancery Clerk's office will be separating the duties for the individuals involved in receipting and disbursing funds as well as recording and reconciling accounts. Going forward each task will be performed by separate individuals. Also, the Chancery Clerk will be signing off on all bank reconciliations at the end of each month. These measures will alleviate any possibility that could result in loss of funds or mishandling of funds.

**CARROLL COUNTY**

**AUDITEE'S CORRECTIVE ACTION PLAN**

**BOARD OF SUPERVISORS**  
**CARROLL COUNTY**  
P.O. Box 60  
Carrollton, Mississippi 38917  
662-237-9274

*JAMES A. NEILL, JR.*  
*President*  
*District One*  
662-417-5295

*JOSH HURST*  
*District Two*  
662-858-0829

*EDWARD D. TUCKER*  
*District Three*  
662-602-0015

*CLAUDE FLUKER*  
*Vice President*  
*District Four*  
662-458-3053

*RICKIE CORLEY*  
*District Five*  
662-392-4527

Bridgers, Goodman, Baird & Clarke, PLLC  
Certified Public Accountants  
3528 Manor Drive  
Vicksburg, Mississippi 39180

To Whom It May Concern:

Carroll County respectfully submits the following corrective action plan  
For the year ended September 30, 2020.

The findings from the Schedule of Findings and Questioned Costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule. Section 1: Summary of Auditor's Results does not include findings and is not addressed.

**2020-001.** Corrective Action Planned:

In response to the finding of insufficient separation of duties, Carroll County has put some measures in place to alleviate this finding for future years. The staff in the Chancery Clerk's office will be separating the duties for the individuals involved in receipting and disbursing funds as well as recording and reconciling accounts. Going forward each task will be performed by separate individuals. Also, the Chancery Clerk will be signing off on all bank reconciliations at the end of each month. These measures will alleviate any possibility that could result in loss of funds or mishandling of funds.

Anticipated Completion Date:

10/01/2022

Name and Contact Person Responsible for Corrective Action:

Casey Carpenter  
Chancery Clerk  
Phone #662-237-9660



**CASEY CARPENTER**  
Chancery Clerk  
Clerk of the Board of Supervisors  
662-237-9660  
Fax: 662-237-9642

**KEVIN HORAN**  
Board Attorney  
P.O. Box 2166  
Grenada, Ms. 38902  
662-226-2185  
Fax: 662-226-2127

**Regular Meeting**  
The First and the Last Monday of each  
Month  
9:00 o'clock A.M.

**CARROLL COUNTY**

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**

Carroll County  
Summary Schedule of Prior Year Audit Findings

Finding Number	Finding Summary	Status	Additional Information
2019-001	Adequate Separation of duties should be implemented.	Not Corrected	Since the audit, the County has taken substantial steps to correct the issues noted.