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COAHOMA COUNTY, MISSISSIPPI

Audited Financial Statements and Special Reports

For the Year Ended September 30, 2020



COAHOMA COUNTY
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COAHOMA COUNTY

FINANCIAL SECTION



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PRIVATE COMPANIES PRACTICE SECTION

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors
Coahoma 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 Coahoma 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 of material misstatement.

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

the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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 Coahoma 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 management's discussion and analysis, Budgetary Comparison Schedules and corresponding notes, the Schedule of the County's Proportionate Share of the Net Pension Liability, and the Schedule of the County's Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Coahoma County, Mississippi's basic financial statements. The accompanying Reconciliation of the Operating Costs of Solid Waste are presented for purposes of additional analysis and are not a required part of the basic financial statements.

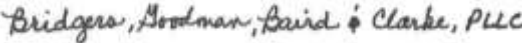
The accompanying Reconciliation of the Operating Costs of Solid Waste is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures 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 Reconciliation of Operating Costs of Solid Waste is fairly stated, in

all material respects, in relation to the basic financial statements taken as a whole.

The 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 March 8, 2022, on our consideration of Coahoma 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 Coahoma 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 Coahoma County, Mississippi's internal control over financial reporting and compliance.


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

March 8, 2022

COAHOMA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

COAHOMA COUNTY, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2020

INTRODUCTION

The discussion and analysis of Coahoma County's financial performance provides an overall narrative review of the County's financial activities for the year ended September 30, 2020. The intent of this discussion and analysis is to look at the County's performance as a whole; readers should also review the notes to the basic financial statements and the financial statements to enhance their understanding of the County's financial performance.

The discussion and analysis is an element of required supplementary information specified in the "Governmental Accounting Standards Board's (GASB) Statement No. 34 – *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*" issued June 1999. Certain comparative information between the current year and the prior year is required to be presented.

Coahoma County is located in northwestern Mississippi along the Mississippi River. The population is estimated at 22,124. The local economic base is drive mainly by agriculture.

FINANCIAL HIGHLIGHTS

Coahoma County is financially stable. The County has committed itself to financial excellence for many years by using sound financial planning, budgeting and strong internal controls. The County is committed to maintaining sound fiscal management to meet the challenges of the future.

Coahoma County continues to grow economically despite decreasing in population. This has allowed the County to maintain a steady growth in tax revenues without a significant tax increase. The County government tax rate was 104.75 mills for the 2019-2020 tax year. The County wide levy was 55.26 mills, the school district levy was 40.49 mills and the levee district, waste disposal and fire protection levies totaled 9 mills.

Total net position increased \$992,053. The increase results from a decrease in net position of \$171,937 and prior period adjustments of \$1,163,990. The ending net position at September 30, 2020, was \$95,792,856 as compared to \$94,800,803 in the prior year. The September 30, 2019 fiscal year net position decreased \$4,903,750.

The County had \$17,985,072 in total revenues in 2020. Tax revenues account for \$9,564,503 or 53% of total revenues. State revenues in the form of reimbursements, shared revenue, or grants, accounts for \$4,036,075 or 22% of total revenues. Revenues for the previous year totaled \$17,781,815. Tax revenues accounted for \$8,633,144 or 49% of total revenues for 2019.

The County had \$18,157,009 in total expenses for 2020. Expenses in the amount of \$2,470,361 were offset by charges for service, grants, or outside contributions. General revenues of \$15,514,711 were not adequate to provide for the remainder of the expenses. Expenses for the previous year totaled \$23,044,030. Expenses in the amount of \$2,716,312 were offset by charges for services, grants, or outside contributions. General revenues of \$15,065,503 were not adequate to provide for the remainder of the expenses.

COAHOMA COUNTY, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2020

Among major funds, the General Fund had \$10,451,185 in revenues, \$9,654,585 in expenditures, other financing sources/uses of \$1,990,197, prior period adjustments of (\$47,129) and fund reclassification of \$1,687,354 resulting in a fund balance increase of \$4,427,022 over the prior year. In the previous year, the General Fund had \$10,491,801 in revenues and \$10,677,429 in expenditures.

The Jonestown Bypass Project Fund had \$0 in revenues and had \$102,403 in total expenditures for 2020. Other financing sources provided \$2,000,000 resulting in a fund balance increase of \$1,897,597 over the prior year.

The Road Fund had \$1,536,781 in revenues and had \$1,928,591 in total expenditures for 2020. Other financing sources provided \$52,098 resulting in a fund balance decrease of \$339,712 under the prior year. In the previous year, the Road Fund had \$1,747,489 in revenues, \$2,637,698 in expenditures and \$100,000 of other financing sources, resulting in a \$790,209 decrease in fund balance for 2019.

The Economic Development Authority Fund had \$992,171 in revenues and had \$2,262,362 in total expenditures. Other financing sources provided an additional \$280,040 from capital lease principal receipts. The decrease in the fund balance totaled \$990,151. In the previous year, the Economic Development Authority Fund had \$707,607 in revenues and \$792,325 in expenditures. Other financing sources provided an additional \$244,008 resulting in an increase in fund balance of \$159,290 for the year.

The Hospital Reserve Fund had \$1,816,256 in revenues and \$278,040 in expenditures. Other financing sources expended an additional \$3,775,714. The Hospital Reserve Fund had a net decrease in fund balance of \$2,237,498. In the previous year, the Hospital Reserve Fund had \$1,168,741 in total revenues and \$3,668,776 in expenditures. Other financing sources provided an additional \$399,521. The result was a decrease in the fund balance of \$2,100,514.

Capital assets, net of accumulated depreciation, decreased by \$1,167,696 in the governmental activities and decreased by \$378,441 in the business-type activities. Both decreases resulted from depreciation in excess of capital additions during the year. Capital assets in the prior year decreased by \$1,801,053 in the governmental activities and increased by \$87,474 in the business-type activities.

Long-term debt increased by \$132,638 in the governmental activities. Compensated absences increased by \$171,918 and a prior period adjustment was made increasing compensated absences by \$185,420. Other loans increased by \$250,300 due to issuance of new debt. A capital lease payment of \$475,000 was made. In the previous year, long-term debt decreased by \$1,008,317 in the governmental activities.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. Required Supplementary Information is included in addition to the basic financial statements.

COAHOMA COUNTY, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2020

Figure 1 – Required Components of the County's Annual Report

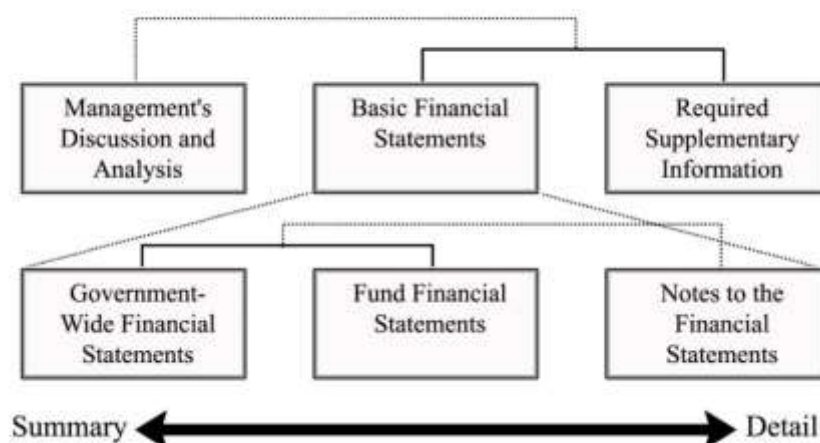


Figure 1 shows how required parts of this annual report are arranged and relate to one another.

Figure 2 summarizes the major features of the County's financial statements, including the portion of the County's government they cover and the types of information they contain. The remainder of this section of Management's Discussion and Analysis explains the structure and content of each of the statements.

Figure 2 – Major Features of the County's Government-Wide and Fund Financial Statements

	Government-Wide Financial Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire County government (except fiduciary funds) and component units	All activities of the County that are not business-type or fiduciary in nature	Activities of the County that operate similar to private businesses	The County is the trustee or agent for someone else's resources
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenues, expenses and changes in net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of Fiduciary Assets and Liabilities

COAHOMA COUNTY, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2020

Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset, deferred outflow, liability, and deferred inflow information	All assets, deferred outflows, liabilities, and deferred inflows, both financial and capital and short and long term	Only assets and deferred outflows expected to be used up and liabilities and deferred inflows that come due during the year or soon thereafter; no capital assets included	All assets, deferred outflows, liabilities, and deferred inflows, both financial and capital, and short and long term	All assets, deferred outflows, liabilities, and deferred inflows, both short and long term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services are received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to private-sector businesses.

The **statement of net position** presents information on all County assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The **statement of activities** presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or part of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government; public safety; public works (road and bridges); health and welfare; culture and recreation; conservation of natural resources; economic

COAHOMA COUNTY, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2020

development and assistance; interest and other expenses on long-term debt; and pension expense. The business-type activities of the County include rental of office space at the Federal Building and rents received from railroad operations.

The Government-wide Financial Statements can be found on pages 17-18 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a County's near-term financing requirements. Governmental funds include the general, special revenue, debt service, and capital projects funds.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the "Governmental Funds balance Sheet" and the "Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances" provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are on pages 20 and 22, respectively.

The County maintains individual governmental funds in accordance with the *Mississippi County Financial Accounting Manual*. Information is presented separately in the governmental funds Balance Sheet and in the government funds Statement of Revenues, Expenditures and Changes in Fund Balances for all major funds. All other non-major funds are combined together and presented in these reports as other governmental funds.

The basic governmental funds financial statements can be found on pages 19 through 22 of this report.

Proprietary funds are maintained two ways. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the Federal Building and a Railroad operation. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its self-insurance and central maintenance. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Fund financial statements for the proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Federal Building Fund and Railroad Fund

COAHOMA COUNTY, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2020

are considered to be major funds of the County. The proprietary funds financial statements can be found on pages 23 through 25 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the County government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accrual basis of accounting is used for fiduciary funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The County's fiduciary activities are presented in a separate Statement of Fiduciary Assets and Liabilities, which can be found on page 26 of this report.

Reconciliation of Government-wide and Fund Financial Statements

The financial statements include two schedules that reconcile the amounts reported on the governmental funds financial statements (modified accrual basis of accounting) with government-wide financial statements (accrual bases of accounting). The following summarizes the major differences between the two statements:

Capital assets used in governmental activities are not reported on governmental funds financial statements.

Bonds and note proceeds result in liabilities on government-wide financial statements but are recorded as other financing sources on the governmental funds financial statements.

Certain other outflows represent either increases or decreases in liabilities on the government-wide financial statements but are reported as expenditures on the governmental funds financial statements.

Notes to the financial statements provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 27 through 55 of this report.

In addition to the basic financial statements and accompanying notes, this report also presents Required Supplementary Information concerning the County's budget process and pension standards.

The County adopts an annual operating budget for all governmental funds. A budgetary comparison statement has been provided for the General Fund and each additional major fund. The required supplementary information can be found on pages 56 through 63 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position – Net position may serve over time as a useful indicator of government's financial position. In the case of Coahoma County, assets and deferred outflows exceeded liabilities and deferred inflows by \$95,792,856 as of September 30, 2020.

By far, the largest portion of the County's net position (72.56%) reflects its net investment in capital assets (e.g. roads, bridges, land, buildings, mobile equipment, furniture and equipment, leased property under

COAHOMA COUNTY, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2020

capital lease and construction in progress) less related outstanding debt used to acquire such assets. The County uses these capital assets to provide services to its citizens.

The County's financial position is a product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets.

The following table presents a summary of the County's net position for the fiscal years ended September 30, 2020 and 2019.

	Governmental Activities		Business-type Activities	
	2020	2019	2020	2019
Current assets	\$ 24,144,345	19,921,849	909,486	427,921
Restricted assets	27,622,235	28,925,872	-	-
Capital assets, net	73,435,735	74,603,431	7,321,729	7,700,170
Total assets	125,202,315	123,451,152	8,231,215	8,128,091
Deferred outflows of resources	1,353,497	1,415,360	7,485	8,029
Current liabilities	1,576,878	2,034,170	323,078	16,270
Long-term debt outstanding	11,932,172	11,799,534	-	-
Net pension liability	15,570,349	14,711,741	86,111	83,460
Total liabilities	29,079,399	28,545,445	409,189	99,730
Deferred inflows of resources	9,510,033	9,551,029	3,035	5,625
Net position:				
Net investment in capital assets	62,190,435	63,133,431	7,321,729	7,700,170
Restricted	46,843,440	50,913,289	689,074	-
Unrestricted	(21,067,495)	(27,276,682)	(184,327)	330,595
Total net position	\$ 87,966,380	86,770,038	7,826,476	8,030,765

The following are significant current year transactions that have had an impact on the Statement of Net Position.

- A payment of \$475,000 was made on capital lease of jail facility
- Decrease in capital assets was due to depreciation in excess of capital additions during the year.

Changes in Net Position – Coahoma County's total revenues for the fiscal year ended September 30, 2020 were \$17,985,072. The total cost for all services provided were \$18,157,009. The change in net position was a decrease of \$171,937, adjusted by prior period adjustments of \$1,163,990. The following table presents a summary of the changes in net position for the fiscal years ended September 30, 2020 and 2019.

COAHOMA COUNTY, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2020

	<u>2020</u>	<u>2019</u>
Revenues:		
Program revenues		
Charges for services	\$ 658,131	1,227,500
Operating grants & contributions	519,351	534,712
Capital grants & contributions	1,292,879	954,100
General revenues		
Property taxes	9,564,503	8,633,144
Grants and contributions not restricted	2,223,845	2,733,728
Unrestricted interest income	706,220	463,218
Miscellaneous	3,020,143	3,235,413
Total revenues	<u>17,985,072</u>	<u>17,781,815</u>
Expenses:		
General government	4,469,201	3,703,670
Public safety	4,407,979	4,926,579
Public works	4,205,145	5,447,469
Health and welfare	425,228	4,662,043
Culture and recreation	323,540	-
Conservation of natural resources	110,300	-
Economic development	2,219,226	936,813
Pension expense	601,048	1,682,805
Other expenses	1,395,342	1,684,651
Total Expenses	<u>18,157,009</u>	<u>23,044,030</u>
Prior Period Adjustments	1,163,990	-
Increase/ (Decrease) in Net Position	<u>\$ 992,053</u>	<u>(5,262,215)</u>

Governmental Activities – The following table presents the cost of the major functional activities of the County: General Government, Public Safety, Public Works, Health and Welfare, Culture and Recreation, Conservation of Natural Resources, Economic Development and Assistance, interest and other expenses on long-term liabilities, and pension expense.

The table also shows each function's net cost (total cost less charges for services generated by the activity and intergovernmental aid provided for that activity). The net cost shows the financial burden that was placed on Coahoma County's taxpayers by each of these functions.

COAHOMA COUNTY, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2020

	2020 Total Expenses	2020 Net (Expense) Revenue	2019 Total Expenses	2019 Net (Expense) Revenue
General Government	\$ 3,880,901	(3,198,807)	3,703,670	3,197,426
Public safety	4,407,979	(4,155,633)	4,926,579	4,459,149
Public works	4,205,145	(3,566,698)	5,447,469	4,705,521
Health and welfare	425,228	(292,932)	4,662,043	4,500,501
Culture and recreation	323,540	(310,787)	322,758	145,353
Conservation of natural resources	110,300	(110,300)	67,520	67,520
Economic development and assistance	2,219,226	(1,466,801)	936,813	700,115
Interest and other expenses on long-term liabilities	593,336	(593,336)	494,751	494,751
Pension expense	1,394,445	(1,394,445)	1,682,805	1,682,805
Total Expenses	\$ 17,560,100	(15,089,739)	22,244,408	19,953,141

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Governmental funds – At the close of the fiscal year, Coahoma County's governmental funds reported a combined fund balance of \$37,356,350, a 5.6% decrease of \$1,986,783.

The General Fund is the principal operating fund of the County. The increase in the fund balance of the General Fund for the fiscal year was \$2,786,797, adjusted by prior period adjustments and fund reclassifications totaling an additional increase of \$1,640,225. In the previous year, the General Fund reported an increase of \$599,467 in its fund balance.

The Jonestown Bypass Project Fund reported an increase in net fund balance for the year of \$1,897,597 plus fund reclassifications decreasing the balance by \$1,687,354. This fund was not previously reported as a major fund.

The Road Fund reported a decrease in net fund balance for the year of \$339,712. The fund accounts for activities associated with road maintenance is financed in part by tax assessments and state source revenue. In the prior year, the Road Fund reported a decrease in fund balance of \$790,209.

The Economic Development Authority Fund reported a decrease in fund balance of \$990,151 for the year. The fund accumulates activities associated with industrial development within the County. In the prior year, the Economic Development reported an increase in fund balance of \$159,290.

The Hospital Reserve Fund reported a decrease in fund balance of \$2,237,498 for the year. In the prior year, a decrease of \$2,100,514 was reported in fund balance.

Business-type funds – Both enterprise funds are supported by rent. The Federal Building rents office space to various outside agencies. The Railroad Fund leases railroad tracks to an operator who pays rent based on the number of cars stored each month on the tracks.

**COAHOMA COUNTY, MISSISSIPPI
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2020**

BUDGETARY HIGHLIGHTS OF MAJOR FUNDS

Over the course of the year Coahoma County revised its annual operating budget.

A schedule showing the original and final budget amounts compared to the County's actual financial activity for the General Fund and other major funds is provided in this report as required supplementary information.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets – As of September 30, 2020, Coahoma County's total capital assets were \$80,757,464. This includes roads, bridges, other infrastructure, land, buildings, mobile equipment, furniture and equipment, leased property under capital lease and construction in progress. The amount represents an increase from the previous year of \$1,546,137. Governmental activities constituted \$1,159,433 of the decrease, business-type activities decreased by \$378,441 and the blended component unit had a decrease of \$8,263.

Total accumulated depreciation as of September 30, 2020 was \$98,574,487 including \$1,917,379 of depreciation expense for the year. The balance in total net capital assets was \$80,757,464 at year-end.

Additional information on Coahoma County's capital assets can be found in Note 8 on page 42 of this report.

Debt Administration – At September 30, 2020, Coahoma County had \$11,932,172 in long-term debt outstanding. The governmental activities debt consists of a capital lease obligation of 10,995,000, other loans of \$250,300 and compensated absences of \$686,872.

The State of Mississippi limits the amount of debt a County can issue to generally 15% of total assessed value. The County's outstanding debt is significantly below its current limit of \$32 million dollars. The capital lease obligation is not backed by the full faith and credit of the County and is not applied against the debt limitation.

Additional information on Coahoma County's long-term debt can be found in Note 13 on page 50 of this report.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the funds it receives. If you have questions about this report or need additional financial information, please contact the County Administrator's/Chancery Clerk's office at P.O. Box 579, Clarksdale, Mississippi 38614.

COAHOMA COUNTY

FINANCIAL STATEMENTS

COAHOMA COUNTY
Statement of Net Position
September 30, 2020

Exhibit 1

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
ASSETS			
Cash	\$ 8,796,879	611,977	9,408,856
Property tax receivable	8,698,257	-	8,698,257
Fines receivable (net of allowance for uncollectibles of \$8,821,254)	1,579,303	-	1,579,303
Loans receivable	1,426,464	-	1,426,464
Intergovernmental receivables	224,692	20,283	244,975
Other receivables	8,136	-	8,136
Advances to other funds	690,540	277,226	967,766
Lease payments receivable	2,720,074	-	2,720,074
Land and construction in progress	17,617,588	40,000	17,657,588
Other capital assets, net	55,818,147	7,281,729	63,099,876
Restricted cash	27,622,235	-	27,622,235
Total Assets	<u>125,202,315</u>	<u>8,231,215</u>	<u>133,433,530</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	1,353,497	7,485	1,360,982
Total Deferred Outflows of Resources	<u>1,353,497</u>	<u>7,485</u>	<u>1,360,982</u>
LIABILITIES			
Claims payable	354,671	1,500	356,171
Intergovernmental payables	386,166	-	386,166
Accrued interest payable	164,282	-	164,282
Amounts held in custody for others	50,402	-	50,402
Other payables	36,096	-	36,096
Unearned revenue	585,261	-	585,261
Advances from other funds	-	321,578	321,578
Long-term liabilities			
Net pension liability	15,570,349	86,111	15,656,460
Due within one year:			
Capital debt	725,300	-	725,300
Due in more than one year:			
Capital debt	10,520,000	-	10,520,000
Non-capital debt	686,872	-	686,872
Total Liabilities	<u>29,079,399</u>	<u>409,189</u>	<u>29,488,588</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	548,802	3,035	551,837
Deferred inflows - capital leases	262,974	-	262,974
Deferred revenues - property taxes	8,698,257	-	8,698,257
Total Deferred Inflows of Resources	<u>9,510,033</u>	<u>3,035</u>	<u>9,513,068</u>
NET POSITION			
Net investment in capital assets	62,190,435	7,321,729	69,512,164
Restricted for:			
Expendable:			
General government	142,459	-	142,459
Public works	-	-	-
Culture and recreation	19,319	-	19,319
Railroad	-	411,848	411,848
Economic development and assistance	2,457,100	-	2,457,100
Capital projects	210,243	-	210,243
Non-expendable:			
Advances	690,540	277,226	967,766
Hospital reserve	43,323,779	-	43,323,779
Unrestricted	(21,067,495)	(184,327)	(21,251,822)
Total Net Position	<u>\$ 87,966,380</u>	<u>7,826,476</u>	<u>95,792,856</u>

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

COAHOMA COUNTY
Statement of Activities
For the Year Ended September 30, 2020

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary government:							
Governmental activities:							
General government	\$ 3,880,901	658,131	23,963	-	(3,198,807)		(3,198,807)
Public safety	4,407,979	-	252,346	-	(4,155,633)		(4,155,633)
Public works	4,205,145	-	97,993	540,454	(3,566,698)		(3,566,698)
Health and welfare	425,228	-	132,296	-	(292,932)		(292,932)
Culture and recreation	323,540	-	12,753	-	(310,787)		(310,787)
Conservation of natural resources	110,300	-	-	-	(110,300)		(110,300)
Economic development and assistance	2,219,226	-	-	752,425	(1,466,801)		(1,466,801)
Interest on long-term debt	593,336	-	-	-	(593,336)		(593,336)
Pension expense	1,394,445	-	-	-	(1,394,445)		(1,394,445)
Total Governmental Activities	<u>17,560,100</u>	<u>658,131</u>	<u>519,351</u>	<u>1,292,879</u>	<u>(15,089,739)</u>		<u>(15,089,739)</u>
Business-type activities:							
Federal Building Fund	271,045	-	-	-		(271,045)	(271,045)
Railroad Fund	325,864	-	-	-		(325,864)	(325,864)
Total Business-type Activities	<u>596,909</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(596,909)</u>	<u>(596,909)</u>
Total Primary Government	<u>\$ 18,157,009</u>	<u>658,131</u>	<u>519,351</u>	<u>1,292,879</u>	<u>(15,089,739)</u>	<u>(596,909)</u>	<u>(15,686,648)</u>
General revenues:							
Property taxes					\$ 9,324,582	-	9,324,582
Road & bridge privilege taxes					239,921	-	239,921
Rental Income					760,798	455,756	1,216,554
Grants and contributions not restricted to specific programs					2,223,845	-	2,223,845
Unrestricted interest income					706,220	-	706,220
Increase in market value of securities					1,349,587		1,349,587
Miscellaneous					340,929	84,845	425,774
Transfers In (Out)					150,000	(150,000)	-
Gain (Loss) on disposal and sale of assets					28,228	-	28,228
Total General Revenues					<u>15,124,110</u>	<u>390,601</u>	<u>15,514,711</u>
Changes in Net Position					<u>34,371</u>	<u>(206,308)</u>	<u>(171,937)</u>
Net Position - Beginning, as previously stated					86,770,038	8,030,765	94,800,803
Prior Period Adjustments					<u>1,161,971</u>	<u>2,019</u>	<u>1,163,990</u>
Net Position- Beginning, as restated					<u>87,932,009</u>	<u>8,032,784</u>	<u>95,964,793</u>
Net Position - Ending					<u>\$ 87,966,380</u>	<u>7,826,476</u>	<u>95,792,856</u>

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

COAHOMA COUNTY
Balance Sheet – Governmental Funds
September 30, 2020

Exhibit 3

	Major Funds						
	General Fund	Jonestown Bypass Project Fund	Road Fund	Economic Development Authority Fund	Hospital Reserve Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash	\$ 3,797,213	1,978,404	-	814,081	-	2,207,181	8,796,879
Property tax receivable	6,313,932	-	574,080	225,000	-	1,585,245	8,698,257
Fines receivable (net of allowance for uncollectibles of \$ 8,821,254)	1,579,303	-	-	-	-	-	1,579,303
Loans Receivable	-	-	-	453,207	-	973,257	1,426,464
Capital Lease Receivable	-	-	-	2,720,074	-	-	2,720,074
Intergovernmental receivables	90,676	-	21,573	-	-	112,443	224,692
Other receivables	-	-	-	3,595	-	4,541	8,136
Due from other funds	86,384	-	7,417	1,323	1,505,027	33,847	1,633,998
Advances to other funds	-	-	-	-	14,196,517	40,488	14,237,005
Restricted cash	-	-	-	-	27,622,235	-	27,622,235
Total Assets	\$ <u>11,867,508</u>	<u>1,978,404</u>	<u>603,070</u>	<u>4,217,280</u>	<u>43,323,779</u>	<u>4,957,002</u>	<u>66,947,043</u>
LIABILITIES							
Claims payable	\$ 36,604	-	35	316,387	-	1,645	354,671
Intergovernmental payables	385,394	-	-	-	-	772	386,166
Due to other funds	441,396	464,811	406,456	239,273	-	86,384	1,638,320
Advances from other funds	1,100,937	1,303,350	3,604,895	3,331,939	-	4,205,344	13,546,465
Unearned revenue	102,732	-	-	482,529	-	-	585,261
Amounts held in custody for others	50,402	-	-	-	-	-	50,402
Other payables	29,774	-	-	-	-	2,000	31,774
Total Liabilities	\$ <u>2,147,239</u>	<u>1,768,161</u>	<u>4,011,386</u>	<u>4,370,128</u>	<u>-</u>	<u>4,296,145</u>	<u>16,593,059</u>
DEFERRED INFLOWS OF RESOURCES:							
Unavailable revenue - property taxes	6,313,932	-	574,080	225,000	-	1,585,245	8,698,257
Unavailable revenue - capital leases	-	-	-	2,720,074	-	-	2,720,074
Unavailable revenue - fines	1,579,303	-	-	-	-	-	1,579,303
Total Deferred Inflows of Resources	\$ <u>7,893,235</u>	<u>-</u>	<u>574,080</u>	<u>2,945,074</u>	<u>-</u>	<u>1,585,245</u>	<u>12,997,634</u>
Fund balances:							
Nonspendable:							
Advances	-	-	-	-	14,196,517	40,488	14,237,005
Restricted for:							
General government	-	-	-	-	-	142,459	142,459
Culture and recreations	-	-	-	-	-	19,319	19,319
Health and welfare	-	-	-	-	29,127,262	40,666	29,167,928
Capital Projects	-	210,243	-	-	-	-	210,243
Debt service	-	-	-	-	-	51,576	51,576
Unassigned	1,827,034	-	(3,982,396)	(3,097,922)	-	(1,218,896)	(6,472,180)
Total Fund Balances	\$ <u>1,827,034</u>	<u>210,243</u>	<u>(3,982,396)</u>	<u>(3,097,922)</u>	<u>43,323,779</u>	<u>(924,388)</u>	<u>37,356,350</u>
Total Liabilities and Fund Balances	\$ <u>11,867,508</u>	<u>1,978,404</u>	<u>603,070</u>	<u>4,217,280</u>	<u>43,323,779</u>	<u>4,957,002</u>	<u>66,947,043</u>

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

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

	<u>Amount</u>
Total Fund Balance - Governmental Funds	\$ 37,356,350
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 \$93,079,389.	73,435,735
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	1,579,303
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(11,932,172)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(15,570,349)
Capital leases are not available to pay for current period expenditures and, therefore, are deferred in the funds	2,457,100
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(164,282)
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	1,353,497
Deferred inflows of resources related to pensions	<u>(548,802)</u>
Total Net Position - Governmental Activities	\$ <u>87,966,380</u>

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

COAHOMA COUNTY

Exhibit 4

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

	Major Funds						
	General Fund	Jonestown Bypass Project Fund	Road Fund	Economic Development Authority Fund	Hospital Reserve Fund	Other Governmental Funds	Total Governmental Funds
REVENUES							
Property taxes	\$ 7,022,011	-	562,980	112,921	-	1,626,670	9,324,582
Road and bridge privilege taxes	-	-	239,921	-	-	-	239,921
Licenses, commissions and other revenue	421,186	-	5,467	-	-	23,701	450,354
Fines and forfeitures	152,694	-	-	-	-	-	152,694
Intergovernmental revenues	1,922,618	-	680,652	752,425	-	680,380	4,036,075
Charges for services	-	-	-	-	-	297,201	297,201
Interest income	155,295	-	-	55,025	466,617	29,283	706,220
Increase in market value of securities	-	-	-	-	1,349,587	-	1,349,587
Rental income	539,494	-	-	70,964	-	150,340	760,798
Miscellaneous revenues	237,887	-	47,761	836	52	54,393	340,929
Total Revenues	10,451,185	-	1,536,781	992,171	1,816,256	2,861,968	17,658,361
EXPENDITURES							
Current:							
General government	3,824,612	-	-	-	-	92,661	3,917,273
Public safety	4,361,112	-	-	-	-	287,388	4,648,500
Public works	48,104	79,914	1,918,408	-	-	1,496,091	3,542,517
Health and welfare	147,188	-	-	-	278,040	-	425,228
Culture and recreation	175,293	-	-	-	-	139,156	314,449
Conservation of natural resources	118,747	-	-	-	-	-	118,747
Economic development and assistance	6,333	-	-	2,201,526	-	1,882	2,209,741
Debt service:							
Principal	475,000	-	-	-	-	-	475,000
Interest	498,196	22,489	10,183	60,836	-	29,685	621,389
Total Expenditures	9,654,585	102,403	1,928,591	2,262,362	278,040	2,046,863	16,272,844
Excess of Revenues over (under) Expenditures	796,600	(102,403)	(391,810)	(1,270,191)	1,538,216	815,105	1,385,517
OTHER FINANCING SOURCES (USES)							
Long-term capital debt issued	-	-	-	250,300	-	-	250,300
Proceeds from sale of capital assets	-	-	52,098	-	-	-	52,098
Lease payments received	-	-	-	195,997	-	-	195,997
Transfers In	2,266,627	2,000,000	-	-	291,049	312,129	4,869,805
Transfers Out	(276,430)	-	-	(166,257)	(4,066,763)	(210,355)	(4,719,805)
Total Other Financing Sources and Uses	1,990,197	2,000,000	52,098	280,040	(3,775,714)	101,774	648,395
Net Changes in Fund Balances	2,786,797	1,897,597	(339,712)	(990,151)	(2,237,498)	916,879	2,033,912
Fund Balance- Beginning, as previously stated	(2,599,988)	-	(3,642,684)	(2,107,771)	45,561,277	(1,841,267)	35,369,567
Prior Period Adjustment	(47,129)	-	-	-	-	-	(47,129)
Fund Reclassification	1,687,354	(1,687,354)	-	-	-	-	-
Fund Balance- Beginning, as restated	(959,763)	(1,687,354)	(3,642,684)	(2,107,771)	45,561,277	(1,841,267)	35,322,438
Fund balance, Ending	\$ 1,827,034	210,243	(3,982,396)	(3,097,922)	43,323,779	(924,388)	37,356,350

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

COAHOMA COUNTY**Exhibit 4-1****Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2020**

	<u>Amount</u>
Net Changes in Fund Balances - Governmental Funds	\$ 2,033,912
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Thus, the change in net position differs from the change in fund balances by the amount that capital outlays of \$392,042 exceeded depreciation of \$1,535,868 in the current period.	(1,143,826)
In the Statement of Activities, only gains and losses from the sale of capital assets are reported, whereas in the Governmental Funds, proceeds from the sale of capital assets increase financial resources. Thus, the change in net position differs from the change in fund balances by the amount of the net gain (loss) of 28,228 and the proceeds from the sale of \$52,098 in the current period.	(23,870)
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.	(242,118)
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 \$475,000 exceeded debt proceeds of \$250,300.	224,700
Lease principal payments on capital leases recognized on the modified accrual basis in the funds is reduced because prior year recognition of gain would have been required on the Statement of Activities using the full-accrual basis of accounting.	(195,997)
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:	
Compensated absences payable	(171,918)
Accrued interest payable	28,053
Some items reported in the Statement of Activities relating to the implementation of GASB 68 are not reported in the governmental funds. These activities include:	
Recording of pension expense for the current period	(1,394,445)
Recording of contributions made during the year	919,880
Change in Net Position of Governmental Activities	\$ <u>34,371</u>

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

COAHOMA COUNTY
Statement of Net Position – Proprietary Funds
September 30, 2020

Exhibit 5

	Business-Type Activities		
	Enterprise Funds		
	Federal Building Fund	Railroad Fund	Total
ASSETS			
Current assets:			
Cash	\$ 94,444	517,533	611,977
Intergovernmental receivable	20,283	-	20,283
Total Current Assets	<u>114,727</u>	<u>517,533</u>	<u>632,260</u>
Noncurrent assets:			
Advances to other funds	-	277,226	277,226
Capital assets:			
Land	40,000	-	40,000
Other capital assets, net	772,519	6,509,210	7,281,729
Total Noncurrent Assets	<u>812,519</u>	<u>6,786,436</u>	<u>7,598,955</u>
Total Assets	<u>927,246</u>	<u>7,303,969</u>	<u>8,231,215</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	7,485	-	7,485
Total Deferred Outflows of Resources	<u>7,485</u>	<u>-</u>	<u>7,485</u>
LIABILITIES			
Current liabilities:			
Claims payable	1,500	-	1,500
Advances from other funds	215,893	105,685	321,578
Total Current Liabilities	<u>217,393</u>	<u>105,685</u>	<u>323,078</u>
Noncurrent liabilities:			
Net pension liability	86,111	-	86,111
Total Noncurrent Liabilities	<u>86,111</u>	<u>-</u>	<u>86,111</u>
Total Liabilities	<u>303,504</u>	<u>105,685</u>	<u>409,189</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	3,035	-	3,035
Total Deferred Inflows of Resources	<u>3,035</u>	<u>-</u>	<u>3,035</u>
NET POSITION			
Net investment in capital assets	812,519	6,509,210	7,321,729
Non-expendable:			
Advances	-	277,226	277,226
Restricted for:			
Railroad	-	411,848	411,848
Unrestricted	(184,327)	-	(184,327)
Total Net Position	<u>\$ 628,192</u>	<u>7,198,284</u>	<u>7,826,476</u>

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

**Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds
For the Year Ended September 30, 2020**

	Business-Type Activities		
	Enterprise Funds		
	Federal Building Fund	Railroad Fund	Total
Operating Revenues			
Rental Income	\$ 341,019	114,737	455,756
Miscellaneous	-	84,845	84,845
Total Operating Revenues	341,019	199,582	540,601
Operating Expenses			
Personal services	40,987	-	40,987
Contractual services	165,007	795	165,802
Depreciation expense	57,339	324,172	381,511
Pension expense	7,712		7,712
Total Operating Expenses	271,045	324,967	596,012
Operating Income (Loss)	69,974	(125,385)	(55,411)
Nonoperating Revenues (Expenses)			
Interest expense	-	(897)	(897)
Transfers In (Out)	(150,000)	-	(150,000)
Net Nonoperating Revenue (Expenses)	(150,000)	(897)	(150,897)
Changes in Net Position	(80,026)	(126,282)	(206,308)
Net Position- Beginning, as previously stated	706,199	7,324,566	8,030,765
Prior period adjustments	2,019	-	2,019
Net Position- Beginning, as restated	708,218	7,324,566	8,032,784
Net Position - Ending	\$ 628,192	7,198,284	7,826,476

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

COAHOMA COUNTY
Statement of Cash Flows – Proprietary Funds
For the Year Ended September 30, 2020

Exhibit 7

	Business-Type Activities		
	Enterprise Funds		Total
	Federal Building Fund	Railroad Fund	
Cash Flows From Operating Activities			
Receipts from customers	\$ 327,614	114,737	442,351
Payments to suppliers	(179,686)	(887)	(180,573)
Payments to employees for services	(46,074)	-	(46,074)
Other operating cash receipts	-	84,845	84,845
Net Cash Provided (Used) by Operating Activities	101,854	198,695	300,549
Cash Flows From Capital and Related Financing Activities			
Interfund transfers	(150,000)	-	(150,000)
Principal paid on interfund debt	-	(18,316)	(18,316)
Interest paid on interfund debt	-	(897)	(897)
Net Cash Provided (Used) by Capital and Related Financing Activities	(150,000)	(19,213)	(169,213)
Prior Period Adjustments			
To Correct Prior Period errors	(3,069)	(277,226)	(280,295)
Total Prior Period Adjustments	(3,069)	(277,226)	(280,295)
Net Increase (Decrease) in Cash and Cash Equivalents	(51,215)	(97,744)	(148,959)
Cash and Cash Equivalents at Beginning of Year	145,659	615,277	760,936
Cash and Cash Equivalents at End of Year	\$ 94,444	517,533	611,977
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 69,974	(125,385)	(55,411)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	57,339	324,172	381,511
Changes in assets and liabilities:			
(Increase) decrease in intergovernmental receivables	(13,404)	-	(13,404)
(Increase) decrease in deferred outflows of resources	544	-	544
Increase (decrease) in claims payable	(14,678)	(92)	(14,770)
Increase (decrease) in net pension liability	2,651	-	2,651
Increase (decrease) in deferred inflows of resources	(2,590)	-	(2,590)
Prior period adjustment-Pension	2,018	-	2,018
Total Adjustments	31,880	324,080	355,960
Net Cash Provided (Used) by Operating Activities	\$ 101,854	198,695	300,549

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

COAHOMA COUNTY
Statement of Fiduciary Assets and Liabilities
September 30, 2020

Exhibit 8

	<u>Agency Funds</u>
ASSETS	
Cash and investments	\$ 890,721
Due from other funds	4,322
Total Assets	<u>\$ 895,043</u>
LIABILITIES	
Advances from Other Funds	\$ 646,188
Intergovernmental payables	248,855
Total Liabilities	<u>\$ 895,043</u>

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

COAHOMA COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

A. Financial Reporting Entity.

Coahoma 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 Coahoma County to present these financial statements on the primary government and its component units which have significant operational or financial relationships with the County. There are no outside organizations that should be discretely presented as component units of the County's reporting entity.

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

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

B. Individual Component Unit Disclosures.

Blended Component Units

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

The Coahoma County Public Improvement Corporation is comprised solely of the five members of the Board of Supervisors. Although it is legally separate from the County, the corporation is reported as if it were part of the primary government because its sole purpose is to finance and construct the County's buildings.

The Economic Development Authority of Coahoma County is comprised of seven residents of Coahoma County. The members are appointed by the Board of Supervisors of Coahoma County and serve five year terms. The Board of Supervisors must approve the overall budget for the Authority. The Authority is reported as if it were a part of the primary government because its activities are closely intertwined with County activities.

COAHOMA COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

C. Basis of Presentation.

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

Government-wide Financial Statements:

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

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

Fund Financial Statements:

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

D. Measurement Focus and Basis of Accounting.

The Government-wide, Proprietary Funds and Fiduciary Funds (excluding agency funds) financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year for which they are levied. Shared revenues are recognized when the provider government recognizes the liability to the County. Grants are recognized as revenues as soon as

COAHOMA COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

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

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

The County reports the following major Governmental Funds:

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

Jonestown Bypass Project Fund – This fund is used to account for and report activities relating to the building and maintaining of the Jonestown Bypass.

Road Fund – This fund is used to account for and report activities relating to maintaining roads within the County.

Economic Development Authority Fund – This fund is used to account for and report activities relating to industrial development within the County

Hospital Reserve Fund – This fund is used to account for and report resources that are legally restricted to the extent that only a portion of the earnings and none of the principal can be used to support County programs.

The County reports the following major Enterprise Funds:

Federal Building Fund – This fund is used to account for and report monies received from rentals of office space in the building.

Railroad Fund – This fund is used to account for and report monies received from rentals of the railroad and fees charged based upon number of railcars passing along the County owned tracks.

Additionally, the County reports the following fund types:

COAHOMA COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

GOVERNMENTAL FUND TYPES

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

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

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

Permanent Funds - These funds are used to account for and report resources that are legally restricted to the extent that only earnings, and not the principal, may be used for the support of County programs.

PROPRIETARY FUND TYPE

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

FIDUCIARY FUND TYPE

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

E. Account Classifications.

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

F. Deposits and Investments.

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

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

COAHOMA COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

G. Fair Value Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs-other than quoted prices included within level 1- that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level that is significant to the entire measurement.

H. Receivables.

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

I. Inter-fund Transactions and Balances.

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

J. Restricted Assets

The assets of the hospital reserve fund are shown as restricted assets. These funds have been set aside for the fiscal security and as a sustained revenue source for the County and its citizens. When both restricted and nonrestricted assets are available for use, the policy is to use restricted assets first.

COAHOMA COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

K. Capital Assets.

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

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

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

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

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

L. 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.

COAHOMA COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

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 12 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 inflows of resources (revenues) until that time.

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

Deferred inflows - capital leases/unavailable revenue- capital leases – 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 – fines – When an asset is recorded in the governmental fund financial statements but the revenue is not available, the government should report a deferred inflow of resources until such time the revenue becomes available.

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 12 for additional details.

M. 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.

N. 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.

COAHOMA COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

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

O. Equity Classifications.

Government-wide Financial Statements:

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

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

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

Unrestricted net position - All other net position not meeting the definition of "restricted" or "net investment in capital assets."

Net Position Flow Assumption:

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

Fund Financial Statements:

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

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

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

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

COAHOMA COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

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.

P. 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 personal property taxes become a lien on March 1 of the current year. Taxes on both real and personal property, however, are due on or before February 1 of the next succeeding year. Taxes on motor vehicles and mobile homes become a lien and are due in the month that coincides with the month of the original purchase.

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

COAHOMA COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

Q. 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.

R. Compensated Absences.

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

NOTE 2 – FUND RECLASSIFICATIONS.

A summary of significant fund balance adjustments is as follows:

Exhibit 4- Statement of Revenues, Expenditures and Changes in Fund Balances- Governmental Funds

<u>Explanation</u>	<u>Amount</u>
To reclassify Jonestown Bypass Project as a major fund	\$ <u>1,687,354</u>
Total fund reclassifications	\$ <u><u>1,687,354</u></u>

In the prior year, the Jonestown Bypass Project was allocated to general funds and was reclassified during the current year as a major fund.

NOTE 3 – PRIOR PERIOD ADJUSTMENTS.

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

Exhibit 2- Statement of Activities- Business-type Activities and

Exhibit 6- Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds:

<u>Explanation</u>	<u>Amount</u>
to correct prior year error in pension reporting	\$ <u>2,019</u>
Total prior period adjustments	\$ <u><u>2,019</u></u>

COAHOMA COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

Exhibit 2- Statement of Activities- Governmental Activities

Explanation	Amount
To correct prior year error in cash reporting	\$ (47,129)
To correct prior year error in compensated absences	(185,420)
To correct prior year error in pension reporting	(3,293)
To correct prior year error in fines receivable	1,422,157
To correct prior year errors	(24,344)
Total prior period adjustments	\$ <u>1,161,971</u>

Exhibit 4- Statement of Revenues, Expenditures and Changes in Fund Balances- Governmental Funds

Explanation	Amount
To correct prior year error in cash reporting	\$ (47,129)
Total prior period adjustments	\$ <u>(47,129)</u>

NOTE 4 – DEPOSITS AND INVESTMENTS.

Deposits:

The carrying amount of the County's total deposits with financial institutions at September 30, 2020, was \$10,299,577 and the bank balance was \$12,869,195. 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.

Restricted Assets:

The cash balance of the Hospital Reserve Fund in the amount of \$2,944,998 is presented as restricted assets in Exhibit 1 and Exhibit 3.

Cash with fiscal agents in the amount of \$1,323,222 is presented as restricted assets in Exhibit 1 and Exhibit 3.

COAHOMA COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

Investments as shown below with a value of \$23,354,015 are presented as restricted assets in Exhibit 1 and Exhibit 3.

Investments:

Senate Bill 2930 of the Mississippi Legislature authorized the Board of Supervisors of Coahoma County to establish the Coahoma County Reserve and Trust Fund (the Fund). A significant portion of the cash and investments of the Hospital Reserve Fund was used to fund the Coahoma County Reserve and Trust Fund. The Fund is to provide for the continued improvement and maintenance of Coahoma County by providing financial security and providing a sustained source of revenue.

The Fund is administered by a Board of Trustees which will consist of the Board of Supervisors of Coahoma County. Investments allowed will be the same type of investments which are permitted for the Mississippi Prepaid Affordable College Tuition Program under Section 37-155-9, Mississippi Code of 1972, except the fund shall be restricted from investments in the covered call and put options allowed in Section 37-155-9(v)(xi) or in the pooled or comingled real estate securities outlined in Section 37-155-9(v)(xiii).

The Fund is to be divided into two components consisting of the corpus component and the earnings component. On or before July 1 of each year the trustees shall determine the portion of the earnings component and report that amount to the governing authorities. A decision will be made to either transfer all or a portion of the earnings to the General Fund of the County for spending or if no amounts are transferred the earnings will become part of corpus. The corpus is restricted with limited abilities to withdraw. A provision does exist to withdraw the Funds in a state of emergency declared under federal, state or local law.

Investments are presented at fair value. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

COAHOMA COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

The following is a summary of the fair value hierarchy of the fair value of the investments of the County as of September 30, 2020.

Investment Type	Level 1	Level 2	Total
Equities	12,562,996		12,562,996
Municipal Bonds		526,483	526,483
US Treasury Bond/Notes		430,038	430,038
Federal Agency Obligations		789,888	789,888
Corporate/Other		9,044,610	9,044,610
Total	<u>12,562,996</u>	<u>10,791,019</u>	<u>23,354,015</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. Investments of the Coahoma County Reserve and Trust Fund follow the guidelines of the Mississippi Prepaid Affordable College Tuition Program –Section 37-155-9, Miss. Code Ann. (1972).

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.

Investments of the Coahoma County Reserve and Trust Fund follows the guidelines of the Mississippi Prepaid Affordable Collect Tuition Program under Section 37-155-9, Miss. Code Ann. (1972).

The following ratings are provided for the credit securities of the Reserve and Trust Fund:

Investment Classification	S & P Quality Rating			All Others	Total
	AAA	AA	A		
Level 2	803,315	1,260,236	3,737,619	4,989,849	10,791,019

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.

COAHOMA COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

NOTE 5 – INTER-FUND TRANSACTIONS AND BALANCES.

The following is a summary of inter-fund balances at September 30, 2020:

A. Due From/To Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Other Governmental Funds	\$ 86,384
Agency Funds	General Fund	4,322
Road Fund	General Fund	7,417
Economic Development Authority Fund	General Fund	1,323
Other Governmental Funds	General Fund	33,847
Hospital Reserve Fund	General Fund	394,487
Hospital Reserve Fund	Road Fund	406,456
Hospital Reserve Fund	Jonestown Bypass Project Fund	464,811
Hospital Reserve Fund	Economic Development Authority Fund	239,273
	Total	<u>\$ 1,638,320</u>

The interfund loans were made to provide operating capital, finance construction projects and prevent borrowing from outside sources. A portion of the above amounts reflect amounts collected by the tax collector and are expected to be remitted in October 2020.

All interfund balances are expected to be repaid within one year from the date of the financial statements.

B. Advances from/to Other Funds:

Receivable Fund	Payable Fund	Amount
Hospital Reserve Fund	General Fund	1,100,937
Hospital Reserve Fund	Jonestown Bypass Project Fund	1,303,350
Hospital Reserve Fund	Economic Development Authority Fund	3,331,939
Hospital Reserve Fund	Road Fund	3,604,895
Hospital Reserve Fund	Other Governmental Funds	3,928,118
Hospital Reserve Fund	Agency	605,700
Hospital Reserve Fund	Enterprise Funds	321,578
Enterprise Funds	Other Governmental Funds	277,226
Other Governmental Funds	Agency	40,488
	Total	<u>\$ 14,514,231</u>

Monthly payments are being made on a number of the above advances. The portion expected to be repaid within one year has been classified as due to/due from. The remaining amounts due are not expected to be repaid within one year. The interfund advances were made to finance construction projects and prevent borrowing from outside sources.

COAHOMA COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

C. Transfers In/Out:

Transfers In	Transfers Out	Amount
General Fund	Other Governmental Funds	\$ 100,000
General Fund	Enterprise Funds	150,000
General Fund	Hospital Reserve Fund	2,016,627
Jonestown Bypass Project Fund	Hospital Reserve Fund	2,000,000
Other Governmental Funds	Hospital Reserve Fund	50,136
Other Governmental Funds	General Fund	261,993
Hospital Reserve Fund	General Fund	14,437
Hospital Reserve Fund	Economic Development Authority Fund	166,257
Hospital Reserve Fund	Other Governmental Funds	110,355
	Total	\$ <u><u>4,869,805</u></u>

The principal purpose of the transfers was to provide financing for construction projects and limit outside borrowing. All interfund transfers were routine and consistent with the activities of the fund making the transfer.

NOTE 6 – INTERGOVERNMENTAL RECEIVABLES.

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

Description	Amount
Governmental Activities:	
Legislative tax credit	\$ 90,676
State motor vehicle collections	21,573
MEMA Reimbursement	109,287
Local allocations	3,156
Total Governmental Activities	\$ <u><u>224,692</u></u>
Business-type Activities:	
Federal building rental income	\$ 20,283
Total Business-type Activities	\$ <u><u>20,283</u></u>

COAHOMA COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

NOTE 7– LOANS RECEIVABLE

Loans receivable balances at September 30, 2020, are as follows:

Description	Date of Loan	Interest Rate	Maturity Date	Balance Receivable
Standard Industrial	4/1/2009	3.00%	4/1/2029	\$ 453,207
Utility District #2 Loan	5/1/2014	3.00%	5/1/2054	737,428
Airport	6/1/2014	3.00%	6/1/2024	155,006
Airport	8/1/2014	3.00%	8/1/2024	22,231
Airport	8/1/2018	2.00%	8/1/2021	58,592
Total				\$ 1,426,464

NOTE 8– CAPITAL ASSETS.

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

Governmental Activities	Balance				Balance
	Oct. 1, 2019	Additions	Deletions	Adjustments	Sept. 30, 2020
Non-depreciable capital assets:					
Land	3,325,713	-	-	-	3,325,713
Construction in progress	1,056,641	-	-	-	1,056,641
CIP- under capital lease	12,490,000	-	-	-	12,490,000
Total non-depreciable capital assets	16,872,354	-	-	-	16,872,354
Depreciable capital assets:					
Infrastructure	82,008,816	-	-	-	82,008,816
Buildings	49,427,295	-	-	-	49,427,295
Improvements other than buildings	5,004,923	-	-	-	5,004,923
Mobile equipment	9,916,383	375,295	201,898	-	10,089,780
Furniture & equipment	1,784,810	16,747	35,221	-	1,766,336
Total depreciable capital assets	148,142,227	392,042	237,119	-	148,297,150
Less accumulated depreciation for:					
Infrastructure	54,859,855	726,900	-	-	55,586,755
Buildings	26,367,552	41,647	-	-	26,409,199
Improvements other than buildings	1,437,618	97,012	-	-	1,534,630
Mobile equipment	7,385,000	516,307	181,711	-	7,719,596
Other furniture & equipment	1,258,130	145,739	31,538	-	1,372,331
Total accumulated depreciation	91,308,155	1,527,605	213,249	-	92,622,511
Depreciable capital assets, net	56,834,072	(1,135,563)	23,870	-	55,674,639
Governmental activities capital assets, net	73,706,426	(1,135,563)	23,870	-	72,546,993

COAHOMA COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

Business-type	Balance				Balance
	Oct. 1, 2019	Additions	Deletions	Adjustments	Sept. 30, 2020
Non-depreciable capital assets:					
Land	40,000	-	-	-	40,000
Total non-depreciable capital assets	40,000	-	-	-	40,000
Depreciable capital assets:					
Infrastructure	11,033,410	-	-	-	11,033,410
Buildings	1,743,417	-	-	-	1,743,417
Total depreciable capital assets	12,776,827	-	-	-	12,776,827
Less accumulated depreciation for:					
Infrastructure	4,200,028	324,172	-	-	4,524,200
Buildings	916,629	57,339	-	(3,070)	970,898
Total accumulated depreciation	5,116,657	381,511	-	(3,070)	5,495,098
Depreciable capital assets, net	7,660,170	(381,511)	-	3,070	7,281,729
Governmental activities capital assets, net	7,700,170	(381,511)	-	3,070	7,321,729

Blended Component Unit	Balance				Balance
	Oct. 1, 2019	Additions	Deletions	Adjustments	Sept. 30, 2020
Non-depreciable capital assets:					
Land	745,234	-	-	-	745,234
Total non-depreciable capital assets	745,234	-	-	-	745,234
Depreciable capital assets:					
Buildings	135,001	-	-	-	135,001
Improvements other than buildings	179,916	-	-	-	179,916
Other equipment	285,469	-	-	-	285,469
Total depreciable capital assets	600,386	-	-	-	600,386
Less accumulated depreciation	448,615	8,263	-	-	456,878
Depreciable capital assets, net	151,771	(8,263)	-	-	143,508
Governmental activities capital assets, net	897,005	(8,263)	-	-	888,742

Adjustments are to correct prior errors.

Depreciation expense was charged to the following functions:

Governmental Activities

General Government	\$	327,899
Public Safety		255,836
Public Works		926,881
Culture and recreation		15,804
Economic Development		9,422
Conservation		26

Total \$ 1,535,868

Business-type Activities

Federal Building	\$	57,339
Railroad		324,172

Total \$ 381,511

COAHOMA COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

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>
Image Industries Building	Undetermined at this time	To be Determined

NOTE 9 – 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.

NOTE 10 – OPERATING LEASES.

As Lessor:

The County receives income from property it leases under noncancellable operating leases. Total income from such leases was \$645,460 for the year ended September 30, 2020. The future minimum lease receivables for these leases are as follows:

<u>Year Ending September 30</u>	<u>Amount</u>
2021	\$ 664,893
2022	500,065
2023	500,065
2024	500,065
2025	500,325
2026	260
	<u>\$ 2,665,673</u>

The County receives income from property it leases in Enterprise Funds. Total income from such leases was \$317,973 for the year ended September 30, 2020. The future minimum lease receivables for these leases are as follows:

COAHOMA COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

<u>Year Ending September 30</u>	<u>Amount</u>
2021	\$ 126,681
	<u>\$ 126,681</u>

NOTE 11 – CAPITAL LEASES.

As Lessor:

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

<u>Classes of Property</u>	<u>Governmental Activities</u>
Land	\$ 454,124
Buildings	6,060,159
Equipment	149,104
Total	<u>\$ 6,663,387</u>

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 Ending September 30</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 207,765	31,513
2022	199,736	28,779
2023	179,602	26,677
2024	181,498	24,782
2025	181,249	21,509
2026-2030	902,927	84,198
2031-2035	502,042	39,597
2036-2038	102,281	5,919
	<u>\$ 2,457,100</u>	<u>262,974</u>

As Lessee

On June 22, 2017, the County entered into a capital lease agreement with North Delta Improvements Corporation for the lease of buildings to be constructed by North Delta Improvements Corporation which will contain a jail which will house approximately 155 inmates, a fire station and other related facilities. The lease term began on June 22, 2017 and ends on June 1, 2037. At the end of the lease, title to the property will pass to the County.

COAHOMA COUNTY, MISSISSIPPI
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For the Year Ended September 30, 2020

In order to fund the construction cost, North Delta Improvements Corporation will sell Certificates of Participation with First Security Bank of Batesville acting as Trustee. The owners of the Certificates will have an undivided proportionate interest in the right to receive rental payments under the lease agreement between Coahoma County and North Delta Improvements Corporation. The only obligation of the County is to make rental payments in accordance with the lease agreement. The County is not obligated for the Certificates of Participation.

Total principal payments under the lease are \$12,490,000 and total interest to be paid will be \$6,402,467 for a total of \$18,892,467. Payments for the project will be made from the County's General County Capital Project Fund. The millage rate for the general fund ad valorem taxes will be increased by 2 mills each year for the next five years to provide funding for the lease payments.

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

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 475,000	472,150
2022	465,000	457,900
2023	480,000	443,950
2024	490,000	429,550
2025	515,000	409,950
2026-2030	2,920,000	1,713,075
2031-2035	3,845,000	876,650
2036-2037	1,805,000	109,000
	<u>\$ 10,995,000</u>	<u>4,912,225</u>

NOTE 12 – DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan Description. Coahoma 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

COAHOMA COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

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 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 \$924,968, \$892,047, and \$830,446, 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 \$15,656,460 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 0.080875 percent, which was based on a measurement date of June 30, 2020. This was a decrease of 0.00327 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 \$1,402,157. At September 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

COAHOMA COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 135,938	-
Net difference between projected and actual earnings on pension plan investments	656,357	-
Changes of assumptions	91,077	-
Changes in the proportion and differences between actual contributions and proportionate share of contributions	239,214	551,837
Contributions subsequent to the measurement date	238,396	-
	<u>\$ 1,360,982</u>	<u>551,837</u>

The \$238,396 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 and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending September 30:	Amount
2021	\$ (7,129)
2022	167,433
2023	203,215
2024	207,230
Total	<u>\$ 570,749</u>

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

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

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

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

COAHOMA COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

by weighting the expected future 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 as of June 30, 2020, 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 employer contribution rate (17.40%). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (6.75%)	Discount Rate (7.75%)	1% Increase (8.75%)
Proportionate share of the net pension liability	\$ 20,265,364	15,656,460	11,852,263

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

COAHOMA COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

NOTE 13 – 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. Notes Payable (Blended Component Unit)			
Land & Building- Saf-T-Cart	* \$ 56,167	3.00%	7/15/22
Land & Building- Dept of Human Services	* 1,390,166	1.60%	9/30/33
Building & Equipment- Standard Industrial	* 803,199	3.00%	12/1/37
Guaranty Bank & Trust EDA Loan	** 250,300	4.50%	1/17/21
Total	<u>2,499,832</u>		
B. Capital Leases			
Jail/Fire Station and related facilities	<u>10,995,000</u>	3.00-5.75%	6/1/37
Total Capital Leases	<u>10,995,000</u>		

* The blended component unit borrowed these funds from the County. The amounts have been eliminated for government-wide presentation purposes.

** This debt was refinanced after the fiscal year to extend the payment period by 24 months to maturity at 11/20/2023.

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

Year ending September 30:	Notes Payable	
	Principal	Interest
2021	\$ 432,383	38,182
2022	173,533	24,703
2023	152,867	23,131
2024	154,220	21,775
2025	155,712	20,383
2026-2030	800,779	79,694
2031-2035	502,042	39,597
2036-2038	128,296	4,281
Total	<u>\$ 2,499,832</u>	<u>251,746</u>

See Note 11 for capital lease annual disclosure.

COAHOMA COUNTY, MISSISSIPPI
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 counties issue 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 6.47% 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:						
Compensated absences	\$ 329,534	171,918	-	185,420	686,872	-
Other Loans	-	250,300	-	-	250,300	250,300
Capital leases	11,470,000	-	475,000	-	10,995,000	475,000
Total	\$ 11,799,534	422,218	475,000	185,420	11,932,172	725,300

Compensated absences will be paid by the funds from which the employees' salaries were paid which are generally the General Fund, Road Fund, and Bridge Fund.

The capital lease obligation will be paid from the General County Capital Projects Fund.

NOTE 14 – DEFICIT FUND BALANCES OF INDIVIDUAL FUNDS.

The following funds reported deficits in fund balances or net position at September 30, 2020:

Fund	Deficit Amount
Governmental Activities	
General County Trust	\$ 28,541
Victim's Assistance #2016-VA-GX-002	5,762
County Fire Protection	11,996
Road Fund	1,296,296
COVID-19	75,495
Total	\$ 1,418,090

COAHOMA COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

NOTE 15 – CONTINGENCIES.

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

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

NOTE 16 - EFFECT OF DEFERRED AMOUNTS ON NET POSITION.

The governmental activities' unrestricted net position deficit amount of \$(21,067,495) 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 \$237,085 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 \$1,116,412 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 \$548,802 balance of the deferred inflow of resources related to pension at September 30, 2020, will be recognized in pension expense over the next 3 years.

The business-type activities' unrestricted net position deficit amount of \$(184,327) 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 \$1,311 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 \$6,174 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 \$3,035 balance of the deferred inflow of resources related to pension at September 30, 2020, will be recognized in pension expense over the next 3 years.

NOTE 17 – RELATED ORGANIZATIONS.

The Board of Supervisors is responsible for appointing members to the Board of Coahoma County Tourism Commission. The members are appointed for terms of 5 years. The Board of Supervisors is provided a copy and reviews the budget for the Tourism Commission but cannot force a modification to the budget. The members appointed to the Tourism Board serve without fear of replacement by the Board of Supervisors until that member's term has been served. In fiscal year 2020, \$379,072 was forward to the Tourism Commission through collections made from a 1% restaurant tax of \$283,727 and a 2% hotel tax of \$95,345.

COAHOMA COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

NOTE 18 – JOINT VENTURES.

The County participates in the following joint ventures:

Coahoma County is a participant with the City of Clarksdale in a joint venture to operate the Clarksdale-Coahoma Airport. The joint venture was created to provide airport facilities for County residents and is governed by a Board of Commissioners, half of the members are appointed by Coahoma County and half by the City of Clarksdale. By contractual agreement, the County's appropriation from the General Fund this year to the joint venture amounted to \$11,000. Complete financial statements for the Clarksdale-Coahoma Airport can be obtained from the Clarksdale-Coahoma Airport at P.O. Box 406, Lyon, Mississippi 38645.

Coahoma County is a participant with the City of Clarksdale in a joint venture to operate the Carnegie Public Library of the City of Clarksdale and the County of Coahoma, Mississippi. The joint venture was created to provide library facilities for the County residents and is governed by a ten-member Board of Commissioners, with five of the members appointed by Coahoma County and five by the City of Clarksdale. The County collected \$222,437. Complete financial statements for the Carnegie Public Library of the City of Clarksdale and the County of Coahoma can be obtained at P.O. Box 280, Clarksdale, Mississippi 38614.

NOTE 19 – JOINTLY GOVERNED ORGANIZATIONS.

The County participates in the following jointly governed organizations:

Coahoma Community College operates in a district composed of the Counties of Bolivar, Coahoma, Quitman, Tallahatchie and Tunica. The Coahoma County Board of Supervisors appoints six of the twelve members of the college Board of Trustees. The County collected \$1,296,650 for maintenance and support and adult education for the college in fiscal year 2020.

North Delta Planning and Development District is comprised of the Counties of Coahoma, DeSoto, Panola, Quitman, Tallahatchie, Tate and Tunica. The Coahoma County Board of Supervisors appoints four of the thirty members of the Board of Directors. The County appropriated \$45,333 for support of the district in the fiscal year 2020.

The Region I Mental Health-Mental Retardation Center operates in a district composed of the Counties of Coahoma, Quitman, Tallahatchie and Tunica. The Coahoma County Board of Supervisors appoints one of the four members of the Board of Commissioners. The County appropriated \$36,833 for the support of the center in fiscal year 2020.

The Yazoo-Mississippi Water Management District operates in a district composed of the Counties of Bolivar, Carroll, Coahoma, DeSoto, Holmes, Humphreys, Issaquena, Leflore, Panola, Quitman, Sharkey, Sunflower, Tallahatchie, Tate, Tunica, Washington, and Yazoo. The Coahoma County Board of Supervisors appoints one of the twenty-one members of the Board of Commissioners. The County levied a 0.75 mill tax which resulted in \$148,833 to help finance the district in fiscal year 2020.

COAHOMA COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

NOTE 20 – NO COMMITMENT DEBT

No commitment debt is repaid only by the entities for whom the debt was issued and includes debt that either bears the County's name or for which a moral responsibility may exist that is not an enforceable promise to pay. No commitment debt explicitly states the absence of obligation by the County other than possibly an agreement to assist creditors in exercising their rights in the event of default. Because a default may adversely affect the County's own ability to borrow, the principal amount of such debt outstanding at year end is disclosed as follows:

Description	Balance at September 30, 2020
Coahoma County, Mississippi Certificates of Participation, Series 2017	\$ 10,995,000

NOTE 21 - TAX ABATEMENTS

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

The Coahoma County Board of Supervisors negotiates property tax abatements on an individual or entity basis with varying abatement periods. These abatements contribute to the economic development and citizenry of the County. The County had tax abatement agreements with six entities as of September 30, 2020.

The County had abatements under the following statutes, which do not provide for the abatement of school or state tax levies: 27-31-101, Miss. Code (Ann.) 1972. All allowable property tax levies are as follows:

Category	Fiscal Year 2020	
	% of Taxes Abated	Amount of Taxes Abated
Additions, expansions or equipment replacement	100%	\$ 339,234

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

NOTE 22 – 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

COAHOMA COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2020

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 Coahoma County evaluated the activity of the County through March 8, 2022 (the date the financial statements were available to be issued) and determined that the following subsequent events have occurred that require disclosure in the notes to the financial statements.

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

<u>Issue Date</u>	<u>Interest Rate</u>	<u>Issue Amount</u>	<u>Type of Financing</u>	<u>Source of Financing</u>
11/1/2021	1.375-1.50%	\$ 7,500,000	GO Bonds	General funds
11/29/2021	2.25%	251,517	Refinanced Debt	Economic Development revenues

COAHOMA COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

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

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 5,862,066	6,985,389	6,985,389	-
Licenses, commissions and other revenue	478,456	405,081	405,081	-
Fines and forfeitures	136,997	141,852	141,852	-
Intergovernmental revenues	2,154,623	2,028,849	2,028,849	-
Charges for services	67,698	-	-	-
Interest income	65,798	155,295	155,295	-
Rental income	200,878	555,345	555,345	-
Miscellaneous revenues	252,744	218,815	218,815	-
Total Revenues	<u>9,219,260</u>	<u>10,490,626</u>	<u>10,490,626</u>	<u>-</u>
EXPENDITURES				
Current:				
General government	4,249,984	3,923,242	3,923,242	-
Public safety	4,614,270	4,511,222	4,511,222	-
Public works	22,000	11,000	11,000	-
Health and welfare	336,115	139,281	139,281	-
Culture and recreation	184,673	179,439	179,439	-
Conservation of natural resources	78,584	122,702	122,702	-
Economic development and assistance	98,000	-	-	-
Debt service:				
Principal	818,939	475,000	475,000	-
Interest	511,400	498,196	498,196	-
Total Expenditures	<u>10,913,965</u>	<u>9,860,082</u>	<u>9,860,082</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	<u>1,535,166</u>	<u>1,966,367</u>	<u>1,966,367</u>	<u>-</u>
Total Other Financing Sources and Uses	<u>1,535,166</u>	<u>1,966,367</u>	<u>1,966,367</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	<u>(159,539)</u>	<u>2,596,911</u>	<u>2,596,911</u>	<u>-</u>
Net Change in Fund Balance	(159,539)	2,596,911	2,596,911	-
Fund Balances- Beginning	<u>(732,584)</u>	<u>(3,309,862)</u>	<u>(3,292,539)</u>	<u>17,323</u>
Fund Balances- Ending	<u>\$ (892,123)</u>	<u>(712,951)</u>	<u>(695,628)</u>	<u>17,323</u>

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

COAHOMA COUNTY
Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis)
Jonestown Bypass Project Fund
For the Year Ended September 30, 2020
UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Total Revenues	-	-	-	-
EXPENDITURES				
Current:				
Public works	-	79,914	79,914	-
Interest	-	22,489	22,489	-
Total Expenditures	-	102,403	102,403	-
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	-	2,000,000	2,000,000	-
Total Other Financing Sources and Uses	-	2,000,000	2,000,000	-
Excess of Revenues over (under) Expenditures	-	1,897,597	1,897,597	-
Net Change in Fund Balance	-	1,897,597	1,897,597	-
Fund Balances- Beginning	-	-	-	-
Fund Balances- Ending	\$ -	1,897,597	1,897,597	-

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

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

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 709,289	577,977	577,977	-
Road and bridge privilege tax	230,000	241,773	241,773	-
Fines and forfeitures	-	5,467	5,467	-
Intergovernmental revenues	789,653	679,323	679,323	-
Miscellaneous revenues	50,000	53,833	53,833	-
Total Revenues	<u>1,778,942</u>	<u>1,558,373</u>	<u>1,558,373</u>	<u>-</u>
EXPENDITURES				
Current:				
Public works	2,275,173	2,069,159	2,069,159	-
Principal	92,318	-	-	-
Interest	13,947	10,183	10,183	-
Total Expenditures	<u>2,381,438</u>	<u>2,079,342</u>	<u>2,079,342</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	52,098	52,098
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>52,098</u>	<u>52,098</u>
Excess of Revenues over (under) Expenditures	<u>(602,496)</u>	<u>(520,969)</u>	<u>(468,871)</u>	<u>52,098</u>
Net Change in Fund Balance	(602,496)	(520,969)	(468,871)	52,098
Fund Balances- Beginning	<u>(155,954)</u>	<u>(2,551,157)</u>	<u>(3,571,997)</u>	<u>(1,020,840)</u>
Fund Balances- Ending	<u>\$ (758,450)</u>	<u>(3,072,126)</u>	<u>(4,040,868)</u>	<u>(968,742)</u>

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

COAHOMA COUNTY
Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis)
Economic Development Authority Fund
For the Year Ended September 30, 2020
UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 108,711	112,575	112,575	-
Intergovernmental revenues	-	752,425	752,425	-
Charges for services	-	-	-	-
Interest income	26,348	30,265	30,265	-
Rental income	-	70,964	70,964	-
Miscellaneous revenues	-	836	836	-
Total Revenues	<u>135,059</u>	<u>967,065</u>	<u>967,065</u>	<u>-</u>
EXPENDITURES				
Current:				
Economic development and assistance	126,141	2,199,407	2,199,407	-
Debt service:				-
Interest	<u>33,191</u>	<u>36,076</u>	<u>36,076</u>	<u>-</u>
Total Expenditures	<u>159,332</u>	<u>2,235,483</u>	<u>2,235,483</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Lease payments received	-	195,997	195,997	-
Proceeds from long-term debt	-	250,300	250,300	-
Transfers In (Out)	<u>-</u>	<u>(166,257)</u>	<u>(166,257)</u>	<u>-</u>
Total Other Financing Sources and Uses	<u>-</u>	<u>280,040</u>	<u>280,040</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	<u>(24,273)</u>	<u>(988,378)</u>	<u>(988,378)</u>	<u>-</u>
Net Change in Fund Balance	(24,273)	(988,378)	(988,378)	-
Fund Balances- Beginning	<u>(1,273,636)</u>	<u>(662,318)</u>	<u>1,742,118</u>	<u>2,404,436</u>
Fund Balances- Ending	<u>\$ (1,297,909)</u>	<u>(1,650,696)</u>	<u>753,740</u>	<u>2,404,436</u>

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

COAHOMA COUNTY
Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis)
Hospital Reserve Fund
For the Year Ended September 30, 2020
UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Interest income	\$ 250,000	466,617	466,617	-
Increase in market value of securities	-	1,349,587	1,349,587	
Miscellaneous revenues	-	52	52	-
Total Revenues	<u>250,000</u>	<u>1,816,256</u>	<u>1,816,256</u>	<u>-</u>
EXPENDITURES				
Current:				
General government	250,000	-	-	-
Health and welfare	-	-	320,971	(320,971)
Total Expenditures	<u>250,000</u>	<u>-</u>	<u>320,971</u>	<u>(320,971)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	-	-	(3,775,714)	(3,775,714)
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>(3,775,714)</u>	<u>(3,775,714)</u>
Excess of Revenues over (under) Expenditures	<u>-</u>	<u>1,816,256</u>	<u>(2,280,429)</u>	<u>(4,096,685)</u>
Net Change in Fund Balance	-	1,816,256	(2,280,429)	(4,096,685)
Fund Balances- Beginning	<u>44,331,434</u>	<u>41,783,349</u>	<u>43,464,393</u>	<u>1,681,044</u>
Fund Balances- Ending	<u>\$ 44,331,434</u>	<u>43,599,605</u>	<u>41,183,964</u>	<u>(2,415,641)</u>

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

COAHOMA COUNTY
Schedule of the County's Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years*
For the Year Ended September 30, 2020
UNAUDITED

	2020	2019	2018	2017	2016	2015
County's proportion of the net pension liability (asset)	0.080875%	0.084102%	0.081670%	0.078800%	0.079877%	0.081414%
County's proportionate share of the net pension liability (asset)	\$ 15,656,460	14,795,201	13,584,145	13,099,234	14,268,027	12,584,999
County's covered payroll	\$ 5,385,265	5,477,316	5,215,451	5,057,177	5,140,258	5,148,311
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	290.73%	270.12%	260.46%	259.02%	277.57%	244.45%
Plan fiduciary net position as a percentage of the total pension liability	61.59%	61.59%	61.54%	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.

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

COAHOMA COUNTY
Schedule of the County's Contributions
Last 10 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	\$ 924,968	892,047	830,446	806,745	812,288	810,859
Contributions in relation to the contractually required contribution	<u>924,968</u>	<u>892,047</u>	<u>830,446</u>	<u>806,745</u>	<u>812,288</u>	<u>810,859</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
County's covered payroll	\$ 5,315,907	5,512,223	5,272,669	5,122,185	5,157,379	5,148,311
Contributions as a percentage of covered payroll	17.40%	16.18%	15.75%	15.75%	15.75%	15.75%

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

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

COAHOMA COUNTY, MISSISSIPPI
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2020

UNAUDITED

A. Budgetary Information.

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

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

B. Basis of Presentation.

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

C. Budget/GAAP Reconciliation.

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

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

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

	General Fund	Jonestown Bypass Bypass Project Fund	Road Fund	Economic Development Authority Fund	Hospital Reserve Fund
Budget (Cash basis)	\$ 2,596,911	1,897,597	(468,871)	(988,378)	(2,280,429)
Increase (Decrease)					
Net adjustments for revenue accruals	(2,388,574)	-	(21,591)	25,106	-
Net adjustments for expenditure accruals	2,578,460	-	150,750	(26,879)	42,931
GAAP Basis	\$ <u>2,786,797</u>	<u>1,897,597</u>	<u>(339,712)</u>	<u>(990,151)</u>	<u>(2,237,498)</u>

Pension Schedules

COAHOMA COUNTY, MISSISSIPPI
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2020

UNAUDITED

A. Changes of assumptions.

2015

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

2016

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

2017

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

2019

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

COAHOMA COUNTY, MISSISSIPPI
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2020

UNAUDITED

generationally.

- The price inflation assumption was reduced from 3.00% to 2.75%.
- The wage inflation assumption was reduced from 3.25% to 3.00%.
- Withdrawal rates, pre-retirement mortality rates, and service retirement rates were also adjusted to more closely reflect actual experience.
- The percentage of active member disabilities assumed to be in the line of duty was increased from 7% to 9%.

B. Changes in benefit provisions.

2016

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

Method and assumptions used in calculations of actuarially determined contributions. The actuarially determined contribution rates in the schedule of employer contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported (June 30, 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

COAHOMA COUNTY

SUPPLEMENTARY INFORMATION

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

Operating Expenditures, Cash Basis:

Personnel	100,219
Expendable Commodities:	
Gasoline and petroleum products	2,920
Repair parts	6,402
Office, field and shop supplies	14,839
Solid waste contract and disposal fees	<u>688,859</u>

Solid Waste Cash Basis Operating Expenditures	<u>813,239</u>
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Full Cost Expenses:

Indirect administrative costs	19,321
Net effect of other accrued expenses	<u>15,261</u>

Solid Waste Full Cost Operating Expenses	<u><u>847,821</u></u>
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COAHOMA COUNTY

OTHER INFORMATION

COAHOMA 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
Paul Pearson	Supervisor	100,000	Travelers
Pat Davis, Jr.	Supervisor	100,000	Travelers
Derrell Washington	Supervisor	100,000	Western Surety Company
Johnny Newson	Supervisor	100,000	FCCI Insurance Group
Roosevelt Lee, Jr.	Supervisor	100,000	FCCI Insurance Group
Will Young	Supervisor	100,000	FCCI Insurance Group
Morgan Wood	County Administrator	100,000	FCCI Insurance Group
Alice Foster	Purchase Clerk	75,000	Western Surety Company
Morgan Wood	Inventory Clerk	100,000	FCCI Insurance Group
Benita Myles	Receiving Clerk	75,000	Western Surety Company
Nancy Chiles	Assistant Receiving Clerk	50,000	Western Surety Company
Otis Griffin	Assistant Receiving Clerk	50,000	FCCI Insurance Group
Reginio Booker	Assistant Receiving Clerk	50,000	Western Surety Company
Stanley Lynom	Assistant Receiving Clerk	50,000	FCCI Insurance Group
Barbara Johnson	Assistant Receiving Clerk	50,000	Western Surety Company
Janice Renee Blaine	Assistant Receiving Clerk	50,000	FCCI Insurance Group
Catrina Neal	Assistant Receiving Clerk	50,000	Western Surety Company
Mary Katherine Dille	Assistant Receiving Clerk	50,000	Western Surety Company
Otis Griffin	Road Manager	50,000	FCCI Insurance Group
Carolyn Parham	Chancery Clerk	100,000	FCCI Insurance Group
Demetria Jackson	Circuit Clerk	100,000	FCCI Insurance Group
Christy Wiley	Deputy Circuit Clerk	50,000	FCCI Insurance Group
Jessica Gill	Deputy Circuit Clerk	50,000	FCCI Insurance Group
Nancy Chiles	Deputy Circuit Clerk	50,000	FCCI Insurance Group
Charles Jones	Sheriff	100,000	FCCI Insurance Group
John R. Rybolt, III	Constable	50,000	Western Surety Company
Floyd Williams	Constable	50,000	FCCI Insurance Group
Hattie Shivers	Tax Assessor/Collector	100,000	FCCI Insurance Group
Ann Williams	Tax Assessor/Collector	100,000	Western Surety Company
Genie Wall	Deputy Tax Collector	50,000	FCCI Insurance Group
Janice Renee Blaine	Deputy Tax Collector	50,000	FCCI Insurance Group
Willie Hogan	Deputy Tax Collector	100,000	Western Surety Company
Cierra Citchens	Deputy Tax Collector	50,000	Western Surety Company
Anthony Burks Rogers	Justice Court Judge	50,000	FCCI Insurance Group
Derek Hopson, Sr.	Justice Court Judge	50,000	Western Surety Company
Jesse Burton	Justice Court Judge	50,000	FCCI Insurance Group
Darlean Lake	Justice Court Clerk	50,000	Western Surety Company
Tyrus Jones	Deputy Justice Court Clerk	50,000	Western Surety Company
Mary Johnson	Deputy Justice Court Clerk	50,000	Western Surety Company
Reginio Booker	Deputy Justice Court Clerk	50,000	Western Surety Company

COAHOMA COUNTY

SPECIAL REPORTS



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GOVERNMENT AUDIT QUALITY CENTER
PRIVATE COMPANIES PRACTICE SECTION

**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
Coahoma 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 Coahoma 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 March 8, 2022.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as items 2020-001 and 2020-002 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Coahoma 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*.

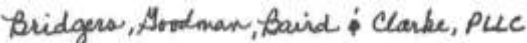
We noted certain matters that we reported to the management of Coahoma County, Mississippi, in the Independent Accountant's Report on Central Purchasing System, Inventory Control System and Purchase Clerk Schedules and the Limited Internal Control and Compliance Review Management Report, included within this document.

Coahoma County's Responses to Findings

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

Purpose of this Report

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


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

March 8, 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
Coahoma County, Mississippi

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

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

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

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

Purchase Clerk.

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

Repeat Finding No

Criteria	The County is responsible for complying with the requirements of the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws; Titles 31 and 37.
Condition	<p>The County failed to comply with the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws: Titles 31 and 37. A well-designed purchasing system would comply with the provisions of Titles 31 and 37 and would include the use of purchase requisitions, purchase orders, and receiving reports. During our test work we selected fifty items and noted the following instances of non-compliance:</p> <ul style="list-style-type: none"> • Eight (8) expenditures with no purchase documents except for an invoice • Three (3) expenditures where the proper sequence of purchase documents was not followed • Two (2) expenditures where the receiving report was signed by an unauthorized individual • One (1) instance where an approval signature was not included on a travel voucher • Two (2) instances where no competitive bid or second quote was obtained
Cause	The County has failed to establish and maintain an adequate internal control system to ensure compliance with the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws: Titles 31 and 37.
Effect	The County is not in compliance with the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws: Titles 31 and 37.
Recommendation	The County should establish and maintain an adequate internal control system which would ensure that the County is in compliance with the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws: Titles 31 and 37.
Response	A new purchase clerk has since been trained and certified by the State. The above will ensure those errors should not happen again.

In our opinion, except for the noncompliance referred to in the preceding paragraph, Coahoma 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 when considered in relation to that examination.

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

This report is intended for use in evaluating Coahoma 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

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Certified Public Accountants

Vicksburg, Mississippi

March 8, 2022

COAHOMA COUNTY
Schedule of Purchases Not Made From the Lowest Bidder
For the Year Ended September 30, 2020

Schedule 1

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

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

Schedule 2

Our tests identified the following emergency purchases:

Date	Item Purchased	Amount Paid	Vendor	Reason for Emergency Purchase
05/06/2020	Hand Sanitizer	\$5,240.00	Bottle Tree Beverage	Covid-19
05/08/2020	Face Mask	\$3,260.00	Hunter Paper	Covid-19
04/24/2020	Excavator	\$49,950.00	United Rentals	Prev. One burned
05/15/2020	Mask/Bleach/ hand sanitizer	\$6,420.00	Hunter Paper	Covid-19
05/08/2020	Hand Sanitizer	\$1,867.85	Hunter Paper	Covid-19
06/11/2020	Courthouse Sanitation	\$13,500.00	Environmental Control Sanitizer	Covid-19
06/15/2020	Hand sanitizers stands/auto machines/batteries for machines	\$6,706.89	Hunter Paper	Covid-19
08/04/2020	Mask/ wipes/paper-towels/sanitizer	\$8,294.13	Hunter Paper	Covid-19

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

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

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LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors
Coahoma County, Mississippi

In planning and performing our audit of the financial statements of Coahoma County, Mississippi for the year ended September 30, 2020, we considered Coahoma 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 Coahoma 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 March 8, 2022, on the financial statements of Coahoma County, Mississippi.

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

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

Board of Supervisors/County Administrator

1. Public Officials Should Ensure Compliance with State Law regarding the Inspection and Filing of Reports of Inspection of the Roads and Bridges in their Respective Districts.

Repeat Finding No

Criteria Section 65-7-117, Mississippi Code Annotated (1972), states "Each member of the Board of Supervisors shall inspect every road and bridge in the County under the jurisdiction of the County... not less than once each fiscal year. Each member shall

	file with the Clerk of the Board a report, under oath, of the condition of the roads and bridges inspected by him or her with recommendations for a four-year plan for construction and major maintenance of such roads and bridges.”
Condition	During the course of our testing, we noted no certifications or affidavits from the supervisors indicating that they had inspected the roads and bridges in their districts.
Cause	Annual inspections of the roads and bridges in the County have not been completed and attested to by the supervisors.
Effect	Failure to complete annual inspections of roads and bridges and to file a certification or affidavit of said inspection can lead to failure to identify and to complete necessary improvements in a timely manner.
Recommendation	The supervisors should ensure that they complete the requisite annual inspections of the roads and bridges in their respective districts and file a certification or an affidavit with the Clerk of the Board for inclusion in the minutes.
Response	The Board has completed and made a part of the minutes the inspection reports for each district on March 16, 2022.
2.	<u>Public Officials Should Ensure Compliance with Countywide Personnel Administration by the County Administrator.</u>
Repeat Finding	No
Criteria	Section 19-2-9, Mississippi Code Annotated (1972), states that counties operating under the countywide system of road administration “shall adopt and maintain a system of countywide personnel administration.... The personnel system shall be implemented and administered by the county administrator.”
Condition	During the course of our testing, we noted that the Board had not spread an order on the minutes delegating authority of handling personnel matters to the county administrator.
Cause	The Board of Supervisors has not spread an order on the minutes delegating authority to handle personnel matters to the county administrator.
Effect	Failure to delegate authority to handle personnel matters to the county administrator for counties operating under the countywide system of road administration conflicts with the dictates of the County Government Reorganization Act.
Recommendation	The supervisors should delegate authority to handle personnel matters to the county administrator by spreading an order on the minutes.
Response	The Board will take action on this matter and spread necessary orders across the minutes.
3.	<u>Public Officials and Employees should ensure compliance with state law over surety bonding requirements.</u>

Repeat Finding	No
Criteria	<p>§25-1-15(2), Miss. Code Ann. (1972), public employees are required to obtain a new bond at least every four years concurrent with the County's normal election cycle.</p> <p>§31-7-124, Miss. Code Ann. (1972), requires that all assistant purchasing, receiving and inventory control clerks shall be bonded in a penalty not less than \$50,000.</p>
Condition	<p>During the course of our testing we noted the following non-compliance:</p> <ul style="list-style-type: none"> • The Receiving Clerk was not bonded for the entire fiscal year. • One (1) Assistant Receiving Clerk was not bonded for the entire fiscal year and one (1) Assistant Receiving Clerk was bonded for a dual position but should have had two separate bonds. • Ten (10) employees only had a continuation certificate. • One (1) deputy circuit clerk was not bonded for the entire fiscal year. • A copy of the chancery clerk's bond was not on file in the circuit clerk's office. • Tax Assessor/Collector is bonded as only the collector. • One (1) deputy tax collector was bonded with the incorrect position and the name was misspelled; Two (2) deputy tax assessors were never bonded. • One (1) deputy justice court clerk was not bonded for the entire fiscal year.
Cause	Public Officials and the Board of Supervisors have insufficient controls over ensuring the requirements for bonding officials and employees are met.
Effect	Failure to have a bond in place for a specific term could limit the amount available for recovery if a loss occurred over multiple terms, as well as the current terms.
Recommendation	We recommend the Board of Supervisors implement procedures to ensure that County officials' and employees' bonds meet the requirements of State Laws.
Response	The Board will implement a process through its office where one personnel officer will ensure bonding is done properly.
4.	<u>Deficit fund balances</u>
Repeat Finding	Yes
Criteria	Management is responsible for establishing a proper internal control system to ensure the County operates within its means.
Condition	<p>We noted deficit fund balances at September 30, 2020. These deficit fund balances existed in the following funds:</p> <ul style="list-style-type: none"> • General County Trust Fund (002) • Victim's Assistance #2016-VA-GX-002 Fund (036)

	<ul style="list-style-type: none"> • County Fire Protection Fund (115) • Road Fund (150) • COVID-19 Fund (194)
Cause	The above-listed funds were operating with a cash deficit.
Effect	Prolonged deficit fund balances, especially in grant funding accounts, could result in loss of future grant funding.
Recommendation	The Board of Supervisors should determine the reasons for the deficit fund balance and take the appropriate actions to reduce the deficit.
Response	The Board has discussed these deficit fund balances and has taken the necessary steps within those funds to help reduce those deficits.
Payroll Clerk	

5. Re-Hired Retirees were not paid in compliance with the Form 4Bs filed with the Mississippi Employees Retirement System.

Repeat Finding	No
Criteria	Section 25-1-127, Mississippi Code Annotated (1972) provides that as a PERS retiree, a PERS Form 4B "Certification/Acknowledgement of Reemployment of Retiree" must be filed within 5 days of employment. If an employee decides to return to employment with a covered employer after they retire, the employee and the employer must notify PERS in writing within five days of the reemployment date and provide the conditions under which he/she is being reemployed. Notification must be repeated each new fiscal year of post-retirement employment.
Condition	During fiscal year 2020, there were six (6) total re-hired retirees . Of the six (6), two (2) retirees were paid in excess of the allowed salary as reported on the filed Form 4B.
Cause	The County did not comply with Section 25-11-127, Mississippi Code Annotated (1972).
Effect	The failure to comply with the reemployment conditions as reported on PERS Form 4B could jeopardize the provisions for reemployment.
Recommendation	The County should ensure timely and accurately file PERS Form 4Bs for all re-hired retirees and ensure that the statutory conditions for reemployment are met.
Response	The County will file the PERS Form 4B in a timely manner going forward.

6. Employee File Documentation.

Repeat Finding	No
Criteria	The County is responsible for establishing and maintaining an effective system of internal controls pertaining to the documentation in employee files.

Condition	During the course of our test work, we noted the following: <ul style="list-style-type: none"> • Nine (9) instances of improperly executed or incomplete form I-9s • One (1) instance of no board approved pay rate in the file • One (1) instance of the pay rate in the file not matching the pay rate in the system
Cause	The employee files are not being reviewed regularly to identify any files without proper documentation.
Effect	County employees could be paid at the wrong rates without prior documentation of the correct rates.
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.
Response	The payroll clerk will ensure better records from the office of Chancery Clerk with actual minutes to support paying employees. A system report will be generated to match up with the minutes.

Justice Court Clerk

7. Justice Court is not making settlements timely.

Repeat Finding No

Criteria Management is responsible for establishing a proper internal control system to ensure a strong financial accountability and safeguarding of assets and revenue.

Condition During the course of our test work, we found that four (4) of the twelve (12) monthly settlements to the County were not made in a timely manner.

Cause This is due to inadequate internal controls surrounding the settlements made by the Justice Court.

Effect Inadequate controls surrounding the settlement of revenue collections could result in improper revenue recognition.

Recommendation The Justice Court clerk should ensure that the settlements to the County are made in a timely manner.

Response The Justice Court Clerk has taken the necessary steps to ensure timely settlements are made to the County.

Sheriff

8. The Sheriff's office is not performing reconciliations of the Special Narcotics Bank Account.

Repeat Finding	No
Criteria	An effective system of internal controls requires the bank reconciliations be prepared accurately and timely and any identified unreconciled differences be resolved in a timely manner.
Condition	During the course of our test work, we noted that bank reconciliations were not being performed for the Special Narcotics Bank account.
Cause	The Sheriff's office has not established a system of internal control to ensure cash accounts are accurately and timely reconciled.
Effect	Not performing accurate and timely bank reconciliations creates a weakness in the system of internal controls over cash.
Recommendation	The Sheriff's office should implement an effective internal control system to increase the accuracy in accounting for receipts and disbursements and to ensure that all bank accounts are reconciled monthly in an accurate and timely manner.
Response	No response has been received.
9.	<u>Public Officials Should Ensure Compliance with State Law over the Purchase of Information and Evidence.</u>
Repeat Finding	No
Criteria	Section 99-27-37, Mississippi Code Annotated (1972), states, "The Board of Supervisors... are hereby authorized and empowered to appropriate, from time to time, sums of money, not exceeding one-third ($\frac{1}{3}$) of the fines which have been collected by them respectively, from the unlawful sale or possession of intoxicating liquors and/or narcotics and/or other illegal drugs, for the purpose of defraying expenses incurred by law enforcement agencies in the procuring of evidence of violations of statutes or ordinances, as the case may be, against the unlawful sale or keeping of intoxicating liquors and/or narcotics and/or other illegal drugs." Furthermore, all receipts in the purchase of evidence should be properly filled-out, documented, and supported.
Condition	During the course of our test work, we noted that the vouchers for payments to confidential informants were not being completed correctly.
Cause	The Sheriff's office has not established a system of internal control to ensure that vouchers for cash payments for information and/or evidence are properly completed.
Effect	Failure to accurately record, document, and maintain receipts/vouchers could result in invalid and unsupported transactions.

Recommendation	The Sheriff's should strengthen controls to ensure receipts/vouchers used to purchase information and/or evidence are appropriately documented, recorded, and supported as required by State law.
Response	No response has been received.
10.	<u>Public Officials Should Ensure Compliance with State Law over the Presentation of Meal Logs.</u>
Repeat Finding	No
Criteria	Section 19-25-74, Mississippi Code Annotated (1972), states, "...the Sheriff shall maintain a log, showing the name of each prisoner, the date and time of incarceration and release, to be posted daily, which shall record the number of meals served to prisoners at each mealtime, and the hours of the day served, and shall make affidavit as to the correctness thereof and file the same monthly with the Board of Supervisors. Such log shall remain on file with the Board of Supervisors as other records of said Board and shall be made available to the State Department of Audit upon request. No claims for the cost or expenses of feeding prisoners shall be approved by the Board of Supervisors for any month unless and until such log for that month is filed."
Condition	During the course of our test work, we noted that the Sheriff's office is not presenting a meal log of prisoners being fed at the jail to the Board of Supervisors.
Cause	The Sheriff's office has not established a system to ensure that meal logs are submitted to the Board.
Effect	Failure to present the meal logs to the Board of Supervisors monthly could result in the misappropriation of public funds by paying for an incorrect number of meals.
Recommendation	The Sheriff's should strengthen controls to ensure that meal logs are presented to the Board of Supervisors monthly before meal expenses are approved through the claims docket.
Response	No response has been received.
Inventory Clerk	
11.	<u>The County does not adhere to its fixed assets policy for properly inventorying, tracking, locating, and monitoring fixed assets.</u>
Repeat Finding	No

Criteria	Section 31-7-107, Mississippi Code Annotated (1972), established a system of inventory control for use by the counties.
Condition	During our audit procedures, we found that the County failed properly tag, locate, describe, and classify certain fixed assets.
Cause	The County has failed to ensure that fixed assets are properly tagged, located, described, and classified according to its inventory listing.
Effect	Without a properly functioning inventory system, compliance cannot be maintained, and assets will not be accurately recorded in the governmental activities.
Recommendation	The County should follow the system set forth in Section 31-7-107 as well as guidance developed by the Office of the State Auditor in the Mississippi County Fixed Assets Management Manual.
Response	No response has been received.

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

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

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

March 8, 2022

COAHOMA COUNTY

SCHEDULE OF FINDINGS AND RESPONSES

COAHOMA COUNTY, MISSISSIPPI
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended September 30, 2020

Section 1: Summary of Auditor's Results

Financial Statements:

- | | | |
|----|--|---------------|
| 1. | Type of auditor's report issued on the financial statements: | |
| | Governmental activities | Unmodified |
| | Business-type activities | Unmodified |
| | General Fund | Unmodified |
| | Jonestown Bypass Project Fund | Unmodified |
| | Road Fund | Unmodified |
| | Economic Development Authority Fund | Unmodified |
| | Hospital Reserve Fund | Unmodified |
| | Federal Building Fund | Unmodified |
| | Railroad Fund | Unmodified |
| | Aggregate remaining fund information | Unmodified |
| 2. | Internal control over financial reporting: | |
| | a. Material weaknesses identified? | Yes |
| | b. Significant deficiencies identified? | None reported |
| 3. | Noncompliance material to the financial statements noted? | No |

Section 2: Financial Statement Findings

Material Weaknesses

Board of Supervisors and County Administrator

2020-001.	<u>Public Officials should ensure appropriate authorization and treatment of interfund transactions.</u>
Repeat Finding	Yes
Criteria	Governmental fund accounting requires appropriate authorization for interfund loans and transfers as well as balancing entries between funds.
Condition	During the course of our testing, we noted multiple instances where transfers or loans showed up on one fund but were not balanced to another fund. Additionally, several of these transactions were not supported by appropriate board authorization.
Cause	Extensive and excessive use of interfund loans and transfers are difficult to accurately track year over year. Additionally, insufficient safeguards over the accounting for these loans and transfers leads to discrepancies in balanced accounting.

COAHOMA COUNTY, MISSISSIPPI
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended September 30, 2020

Effect	Insufficient internal controls over the treatment of interfund loans and transfers could lead to accounting error and unauthorized transfers between funds.
Recommendation	The Board of Supervisors and County Administrator should take specific care to ensure appropriate authorization and documentation is available for all interfund transactions and should ensure appropriate internal controls are in place to accurately and timely account for those transactions.
Response	The County has decreased the amount of interfund transactions they transact. Going forward better documentation will be done.
Chancery Clerk	
2020-002.	<u>Chancery Clerk is not recording the minutes and orders of the Board of Supervisors in a timely manner.</u>
Repeat Finding	Yes
Criteria	Section 19-3-27, Mississippi Code Annotated (1972), states as clerk of the board of supervisors, "It shall be the duty of the clerk of the board of supervisors to keep and preserve a complete and correct record of all the proceedings and orders of the board."
Condition	During the course of our test work in October 2021, we noted that minutes had not been properly recorded since December 2020.
Cause	The Chancery Clerk has not established procedures in her office to ensure the timely recording of minutes of the Board of Supervisors.
Effect	Failure to timely record the minutes and orders of the Board of Supervisors could result in an inability to communicate the actions of the Board to the necessary responsible parties.
Recommendation	The Chancery Clerk should ensure that the minutes of the Board of Supervisors are accurately and timely recorded.
Response	No response has been received.