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**COPIAH COUNTY**

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

# COPIAH COUNTY

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## FINANCIAL SECTION



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## **INDEPENDENT AUDITORS' REPORT**

Members of the Board of Supervisors  
Copiah County, Mississippi

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Copiah County, Mississippi, (the County) as of and for the year ended September 30, 2020, and the related notes to financial statements, which collectively comprise the basic financial statements of the County's primary government as listed in the 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.

### **Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Basis for Adverse Opinion on the Aggregate Discretely Presented Component Units***

The financial statements do not include financial data for the County's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units. The County has not issued such reporting entity financial statements. The amount by which this departure would affect the assets, liabilities, net position, revenues and expenses of the aggregate discretely presented component units has not been determined.

***Adverse Opinion***

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on the Aggregate Discretely Presented Component Units” paragraph, the financial statements referred to above do not present fairly, the financial position of the aggregate discretely presented component units of Copiah County, Mississippi, as of September 30, 2020, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Unmodified Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Copiah County, Mississippi, as of September 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters******Required Supplementary Information***

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

***Omission of Required Supplementary Information***

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

***Other Information***

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 January 25, 2024 on our consideration of Copiah 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 Copiah 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 Copiah County, Mississippi's internal control over financial reporting and compliance.

Watkins, Ward and Stafford, PLLC  
Louisville, Mississippi  
January 25, 2024

*Watkins Ward and Stafford, PLLC*

## FINANCIAL STATEMENTS



**COPIAH COUNTY, MISSISSIPPI**  
Statement of Net Position  
September 30, 2020

Exhibit 1

	Primary Government
	Governmental
	Activities
	<hr/>
<b>ASSETS</b>	
Cash	\$ 8,511,303
Property tax receivable	13,418,445
Accounts receivable (net of allowance for uncollectibles of \$1,232,440)	663,628
Fines receivable (net of allowance for uncollectibles of \$1,012,086)	36,124
Capital leases receivable	1,930,725
Intergovernmental receivables	586,027
Other receivables	3,077
Capital assets:	
Land and construction in progress	1,666,496
Other capital assets, net	61,070,605
Total Assets	<hr/> 87,886,430 <hr/>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pension	1,412,534
Deferred amount on refunding	89,817
Total deferred outflows of resources	<hr/> 1,502,351 <hr/>
 <b>LIABILITIES</b>	
Claims payable	498,271
Intergovernmental payables	905,048
Accrued interest payable	107,399
Unearned revenue	21,316
Amounts held in custody for others	45,170
Long-term liabilities	
Net pension liability	13,873,898
Due within one year:	
Capital debt	1,209,388
Non-capital debt	584,149
Due in more than one year:	
Capital debt	17,134,551
Non-capital debt	2,627,952
Total Liabilities	<hr/> 37,007,142 <hr/>
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred revenue - property taxes	13,418,445
Deferred revenue - capital leases	340,098
Deferred inflows related to pensions	156,758
Total deferred inflows of resources	<hr/> 13,915,301 <hr/>
 <b>NET POSITION</b>	
Net investment in capital assets	44,393,162
Restricted for:	
Public safety	1,080,707
Public works	5,473,906
Culture and recreation	36,390
Economic development	17,500
Debt service	410,647
Unrestricted	(12,945,974)
Total Net Position	<hr/> \$ 38,466,338 <hr/>

The notes to financial statements are an integral part of these statements.

**COPIAH COUNTY, MISSISSIPPI**

## 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 Governmental Activities
Governmental activities:					
General government	\$ 3,900,840	1,129,895	123,973		(2,646,972)
Public safety	3,981,143	487,951	211,786	530,825	(2,750,581)
Public works	7,262,883	1,268,608	1,073,383	944,071	(3,976,821)
Health and welfare	1,204,339		84,580		(1,119,759)
Culture and recreation	132,514	8,618			(123,896)
Education	28,513		28,513		0
Conservation of natural resources	78,359				(78,359)
Economic development and assistance	106,648				(106,648)
Interest on long-term debt	694,394				(694,394)
Pension expense	1,429,007				(1,429,007)
Total Governmental Activities	<u>18,818,640</u>	<u>2,895,072</u>	<u>1,522,235</u>	<u>1,474,896</u>	<u>(12,926,437)</u>
General revenues:					
Property taxes				\$	14,141,906
Road & bridge privilege taxes					387,239
Grants and contributions not restricted to specific programs					534,650
Unrestricted interest income					130,267
Miscellaneous					258,877
Total General Revenues					<u>15,452,939</u>
Changes in Net Position					2,526,502
Net Position - Beginning					<u>35,939,836</u>
Net Position - Ending				\$	<u><u>38,466,338</u></u>

The notes to financial statements are an integral part of these statements.

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

Exhibit 3

	Major Funds				
	General Fund	Countywide Road Maintenance Fund	Countywide Bridge and Culvert Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash	\$ 2,466,975	1,619,219	1,513,755	2,911,354	8,511,303
Property tax receivable	7,033,053	2,543,343	1,150,154	2,691,895	13,418,445
Accounts receivable (net of allowance for uncollectibles of \$1,232,440)				663,628	663,628
Fines receivable (net of allowance for uncollectibles of \$1,012,086)	36,124				36,124
Capital lease receivable				1,930,725	1,930,725
Intergovernmental receivables	585,583	444			586,027
Other receivables	3,077				3,077
Due from other funds		1,511,877	50,074	159,987	1,721,938
Advances to other funds	78,951	169,912		17,500	266,363
Total Assets	\$ 10,203,763	5,844,795	2,713,983	8,375,089	27,137,630
<b>LIABILITIES</b>					
Liabilities:					
Claims payable	\$ 164,020	123,660	79,889	130,702	498,271
Intergovernmental payables	436,503	431,534			868,037
Due to other funds	370,226			1,388,723	1,758,949
Advances from other funds	17,500			248,863	266,363
Unearned revenue				21,316	21,316
Amounts held in custody for others	45,170				45,170
Total Liabilities	1,033,419	555,194	79,889	1,789,604	3,458,106
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Unavailable revenue - property taxes	\$ 7,033,053	2,543,343	1,150,154	2,691,895	13,418,445
Unavailable revenue - accounts receivable				663,628	663,628
Unavailable revenue - fines	36,124				36,124
Unavailable revenue - capital leases				1,930,725	1,930,725
Total Deferred Inflows of Resources	7,069,177	2,543,343	1,150,154	5,286,248	16,048,922
<b>FUND BALANCES:</b>					
Nonspendable:					
Advances	78,951				78,951
Restricted for:					
Public safety				1,080,707	1,080,707
Public works		2,746,258	1,483,940	1,243,708	5,473,906
Culture and recreation				36,390	36,390
Economic development and assistance				17,500	17,500
Debt service				518,046	518,046
Unassigned	2,022,216			(1,597,114)	425,102
Total Fund Balances	2,101,167	2,746,258	1,483,940	1,299,237	7,630,602
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 10,203,763	5,844,795	2,713,983	8,375,089	27,137,630

The notes to financial statements are an integral part of these statements.

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

	<u>Amount</u>
Total Fund Balance - Governmental Funds	\$ 7,630,602
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 \$96,173,273.	62,737,101
Other long-term assets are not available to pay for current period expenditures and; therefore, are deferred in the funds:	
Solid waste accounts receivables	663,628
Fines receivables	36,124
Long-term liabilities are not due and payable in the current period and; therefore, are not reported in the funds.	(21,556,040)
Net pension obligations are not due and payable in the current period and; therefore, are not reported in the funds.	(13,873,898)
Accrued interest payable is not due and payable in the current period and; therefore, is not reported in the funds.	(107,399)
Capital leases are not available to pay for current period expenditures and; therefore, are deferred in the funds.	1,590,627
Deferred amount on refunding	89,817
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	1,412,534
Deferred inflows of resources related to pensions	<u>(156,758)</u>
Total Net Position - Governmental Activities	\$ <u>38,466,338</u>

The notes to financial statements are an integral part of these statements.

**COPIAH COUNTY, MISSISSIPPI**Exhibit 4Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
For the Year Ended September 30, 2020

	Major Funds				
	General	Countywide	Countywide	Other	Total
	Fund	Road	Bridge and	Governmental	Governmental
		Maintenance	Culvert	Funds	Funds
	Fund	Fund	Fund		
<b>REVENUES</b>					
Property taxes	\$ 7,125,590	2,241,086	1,168,887	3,606,343	14,141,906
Road and bridge privilege taxes		387,239			387,239
Licenses, commissions and other revenue	318,354			44,848	363,202
Fines and forfeitures	307,421			7,966	315,387
Intergovernmental revenues	1,055,808	1,128,896		1,347,077	3,531,781
Charges for services	687,338	1,500		1,541,108	2,229,946
Interest income	87,190			43,077	130,267
Miscellaneous revenues	207,967	38,033	5,119	49,051	300,170
Total Revenues	<u>9,789,668</u>	<u>3,796,754</u>	<u>1,174,006</u>	<u>6,639,470</u>	<u>21,399,898</u>
<b>EXPENDITURES</b>					
Current:					
General government	3,401,843			425,031	3,826,874
Public safety	3,544,755			878,033	4,422,788
Public works	457,968	4,098,073	877,279	2,279,573	7,712,893
Health and welfare	202,551			960,080	1,162,631
Culture and recreation	133,616			1,158	134,774
Education	28,513				28,513
Conservation of natural resources	78,359				78,359
Economic development and assistance	106,648				106,648
Debt service:					
Principal	27,857	691,106	111,324	1,281,655	2,111,942
Interest	2,332	15,397	553	654,271	672,553
Total Expenditures	<u>7,984,442</u>	<u>4,804,576</u>	<u>989,156</u>	<u>6,479,801</u>	<u>20,257,975</u>
Excess of Revenues over (under) Expenditures	<u>1,805,226</u>	<u>(1,007,822)</u>	<u>184,850</u>	<u>159,669</u>	<u>1,141,923</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Long-term capital debt issued	85,265	676,052		153,150	914,467
Proceeds from sale of capital assets		214,777			214,777
Transfers in		17,171		28,000	45,171
Transfers out				(45,171)	(45,171)
Lease principal payments				91,399	91,399
Total Other Financing Sources and Uses	<u>85,265</u>	<u>908,000</u>	<u>0</u>	<u>227,378</u>	<u>1,220,643</u>
Net Changes in Fund Balances	1,890,491	(99,822)	184,850	387,047	2,362,566
Fund Balances - Beginning	<u>210,676</u>	<u>2,846,080</u>	<u>1,299,090</u>	<u>912,190</u>	<u>5,268,036</u>
Fund Balances - Ending	<u>\$ 2,101,167</u>	<u>2,746,258</u>	<u>1,483,940</u>	<u>1,299,237</u>	<u>7,630,602</u>

The notes to financial statements are an integral part of these statements.

**COPIAH COUNTY, MISSISSIPPI**Exhibit 4-1

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

	<u>Amount</u>
Net Changes in Fund Balances - Governmental Funds	\$ 2,362,566
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Thus, the change in net position differs from the change in fund balances by the amount that depreciation of \$2,005,952 exceeded capital outlays of \$1,922,065 in the current period	(83,887)
In the Statement of Activities, only gains and losses from the sale of capital assets are reported whereas in the Governmental Funds, proceeds from the sale of capital assets increase financial resources. Thus, the change in net position differs from the change in fund balances by the amount of the net loss of \$41,293 and the proceeds from the sale of capital assets of \$214,777 in the current period.	(256,070)
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.	(1,817)
Solid waste revenue recognized on the modified accrual basis in the funds during the current year is reduced because prior year recognition would have been required on the Statement of Activities using the full-accrual basis of accounting	(11,646)
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 a expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Thus, the change in net position differs from the change in fund balances by the amount that debt repayments of \$2,111,942 exceeded debt proceeds of \$914,467	1,197,475
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	
Decrease in compensated absences liability	18,274
Increase in accrued interest payable	(6,700)
Amortization of bond premiums	12,454
Amortization of general obligation bond discounts	(6,241)
Amortization of deferred refunding charges	(21,354)
In the Statement of Activities, only interest income from payments received on capital leases are reported, whereas in the governmental funds, both principal and interest payments received increase financial resources. Thus, the change in net position differs from the change in fund balances by the principal collections on the capital leases	(91,399)
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	(1,429,007)
Recording of contributions made through the measurement date	629,472
Recording of contributions made subsequent to the measurement date	214,382
Change in Net Position of Governmental Activities	\$ <u>2,526,502</u>

The notes to financial statements are an integral part of these statements.

**COPIAH COUNTY, MISSISSIPPI**  
Statement of Fiduciary Assets and Liabilities  
September 30, 2020

Exhibit 5

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash	\$ 308,630
Intergovernmental receivables	
Other receivables	3,253
Due from other funds	<u>39,249</u>
Total Assets	<u><u>\$ 351,132</u></u>
<b>LIABILITIES</b>	
Intergovernmental payables	\$ 70,897
Due to other funds	2,238
Amounts held in custody for others	<u>277,997</u>
Total Liabilities	<u><u>\$ 351,132</u></u>

The notes to financial statements are an integral part of these statements.

**Copiah County, Mississippi**

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



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

(1) Summary of Significant Accounting Policies

A. Financial Reporting Entity

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

Management has chosen to omit from these financial statements the following component units which have significant operational or financial relationships with the County. Accordingly, the financial statements do not include the data of these component units necessary for reporting in accordance with accounting principles generally accepted in the United States of America.

- Copiah County Economic Development District
- Hardy Wilson Memorial Hospital
- Copiah-Jefferson Regional Library

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

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

B. Individual Component Unit Disclosures

Blended Component Units

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

Central Mississippi Public Improvement Corporation was incorporated as a nonprofit corporation under Section 31-8-3, Miss. Code Ann. (1972), which allows counties to enter into lease agreements with any corporation. The corporation produces a financial benefit through its ability to acquire, construct, finance, equip and lease facilities to the primary government and impose a financial burden on the primary government by obligating funds to repay the debt pursuant to a lease agreement.

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.

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

Government-wide Financial Statements

The Statement of Net Position and Statement of Activities display information concerning the County as a whole. The statements include all nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are generally financed through taxes, intergovernmental revenues and other nonexchange revenues.

The Statement of Net Position presents the financial condition of the governmental 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. 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 governmental function is self-financing or draws from the general revenues of the County.

Fund Financial Statements

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

D. Measurement Focus and Basis of Accounting

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

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.

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

The County reports the following major Governmental Funds:

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

Countywide Road Maintenance Fund - This fund is used to account for the maintenance and preservation of local roads financed with various revenue sources restricted for this purpose.

Countywide Bridge and Culvert Fund - This fund is used to account for the maintenance and preservation of local bridges financed with various revenue sources restricted for this purpose.

Additionally, the County reports the following fund types:

GOVERNMENTAL FUND TYPES

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

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

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

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 board 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, all certificates of deposit and cash equivalents, which are short-term highly liquid investments that are readily convertible to cash (generally three months or less). Investments in governmental securities are stated at fair value. However, the County did not invest in any governmental securities during the fiscal year.

G. Receivables

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

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

I. Interfund Transactions and Balances

Transactions between funds that are representative of short-term lending/borrowing arrangements and transactions that have not resulted in the actual transfer of cash at the end of the fiscal year are referred to as "due to/from other funds." 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. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

J. Capital Assets

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

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. 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:

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

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

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

K. Deferred Outflows/Inflows of Resources

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

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

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 8 for additional details.

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

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

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

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

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 8 for additional details.

Deferred revenue – 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.

L. Long-term Liabilities

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

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the governmental activities 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.

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

In the fund financial statements, Governmental Fund Types recognize bond premiums and discounts during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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. Equity Classifications

Government-wide Financial Statements:

Equity is classified as Net Position and is 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 nonspendable, restricted, committed, assigned or unassigned. The following are descriptions of fund classifications used by the County:

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

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

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

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

**Fund Balance Flow Assumption:**

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

**O. Property Tax Revenues**

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

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

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

COPIAH COUNTY  
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. 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.

S. Changes in Accounting Standards.

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

(2) Deposits

The carrying amount of the County's total deposits with financial institutions at September 30, 2020, was \$8,511,303 in the governmental funds and \$308,630 in the fiduciary funds, and the bank balance was \$9,052,096. 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.



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

(3) Interfund Transactions and Balances.

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

A. Due From/To Other Funds:

Receivable Fund	Payable Fund	Amount
Co-Wide Road Maintenance	General Fund	\$ 120,916
Co-Wide Road Maintenance	Other Governmental Funds	1,388,723
Co-Wide Road Maintenance	Agency Funds	2,238
Co-Wide Bridge and Culvert	General Fund	50,074
Other Governmental Funds	General Fund	159,987
Agency Funds	General Fund	39,249
		<u>\$ 1,761,187</u>

The receivables represent the tax revenue collected in September 2020, but not settled until October, 2020 and to cover cash deficits in the Drug Court Fund, the Airport Project #28-0023-0203GRT Fund, the Reappraisal Maintenance Fund, the E-911 Service Fund, the RIF – Rural Impact Funds Fund, the Road Dept. Overlay 2014/2015 Fund, the Tourism Dept. Fund, the Refunding Gen Obligation 2018, the Clearing Fund – Schools & Cities, and the Chancery Clerk employees. 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
General Fund	Other Governmental Funds	\$ 78,951
Co-Wide Road Maintenance	Other Governmental Funds	169,912
Other Governmental Funds	General Fund	17,500
		<u>\$ 266,363</u>

The purpose of the advances was to cover a deficit in the Road and Bridge Series Fund 2007 and revenues recorded incorrectly.

C. Transfers In/Out:

Transfers In	Transfers Out	Amount
Co-Wide Road Maintenance	Other Governmental Funds	\$ 17,171
Other Governmental Funds	Other Governmental Funds	28,000
		<u>\$ 45,171</u>

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

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

(4) Intergovernmental Receivables

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

Governmental activities:

Legislative tax credit	\$ 133,467
Reimbursement for cares act	440,825
Reimbursement for housing prisoners	3,380
Reimbursement for district attorney	3,379
Reimbursement for welfare	3,446
Reimbursement for youth court	1,086
Reimbursement for national forestry	444
Total governmental activities	<u>\$ 586,027</u>

(5) Capital Assets

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

	Balance 10/01/2019	Additions	Deletions	Adjustments *	Balance 09/30/2020
<b>Governmental Activities</b>					
<u>Non-depreciable capital assets:</u>					
Land	\$ 1,666,496				1,666,496
Construction in progress	703,992	25,197		(729,189)	-
Total non-depreciable capital assets	<u>2,370,488</u>	<u>25,197</u>	<u>-</u>	<u>(729,189)</u>	<u>1,666,496</u>
<u>Depreciable capital assets:</u>					
Infrastructure	115,136,197			729,189	115,865,386
Buildings	19,684,089				19,684,089
Improvements other than buildings	7,379,405				7,379,405
Mobile equipment	9,320,981	945,444	508,414	653,940	10,411,951
Furniture & equipment	1,330,608	80,217	53,110	253,574	1,611,289
Leased property under capital lease	2,689,001	871,207	360,936	(907,514)	2,291,758
Total depreciable capital assets	<u>155,540,281</u>	<u>1,896,868</u>	<u>922,460</u>	<u>729,189</u>	<u>157,243,878</u>
<u>Less accumulated depreciation for:</u>					
Infrastructure	75,598,645	580,979			76,179,624
Buildings	6,946,597	303,063			7,249,660
Improvements other than buildings	2,504,406	295,182			2,799,588
Mobile equipment	7,483,596	540,670	457,573	294,285	7,860,978
Furniture & equipment	1,171,475	65,639	46,377	257,968	1,448,705
Leased property under capital lease	1,128,992	220,419	162,440	(552,253)	634,718
Total accumulated depreciation	<u>94,833,711</u>	<u>2,005,952</u>	<u>666,390</u>	<u>-</u>	<u>96,173,273</u>
Total depreciable capital assets, net	<u>60,706,570</u>	<u>(109,084)</u>	<u>256,070</u>	<u>729,189</u>	<u>61,070,605</u>
Governmental activities capital assets, net	<u>\$ 63,077,058</u>	<u>(83,887)</u>	<u>256,070</u>	<u>-</u>	<u>62,737,101</u>

\* Adjustments were made to 1) transfer lease purchase assets to proper classification upon completion of payments and 2) to properly present capital assets.

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

Depreciation expense was charged to the following functions:

**Governmental Activities:**

General government	\$ 396,204
Public safety	339,610
Public works	1,228,430
Health & welfare	<u>41,708</u>
Total governmental activities depreciation expense	<u>\$ 2,005,952</u>

(6) Claims and Judgments

Risk Financing

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

(7) Capital Leases

On December 1, 2015, Copiah County entered into a capital lease agreement with McNeely Plastics, Inc. for the lease of property. The capital lease stipulated that the lessee would pay approximately \$9,360 per month for a term of 20 years. At the end of the lease term, the property will be conveyed to McNeely Plastics, Inc.

As Lessor:

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

Classes of Property	Amount
Land	\$ 53,375
Buildings	<u>2,738,773</u>
Total	<u>\$ 2,792,148</u>

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

Year Ending September 30	Principal	Interest
2021	\$ 118,043	40,433
2022	120,551	37,925
2023	142,542	35,601
2024	150,431	32,879
2025	79,957	30,519
2026 - 2030	437,778	114,602
2031 - 2035	508,530	43,850
2036 - 2040	<u>32,795</u>	<u>4,289</u>
Total	<u>\$ 1,590,627</u>	<u>340,098</u>

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

As Lessee:

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

Classes of Property	Amount
Mobile equipment	\$ 2,291,758
Total	2,291,758
Less: accumulated depreciation	634,718
Leased property under capital leases	\$ 1,657,040

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

Year Ending September 30	Governmental Activities	
	Principal	Interest
2021	\$ 276,765	25,865
2022	503,746	14,865
2023	152,558	10,104
2024	156,080	6,582
2025	145,602	3,144
Total	\$ 1,234,751	60,560

(8) Defined Benefit Pension Plan

*General Information about the Pension Plan*

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

Benefits Provided. Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi, state universities, community and junior colleges, and teachers and employees of the public school districts. For those persons employed by political subdivisions and instrumentalities of the State of Mississippi, membership is contingent upon approval of the entity's participation in PERS by the PERS' Board of Trustees. If approved, membership for the entity's employees is a condition of employment and eligibility is granted to those who qualify upon hiring. Participating members who are vested and retire at or after age 60 or those who retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.0 percent of their average compensation for each year of creditable service up to and including 30 years (25 years for those who became members of PERS before July 1, 2011), plus 2.5 percent for each additional year of creditable service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age that the member is below 65, whichever is less. Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service. Benefits vest upon completion of eight years of membership service (four years

COPIAH COUNTY  
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For the Year Ended September 30, 2020

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 \$843,854, \$739,391, and \$696,811, 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 \$13,873,898 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 0.071667 percent, which was based on a measurement date of June 30, 2020. This was an increase of 0.002143 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 \$1,429,007. At September 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected & actual experience	\$ 116,894	-
Net difference between projected & actual earnings on pension plan investments	734,544	-
Changes of assumptions	76,919	156,758
Changes in the proportion and differences between the County's contributions and proportionate share of contributions	269,795	-
County contributions subsequent to the measurement date	214,382	-
Total	\$ 1,412,534	156,758

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\$214,382 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	\$ 325,269
2022	264,010
2023	268,479
2024	183,636
Total	\$ <u>1,041,394</u>

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

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

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	27.00 %	4.90
International Equity	22.00	4.75
Global Equity	12.00	5.00
Fixed Income	20.00	0.50
Real Estate	10.00	4.00
Private Equity	8.00	6.25
Cash	1.00	-
Total	<u>100.00 %</u>	

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

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%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
County's proportionate share of the net pension liability	\$ 17,958,057	13,873,898	10,502,827

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

(9) Long-term Debt

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

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
<b>Governmental Activities:</b>			
<b>A. General Obligation Bonds:</b>			
GO Refunding Bonds - Series 2010	\$ 220,000	2.000 / 4.750%	07/2021
GO Road and Bridge Bonds - Series 2014	5,400,000	2.625 / 3.750%	11/2034
GO Road and Bridge Bonds - Series 2015	5,400,000	3.000 / 3.500%	03/2035
GO Refunding Bonds - Series 2016	2,785,000	1.000 / 2.375%	03/2027
GO Refunding Bonds - Series 2018	4,380,000	3.000 / 4.000%	04/2032
Total General Obligation Bonds	<u>\$ 18,185,000</u>		
<b>B. Capital Leases:</b>			
Sludge Trailer	\$ 73,367	3.35%	01/2024
Five New Holland tractors	40,832	1.86%	05/2021
Eight 2018 Mack Dump Trucks	444,500	2.23%	11/2021
Five CAT Backhoes, One CAT Trackhoe	676,052	2.15%	08/2025
Total Capital Leases	<u>\$ 1,234,751</u>		
<b>C. Other Loans:</b>			
Sugar Farm Road CAP loan	\$ 5,231	3.00%	01/2021
Two fire trucks CAP loan	238,625	2.00%	10/2025
McNeely Plastic CAP loan	1,347,270	3.00%	01/2036
Fire truck CAP loan	110,997	3.00%	02/2027
2020 Fire truck CAP loan	143,187	3.00%	01/2030
Total Other Loans	<u>\$ 1,845,310</u>		

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

Annual debt service requirements to maturity for the following debt reported in the statement of net position are as follows:

**Governmental Activities:**

Year Ending September 30	General Obligation Bonds	
	Principal	Interest
2021	\$ 1,370,000	555,734
2022	1,180,000	512,383
2023	1,275,000	474,528
2024	1,320,000	434,279
2025	1,370,000	391,384
2026 - 2030	6,395,000	1,359,769
2031 - 2035	5,275,000	424,612
Total	\$ 18,185,000	4,152,689

  

Year Ending September 30	Other Loans	
	Principal	Interest
2021	\$ 140,559	47,061
2022	150,054	47,442
2023	154,140	43,357
2024	158,341	39,157
2025	162,659	34,836
2026 - 2030	539,086	121,172
2031 - 2035	507,261	45,118
2036 - 2040	33,210	229
Total	\$ 1,845,310	378,372

Legal Debt Margin - The amount of debt, excluding specific exempted debt that can be incurred by the County is limited by state statute. Total outstanding debt during a year can be no greater than 15% of assessed value of the taxable property within the County, according to the then last completed assessment for taxation. However, the limitation is increased to 20% whenever a county issues bonds to repair or replace washed out or collapsed bridges on the public roads of the County. As of September 30, 2020, the amount of outstanding debt was equal to 7.60% of the latest property assessments.

Certificates of Participation - In accordance with Section 31-8-1 et seq. Miss. Code Ann. (1972), the County issued Certificates of Participation and transferred the proceeds to the Central Mississippi Public Improvement Corporation (Corporation). The funds are to be used to construct a new Copiah County jail facility. At completion, the Corporation will enter into a twenty year lease with the County. The County is obligated to pay rent equal to the principal and interest on the debt. At completion of the lease, the County will assume ownership of the facility. The obligation is not a general obligation and does not constitute a pledge of full faith and credit of the County.



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

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	\$ 216,889	-	18,274	-	198,615	-
General obligation bonds	19,275,000	-	1,090,000	-	18,185,000	1,370,000
Less:						
Discounts	(30,096)	-	(6,241)	-	(23,855)	(6,241)
Add:						
Premiums	128,673	-	12,454	-	116,219	12,454
Capital leases	1,337,568	761,317	864,134	-	1,234,751	276,765
Other loans	1,849,968	153,150	157,808	-	1,845,310	140,559
	<u>\$ 22,778,002</u>	<u>914,467</u>	<u>2,136,429</u>	<u>-</u>	<u>21,556,040</u>	<u>1,793,537</u>

Compensated absences will be paid from the fund from which the employees' salaries were paid, which are generally the General Fund, Drug Court Fund, Reappraisal Maintenance Fund, E-911 Fund, Sanitation Fund, Countywide Road Maintenance Fund, Countywide Bridge and Culvert Fund, and Chancery Clerk Employees Fund.

(10) Deficit Fund Balances of Individual Funds

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

Fund	Deficit Amount
Drug Court Fund	\$ 3,746
Airport Proj #3-28-0023-0203 GRT Fund	196,430
EDA Industrial Improvements Fund	57,393
2011 Housing Grant	395
Reappraisal Maintenance Fund	56,787
E-911 Service Fund	831,477
RIF-Rural Impact Fund	41,635
Road Dept. Overlay 2014/2015	216,166
Tourism Department Fund	20,861
2007 General Obligation Road & Bridge Bonds	168,818
Refunding General Obligation 2018	3,406

(11) Contingencies

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

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

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

effect on the financial condition of the County.

(12) Effect of Deferred Amounts on Net Position

The governmental activities' unrestricted net position amount of (\$12,945,974) 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 \$214,382 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 \$1,198,152 balance of the deferred outflow of resources related to pensions at September 30, 2020, will be recognized in pension expense over the next four years. The \$156,758 balance of the deferred inflow of resources related to pension at September 30, 2020, will be recognized in pension expense over the next three years.

The governmental activities' unrestricted net position amount of (\$12,945,974) includes the effect of recognition of deferring the recognition of revenue resulting from capital leases receivable. The \$340,098 balance of deferred inflows of resources at September 30, 2020, will be recognized as revenue and will increase the unrestricted net position over the next 16 years.

The governmental activities' net investment in capital assets net position of \$44,393,162 includes the effect of deferring the recognition of expenditures resulting for an advance refunding of County debt. The \$89,817 balance of deferred outflows of resources at September 30, 2020, will be recognized as an expense and will decrease the net investment in capital assets net position over the next 13 years.

(13) Jointly Governed Organizations

The County participates in the following jointly governed organizations.

Central Mississippi Planning and Development District operates in a district composed of the Counties of Copiah, Hinds, Madison, Rankin, Simpson, Warren and Yazoo. The Copiah County Board of Supervisors appoints three of the 33 members of the board of directors. The County contributes a small percentage of the district's total revenue.

Copiah-Lincoln Community College operates in a district composed of the Counties of Adams, Copiah, Franklin, Jefferson, Lawrence, Lincoln and Simpson. The Copiah County Board of Supervisors appoints six of the 27 members of the college board of trustees. The County appropriated \$767,628 for maintenance and support of the college in fiscal year 2020.

Hinds Community College operates in a district composed of the Counties of Claiborne, Copiah, Hinds, Rankin and Warren. The Copiah County Board of Supervisors appoints one of the 15 members of the college board of trustees. The County appropriated \$145,708 for maintenance and support of the college in fiscal year 2020.

Region Eight Mental Health Commission operates in a district composed of the Counties of Copiah, Madison, Rankin and Simpson. The Copiah County Board of Supervisors appoints one member of the board of commissioners. The County appropriated \$65,140 for support of the commission in fiscal year 2020.

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

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

(14) Tax Abatements

For the year beginning October 1, 2016, the Governmental Accounting Standards Board (GASB) implemented Statement 77, *Tax Abatement Disclosures*. This statement requires governmental entities to disclose the reduction in tax revenues resulting from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promise 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 Copiah County Board of Supervisors negotiate property tax abatements on an individual basis. The County has tax abatements with seven entities as of September 30, 2020. These abatements contribute to the economic development and citizenry of the county and are authorized under Section 27-31-101, Miss. Code 1972 (Ann.).

<u>Purpose</u>	<u>Amount of Taxes Abated During the Fiscal Year</u>	<u>Percentage of Taxes Abated During the Fiscal Year</u>
Industrial	\$ 754,551	76.32%

- (15) The Mississippi Office of the State Auditor (OSA) has elected to perform limited procedures in relation to purchasing and compliance with state laws. This report should be viewed in conjunction with the report from OSA in order to gain a comprehensive understanding of the County's operations. This report and OSA's report will be available on OSA's website at <http://www.osa.ms.gov/reports>. OSA's report will include a Purchasing Report and Limited Compliance Review Report.

(16) Subsequent Events

Events that occur after the Statement of Net Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management of Copiah County evaluated the activity of the County through January 25, 2024, and determined that the following subsequent events have occurred requiring disclosure in the notes to the financial statements.

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

<u>Issue Date</u>	<u>Interest Rate</u>	<u>Issue Amount</u>	<u>Type of Financing</u>	<u>Source of Financing</u>
6/11/2021	1.53%	\$ 567,520	Capital lease	Ad valorem taxes
6/30/2022	4.00%	10,000,000	MDB Special Obligation Bonds	Ad valorem taxes
5/26/2023	4.83%	1,472,068	Capital lease	Ad valorem taxes

## REQUIRED SUPPLEMENTARY INFORMATION

**COPIAH COUNTY**

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

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 7,213,111	7,073,801	7,073,801	0
Licenses, commissions and other revenue	324,450	314,964	314,964	0
Fines and forfeitures	234,000	317,948	317,948	0
Intergovernmental revenues	447,000	561,456	561,456	0
Charges for services	425,000	768,042	768,042	0
Interest income	65,000	87,169	87,169	0
Miscellaneous revenues	125,000	153,644	153,644	0
Total Revenues	<u>8,833,561</u>	<u>9,277,024</u>	<u>9,277,024</u>	<u>0</u>
<b>EXPENDITURES</b>				
Current:				
General government	3,520,421	3,407,583	3,419,047	(11,464)
Public safety	3,394,024	3,551,399	3,551,399	0
Public works	325,450	456,763	456,763	0
Health and welfare	199,584	201,209	201,209	0
Culture and recreation	129,730	135,049	135,049	0
Conservation of natural resources	85,981	78,613	78,613	0
Economic development and assistance	107,648	106,648	106,648	0
Debt service:				
Principal	37,092	27,857	27,857	0
Interest	0	2,332	2,332	0
Total Expenditures	<u>7,799,930</u>	<u>7,967,453</u>	<u>7,978,917</u>	<u>(11,464)</u>
Excess of Revenues over (under) Expenditures	<u>1,033,631</u>	<u>1,309,571</u>	<u>1,298,107</u>	<u>(11,464)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Other financing sources	0	89,965	89,965	0
Total Other Financing Sources and Uses	<u>0</u>	<u>89,965</u>	<u>89,965</u>	<u>0</u>
Net Change in Fund Balance	1,033,631	1,399,536	1,388,072	(11,464)
Fund Balances - Beginning	(161,572)	(210,268)	(210,268)	0
Fund Balances - Ending	<u>\$ 872,059</u>	<u>1,189,268</u>	<u>1,177,804</u>	<u>(11,464)</u>

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

**COPIAH COUNTY**

Budgetary Comparison Schedule -  
 Budget and Actual (Non-GAAP Basis)  
 Countywide Road Maintenance Fund  
 For the Year Ended September 30, 2020

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 2,543,343	2,254,234	2,254,234	0
Road and bridge privilege taxes	370,000	384,808	384,808	0
Intergovernmental revenues	975,000	1,197,706	1,197,706	0
Charges for services		1,500	1,500	0
Miscellaneous revenues		8,000	8,000	0
Total Revenues	<u>3,888,343</u>	<u>3,846,248</u>	<u>3,846,248</u>	<u>0</u>
<b>EXPENDITURES</b>				
Current:				
Public works	3,377,396	4,073,192	4,073,192	0
Debt service:				
Principal	706,504	691,106	691,106	0
Interest		15,397	15,397	0
Total Expenditures	<u>4,083,900</u>	<u>4,779,695</u>	<u>4,779,695</u>	<u>0</u>
Excess of Revenues over (under) Expenditures	<u>(195,557)</u>	<u>(933,447)</u>	<u>(933,447)</u>	<u>0</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Other financing sources		938,033	938,033	0
Total Other Financing Sources and Uses	<u>0</u>	<u>938,033</u>	<u>938,033</u>	<u>0</u>
Net Change in Fund Balance	(195,557)	4,586	4,586	0
Fund Balances - Beginning	3,140,853	3,005,591	3,005,591	0
Fund Balances - Ending	<u>\$ 2,945,296</u>	<u>3,010,177</u>	<u>3,010,177</u>	<u>0</u>

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

**COPIAH COUNTY**

Budgetary Comparison Schedule -  
 Budget and Actual (Non-GAAP Basis)  
 Countywide Bridge and Culvert Fund  
 For the Year Ended September 30, 2020

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 1,150,154	1,175,070	1,175,070	0
Miscellaneous revenues		5,119	5,119	0
Total Revenues	<u>1,150,154</u>	<u>1,180,189</u>	<u>1,180,189</u>	<u>0</u>
EXPENDITURES				
Current:				
Public works	548,806	820,371	820,371	0
Debt service:				
Principal	111,877	111,324	111,324	0
Interest		553	553	0
Total Expenditures	<u>660,683</u>	<u>932,248</u>	<u>932,248</u>	<u>0</u>
Net Change in Fund Balance	489,471	247,941	247,941	0
Fund Balances - Beginning	1,239,604	1,265,813	1,265,813	0
Fund Balances - Ending	<u>\$ 1,729,075</u>	<u>1,513,754</u>	<u>1,513,754</u>	<u>0</u>

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

**COPIAH COUNTY**

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset)	0.071667%	0.069524%	0.069414%	0.068648%	0.067169%	0.065442%	0.064751%
County's proportionate share of the net pension liability (asset)	\$ 13,873,898	12,230,643	11,545,610	11,411,629	11,998,060	10,116,043	7,859,586
County's covered payroll	\$ 4,771,686	4,527,922	4,417,134	4,403,782	4,383,660	4,148,204	3,955,818
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	290.75%	270.12%	261.38%	259.13%	273.70%	243.87%	198.68%
Plan fiduciary net position as a percentage of the total pension liability	58.97%	62.54%	61.49%	61.49%	57.47%	61.70%	67.21%

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

\* The amounts presented for each fiscal year were determined as of the measurement date of 6/30 prior to the fiscal year presented. This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB 68 was implemented in FYE 9/30/15, and, until a full 10-year trend is compiled, the County has only presented information for the years in which information is available.



**COPIAH COUNTY**

## Schedule of County Contributions

Last 10 Fiscal Years\*

For the Year Ended September 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 843,854	739,391	696,811	690,027	690,427	653,334
Contributions in relation to the contractually required contribution	<u>843,854</u>	<u>739,391</u>	<u>696,811</u>	<u>690,027</u>	<u>690,427</u>	<u>653,334</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
County's covered payroll	\$ 4,849,726	4,573,171	4,424,197	4,381,114	4,383,660	4,148,204
Contributions as a percentage of covered payroll	17.40%	16.17%	15.75%	15.75%	15.75%	15.75%

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

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB 68 was implemented in FYE 9/30/15 and, until, a full 10-year is compiled, the County has only presented information for the years in which information is available.

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

A. Budgetary Information

Statutory requirements dictate how and when the County's budget is to be prepared. Generally, in the month of August, prior to the ensuing fiscal year beginning each October 1, the Board of Supervisors of the County, using historical and anticipated fiscal data and proposed budgets submitted by the Sheriff and the Tax Assessor 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 Budgetary Comparison Schedule - Budget and Actual (Non-GAAP Basis) is a part of required supplemental information.

C. Budget/GAAP Reconciliation.

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

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

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

	Governmental Fund Types		
	General Fund	Countywide Road Maintenance Fund	Countywide Bridge and Culvert Fund
Net Change in Fund Balance - Budget (Cash Basis)	\$ 1,388,072	4,586	247,941
Increase (decrease):			
Net adjustment for revenue accruals	507,944	(79,527)	(6,184)
Net adjustment for expenditure accruals	(5,525)	(24,881)	(56,907)
Net Change in Fund Balance GAAP basis	\$ <u>1,890,491</u>	<u>(99,822)</u>	<u>184,850</u>

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

D. Excess of Actual Expenditures Over Budget in Individual Funds.

The following funds had an excess of actual expenditures over budget for the year ended September 30, 2020:

<u>Fund</u>	<u>Excess</u>
General Fund	\$ 11,464

Pension Schedules

A. Changes of assumptions

2015

The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Table projected to 2016 using Scale BB rather than the RP-2000 Mortality Table, which was used prior to 2015.

The expectation of disabled mortality was changed to the RP-2014 Disabled Retiree Table, rather than the RP-2000 Disabled Mortality Table, which was used prior to 2015.

Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience.

Assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

The price inflation and investment rate of return assumptions were changed from 3.50% to 3.00% and 8.00% to 7.75%, respectively.

2016

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

2017

The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Mortality Table projected with Scale BB to 2022. Small adjustments were also made to the Mortality Table for disabled lives.

The wage inflation assumptions was reduced from 3.75% to 3.25%.

Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience.

The percentage of active member disabilities assumed to be in the line of duty was increased from 6.00% to 7.00%.

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

2019

The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:

For males, 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119.

For females, 85% of the female rates from ages 18 to 65 scaled up to 102% for ages 75 to 119.

Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.

The expectation of disabled mortality was changed to PubT.H-2010 Disabled Retiree Table for disabled retirees with the following adjustments:

For males, 137% of male rates at all ages.

For females, 115% of female rates at all ages.

Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.

The price inflation assumption was reduced from 3.00% to 2.75%.

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%.

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

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

## OTHER INFORMATION

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

Name	Position	Company	Bond
Daryl McMillian	Supervisor District 1	Brierfield Insurance Company	\$ 100,000
Terry L. Channell	Supervisor District 2	Brierfield Insurance Company	\$ 100,000
Perry V. Hood	Supervisor District 3	Brierfield Insurance Company	\$ 100,000
Kenneth Powell	Supervisor District 4	Brierfield Insurance Company	\$ 100,000
Jimmy L. Phillips	Supervisor District 5	Brierfield Insurance Company	\$ 100,000
Ronnie Barlow	County Administrator	Brierfield Insurance Company	\$ 100,000
Steve Amos	Chancery Clerk	Brierfield Insurance Company	\$ 100,000
Dawn Courtney	Purchase Clerk	Brierfield Insurance Company	\$ 75,000
Sandra Sullivan	Assisstant Purchase Clerk	Brierfield Insurance Company	\$ 50,000
Ronnie Barlow	Receiving Clerk	Brierfield Insurance Company	\$ 75,000
Mary Harris	Inventory Control Clerk	Brierfield Insurance Company	\$ 75,000
Booky Thompson	Road Manager	Brierfield Insurance Company	\$ 75,000
Jimmy Dale White	Constable	Brierfield Insurance Company	\$ 50,000
Ronnie Earls	Constable	Brierfield Insurance Company	\$ 50,000
Edna E. Stevens	Circuit Clerk	Brierfield Insurance Company	\$ 100,000
Harold L. Jones	Sheriff	Brierfield Insurance Company	\$ 100,000
Derrick L. Cubit	Undersheriff	Brierfield Insurance Company	\$ 50,000
Lillie McKenzie	Justice Court Judge	Brierfield Insurance Company	\$ 50,000
Tara Midleton	Justice Court Judge	Brierfield Insurance Company	\$ 50,000
Vicky Bass Ramsey	Justice Court Judge	Brierfield Insurance Company	\$ 50,000
Mona Lisa Carr	Justice Court Judge	Brierfield Insurance Company	\$ 50,000
Vicky Lavell Smith	Deputy Justice Court Clerk	Brierfield Insurance Company	\$ 50,000
Tara Midleton	Deputy Justice Court Clerk	Brierfield Insurance Company	\$ 50,000
Teresa Bozeman	Deputy Justice Court Clerk	Brierfield Insurance Company	\$ 50,000
April S. Holloway	Tax Collector	Brierfield Insurance Company	\$ 100,000
Melinda Terrell	Deputy Tax Collector	Brierfield Insurance Company	\$ 50,000
Chiquita Sandifer	Deputy Tax Collector	Brierfield Insurance Company	\$ 50,000
Cheryl K. Parks	Deputy Tax Collector	Brierfield Insurance Company	\$ 50,000
Linda Turman	Deputy Tax Collector	Brierfield Insurance Company	\$ 50,000
James Todd Mooney	Tax Assessor	Brierfield Insurance Company	\$ 50,000

Note: Brierfield Insurance Company is a member of FCCI Insurance Group

## SPECIAL REPORTS





**WATKINS, WARD and STAFFORD**  
Professional Limited Liability Company  
Certified Public Accountants

James L. Stafford, CPA  
Harry W. Stevens, CPA  
S. Keith Winfield, CPA  
William B. Staggers, CPA  
Michael W. McCully, CPA  
R. Steve Sinclair, CPA  
Marsha L. McDonald, CPA  
Wanda S. Holley, CPA  
Robin Y. McCormick, CPA/PFS  
J. Randy Scrivner, CPA  
Kimberly S. Caskey, CPA  
Susan M. Lummus, CPA  
Stephen D. Flake, CPA  
John N. Russell, CPA

Anita L. Goodrum, CPA  
Ricky D. Allen, CPA  
Jason D. Brooks, CPA  
Robert E. Cordle, Jr., CPA  
Perry C. Rackley, Jr., CPA  
Jerry L. Gammel, CPA  
Michael C. Knox, CPA  
Clifford P. Stewart, CPA  
Edward A. Maxwell, CPA  
Bradley L. Harrison, CPA  
Justin H. Keller, CPA  
Dana R. Estes, CPA  
April W. Posey, CPA

**INDEPENDENT AUDITORS' 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  
Copiah 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, each major fund, and the aggregate remaining fund information of Copiah 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 January 25, 2024. Our report includes an adverse opinion on the aggregate discretely presented component units due to the omission of the discretely presented component units which are required by accounting principles generally accepted in the United States of America to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Copiah 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 Copiah 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Copiah 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*.

### **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.

Watkins, Ward and Stafford, PLLC  
Louisville, Mississippi  
January 25, 2024

*Watkins Ward and Stafford, PLLC*

## SCHEDULE OF FINDINGS AND RESPONSES

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

Section I: Summary of Auditor's Results

Financial Statements:

1. Type of auditor's report issued:

Governmental activities	Unmodified
Discretely-presented component units	Adverse
General fund	Unmodified
Countywide road maintenance fund	Unmodified
Countywide bridge and culvert fund	Unmodified
Aggregate remaining fund information	Unmodified
  
2. Internal control over financial reporting:
  - a. Material weakness(es) identified? No.
  - b. Significant deficiency(ies) identified? None reported.
  
3. Noncompliance material to financial statements noted? No.

Section II: Financial Statements Findings

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