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**HUMPHREYS COUNTY, MISSISSIPPI**  
**Audited Financial Statements and Special Reports**  
**For the Year Ended September 30, 2020**

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

**HUMPHREYS COUNTY  
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# **HUMPHREYS COUNTY**

## **FINANCIAL SECTION**



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## INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors  
Humphreys County, Mississippi

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit, the major fund and the aggregate remaining fund information of Humphreys County, Mississippi, (the County) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Humphreys County Library, which represents 100 percent of the assets, net position and revenues of the aggregate discretely presented component unit column. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Humphreys County Library, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or

error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Basis for Qualified Opinion on Governmental Activities**

As discussed in Note 9 to the financial statements, the County has not recorded a liability for other postemployment benefits in the governmental activities and, accordingly, has not recorded an expense for the current period change in that liability. Accounting principles generally accepted in the United States of America require that other postemployment benefits attributable to employee services already rendered and that are not contingent on a specific event that is outside the control of the employer and employee be accrued as liabilities and expenses as employees earn the rights to the benefits, which would increase the liabilities, reduce the net position, and change the expenses of the governmental activities. The amount by which this departure would affect the liabilities, net position and expenses of the governmental activities is not reasonably determinable.

### **Qualified Opinion**

In our opinion, except for the effects of the matter discussed in the "Basis for Qualified Opinion on Governmental Activities" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of Humphreys 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.

### **Unmodified Opinions**

In our opinion, based on our report and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the aggregate discretely presented component unit, the major fund, and the aggregate remaining fund information of Humphreys 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 Budgetary Comparison Schedule and corresponding notes, the County's and component unit's Schedule of the Proportionate Share of the Net Pension Liability, the County's and the component unit's Schedule of Contributions, and the component unit's Schedule of Proportionate Share of the Net OPEB Liability and the component unit's Schedule of OPEB contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the

Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors 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**

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

#### *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 September 4, 2023, on our consideration of Humphreys 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 Humphreys 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 Humphreys County, Mississippi's internal control over financial reporting and compliance.

*Bridgers, Goodman, Baird & Clarke, PLLC*

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

September 4, 2023

## **FINANCIAL STATEMENTS**



**HUMPHREYS COUNTY**  
**Statement of Net Position**  
**September 30, 2020**

**Exhibit 1**

	<b>Primary Government Governmental Activities</b>	<b>Component Unit Humphreys County Library</b>
<b>ASSETS</b>		
Cash	\$ 6,978,119	123,510
Property tax receivable	6,459,700	
Accounts receivable, (net of allowance for uncollectibles of \$3,216,560)	81,027	
Fines receivable, (net of allowance for uncollectibles of \$1,236,860)	40,851	
Loans receivable	-	
Intergovernmental receivables	72,081	
Other receivables	46,877	
Capital assets:		
Land and construction in progress	2,097,959	
Other capital assets, net	28,414,016	10,260
Total Assets	<u>44,190,630</u>	<u>133,770</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pensions	1,529,093	20,758
Deferred outflows - OPEB		7,628
Total Deferred Outflows of Resources	<u>1,529,093</u>	<u>28,386</u>
<b>LIABILITIES</b>		
Claims payable	519,297	2,856
Intergovernmental payables	71,204	
Amounts held in custody for others	31,528	
Accrued interest payable	30,119	
Long-term liabilities		
Net pension liability	9,005,925	163,195
Net OPEB liability		21,023
Due within one year:		
Capital debt	477,531	
Non-capital debt	197,000	
Due in more than one year:		
Capital debt	910,401	
Non-capital debt	699,354	2,436
Total Liabilities	<u>11,942,359</u>	<u>189,510</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Property tax for future reporting period	6,459,700	
Deferred inflows related to pensions	3,667	12,635
Deferred inflows - OPEB		7,942
Total Deferred Inflows of Resources	<u>6,463,367</u>	<u>20,577</u>
<b>NET POSITION</b>		
Net investment in capital assets	29,124,043	10,260
Restricted:		
Expendable:		
Public safety	1,037,756	
Public works	274,750	
Culture & recreation	33	6,211
Debt service	489,037	
Unrestricted	(3,611,622)	(64,402)
Total Net Position	<u>\$ 27,313,997</u>	<u>(47,931)</u>

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

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

**Exhibit 2**

Functions/Programs	Program Revenues				Net ( Expense ) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Unit Humphreys County Library
<b>Primary government:</b>						
Governmental activities:						
General government	\$ 3,287,275	171,121			(3,116,154)	
Public safety	1,877,029	78,009	36,163	85,770	(1,677,087)	
Public works	3,738,723	200,036		57,496	(3,481,191)	
Health and welfare	295,570		60,706		(234,864)	
Culture and recreation	55,421				(55,421)	
Conservation of natural resources	94,007				(94,007)	
Economic development and assistance	2,000				(2,000)	
Interest on long-term debt	83,676				(83,676)	
Pension expense	1,294,437				(1,294,437)	
Total Governmental Activities	<u>\$ 10,728,138</u>	<u>449,166</u>	<u>96,869</u>	<u>143,266</u>	<u>(10,038,837)</u>	
<b>Component Units:</b>						
Humphreys County Library	<u>\$ 125,272</u>	<u>4,455</u>	<u>47,527</u>			<u>(73,290)</u>
General revenues:						
Property taxes				\$ 8,466,923		
Road & bridge privilege taxes				89,494		
Grants and contributions not restricted to specific programs				1,023,443		60,108
Unrestricted investment income				24,330		555
Miscellaneous				460,868		1,341
Total General Revenues				<u>10,065,058</u>		<u>62,004</u>
Changes in Net Position				<u>26,221</u>		<u>(11,286)</u>
Net Position - Beginning				<u>27,287,776</u>		<u>(36,645)</u>
Net Position - Ending				<u>\$ 27,313,997</u>		<u>(47,931)</u>

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

**HUMPHREYS COUNTY**  
**Balance Sheet – Governmental Funds**  
**September 30, 2020**

**Exhibit 3**

	<b>Major Fund</b>		
	<b>General Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>			
Cash	\$ 5,047,672	1,930,447	6,978,119
Property tax receivable	4,269,000	2,190,700	6,459,700
Accounts receivable ( net of allowance for uncollectibles of \$3,216,560)		81,027	81,027
Fines receivable ( net of allowance for uncollectibles of \$1,236,860)	40,851		40,851
Intergovernmental receivables	30,326	41,755	72,081
Advances to other funds	118,250		118,250
Due from other funds	-	507,286	507,286
Other receivables	46,877		46,877
Total Assets	<u>9,552,976</u>	<u>4,751,215</u>	<u>14,304,191</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Claims payable	259,403	259,894	519,297
Intergovernmental payables	71,204		71,204
Advances from other funds		118,250	118,250
Due to other funds	107,286	400,000	507,286
Amounts held in custody	31,528		31,528
Total Liabilities	<u>469,421</u>	<u>778,144</u>	<u>1,247,565</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	4,269,000	2,190,700	6,459,700
Unavailable revenue - sanitation fees		81,027	81,027
Unavailable revenue - fines	40,851		40,851
Total Deferred Inflows of Resources	<u>4,309,851</u>	<u>2,271,727</u>	<u>6,581,578</u>
<b>FUND BALANCE</b>			
Restricted for:			
Advances	118,250		118,250
Public safety		1,037,756	1,037,756
Public works		274,750	274,750
Culture & recreation		39	39
Debt Service		519,156	519,156
Unassigned	4,655,454	(130,357)	4,525,097
Total Fund Balances	<u>4,773,704</u>	<u>1,701,344</u>	<u>6,475,048</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ <u>9,552,976</u>	<u>4,751,215</u>	<u>14,304,191</u>

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

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

	<u>Amount</u>
Total Fund Balance - Governmental Funds	\$ 6,475,048
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 \$48,762,886.	30,511,975
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	121,878
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(2,284,286)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the governmental fund financial statements.	(9,005,925)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental fund financial statements:	
Deferred outflows of resources related to pensions	1,529,093
Deferred inflows of resources related to pensions	(3,667)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(30,119)
Total Net Position - Governmental Activities	<u>\$ 27,313,997</u>

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

## Statement of Revenues, Expenditures, and Changes in Fund Balances for Governmental Funds

For the Year Ended September 30, 2020

	Major Fund		
	General Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Property taxes	\$ 5,557,117	2,909,806	8,466,923
Road and bridge privilege taxes		89,494	89,494
Licenses, commissions and other revenue	68,064	2,435	70,499
Fines and forfeitures	100,622		100,622
Intergovernmental revenues	368,543	895,035	1,263,578
Charges for services	2,600	275,445	278,045
Interest income	16,411	7,919	24,330
Miscellaneous revenues	440,363	20,505	460,868
Total Revenues	<u>6,553,720</u>	<u>4,200,639</u>	<u>10,754,359</u>
<b>EXPENDITURES</b>			
General government	3,502,663	12,389	3,515,052
Public safety	2,002,406	81,926	2,084,332
Public works	23,435	3,469,985	3,493,420
Health and welfare	94,780	165,493	260,273
Culture and recreation	44,800		44,800
Conservation of natural resources	111,043		111,043
Economic development and assistance	2,000		2,000
Debt service:			
Principal	1,587	649,297	650,884
Interest	267	83,335	83,602
Total Expenditures	<u>5,782,981</u>	<u>4,462,425</u>	<u>10,245,406</u>
Excess of Revenues over (under) Expenditures	<u>770,739</u>	<u>(261,786)</u>	<u>508,953</u>
<b>OTHER FINANCING SOURCES ( USES)</b>			
Proceeds of long-term debt	102,900	13,650	116,550
Total Other Financing Sources and Uses	<u>102,900</u>	<u>13,650</u>	<u>116,550</u>
Net Changes in Fund Balances	<u>873,639</u>	<u>(248,136)</u>	<u>625,503</u>
Fund Balances - Beginning	3,900,065	1,949,480	5,849,545
Fund Balances - Ending	<u>\$ 4,773,704</u>	<u>1,701,344</u>	<u>6,475,048</u>

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

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

	<u>Amount</u>
Net Changes in Fund Balances - Governmental Funds	\$ 625,503
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 \$550,111 exceeded capital outlays of \$142,331 in the current period.	(407,780)
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.	(2,233)
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.	2,360
Debt proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Thus, the change in net position differs from the change in fund balances by the amount that debt repayments of \$650,884 exceeds proceeds of long-term debt of \$116,550.	534,334
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 balance by a combination of the following items:	
Change in accrued interest payable	(74)
Change in compensated absences	684
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	(1,294,437)
Recording of contributions made prior and subsequent to the measurement date	567,864
Change in Net Position of Governmental Activities	\$ <u><u>26,221</u></u>

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

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

**Exhibit 5**

	<b>Agency Funds</b>
<b>ASSETS</b>	
Cash	\$ 440,814
Total Assets	<u>440,814</u>
<b>LIABILITIES</b>	
Intergovernmental payables	<u>440,814</u>
Total Liabilities	\$ <u>440,814</u>

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

**HUMPHREYS COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2020**

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

**A. Financial Reporting Entity.**

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

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

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

**B. Individual Component Unit Disclosures.**

**Discretely Presented Component Unit**

The component unit column in the financial statements includes the financial data of the following component unit of the County. It is reported in a separate column to emphasize that it is legally separate from the County. All members of the governing body of this component unit are appointed by the County Board of Supervisors.

The Humphreys County Library is a public library designed to promote and develop adequate library services throughout Humphreys County that meet the general and specialized needs of the citizens of the County. The Board of Supervisors of Humphreys County appoints the five members of the Library's Board of Trustees.

**C. Basis of Presentation.**

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

**Government-wide Financial Statements:**

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



**HUMPHREYS COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2020**

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, liabilities, deferred inflows of resources, 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. Non-major funds are aggregated and presented in a single column as Other Governmental Funds.

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

The Government-wide 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.

The County reports the following major Governmental Fund:

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

**HUMPHREYS COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2020**

Additionally, the County reports the following fund types:

**GOVERNMENTAL FUND TYPES**

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

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

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

**FIDUCIARY FUND TYPE**

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

**E. Account Classifications.**

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

**F. Deposits and Investments.**

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

Cash includes cash on hand, demand deposits, and 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.

**H. Interfund Transactions and Balances.**

Transactions between funds that are representative of short-term lending/borrowing arrangements and transactions that have not resulted in the actual transfer of cash at the end of the fiscal year are referred to as "due to/from other funds." Noncurrent portions of inter-fund 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

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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.

**I. Capital Assets.**

Capital acquisition and construction are reflected as expenditures in Governmental Fund statements and the related assets are reported as capital assets in the 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, 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. It is the practice of the County that no depreciation is taken on purchases of capital assets during the acquisition year.

A full year's depreciation is taken for all sales or other dispositions of capital assets during the year.

The following schedule details those thresholds and estimated useful lives.

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

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

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

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

Deferred outflows related to pensions – This amount represents the County's proportionate share of the deferred outflows of resources reported by the pension plan in which the County participates. See Note 10 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,

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represents an acquisition of net position that applies to a future period(s), and so will not be recognized as an inflow of resources (revenue) until that time.

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

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

Unavailable revenue – sanitation fees – 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 10 for additional details.

**K. 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.

**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.

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

**M. Equity Classifications.**

Government-wide Financial Statements:

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

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

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*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 or 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.

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

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

*Unassigned fund balance* is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to a specific purpose 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 or 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.

**N. 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.

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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 vehicle and mobile homes become a lien and are due in the month that coincides with the month of the original purchase.

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

**O. 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.

**P. 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, Government Funds report the compensated absence liability payable only if the payable has matured, for example an employee resigns or retires.

**Q. Changes In Accounting Standards.**

The Governmental Accounting Standards Board issued GASB 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* in May 2020. The objective of this Statements 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.

**NOTE 2 – DEPOSITS**

Deposits:

The carrying amount of the County's total deposits with financial institutions as of September 30, 2020, was \$7,418,933, and the bank balance was \$7,814,650. 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

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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.

**NOTE 3- INTERFUND TRANSACTIONS AND BALANCES.**

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

**A. Due From / To Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Other Governmental Funds	General Fund	\$ 107,286
Other Governmental Funds	Road Maintenance District 1	400,000
		<u>\$ 507,286</u>

The receivables represent tax revenue collected in September, 2020, but not settled until October, 2020 (33,751), amounts due from the General Fund to the road districts for use tax deposited in the wrong funds (73,535), and from Road Maintenance District 1 to County Fire Department for illegally diverted funds (400,000). All interfund balances are expected to be repaid within one year from the date of the financial statements.

**B. Advances To / From Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 118,250
Total		<u>\$ 118,250</u>

The receivables represent interfund loans made in prior years and not repaid within one year.

**NOTE 4 - INTERGOVERNMENTAL RECEIVABLES.**

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

<u>Governmental Activities:</u>	<u>Receivables</u>
Legislative Credit	\$ 30,326
Gas Tax	41,755
Total	<u>\$ 72,081</u>

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**NOTE 5 – LOANS RECEIVABLES.**

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

Description	Date of Loan	Interest Rate	Maturity Date	Receivable Balance
Promissory Note from chancery clerk	3/1/2015	0%	11/15/2019	\$ 81,720
Less: allowance for uncollectibles				(81,720)
Total				\$ -

**NOTE 6 - CAPITAL ASSETS.**

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

	Balance Oct. 1, 2019	Additions	Deletions	Adjustments	Balance Sept. 30, 2020
<b>Governmental activities:</b>					
<b>Non-depreciable capital assets:</b>					
Land	\$ 190,513				190,513
Construction in progress	1,881,665	25,781			1,907,446
Total Non-depreciable capital assets	2,072,178	25,781	-	-	2,097,959
<b>Depreciable capital assets:</b>					
Infrastructure	64,391,322				64,391,322
Buildings	5,634,558				5,634,558
Improvements other than buildings	1,567,103				1,567,103
Mobile equipment	3,950,308				3,950,308
Furniture and equipment	1,382,383	13,650			1,396,033
Leased property under capital leases	134,678	102,900			237,578
Total depreciable capital assets	77,060,352	116,550	-	-	77,176,902
<b>Less accumulated depreciation for:</b>					
Infrastructure	40,212,316	383,271			40,595,587
Buildings	2,352,652	82,988			2,435,640
Improvements other than buildings	701,379	62,684			764,063
Mobile equipment	3,531,801	3,600			3,535,401
Furniture and equipment	1,374,633	2,457			1,377,090
Leased property under capital leases	39,994	15,111			55,105
Total accumulated depreciation	48,212,775	550,111	-	-	48,762,886
Total depreciable capital assets, net	28,847,577	(433,561)	-	-	28,414,016
<b>Governmental activities capital assets, net</b>	<b>\$ 30,919,755</b>	<b>(407,780)</b>	<b>-</b>	<b>-</b>	<b>30,511,975</b>



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Humphreys County depreciation expense was charged to the following functions:

	Amount
Governmental Activities:	
Public Safety	\$ 27,032
Public Works	477,161
Health and Welfare	35,297
Culture & Recreation	10,621
Total governmental activities depreciation expense	<u>\$ 550,111</u>

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

Description of Commitment	Remaining Financial Commitment	Expected Date of Completion
State aid road infrastructure	Undetermined	Undetermined

**HUMPHREYS COUNTY COMPONENT UNIT – Humphreys County Library**

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

COMPONENT UNIT	Balance				Balance
	Oct. 1, 2019	Additions	Deletions	Adjustments	Sept. 30, 2020
Governmental activities:					
Depreciable capital assets:					
Library collection	\$ 374,666	7,427			382,093
Furniture and equipment	5,146				5,146
Total depreciable capital assets	<u>379,812</u>	<u>7,427</u>	<u>-</u>	<u>-</u>	<u>387,239</u>
Less accumulated depreciation for:					
Library collection	368,568	4,335			372,903
Furniture and equipment	3,057	1,019			4,076
Total accumulated depreciation	<u>371,625</u>	<u>5,354</u>	<u>-</u>	<u>-</u>	<u>376,979</u>
Total depreciable capital assets, net	<u>\$ 8,187</u>	<u>2,073</u>	<u>-</u>	<u>-</u>	<u>10,260</u>

**NOTE 7 – CLAIMS AND JUDGEMENTS**

**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

**HUMPHREYS COUNTY**  
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January 1, 2021. The pool may make an overall supplemental assessment or declare a refund depending on the loss experience of all the entities it insures.

**NOTE 8 – CAPITAL LEASES.**

As Lessee

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

Classes of Property	Governmental Activities
Mobile equipment	\$ 237,578
Less: Depreciation	(55,105)
Leased Property Under Capital Leases	<u>\$ 182,473</u>

Year Ending September 30,	Governmental Activities	
	Principal	Interest
2021	\$ 41,141	2,945
2022	30,550	2,265
2023	20,613	1,635
2024	21,264	984
2025	20,081	314
Total	<u>\$ 133,649</u>	<u>8,143</u>

**NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB).**

**HUMPHREYS COUNTY**

Plan Description

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

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**HUMPHREYS COUNTY COMPONENT UNIT – HUMPHREYS COUNTY LIBRARY**

**Other Postemployment Benefits (OPEB) General Information about the OPEB Plan.**

*Plan description.*

State law mandates that all state, public education, library, junior and community college and retiring employees be offered health and life benefit coverage through the State and School Employees' Life and Health Insurance Plan (the Plan). The Plan was established by Section 25-15-3 et seq., Mississippi Code Ann. (1972), which may be amended only by the State Legislature. The State and School Employees' Health Insurance Management Board (the Board) administers the Plan. The Board has the sole legal authority to promulgate rules and regulations governing the operations of the Plan within the confines of the law governing the Plan. The Plan is self-insured and is financed through premiums collected from employers, employees, retirees, and COBRA participants. The Plan provides for Other Postemployment Benefits (OPEB) as a multiple-employer defined benefit OPEB plan. The Plan issues a publicly available financial report that can be obtained at <http://knowyourbenefits.dfa.ms.gov/>.

*Benefits provided.*

The Plan was formed by the State Legislature to provide group health and life benefits to full-time active and retired employees of the State, agencies, universities, community/junior colleges, public school districts and public libraries. In addition, the spouse and/or children of covered employees and retirees, as well as surviving spouses and COBRA participants, may be eligible for health insurance coverage under the Plan. Benefits of the OPEB Plan consist of an implicit rate subsidy, which is essentially the difference between the average cost of providing health care benefits to retirees under age 65 and the average cost of providing health care benefits to all participants when premiums paid by retirees are not age adjusted. Employees' premiums are funded primarily by their employers. Retirees must pay their own premiums, as do active employees for spouse and dependent medical coverage. The Board has the sole authority for setting life and health insurance premiums for the Plan. Per Section 12-15-15 (10) Mississippi Code Ann. (1972), a retired employee electing to purchase retiree life and health insurance must pay the full cost of such insurance premium. If the Board determined actuarially that the premium paid by the participating retirees adversely affects the overall cost of the Plan to the State, then the Board may impose a premium surcharge, not to exceed 15%, upon such participating retired employees who are under the age for Medicare eligibility and who are initially employed before January 1, 2006. For participating retired employees who are under the age for Medicare eligibility and who are initially employed on or after January 1, 2006, the Board may impose a premium surcharge in an amount the Board determined actuarially to cover the full cost of insurance. The Plan offers a Base option and a Select option for health benefits for non-Medicare participants. The Plan includes a separate coverage level for Medicare eligible retirees, Medicare Eligible surviving spouses, and Medicare eligible dependents of retirees and surviving spouses.

*Contributions.*

The Board has the sole authority for setting life and health insurance premiums for the Plan. The required premiums vary based on the plan selected and the type of participant. Employers pay no premiums for retirees while employees' premiums are funded primarily by their employer. The Library's contributions to the OPEB plan for the year ended September 30, 2020 were \$838.

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**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB**

At September 30, 2020, the Library reported a liability of \$21,023 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The basis for the Library's proportion is determined by comparing the employer's average monthly employees participating in the Plan with the total average employees participating in the Plan in the fiscal year of all employers. The allocation was utilized because the level of premiums contributed by each employer is the same for any employee regardless of plan participation elections made by the employee. At the measurement date of June 30, 2020, the Library's proportion was 0.00270143 percent. This was an increase of 0.00007045 percent from the proportionate share as of the measurement date of June 30, 2019.

For the year ended September 30, 2020, the Library recognized OPEB expense of \$492. At September 30, 2020, the Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 27	3,659
Net difference between projected and actual earnings on OPEB plan investments	1	
Changes of assumptions	3,264	888
Changes in the proportion and differences between Library contributions and proportionate share contributions	4,126	3,395
Library Contributions subsequent to the measurement date	210	
	<u>\$ 7,628</u>	<u>7,942</u>

The \$210 reported as deferred outflows of resources related to OPEB resulting from the Library contributions subsequent to the measurement date will be recognized as a reduction to the net OPEB liability in the year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending September 30:	Amount
2021	\$ (268)
2022	(268)
2023	(323)
2024	205
2025	130
Total	<u>\$ (524)</u>

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*Actuarial assumptions.* The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial valuation date	June 30, 2020
Measurement date	June 30, 2020
Experience study date	April 2, 2019
Actuarial cost method	Entry Age Normal
Inflation rate	2.75%
Salary increases	3.00-18.25%
Long-term expected rate of return	4.5%
Discount rate	2.19%
Projected cash flows	\$0
Retiree health care participation	50%
Health care cost trend rates	7.00% decreasing to 4.50% by 2030

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision, as actual results are compared to past expectations and new estimates are made about the future. Mortality rates will be projected generationally using the MP-2018 projection scale to account for future improvements in life expectancy.

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. The demographic actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study dated April 2, 2020.

The long-term expected rate of return, net of OPEB plan investment expense, including inflation was 4.50%.

The discount rate used to measure the total OPEB liability at June 30, 2020 was based on an average of the Bond Buyer General Obligation 20-year Municipal Bond Index Rates during the month of June published at the end of each week by the Bond Buyer.

Since the trust had only \$1,037,000 as of June 30, 2020, the Plan was projected to be depleted immediately, in 2020.

*Sensitivity of the Library's proportionate share of the net OPEB liability to changes in the discount rate.* The following presents the Library's proportionate share of the net OPEB liability, as well as what the Library's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.19 percent) or 1-percentage-point higher (3.19 percent) than the current discount rate:

	1% Decrease 2.19%	Discount Rate 3.19%	1% Increase 1.19%
Net OPEB Liability	\$ 23,232	21,023	19,128

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*Sensitivity of the Library's proportionate share of the net OPEB liability to changes in the healthcare cost trend rates.* The following presents the Library's proportionate share of the net OPEB liability, as well as what the Library's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	Healthcare Cost Trend Rates		
	1% Decrease	Current	1% Increase
Net OPEB Liability	\$ 19,411	21,023	22,848

*OPEB plan fiduciary net position.* The fiduciary net position for the OPEB plan was \$0 as of June 30, 2020, the measurement date. Therefore, no separately issued financials were prepared. Detailed information about the OPEB plan's fiduciary net position is available in separately issued financial report that can be found at <http://knowyourbenefits.dfa.ms.gov/>.

**NOTE 10 - DEFINED BENEFIT PENSION PLAN.**

*General Information about the Pension Plan*

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

Benefits Provided. Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi, state universities, community and junior colleges, and teachers and employees of the public-school districts. For those persons employed by political subdivisions and instrumentalities of the State of Mississippi, membership is contingent upon approval of the entity's participation in PERS by the PERS' Board of Trustees. If approved, membership for the entity's employees is a condition of employment and eligibility is granted to those who qualify upon hiring. Participating members who are vested and retire at or after age 60 or those who retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.0 percent of their average compensation for each year of creditable service up to and including 30 years (25 years for those who became members of PERS before July 1, 2011), plus 2.5 percent for each additional year of creditable service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age that the member is below 65, whichever is less. Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. A Cost-of-Living Adjustment (COLA) payment is made to eligible retirees and beneficiaries. The COLA is equal to 3.0 percent of the

**HUMPHREYS COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2020**

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. As of 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 as of September 30, 2019, 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 \$567,864, \$438,176, and \$407,430 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 \$9,005,925 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 0.0465 percent, which was based on a measurement date of June 30, 2020. This was an increase of .005 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 \$1,294,437. As of 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 and actual experience	\$ 77,831	
Net difference between projected and actual earnings on investments	396,832	
Changes of assumptions	44,942	
Changes in the proportion and differences between County contributions and proportionate share contributions	862,149	3,667
County Contributions subsequent to the measurement date	147,339	
	<u>\$ 1,529,093</u>	<u>3,667</u>

The \$147,339 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:

**HUMPHREYS COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2020**

Year ending September 30:	Amount
2021	\$ 456,016
2022	473,328
2023	329,537
2024	119,206
Total	<u>\$ 1,378,087</u>

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

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

Mortality rates were based on the PubS.H-2010(B) Retiree Table with the following adjustments: For males, 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 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, 2020, valuation, were based on the results of an actuarial experience study for the period 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 as of June 30, 2020, are summarized in the following table:

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

Discount Rate. The discount rate used to measure the total pension liability was 7.75 percent. The



**HUMPHREYS COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2020**

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

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

	1% Decrease 6.75%	Discount Rate 7.75%	1% Increase 8.75%
County's proportionate share of net pension liability	\$ 11,651,801	\$ 9,005,925	\$ 6,814,593

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

**HUMPHREYS COUNTY COMPONENT UNIT – Humphreys County Library**

**Plan Description.** The Humphreys County Library contributes to the Public Employees Retirement System of Mississippi (PERS), a cost-sharing, multiple-employer, defined benefit pension plan.

**Contributions.** The Library's contributions (employer share only) to PERS for the years ending September 30, 2020, 2019, and 2018 were \$10,201, \$8,661, and \$7,835, 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 Library reported a liability of \$163,195 for its proportionate share of the net pension liability. At June 30, 2020, the Library's proportion was 0.000843 percent. This was a decrease of 0.00002 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 Library recognized pension expense of \$10,277. At September 30, 2020 the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**HUMPHREYS COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2020**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,411	
Net difference between projected and actual earnings on investments	6,382	
Changes of assumptions	933	
Changes in the proportion and differences between Library contributions and proportionate share contributions	9,420	12,635
Library Contributions subsequent to the measurement date	2,612	
	<u>\$ 20,758</u>	<u>12,635</u>

The \$2,612 reported as deferred outflows of resources related to pensions resulting from Library contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending September 30:	Amount
2021	\$ (5,561)
2022	2,571
2023	2,157
2024	6,344
Total	<u>\$ 5,511</u>

*Sensitivity to the Library's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*

1% Decrease 6.75%	Discount Rate 7.75%	1% Increase 8.75%
\$ 211,235	163,195	123,541

**NOTE 11 - LONG TERM DEBT.**

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

**HUMPHREYS COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2020**

Description and Purpose	Amount Outstanding	Interest Rate	Maturity Date
Governmental Activities:			
A. General Obligation Bonds			
2010 GO Bond Cap. Improvements	\$ 120,000	3.8	5/21
2014 GO Bond Public Improvements	530,000	2.1-3.0	5/24
2015 GO Bond Non-Capital	859,000	2.98	6/23
2016 GO Bond Cap. Improvements	267,200	1.4 - 2.0	11/21
Total General Obligation Bonds	<u>\$ 1,776,200</u>		
B. Capital Leases:			
2012 Volvo Motor grader	\$ 11,203	2.45	8/16
Kubota MaS-111SHHdc Tractor	21,133	0.00	9/22
Sheriff's Office - 3 2020 Chevy Tahoes	101,313	3.11	8/25
Total Capital Leases	<u>\$ 133,649</u>		
C. Other Loans:			
Kubota M8540	\$ 26,109	4.48	4/22
John Deere Tractor	41,820	5.27	3/23
2018 Bush Hog Rotary Cutter	11,889	5.65	4/23
Health Complex	257,265	4.75	12/29
Total Other Loans	<u>\$ 337,083</u>		

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		Other Loans	
	Principal	Interest	Principal	Interest
2021	\$ 575,600	49,104	57,790	13,686
2022	588,600	32,442	53,412	11,456
2023	472,000	16,201	34,594	9,297
2024	140,000	2,100	23,944	8,130
2025			24,992	7,112
2026-2030			142,351	18,667
Total	<u>\$ 1,776,200</u>	<u>99,847</u>	<u>337,083</u>	<u>68,348</u>

**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 2.08% of the latest property assessments.

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

**HUMPHREYS COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2020**

Governmental Activities:	Balance				Balance	Amount due within one year
	Oct. 1, 2019	Additions	Reductions	Adjustments	Sept. 30, 2020	
Compensated absences	\$ 38,039		684		37,355	
Other loans	376,137	13,650	52,704		337,083	57,790
General obligation bonds	2,335,800		559,600		1,776,200	575,600
Capital leases	69,329	102,900	38,580		133,649	41,141
Total	\$ 2,819,305	116,550	651,568	-	2,284,287	674,531

Compensated absences will be paid from the fund from which the employees' salaries were paid, which are generally the General Fund, Road Maintenance District Funds, Garbage and Solid Waste Fund and E-911 Fund.

**LONG TERM DEBT – COMPONENT UNIT**  
**Humphreys County Library**

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

	Balance				Balance
	Oct. 1, 2019	Additions	Reductions	Adjustments	Sept. 30, 2020
Compensated absences	\$ 1,679	757			2,436
Total	\$ 1,679	757	-	-	2,436

**NOTE 12 – DEFICIT FUND BALANCES OF INDIVIDUAL FUNDS.**

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

Fund	Amount
USDA Ambulance Grant	\$ (70,156)
Home Program	(83,250)
Law Library	(47,099)
District 1 Road Maintenance	(650,372)
District 2 Road Maintenance	(319,078)
District 4 Road Maintenance	(583,003)
District 5 Road Maintenance	(368,349)

**NOTE 13 - 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

**HUMPHREYS COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2020**

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

**NOTE 14 – EFFECT OF DEFERRED AMOUNTS ON NET POSITION**

Humphreys County

The governmental activities' unrestricted net position amount of (\$3,611,622) 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 \$147,339 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 \$1,381,754 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 \$3,667 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.

Humphreys County Library

The unrestricted net position deficit amount of (\$64,402) includes the effect of deferring the recognition of expenses resulting from a deferred outflow from pensions and OPEB. The \$20,758 balance of the deferred outflow of resources from pensions at September 30, 2020 will be recognized as expenses and decrease unrestricted net position over the next 4 years. The \$7,628 balance of the deferred outflow of resources from OPEB at September 30, 2020 will be recognized as expenses and decrease unrestricted net position over the next 5 years.

The unrestricted net position deficit amount of (\$64,402) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from pensions and OPEB. The \$12,635 balance of the deferred inflow of resources from pensions at September 30, 2020 will be recognized as revenue and increase unrestricted net position over the next 3 years. The \$7,942 balance of the deferred inflow of resources from OPEB at September 30, 2020 will be recognized as revenue and increase unrestricted net position over the next 5 years.

**Note 15 – JOINT VENTURES**

The county participates in the following joint venture:

The North Central Task Force consists of Carroll, Claiborne, Grenada, Holmes, Humphreys, Leflore, Quitman and Tunica Counties and the Cities of Itta Bena and Port Gibson. It is a multi-jurisdictional drug enforcement task force established to provide more widespread apprehension and possession of violators. The County did not appropriate any funds for support of the task force in fiscal year 2020.

**NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS.**

The County participates in the following jointly governed organizations:

Mississippi Delta Community College operates in a district composed of the Counties of Bolivar, Humphreys, Issaquena, Leflore, Sharkey, Sunflower and Washington. The Humphreys County Board of

**HUMPHREYS COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2020**

Supervisors appoints two of the 20 members of the college board of trustees. The County levied 1.00 mills for maintenance and 1.50 mills for support of the college in fiscal year 2020.

Region Six Mental Health/Mental Retardation Center/Life Help operates in a district composed of the counties of Attala, Carroll, Grenada, Holmes, Humphreys, Leflore, Montgomery and Sunflower. The Humphreys County Board of Supervisors appoints one of the eight members of the board of commissioners. The County appropriated \$23,200 to the entity in fiscal year 2020.

South Delta Planning and Development District operates in a district composed of the counties of Bolivar, Humphreys, Issaquena, Sharkey, Sunflower and Washington. The Humphreys County Board of Supervisors appoints one of the 22 members of the district board of directors. The County appropriated \$4,640 for the support of the district in fiscal year 2020.

The Yazoo-Mississippi Water Management District operates in a district composed of the counties of Bolivar, Carroll, Coahoma, DeSoto, Holmes, Humphreys, Issaquena, Leflore, Panola, Quitman, Sharkey, Sunflower, Tallahatchie, Tate, Tunica, Washington and Yazoo. The Humphreys County Board of Supervisors appoints one of the 21 members of the district board of commissioners. The County appropriated \$42,420 for support of the district in fiscal year 2020.

**NOTE 17 – TAX ABATEMENT**

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 promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

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

The County had abatements under the following statute, which does not provide for the abatement of school or state tax levies: 27-31-105, Miss. Code (Ann.) 1972. All allowable property tax levies:

Category	Fiscal Year 2020	
	% of Taxes Abated	Amount of Taxes Abated
Additions, expansions or equipment replacement	86%	\$ 22,409

**NOTE 18 - 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

**HUMPHREYS COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2020**

in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management of Humphreys County evaluated the activity of the County through September 4, 2023 (the date the financial statements were available to be issued) and determined that the following events occurred that requires disclosure.

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

Issue Date	Interest Rate	Issue Amount	Type of Financing	Source of Financing
12/1/2020	2.83%	154,000	Equipment Loan	Ad valorem taxes
12/1/2020	2.83%	139,000	Equipment Loan	Ad valorem taxes
3/19/2021	4.50%	210,900	Capital Lease	Ad valorem taxes
7/20/2021	3.00%	70,442	Equipment Loan	Ad valorem taxes
3/31/2021	1.75%	2,635,000	Special Obligation Bonds	Ad valorem taxes

On January 15, 2019, Special Agents from the Office of the State Auditor arrested Lawrence Browder, Humphreys County Chancery Clerk, after he was indicted for submitting false documents by a grand jury assembled by the District Attorney. Browder was issued a demand letter for \$279,764.16 at the time of his arrest. Interest and investigative expenses are included in the demand amount.

Browder was accused of fraudulently obtaining money from the county by forcing his staff to create false court records from January 2016 to January 2017. Chancery Clerks collect fees for filing certain court proceedings, and Browder allegedly pocketed money after reporting his office filed cases that did not exist. Using this scheme, Browder allegedly obtained \$31,350 from falsified Humphreys County youth court and lunacy case proceedings.

In addition to fraud charges, Browder was issued a civil demand to repay more than \$200,000 in compensation illegally given to him. The salary of a Chancery Clerk in Mississippi is partially composed of fees charged for services provided by each office, but no Chancery Clerk can be compensated more than \$90,000 in fees in any one year. Browder exceeded the maximum allowable salary by \$205,724.14. By law, the excess fees should have been returned to Humphreys County each year.

On November 8, 2019, Lawrence Browder entered a voluntary plea of guilty to the charge of fraudulent statements and representations in the Circuit Court of Humphreys County, Mississippi. The Court withheld the acceptance of the guilty plea in abeyance and placed the defendant on three (3) years on non-adjudicative probation. The Court further ordered that Browder be placed on three (3) years of non-adjudicative telephonic probation. Conditions of the non-adjudicative telephonic probation required Browder to pay \$31,350 in restitution to Humphreys County. This amount was paid on the day of the plea. Browder must also pay \$10,710.16 to the Mississippi State Auditor's Office in the amount of \$315 per month, beginning December 1, 2019 and the first of every month thereafter until paid in full within the three-year non-adjudicative telephonic probation.

Mr. Browder passed away in July 2020. It is unclear at this time if the county will be able to collect any money that Mr. Browder owes to the county.

## **HUMPHREYS COUNTY**

### **REQUIRED SUPPLEMENTARY INFORMATION**



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

**UNAUDITED**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Property taxes	\$ 4,912,000	5,520,692	5,520,692	-
Licenses, commissions and other revenue	75,300	80,256	80,256	-
Fines and forfeitures	87,000	102,824	102,824	-
Intergovernmental revenues	341,200	450,034	450,034	-
Charges for services	10,000	2,600	2,600	-
Interest income	0	16,317	16,317	-
Miscellaneous revenues	136,500	463,064	463,064	-
Total Revenues	<u>5,562,000</u>	<u>6,635,789</u>	<u>6,635,789</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
General government	3,642,604	3,521,186	3,521,186	-
Public safety	168,547	1,916,402	1,916,402	-
Public works	0	20,510	20,510	-
Health and welfare	276,100	94,592	94,592	-
Culture and recreation	40,000	44,608	44,608	-
Conservation of natural resources	155,570	119,293	119,293	-
Economic development and assistance	16,640	2,000	2,000	-
Debt service:				
Principal paid	0	1,587	1,587	-
Interest paid	0	267	267	-
Capital projects	117,500			
Total Expenditures	<u>4,416,961</u>	<u>5,720,445</u>	<u>5,720,445</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	<u>1,145,039</u>	<u>915,344</u>	<u>915,344</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer-in				-
Transfer-out				-
Total Other Financing Sources and Uses		<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>1,145,039</u>	<u>915,344</u>	<u>915,344</u>	<u>-</u>
Fund Balance - Beginning	<u>(3,148,084)</u>	<u>912,800</u>	<u>912,800</u>	<u>-</u>
Fund Balance - Ending	<u>\$ (2,003,045)</u>	<u>1,828,144</u>	<u>1,828,144</u>	<u>-</u>

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

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

**UNAUDITED**

	2020	2019	2018	2017	2016	2015	2014
<b>Humphreys County</b>							
County's proportion of the net pension liability (asset)	0.0465%	0.0415%	0.0396%	0.0376%	0.0353%	0.0362%	0.0347%
County's proportionate share of the net pension liability (asset)	\$ 9,005,925	\$ 7,300,669	\$ 6,586,657	\$ 6,250,397	\$ 6,305,461	\$ 5,595,806	\$ 4,211,945
County's covered payroll	3,034,151	2,702,128	2,526,380	2,409,124	2,255,494	2,265,291	2,128,229
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	296.82%	270.18%	260.72%	259.45%	279.56%	247.02%	197.91%
Plan fiduciary net position as a percentage of the total pension liability	58.98%	61.59%	62.54%	61.49%	57.47%	61.70%	67.21%
<b>COMPONENT UNIT</b>							
<b>Humphreys County Library</b>							
Library's proportion of the net pension liability (asset)	0.000843%	0.000862%	0.000741%	0.001005%	0.000912%	0.000931%	
Library's proportionate share of the net pension liability (asset)	\$ 163,195	\$ 151,643	\$ 123,249	\$ 167,064	\$ 162,905	\$ 139,122	
Library's covered payroll	58,626	49,746	47,340	64,502	58,311	59,130	
Library's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	278.37%	304.83%	260.35%	259.01%	279.37%	235.28%	
Plan fiduciary net position as a percentage of the total pension liability	58.98%	61.59%	62.54%	61.49%	57.47%	61.70%	

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

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

**HUMPHREYS COUNTY**  
**Schedule of Contributions - PERS**  
**Last 10 Fiscal Years\***  
**For the Year Ended September 30, 2020**

**UNAUDITED**

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Humphreys County</b>						
Contractually required contribution	\$ 567,864	\$ 438,176	\$ 407,430	\$ 384,319	\$ 357,584	\$ 356,783
Contributions in relation to the contractually required contribution	<u>567,864</u>	<u>438,176</u>	<u>407,430</u>	<u>384,319</u>	<u>357,584</u>	<u>356,783</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
County's covered payroll	\$ 3,263,583	\$ 2,710,738	\$ 2,586,862	\$ 2,440,105	\$ 2,270,366	\$ 2,265,291
Contributions as a percentage of covered payroll	17.40%	16.16% **	15.75%	15.75%	15.75%	15.75%
<b>COMPONENT UNIT</b>						
<b>Humphreys County Library</b>						
Contractually required contribution	\$ 10,201	\$ 8,661	\$ 7,835	\$ 9,720	\$ 9,704	\$ 9,251
Contributions in relation to the contractually required contribution	<u>10,201</u>	<u>8,661</u>	<u>7,835</u>	<u>9,720</u>	<u>9,704</u>	<u>9,251</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Library's covered payroll	\$ 58,626	\$ 53,977	\$ 49,746	\$ 61,714	\$ 61,613	\$ 58,737
Contributions as a percentage of covered payroll	17.40%	16.05% **	15.75%	15.75%	15.75%	15.75%

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

\*\*Beginning July 1, 2019, the employer rate increased from 15.75% to 17.40%.

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

**HUMPHREYS COUNTY**  
**Schedule of Proportionate Share of the Net OPEB Liability**  
**Last 10 Fiscal Years\***  
**For the Year Ended September 30, 2020**  
**UNAUDITED**

**Humphreys County Library**

	<b>2020</b>	<b>2019</b>	<b>2018</b>
Library's proportion of the net OPEB liability	0.00270143%	0.00263098%	0.00217014%
Library's proportionate share of the net OPEB liability	\$ 21,023	\$ 22,235	\$ 16,786
Library's covered-employee payroll	53,977	49,746	47,340
Library's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	38.948%	44.697%	35.458%
Plan fiduciary net position as a percentage of the total OPEB liability	0.13308%	0.11983%	0.12911%

\*The amounts presented for each fiscal year were determined as of the measurement date of June 30 prior to the fiscal year presented. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the Library has only presented information for the years in which information is available.

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

**HUMPHREYS COUNTY**  
**Schedule of Contributions OPEB**  
**Last 10 Fiscal Years\***  
**For the Year Ended September 30, 2020**  
**UNAUDITED**

<b>Humphreys County Library</b>		<b>2020</b>	<b>2019</b>	<b>2018</b>
Actuarially determined contribution	\$	838	895	748
Contributions in relation to the actuarially determined contribution		838	895	748
Contribution deficiency (excess)	\$	-	-	-
Covered employee payroll	\$	58,626	53,977	49,746
Contributions as a percentage of covered employee payroll		1.4294%	1.6581%	1.5036%

\*This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement No. 75 was implemented for the fiscal year ended September 30, 2018, and, until, a full 10 year trend is compiled, the Library has only presented information for the years in which information is available.

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

**HUMPHREYS COUNTY**  
**Notes to the Required Supplementary Information**  
**For the Year Ended September 30, 2020**  
**UNAUDITED**

**BUDGETARY COMPARISON SCHEDULES**

**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 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. The Budget Comparison Schedule - Budget and Actual (Non-GAAP Basis) is a part of required supplementary information.

**C. Budget/GAAP Reconciliation.**

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

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

The following schedule reconciles the budgetary basis schedules to the GAAP basis financial statements for the General Fund:

	<u><b>General Fund</b></u>
Budget (Cash Basis)	\$ 915,344
Increase (Decrease)	
Net adjustments for revenue accruals	20,831
Net adjustments for expenditure accruals	<u>(62,536)</u>
GAAP Basis	<u>\$ 873,639</u>

**HUMPHREYS COUNTY**  
**Notes to the Required Supplementary Information**  
**For the Year Ended September 30, 2020**  
**UNAUDITED**

**PENSION SCHEDULES**

**A. Changes of assumptions.**

2015

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

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

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

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

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

2016

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

2017

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

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

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

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

2019

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

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

**HUMPHREYS COUNTY**  
**Notes to the Required Supplementary Information**  
**For the Year Ended September 30, 2020**  
**UNAUDITED**

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%.

**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



**HUMPHREYS COUNTY**  
**Notes to the Required Supplementary Information**  
**For the Year Ended September 30, 2020**  
**UNAUDITED**

**OPEB Schedules**

(1) *Changes of assumptions*

2018: The discount rate was changed from 3.56% for the prior Measurement Date to 3.89% for the current Measurement Date.

2019: The SEIR was changed from 3.89% for the prior Measurement Date to 3.50% for the current Measurement Date.

2020: The SEIR was changed from 3.50% for the prior Measurement Date to 2.19% for the current Measurement Date.

(2) *Changes in benefit provisions*

2018: None

2019: None

2020: The schedule of monthly retiree contributions was increased as of January 1, 2021. In addition, the deductibles and coinsurance maximums were increased for the Select coverage and the coinsurance maximums were increased for the Base Coverage beginning January 1, 2021.

(3) *Methods and assumptions used in calculations of Actuarially Determined Contributions.* The Actuarially Determined Contributions rates, as a percentage of payroll, used to determine the Actuarially Determined Contribution amounts in the Schedule of Employer Contributions are calculated as of the most recent Valuation Date. The following actuarial methods and assumptions (from the June 30, 2019 actuarial valuation) were used to determine contribution rates reported in that schedule for the year ending June 30, 2020:

Actuarial cost method	Entry age
Amortization method	Level dollar
Amortization period	30 years, open
Asset valuation method Market Value of Assets Price inflation	2.75%
Salary increases, including wage inflation	3.00% to 18.25%
Initial health care cost trend rates	
Medicare Supplement Claims Pre-Medicare	7.00%
Ultimate health care cost trend rates	
Medicare Supplement Claims Pre-Medicare	4.75%
Year of ultimate trend rates Medicare Supplement Claims Pre-Medicare	2028
Long-term investment rate of return, net of OPEB plan investment expense, including price inflation	3.50%

## **HUMPHREYS COUNTY**

## **OTHER INFORMATION**

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

<b>Name</b>	<b>Position</b>	<b>Surety Company</b>	<b>Bond Amount</b>
James Bankhead	Supervisor, District 1	Western Surety Company	100,000
Richard D Stevens	Supervisor, District 2	Western Surety Company	100,000
Woodrow Johnson	Supervisor, District 3	Western Surety Company	100,000
Jerry Wood	Supervisor, District 4	Western Surety Company	100,000
Delrick Henderson	Supervisor, District 4	Western Surety Company	100,000
Roy Broomfield	Supervisor, District 5	Western Surety Company	100,000
Lawrence Browder	County Administrator		
Mack Liddell, Jr	County Administrator		
Lawrence Browder	Purchase Clerk		
Mack Liddell, Jr	Purchasing Clerk	Western Surety Company	75,000
Lawrence Browder	Chancery Clerk		
Mack Liddell, Jr	Chancery Clerk	Western Surety Company	100,000
Calvin Ball	Receiving Clerk	Western Surety Company	75,000
Calvin Ball	Receiving Clerk	Western Surety Company	75,000
Dimp Powell	Assistant Receiving Clerk	Travelers	25,000
Tyrone Gardner	Assistant Receiving Clerk	Western Surety Company	25,000
Waddell Washington	Assistant Receiving Clerk	Western Surety Company	25,000
Reggie Pinkston	Assistant Receiving Clerk	Travelers	25,000
J.D. Roseman	Sheriff		
Charles Sharkey	Sheriff	Western Surety Company	100,000
Timaka Jones	Circuit Clerk	Western Surety Company	100,000
Timaka James Jones	Circuit Clerk	Western Surety Company	100,000
Lacreshia Poole	Deputy Circuit Clerk	Western Surety Company	50,000
Chivalian Pool	Deputy Circuit Clerk	Western Surety Company	50,000
Chivalian Pool	Deputy Circuit Clerk	Western Surety Company	50,000
Vernetta Hicks Washington	Deputy Circuit Clerk	Western Surety Company	50,000
Vernetta Washington	Deputy Circuit Clerk	Western Surety Company	50,000
Sharon Neal	Deputy Circuit Clerk	Western Surety Company	50,000
Shirley Brown Cummings	Justice Court Judge	Western Surety Company	50,000
Shirley Brown Cummings	Justice Court Judge	Western Surety Company	50,000
Abraham Gates	Justice Court Judge	Travelers	50,000
Abraham Gates	Justice Court Judge	Western Surety Company	50,000
Sandra Overton	Justice Court Clerk	Travelers	50,000
Akeitha Smith	Deputy Justice Court Clerk	Western Surety Company	50,000
Alecia Toler	Deputy Justice Court Clerk	Western Surety Company	50,000
Marva Gibson	Deputy Justice Court Clerk	Travelers	50,000
Marva Gardner	Deputy Justice Court Clerk	Western Surety Company	50,000
Margaret Parks	Tax Assessor/Collector	Western Surety Company	100,000
Veda Horton	Tax Assessor/Collector	Western Surety Company	100,000
Calvin Ball	Deputy Tax Assessor		
Lunda Nitall	Deputy Tax Assessor		
Karen Winstead	Deputy Tax Assessor	Western Surety Company	50,000
Schardell Dent	Deputy Tax Collector	Western Surety Company	50,000
April Morgan	Deputy Tax Collector	Western Surety Company	50,000
April Morgan	Deputy Tax Collector	Western Surety Company	50,000
Teresa Kirkwood	Deputy Tax Collector	Western Surety Company	50,000
Norma Quinn	Deputy Tax Collector	Western Surety Company	50,000

## **HUMPHREYS COUNTY**

### **SPECIAL REPORTS**



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

Members of the Board of Supervisors  
Humphreys County, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund and the aggregate remaining fund information of Humphreys County, Mississippi (the County), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated September 4, 2023. This report is qualified on the governmental activities because the County did not record a liability or current year expense for other postemployment benefits as required by accounting principles generally accepted in the United States of America. We did not audit the financial statements of the Humphreys County Library, component unit, which represents 100 percent of the assets, net position and revenues of the aggregate discretely presented component unit column. Those statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aforementioned component unit, is based solely on the reports of the other auditors. This report does not include the results of the other auditor's testing of internal controls over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

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

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

than a material weakness, yet important enough to merit attention by those charged with governance.

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Humphreys County, Mississippi's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters which we have reported to the management of Humphreys County, Mississippi, in the Independent Accountant's Report on Central Purchasing, Inventory Control System and Purchase Clerk Schedules and the Limited Internal Control and Compliance Review Management Report dated September 4, 2023, included within this document.

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

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

### **Purpose of this Report**

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

*Bridgers, Goodman, Baird & Clarke, PLLC*

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

September 4, 2023



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

Members of the Board of Supervisors  
Humphreys County, Mississippi

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

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

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

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

Purchase Clerk

1. Public Officials Should Establish and Maintain Internal Control and Compliance with Public Purchasing Laws.

Repeat Finding Yes

Criteria The County is responsible for complying with the requirements of the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws; Titles 31 and 37.

Condition The County failed to comply with the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws: Titles 31 and 37. A well-designed purchasing system would comply with the provisions of Titles 31 and 37 and would include the use of purchase requisitions, purchase orders, and receiving reports. During our test work we selected fifty-six (56) items and noted the following instances of non-compliance:

Ten (10) instances where purchasing documentation was not properly presented

Ten (10) instances where no competitive bid or second quote was obtained

Two (2) instances where no documentation for the expenditure was able to be located

Cause The County has failed to establish and maintain an adequate internal control system to ensure compliance with the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws: Titles 31 and 37.

Effect The County is not in compliance with the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws: Titles 31 and 37.

Recommendation The County should establish and maintain an adequate internal control system which would ensure that the County is in compliance with the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws: Titles 31 and 37.

Response I am currently working on a control system to comply with the State of Mississippi Policies and Procedures purchasing law. I am currently looking to hire someone for this task.

Inventory Control Clerk

2. Additions and deletions to capital assets not recorded in the inventory system.

Repeat Finding Yes



Criteria	Section 31-7-107, Miss. Code Ann. (1972), requires the Inventory Control Clerk to maintain an inventory system. An effective system of internal controls over capital assets should include proper recording of additions and deletions.
Condition	As reported in the prior years' audit reports, the subsidiary records did not include all additions and deletions of capital assets. The Inventory Control Clerk did not record additions and deletions to capital assets as required.
Cause	The Inventory Control Clerk lacked the necessary internal control procedures required to ensure that all items are recorded, properly valued and properly classified in the County's capital asset record.
Effect	The failure to properly maintain the inventory control system could result in the reporting of inaccurate amounts and increase the possibility of the loss or misappropriation of public funds.
Recommendation	To comply with the requirements established by law for the inventory control system, the Inventory Control Clerk should record additions and deletions in the capital asset subsidiary records. Those responsible should review these requirements and ensure adherence.
Response	No response was provided for this finding.

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

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

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

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

*Bridgers, Goodman, Baird & Clarke, PLLC*

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

September 4, 2023

**HUMPHREYS COUNTY**

**Schedule 1**

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

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

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

**Schedule 2**

Our test results did not identify any emergency purchases.

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

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



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## LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors  
Humphreys County, Mississippi

In planning and performing our audit of the financial statements of Humphreys County, Mississippi for the year ended September 30, 2020, we considered Humphreys County, Mississippi's internal control to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on internal control.

In addition, for areas not considered material to Humphreys County, Mississippi's financial reporting, we have performed some additional limited internal control and state legal compliance review procedures as identified in the state legal compliance audit program issued by the Office of the State Auditor. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the County's compliance with these requirements. Accordingly, we do not express such an opinion. This report does not affect our report dated September 4, 2023, on the financial statements of Humphreys County, Mississippi.

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

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

Board of Supervisors

1. The Board of Supervisors should ensure compliance with State Law over the Interlocal Agreement with municipalities for Commissions on Land Redemptions

Repeat Finding      No

Criteria	§17-13-7(4), Mississippi Code Annotated (1972), provides that, "Any two (2) or more local government units may enter into written contractual agreements with one another for joint or cooperative action to provide services and facilities..." §17-13-7(4) supports §27-41-2, which allows inter-local agreements for collection by county of ad valorem taxes due to municipality.
Condition	During our testing, we noted the County collects delinquent taxes for local municipalities, but it does not have an agreement addressing the collection of commission for land redemptions.
Cause	The inter-local agreement between the County and the respective municipalities has not been updated to cover all collections and commissions including those for land redemptions.
Effect	Failure to enter into appropriate and sufficient contractual agreements could result in the loss or misappropriation of public funds.
Recommendation	The Board of Supervisors should enter into an inter-local agreement with each applicable municipality each term of office to cover all services provided by the County and all commissions paid by the local municipalities.
Response	The Board of Supervisors will comply.

2. List of employees authorized to issue requisitions and receiving reports.

Repeat Finding	No
Criteria	Sections 31-7-103 and 31-7-109, Mississippi Code Annotated (1972), state that persons must be specifically authorized to sign purchase requisitions and receiving reports.
Condition	During the course of our test work, we were unable to locate a listing approved by the Board of Supervisors specifying who was authorized to sign purchase requisitions and receiving reports.
Cause	The Board of Supervisors did not approve a list that specifies those individuals with authority to sign purchase requisitions and receiving reports for each department.
Effect	Failure to specify individuals with authority to sign purchase requisitions and receiving reports could result in the loss or misappropriation of public funds.
Recommendation	The Board should annually approve a list of individuals in each department who are authorized to sign purchase requisitions and receiving reports and spread this list on the minutes.
Response	The Board of Supervisors will comply with the state statute.

3. Public Officials and Employees should ensure compliance with state law over surety bonding requirements.

Repeat Finding	Yes
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Criteria	Section 25-1-15, Mississippi Code Annotated (1972), states, "A new bond in an amount not less than that required by law shall be secured upon employment and coverage shall continue by the securing of a new bond every four (4) years concurrent with the normal election cycle of the Governor or with the normal election cycle of the local government applicable to the employee."
Condition	During the course of our testing we noted the following instances of noncompliance: <ul style="list-style-type: none"> <li>• Four (4) supervisors were not bonded for the entire fiscal year</li> <li>• The County Administrator was not bonded in his position as County Administrator</li> <li>• Purchase Clerk was not bonded for the fiscal year</li> <li>• Eleven (11) individuals were bonded with the incorrect title/position</li> <li>• Seven (7) individuals had indefinite bonds</li> <li>• One (1) individual had a continuation certificate</li> <li>• Five (5) individuals had no bond for the fiscal year</li> <li>• Four (4) individuals were not bonded for the entire fiscal year</li> </ul>
Cause	Public Officials and the Board of Supervisors have insufficient control over the requirements for bonding officials and employees.
Effect	Failure to have a bond in place for a specific term could limit the amount available for recovery if a loss occurred over multiple terms, as well as the current terms.
Recommendation	We recommend the Board of Supervisors implement procedures to ensure that County officials' and employees' bonds meet the requirements of State Laws.
Response	We have complied with the statute and all individuals and elected officials are bonded as required.

4. Public Officials Should Ensure Compliance with State Law over Publication of Bids for its Depository.

Repeat Finding	Yes
Criteria	Section 27-105-305, Mississippi Code Annotated (1972), requires the County to advertise for bids at least every two years for depositories.
Condition	During the course of our test work, we were unable to locate a current notice, acceptance, and approval of bids for the County depository. The last time this was done was in March of 2016.
Cause	The Board of Supervisors did not advertise and bid out the county depository within the statutorily prescribed period.
Effect	Failure to advertise for the County's depository resulted in non-compliance with Mississippi Code Section 27-105-305.
Recommendation	The Board should ensure publication of notice for bids for the County's depository every two years as required by State law.
Response	The Board of Supervisors will comply.

5. All Supervisors must Inspect the Roads and Bridges and Attest to the Clerk of the Board for having done so.

Repeat Finding Yes

Criteria Section 65-7-117, Mississippi Code Annotated (1972), states that, "Each member of the board of supervisors shall inspect every road, bridge and ferry in each district at least annually, at times to be fixed by the board, and shall file with the clerk of the board a report, under oath, of the condition of the several roads, bridges and ferries inspected by him, with such recommendations as are needful, which reports shall be presented to the board of supervisors and kept on file for three (3) years."

Condition During the course of our testing we noted that the Board of Supervisors had inspected the roads and bridges but no certifications on the minutes or affidavits from the supervisors were filed to document that they had examined the roads and bridges annually.

Cause Annual inspections of the roads and bridges in the County have not been completed and/or attested to having been done.

Effect Failure to complete annual inspections of roads and bridges and to file an affidavit of said inspection can lead to failure to identify and to complete necessary improvements in a timely manner.

Recommendation The Board of Supervisors should ensure that they complete the requisite inspections of the roads and bridges in their jurisdiction and file an affidavit with the Clerk of the Board for inclusion in the minutes.

Response The Board of Supervisors will comply.

6. Deficit Fund Balances.

Repeat Finding No

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

Condition We noted deficit fund balances at September 30, 2020. These deficit fund balances existed in the following funds:

- USDA Ambulance Grant (075)
- Home Program (079)
- Law Library (104)
- District 1 Road Maintenance (151)
- District 2 Road Maintenance (152)
- District 4 Road Maintenance (154)
- District 5 Road Maintenance (155)

Cause The above-listed funds were operating with a cash deficit.



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

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

Response The Board of Supervisors will comply.

7. Diversion of Public Funds

Repeat Finding No

Criteria Section 19-9-109, Miss. Code Ann. (1972) gives a Board of Supervisors the authority to levy a tax for the purpose of purchasing, operating, and maintaining fire trucks and other firefighting equipment. \$400,000 from the avails of this levy was diverted to the District 1 Road Maintenance Fund.

Condition The Board of Supervisors diverted \$400,000 from the avails of this levy to the District 1 Road Maintenance Fund.

Cause \$400,000 was diverted from the County Fire Department Fund

Effect Taxpayer money that was levied and collected for fire departments is being illegally spent on road and bridge purposes.

Recommendation The Board of Supervisors should immediately transfer \$400,000 from the District 1 Road Maintenance Fund to the County Fire Department Fund.

Response Humphreys County District One will begin immediately making payments back to the County Fire Department Fund in the amount of \$50,000.00 annually.

Solid Waste Clerk

8. The Solid Waste Clerk is not making timely and accurate deposits.

Repeat Finding No

Criteria An effective system of internal controls requires that bank deposits be made accurately and timely and any identified unexplained differences be resolved in a timely manner.

Condition During the course of our test work, we found that deposits were not being made timely with eight (8) exceptions noted. We further found that the collections per the computer system did not match the deposits made at the bank with six (6) exceptions noted.

Cause	The Solid Waste Clerk has not established a system of internal control to ensure deposits are made accurately and timely.
Effect	Inadequate controls surrounding the deposits of revenue collections could result in improper revenue recognition.
Recommendation	The Solid Waste Clerk should implement an effective internal control system to ensure the accuracy and timeliness of deposits.
Response	The Solid Waste Clerk will comply.

#### Payroll Clerk

#### 9. Employee File Documentation.

Repeat Finding	No
Criteria	The County is responsible for establishing and maintaining an effective system of Internal controls pertaining to the documentation in employee files.
Condition	<p>During the course of our test work, we noted the following:</p> <ul style="list-style-type: none"> <li>• Six (6) instances where the Board-approved pay rates were not evidenced in the file</li> <li>• Three (3) instances where the I-9 was incomplete</li> <li>• One (1) instance where the pay rate in the file did not match the pay rate in the system</li> </ul>
Cause	The employee files are not being reviewed regularly to identify any files without proper documentation.
Effect	The County employees' withholding elections could be calculated at the wrong rates and the County could face liability due to having improperly executed Form I-9s.
Recommendation	The County should maintain a complete employee file system that would ensure that the County is in compliance with State and Federal employee documentation laws.
Response	The County will comply.

#### Circuit Clerk

#### 10. Circuit Clerk Should Strengthen Internal Controls over Deposits, Settlements, and Receipts.

Repeat Finding	Yes
Criteria	An effective system of internal controls requires that bank deposits and settlements be made timely.
Condition	<p>During the course of our test work, we found that deposits were not being made timely with twelve (12) exceptions noted. We further found seventeen (17) exceptions where the settlements were not being made timely. The auditor does note the Circuit Clerk's substantial efforts that have been made to bring settlements current.</p> <p>It was further noted that the Civil Account has a reconciling item listed as "2013-2018" for \$5,768.29. These appear to be outstanding deposits from many years back.</p> <p>It was further noted that the Criminal Account has two reconciling items listed as a "2019 O/S deposit" of \$1,073.00 and a bank error for \$.50.</p>
Cause	The Circuit Clerk has not established a system of internal control to ensure deposits and settlements are made timely.
Effect	Failure to make timely deposits and settlements could result in the loss or misappropriation of public funds.
Recommendation	<p>The Circuit Clerk should implement an effective internal control system to ensure the timeliness of deposits and settlements.</p> <p>The Circuit Clerk should address the reconciling item in the Civil and Criminal Accounts and correct it or replace the funds and settle them appropriately.</p>
Response	I shall comply with the recommendation of the audit findings. I shall reconcile, settle, and replace (if necessary) any funds to assure a balanced account.
11.	<u>The Circuit Clerk Should Ensure Compliance with State Laws over Statutorily Imposed Limits on the Salary as County Registrar.</u>
Repeat Finding	Yes
Criteria	Section 23-15-225, Mississippi Code Annotated (1972), states, "The registrar shall be entitled to such compensation, payable monthly out of the county treasury, which the board of supervisors of the county shall allow on an annual basis in the following amounts....For counties with a total population of more than six thousand (6,000) and not more than ten thousand (10,000), an amount not to exceed Twelve Thousand Seventy-five Dollars (\$12,075.00), but not less than Eight Thousand Four Hundred Fifty-two Dollars and Fifty Cents (\$8,452.50)."

Condition During the course of our test work, we noted that the Circuit Clerk received a total of \$13,800 for services as the County Registrar. This resulted in an excess of \$1,725 paid to the Clerk.

Cause The Circuit Clerk did not use the appropriate census to determine the County's population for purposes of calculating the County Registrar statutory fees.

Effect The Circuit Clerk was overpaid as the County Registrar.

Recommendation The Circuit Clerk should make sure to use the correct decennial census for determining the amounts owed as County Registrar. Further, it is recommended that the Circuit Clerk repay the County the \$1,725 paid in excess.

Response I shall comply with the recommendation of the audit findings. I will repay the amount of \$1,725.00 to the county for the overpayment. I was not aware of the applicable change for the past updated census numbers. I personally do not think that payroll was aware of the new numbers either. Correction submitted to the necessary parties for future payroll payments.

Sheriff

12. The Sheriff Should Ensure Compliance with State Laws over the Presentation of Meal Logs to the Board of Supervisors.

Repeat Finding Yes

Criteria Section 19-25-74, Mississippi Code Annotated (1972), states, "The sheriff shall maintain a log, showing the name of each prisoner, the date and time of incarceration and release, to be posted by the tenth calendar day of each month for the period spanning the preceding month, which shall record the number of meals served to prisoners on each day, and shall make affidavit as to the correctness thereof and file the same monthly with the board of supervisors. Such log shall remain on file with the board of supervisors as other records of said board and shall be made available to the State Department of Audit upon request. No claims for the cost or expenses of feeding prisoners shall be approved by the board of supervisors for any month unless and until such log for that month is filed."

Condition	During the course of our test work, we noted that the meal logs were not being presented to the Board yet claims to vendors were being paid. We further noted that the prior administration did not maintain all the meal logs and were thus not available to the auditor.
Cause	The Sheriff did not present the meal logs to the Board of Supervisors. The prior administration did not properly maintain the meal logs for use by the auditor.
Effect	Failure to properly maintain and present the meal logs could result in the misappropriation of public funds for the incorrect number of meals.
Recommendation	The Sheriff should present the meal logs to the Board of Supervisors for review monthly prior to payment of any claims for meal expenses. The logs should also be maintained on hand for audit purposes.
Response	The meal logs were and still are being maintained by the jail administrator daily. Meal logs are being presented to the board monthly for review.
13.	<u>The Sheriff Should Ensure Compliance with State Laws over Meals Served to NonInmate Individuals.</u>
Repeat Finding	Yes
Criteria	<p>Attorney General Opinion 1997 WL 612747, states, "...that a jailer may eat meals at the jail with the cost thereof being reimbursed. While the Board of Supervisors may need to eat a meal as part of their inspection of the jail, all other non-inmate individuals who eat at the jail should reimburse the county for the cost of their meals."</p> <p>Attorney General Opinion 1983 WL 43195, states, "There is no requirement that the county pay for the jailer's meals although if the Board of Supervisors made a finding of fact, consistent with the particular factual situation, as to need, etc., 1) such could be authorized as part of the jailer's remuneration, or 2) the market value of the meals could be deducted from the jailer's salary. The details could be dealt with in the Board's delineation of the jailer's job description."</p>
Condition	During the course of our test work, we noted that multiple non-inmate personnel received meals from the County Jail. The meals are not paid for by each individual, and the Sheriff did not collect revenue from non-inmate individuals receiving meals.
Cause	The Sheriff did not properly collect revenue from non-inmate individuals being served meals out of the County Jail.

Effect	Failure to properly track and collect revenue from meals being served to noninmate personnel could result in the County overpaying for supplies for meals for prisoners.
Recommendation	The Sheriff should implement procedures to ensure all non-inmate personnel who eat meals from the Jail pay for all meals consumed.
Response	Meals are being served to non-inmate personnel at the rate of \$2.00 currently. Starting 3/24/22, a 30 day trial basis of serving meals has been underway. A meal log is being used to maintain meals served and monies collected.
14.	<u>The Sheriff Should Strengthen Internal Control over Receipts, Deposits, Cash Journals, and Settlements.</u>
Repeat Finding	Yes
Criteria	An effective system of internal control includes monitoring of the maintenance and reconciliation of records documenting revenue collections and expenditures. The Sheriff should maintain, on a daily basis, receipts in the proper format, a cash journal that records all receipts and payments, and a reconciliation of the bank account to the cash journal. Further, monthly settlements to the County's general fund should be made timely.
Condition	During the course of our test work, we noted that receipts were not being issued for all transactions. The receipts used were not in the proper format. Deposits were not being made timely. Further, there was no cash journal maintained, settlements were not made for the 2020 fiscal year until January 2021, and bank statements were not being reconciled to the cash journal.
Cause	The Sheriff did not issue properly formatted receipts for all transactions, deposits were not made timely, no cash journal was maintained, and settlements were not timely made to the County. The prior administration did not properly maintain and pass on any documentation relating to the handling of revenues and expenses for the department.
Effect	Failure to issue receipts, make timely deposits, maintain a cash journal, reconcile bank statements, and make timely settlements could result in the misappropriation of public funds for the incorrect number of meals.
Recommendation	The Sheriff should strengthen controls over the receipting, depositing, recording, reconciling, and settling of funds.
Auditor's Note	The current administration has made substantial efforts and has implemented a complete system for receipting, depositing, recording, reconciling, and settling of funds. Records are being properly maintained, and these efforts have been duly noted.

Response All money and checks received are being receipted, deposited and recorded. All monies are being settled at the end of the month to the Chancery Clerk's office.

Chancery Clerk

15. Public Officials Should Ensure Compliance with State Laws over Record Restoration Contracts.

Repeat Finding Yes

Criteria Section 19-15-1, Mississippi Code Annotated (1972), states, "The board of supervisors of any county is authorized and empowered in its discretion to make and enter into contracts and agreements with any person, firm or corporation to make and prepare copies or duplicates of records, and, subject to the standards established by the Department of Archives and History, to provide for and enter into contracts concerning the safekeeping and preservation of copies or duplicates at points of storage at a location approved by the Local Government Records Committee." It further states, "The board of supervisors of any such county is authorized and empowered, in its discretion, to appropriate and expend monies out of the available funds of the county for the purposes of this section."

Condition During the course of our test work, we noted that the Chancery Clerk received \$12,000 in payments from the County for record restoration that is currently in progress but that there was no contract previously approved by the Board of Supervisors.

Cause The Chancery Clerk failed to enter into a contract with the County for purposes of record restoration.

Effect The Chancery Clerk received payments from the County for which he did not have a contract prior to receiving the payments.

Recommendation The Chancery Clerk should enter into a contract with the Board of Supervisors for the purpose of restoring records prior to receiving any payments for these services.

Response I will comply and put this in a contract on next board meeting.

16. The Chancery Clerk Should Ensure Compliance with State Laws over Statutorily Imposed Limits on the Salaries Received for Various Duties.

Repeat Finding No

Criteria Sections 25-7-9, 25-3-19, and 27-105-343, Mississippi Code Annotated (1972) states for the various duties of the Chancery Clerk, the following amounts shall be paid:

- Attending Board Meetings: "(e) For each day's attendance on the board of supervisors, for himself and one (1) deputy, each \$ 20.00."

- County Auditor: “The chancery clerks, as county auditors, shall receive compensation for their services as such the annual amount of Five Thousand Three Hundred Dollars (\$5,300.00), payable in equal monthly installments out of the county treasury; however, the board of supervisors, by resolution duly adopted and entered on its minutes, may provide that such salaries shall be paid semimonthly on the first and fifteenth day of each month or every two (2) weeks pursuant to Section 25-3-29.”
- County Treasurer: “Boards of supervisors shall allow chancery clerks for their compensation for performance of the duties required of them by this section the sum of Two Thousand Five Hundred Dollars (\$2,500.00) per annum.”
- Clerk of the Board: “(f) For other services as clerk of the board of supervisors an allowance shall be made to him (payable semiannually at the July and January meetings) out of the county treasury, an annual sum not exceeding \$3,000.00”
- Services Not Otherwise Provided: “(i) For public service not otherwise specifically provided for, the chancery court may by order allow the clerk to be paid by the county on the order of the board of supervisors, an annual sum not exceeding \$5,000.00”

Condition	<p>During the course of our test work, we noted that the Chancery Clerk received the following amounts in excess of the statutorily allowed amounts:</p> <ul style="list-style-type: none"> <li>• Attending Board Meetings: \$590.06</li> <li>• County Auditor: \$883.38</li> <li>• County Treasurer: \$625.04</li> <li>• Clerk of the Board: \$3,000.00</li> <li>• Services Not Otherwise Provided: \$833.38</li> </ul> <p>The total paid in excess is equal to \$5,931.86</p>
Cause	The Chancery Clerk did not properly determine his compensation according to law.
Effect	The Chancery Clerk was paid in excess of the statutorily allowed amounts for services rendered.
Recommendation	The Chancery Clerk should ensure that the amounts paid are in compliance with the applicable statutes. Further, it is recommended that the Chancery Clerk repay the County the \$5,931.86 paid in excess.
Response	I have made an agreement with the Board of Supervisors to repay those funds.
17.	<u>The Clerk of the Board should ensure publication of the synopsis of the county audit report.</u>
Repeat Finding	Yes



Criteria	<i>Section 7-7-221, Mississippi Code Annotated (1972), states that, "as soon as possible after an annual audit of the fiscal and financial affairs of a county...has been made and a copy of such report of audit or examination has been filed with the board of supervisors of such county and the clerk thereof, as required in Section 7-7-215, the clerk of the board of supervisors shall publish a synopsis of such report in a form prescribed by the State Auditor.... (4) The clerk shall forward a copy of the published synopsis to the State Auditor within sixty (60) days of its publication."</i>
Condition	During the course of our audit, we noted that the synopsis of the prior year audit report had not been published.
Cause	The Clerk of the Board did not ensure that the synopsis of the prior year audit was published.
Effect	Failure to publish a synopsis of the audit report results in noncompliance with state statutes as well as a lack of transparency with regard to the audit report and notification to the public.
Recommendation	The Clerk of the Board should ensure that the synopsis is published in the proper format, as prescribed by statute and the Office of the State Auditor.
Response	No response was provided for this finding.

#### Purchase Clerk

#### 18. Public Officials Should Ensure Compliance with State Law over Credit Card Use.

Repeat Finding Yes

Criteria	<i>Section 19-3-68, Mississippi Code Annotated (1972), states, "The chancery clerk or county purchase clerk shall maintain complete records of all credit card numbers and all receipts and other documents relating to the use of such credit cards. The supervisors and county employees shall furnish receipts for the use of such credit cards each month to the chancery clerk or purchase clerk who shall submit a written report monthly to the board of supervisors. The report shall include an itemized list of all expenditures and use of the credit cards for the month, and such expenditures may be allowed for payment by the county in the same manner as other items on the claims docket."</i>
Condition	During the course of our audit, we noted that no itemized report of credit card expenditures had been submitted to the Board to be paid each month.
Cause	The Chancery Clerk and/or Purchase Clerk failed to properly present monthly reports of credit card expenditures to the Board for approval each month.
Effect	Failure to properly present monthly reports of credit card expenditures results in noncompliance with State law and could result in the misappropriation of public funds.

Recommendation	The Board of Supervisors should strengthen procedures to ensure that the Chancery Clerk and/or Purchase Clerk maintain proper documentation of credit card expenditures and present a monthly report of credit card expenditures to the Board for approval.
Response	No response was provided for this finding.

The Mississippi Office of the State Auditor has taken exception to certain costs. The details of the exception and disposition are as follows:

Exception Issued On:

Members of the Board of Supervisors (BOS)

Nature of Exception:

As a result of finding number 5. of fiscal year 2019 involving surety bond requirements of the chancery clerk, the Office of the State Auditor issued demand letters to members of the Board of Supervisors, individually, on January 6, 2020, seeking payment from each member in the amount of \$37,448.44. Subsequent to that date, the BOS engaged an attorney in the name of Humphreys County for legal representation. There is uncertainty regarding the engagement and responsibility for payment of attorney services by the County for matters that are of a personal nature.

Amount of Exception:

Payments made to the attorney in the amount of \$43,396.00.

Disposition of Exception:

This matter has been turned over to the Investigative Division of the Office of the State Auditor.

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

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

*Bridgers, Goodman, Baird & Clarke, PLLC*

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

September 4, 2023

## **HUMPHREYS COUNTY**

### **SCHEDULE OF FINDINGS AND RESPONSES**

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

Section 1: Summary of Auditor's Results

**Financial Statements:**

1. Type of auditor's report issued on the financial statements:
 

Governmental activities	Qualified
Aggregate discretely presented component unit	Unmodified
General Fund	Unmodified
Aggregate remaining fund information	Unmodified
2. Internal control over financial reporting:
  - a. Material weaknesses identified? Yes
  - b. Significant deficiencies identified? None Reported
3. Noncompliance material to the financial statements? No

Section 2: Financial Statement Findings

**Board of Supervisors.**

**Material Weakness**

- 2020-001.**      The County does not record a liability for other postemployment benefits in the governmental activities.
- Repeat Finding**      Yes
- Criteria**      Humphreys County purchases health insurance coverage from a commercial insurance company and offers health insurance benefit coverage through the County's health insurance plan. Since retirees may obtain health insurance by participating in a group with active employees and consequently receive a health insurance premium rate differential, the County has a postemployment healthcare benefit reportable under GASB Statement 75 Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions as a single employer defined benefit health care plan.
- Condition**      GASB Statement No. 75 requires the County to report on an accrual basis the liability associated with other postemployment benefits. However, the County has not recorded a liability for other postemployment benefits, nor has the county reported the note disclosures which are required by accounting principles generally accepted in the United States of America.

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

<b>Cause</b>	The County does not have an actuarial valuation performed annually so that a liability for other postemployment benefits could be recorded.
<b>Effect</b>	The failure to properly follow generally accepted accounting principles resulted in a qualified opinion on the governmental activities.
<b>Recommendation</b>	The Board of Supervisors should have an actuarial valuation performed annually so that a liability for other postemployment benefits can be recorded and appropriate note disclosures can be made in accordance with accounting principles generally accepted in the United States of America.
<b>Response</b>	We believe that the cost of compliance with this statement outweighs the benefits, therefore, we will not have an actuarial valuation performed.

**Inventory Control Clerk.**

**Material Weakness**

<b>2020-002.</b>	<u>The Inventory Control Clerk did not record capital asset additions and deletions.</u>
<b>Repeat Finding</b>	Yes
<b>Criteria</b>	An effective system of internal controls over capital assets should include proper recording of additions and deletions.
<b>Condition</b>	The Inventory Control Clerk did not record additions and deletions to capital asset records.
<b>Cause</b>	The Inventory Control Clerk did not follow the best practice guidelines as described in the Mississippi County Financial Accounting Manual.
<b>Effect</b>	Failure to record capital asset additions and deletions could result in the loss of capital assets and inaccurate financial statements.
<b>Recommendation</b>	To achieve the objectives of the systems and account for capital asset additions and deletions, the Inventory Control Clerk should follow the best practice guidelines as described in the Mississippi County Financial Accounting Manual.
<b>Response</b>	No response was provided for this finding.