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LEFLORE 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

**LEFLORE COUNTY
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LEFLORE COUNTY

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors
Leflore County, Mississippi

Report on the Financial Statements

We have audited the accompanying financial statements, of the governmental activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of Leflore 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 Greenwood Leflore Hospital, component unit, which represents 100% of the assets, net position, and revenues of the aggregate discretely presented component units. 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 aforementioned component unit, is based solely on the report of the other auditors. Our audit and the component unit audit of the Greenwood Leflore Hospital were conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedules and corresponding notes, the Schedule of the County's Proportionate Share of the Net Pension Liability, the Schedule of County's Contributions, and the Greenwood Leflore Hospital's Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of Employer 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Leflore County, Mississippi's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the accompanying Reconciliation of Operating Costs of Solid Waste are presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the Reconciliation of Operating Costs of Solid Waste are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial

statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and the accompanying Reconciliation of Operating Costs of Solid Waste are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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 June 21, 2022, on our consideration of Leflore 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 Leflore 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 Leflore 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

June 21, 2022

LEFLORE COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

**LEFLORE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

The discussion and analysis of Leflore County's financial performance provides an overall narrative review of the County's financial activities for the year ended September 30, 2020. The intent of this discussion and analysis is to look at the County's performance as a whole; readers should also review the notes to the basic financial statements and the financial statements to enhance their understanding of the County's financial performance. Information contained in this section is supplemented by the more detailed information contained elsewhere in this County's financial statements, notes to financial statements and any accompanying materials. To the extent this discussion contains any forward-looking statements of the County's plans, objectives, expectations and prospects, the actual results could differ materially from those discussed herein.

FINANCIAL HIGHLIGHTS

- Total net position increased \$3,508,696, which represents a 12.5% increase from fiscal year 2019.
- General revenues account for \$18,346,886 in revenues, or 76.7% of all revenues. Program specific revenues in the form of charges for services, and grants and contributions accounted for \$5,559,796 or 23.3% of total revenues.
- The County had \$20,397,986 in total expenses; only \$5,559,796 of these expenses were offset by program specific charges for services, grants, and contributions. General revenues of \$18,346,886 and beginning net position were adequate to provide for the remainder of these programs.
- Among major funds, the General Fund had \$13,757,498 in revenues, \$12,094,488 in expenditures, \$400,000 in transfers out, and \$100,000 in transfers in. The General Fund's fund balance increased by \$1,363,010.
- Among major funds, the Road and Bridge Fund had \$2,332,628 in revenues, \$4,539,522 in expenditures, \$1,978,597 in interfund transfers in, \$811,500 in long-term capital debt issued, and \$112,810 in proceeds from sale of capital assets. The Road and Bridge Fund's fund balance increased by \$696,013.
- Among major funds, the Bridge and Culvert Fund had \$1,983,309 in revenues and \$1,978,597 in transfers out. The Bridge and Culvert Fund's fund balance increased by \$4,712.
- Among major funds, the ERBR STP Fund had \$1,399,451 in revenues and \$3,000 in expenditures. The ERBR STP fund balance increased by \$1,396,451.
- Among major funds, the GO PI Bonds Series 2017 Fund had \$96,602 in revenues and \$460,117 in expenditures. The GO PI Series 2017 fund balance decreased by \$363,515.
- Capital assets, net of accumulated depreciation, increased by \$156,303, primarily due to purchase and lease of new assets.
- Long-term debt increased by \$913,629, primarily due to the issuance of new debt exceeding the payment of existing debt.

**LEFLORE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the County's finances in a manner similar to a private-sector business. These statements are prepared using the accrual basis of accounting and include all assets and liabilities.

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

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

Both of these government-wide financial statements outline functions of the County that are principally supported by property taxes and intergovernmental revenues (governmental activities). The governmental activities of the County include general government, public safety, public works, health and welfare, culture and recreation, conservation of natural resources, economic development and assistance, interest on long-term debt and pension expense.

The County has the following discretely presented component unit.
Greenwood Leflore Hospital

This discretely presented component unit is reported in a separate column in the combined financial statements to emphasize that it is legally separate from the primary government.

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

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

**LEFLORE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

requirements. Governmental funds are reported using modified accrual accounting. This method of accounting measures cash and other assets that can be easily converted to cash. The governmental funds statements provide a detailed short-term view of the County's operations.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's current financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains individual government funds in accordance with the *Mississippi County Financial Accounting Manual*. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for all major funds. All other non-major funds are combined together and presented in these reports as other governmental fund.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accrual basis of accounting is used for fiduciary funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purpose. The County's fiduciary balances are presented in a separate Statement of Fiduciary Assets and Liabilities.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's budget process,

The County adopts an annual operating budget for all governmental funds. A budgetary comparison statement has been provided for the General Fund and each additional major fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position. Net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows exceeded liabilities and deferred inflows by \$31,570,791 as of September 30, 2020.

By far the largest portion of the County's net position (125.9%) reflects its investment in capital assets (e.g. land, buildings, improvement other than buildings, mobile equipment, furniture and equipment, leased property under capital leases, infrastructure assets, and construction in progress), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to the county; consequently, these assets are not available for future spending.

**LEFLORE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

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

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

	<u>2019</u>	<u>2020</u>
Current and other assets	\$ 28,631,167	31,036,128
Capital assets, net	<u>56,342,953</u>	<u>56,499,256</u>
Total assets	84,974,120	87,535,384
 Deferred outflows	 1,247,966	 1,912,643
 Current liabilities	 1,861,766	 836,033
Long-term debt outstanding	<u>40,636,424</u>	<u>41,550,053</u>
Total liabilities	42,498,190	42,386,086
 Deferred inflows	 15,661,801	 15,491,150
 Net position:		
Net investment in capital assets	39,051,858	39,738,648
Restricted	3,415,314	5,967,927
Unrestricted	<u>(14,405,077)</u>	<u>(14,135,784)</u>
Total net position	\$ <u>28,062,095</u>	<u>31,570,791</u>

Changes in net position. The County's total revenues for the fiscal year ended September 30, 2019, were \$23,906,682. The total cost of all programs and services was \$20,397,986. The increase in net position was \$3,508,696. The following table presents a comparative summary of the changes in net position for the fiscal years ended September 30, 2020, and September 30, 2019.

**LEFLORE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	<u>2019</u>	<u>2020</u>
Revenues:		
Program revenues		
Charges for services	\$ 2,316,215	2,273,718
Operating grants & contributions	403,149	399,790
Capital grants & contributions	720,407	2,886,288
General revenues		
Property taxes	15,760,681	15,684,443
Road and bridge privilege taxes	331,170	327,051
Grants and contributions not restricted	1,208,142	1,739,185
Unrestricted interest income	285,023	355,134
Rental Income	180,313	120,262
Miscellaneous	75,916	32,118
Gain (Loss) on disposal of assets	613,550	88,693
Total revenues	<u>21,894,566</u>	<u>23,906,682</u>
Expenses:		
General Government	5,835,539	7,123,047
Public Safety	6,210,086	3,483,089
Public Works	5,477,683	4,443,370
Health and Welfare	715,948	1,097,513
Culture and Recreation	853,164	751,402
Conservation of Natural Resources	111,608	87,376
Economic Development and Assistance	621,067	742,759
Interest on long-term liabilities	582,692	595,041
Pension Expense	1,900,769	2,074,389
Total Expenses	<u>22,308,556</u>	<u>20,397,986</u>
Increase/ (Decrease) in Net Position	<u>\$ (413,990)</u>	<u>3,508,696</u>

Governmental activities. The following table presents the cost of nine major county functional activities: general government, public safety, public works, health and welfare, culture and recreation, conservation of natural resources, economic development and assistance, interest on long-term debt and pension expense. The comparative table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the County's taxpayers by each of these functions.

**LEFLORE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	2019 Total Expenses	2019 Net (Expense) Revenue	2020 Total Expenses	2020 Net (Expense) Revenue
General Government	\$ 5,835,539	(5,032,544)	7,123,047	(6,386,693)
Public Safety	6,210,086	(4,795,734)	3,483,089	(2,410,363)
Public Works	5,477,683	(4,439,024)	4,443,370	(1,297,430)
Health and Welfare	715,948	(532,183)	1,097,513	(492,737)
Culture and Recreation	853,164	(853,164)	751,402	(751,402)
Conservation of Natural Resources	111,608	(111,608)	87,376	(87,376)
Economic Development and Assistance	621,067	(621,067)	742,759	(742,759)
Interest on long-term liabilities	582,692	(582,692)	595,041	(595,041)
Pension Expense	1,900,769	(1,900,769)	2,074,389	(2,074,389)
Total Expenses	\$ 22,308,556	(18,868,785)	20,397,986	(14,838,190)

Net cost of governmental activities of \$14,838,190, was financed by general revenue, which is made up of property taxes of \$15,684,443, road and bridge privilege of \$327,051, grants and contributions not restricted to specific programs of \$1,739,185, interest earnings of \$355,134, rental income of \$120,262, miscellaneous revenues of \$32,118, and gain (loss) on disposal of assets of 88,693. Beginning of year net position was used to cover remaining costs.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, the county uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the county's governmental funds is to provide information on current inflows, outflows, and balances of spendable resources. Such information is useful in assessing the county's financing requirements. Fund balance may serve as a useful measure of the county's net resources available for spending at the end of the fiscal year.

The financial performance of the county as a whole is reflected in its governmental funds. As the county completed the year, its governmental funds reported a combined fund balance of \$13,487,964 an increase of \$3,550,384. This increase was primarily due to proceeds from new long-term debt and additional grants received.

The General Fund is the principal operating fund of the county. The increase in fund balance in the General Fund for the fiscal year was \$1,363,010. The fund balance of the Road and Bridge Fund increased by 696,013. The fund balance of the Bridge and Culvert Fund increased by \$4,712. The ERBR STP Fund balance increased by 1,396,451. The GO PI Bonds, Series 2017 Fund balance decreased by \$363,515. The fund balance of Other Governmental Funds showed an increase of \$453,713.

BUDGETARY HIGHLIGHTS

Over the course of the year, the county revised the annual operating budget. This was due to new grants and unanticipated expenses.

**LEFLORE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. As of September 30, 2020, the county's total capital assets were \$144,784,291, including land, construction in progress, buildings, improvements other than buildings, infrastructure, mobile equipment, leased property under capital leases, and furniture and equipment. This amount represents an increase of \$1,514,002 from the previous year. The majority of this increase is due to purchase of new equipment.

Total accumulated depreciation as of September 30, 2020, was \$88,285,035 and total depreciation expense for the year was \$1,558,909

The balance in total net capital assets was \$56,499,256 at year end.

Additional information on the county's capital assets can be found in Note 6 of this report.

Debt Administration. At September 30, 2020, the county had \$20,768,922 in general obligation bonds, capital leases, other loans and compensated absences outstanding, of which \$2,114,642 is due within one year.

The county maintains an A1 bond rating.

Additional information on the county's long-term debt can be found in Note 10 of this report.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

If you have any questions about this report, contact the Chancery Clerk's Office of Leflore County, P.O. Box 250, Greenwood, Mississippi 38935-0250.

LEFLORE COUNTY

FINANCIAL STATEMENTS

LEFLORE COUNTY
Statement of Net Position
September 30, 2020

Exhibit 1

	Primary Government	Component Unit
	Governmental	Greenwood
	Activities	Leflore Hospital
ASSETS		
Cash	\$ 13,420,484	38,613,917
Assets limited as to use	-	897,011
Patient accounts receivable (net of allowance for doubtful accounts of \$42,238,007)	-	9,804,850
Accrued interest receivable		
Property tax receivable	15,238,197	-
Accounts receivable (net of allowance for uncollectibles of \$1,436,979)	362,441	-
Fines receivable (net of allowance for uncollectibles of \$4,961,665)	1,059,443	-
Capital leases receivable	295,565	-
Intergovernmental receivables	578,177	-
Estimated third-party payor settlements	-	981,461
Other receivables	78,821	988,124
Inventories	-	2,610,634
Prepaid expenses and other current assets	-	1,599,345
Funds internally designated for capital improvements	-	13,400,000
Other assets	-	282,494
Intangibles	-	1,024,940
Advances to other funds	3,000	-
Capital assets:		
Land and construction in progress	6,423,349	2,408,517
Other capital assets, net	50,075,907	41,694,129
Total Assets	87,535,384	114,305,422
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	1,541,550	418,066
Deferred amount on refunding	371,093	-
Total Deferred Outflows of Resources	1,912,643	418,066
LIABILITIES		
Claims payable	107,222	-
Accounts payable	-	5,664,530
Accrued expenses, including payroll taxes withheld	-	8,770,082
Medicare Advance Payments contractual obligation	-	16,529,305
CARES Act deferred revenue	-	11,265,797
Intergovernmental payables	329,715	-
Accrued interest payable	243,515	-
Amounts held in custody for others	141,556	-
Other payables	14,025	-
Net pension liability	20,781,131	14,130,423
Due within one year:		
Capital debt	2,118,642	2,718,961
Due in more than one year:		
Capital debt	17,034,417	2,644,092
Non-capital debt	1,615,863	-
Total Liabilities	42,386,086	61,723,190
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	224,541	713,949
Deferred revenues - property taxes	15,238,197	-
Deferred revenues- lease interest payments	28,412	-
Total Deferred Inflows of Resources	15,491,150	713,949
NET POSITION		
Net investment in capital assets	39,738,648	38,739,593
Restricted for:		
Use in self-insurance	-	897,011
Specific operating activities	-	46,062
Expendable:		
General government	404,751	-
Public safety	533,006	-
Public works	3,468,846	-
Economic development and assistance	622,571	-
Unemployment compensation	35,898	-
Debt service	902,855	-
Unrestricted	(14,135,784)	12,603,683
Total Net Position	\$ 31,570,791	52,286,349

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

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

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit
					Governmental Activities	Greenwood Leflore Hospital
Primary government:						
Governmental activities:						
General government	\$ 7,123,047	720,017	16,337	-	(6,386,693)	
Public safety	3,483,089	865,008	171,718	36,000	(2,410,363)	
Public works	4,443,370	688,693	40,737	2,416,510	(1,297,430)	
Health and welfare	1,097,513	-	170,998	433,778	(492,737)	
Culture and recreation	751,402	-	-	-	(751,402)	
Conservation of natural resources	87,376	-	-	-	(87,376)	
Economic development and assistance	742,759	-	-	-	(742,759)	
Interest and agent fees on long-term debt	595,041	-	-	-	(595,041)	
Pension expense	2,074,389	-	-	-	(2,074,389)	
Total Governmental Activities	<u>20,397,986</u>	<u>2,273,718</u>	<u>399,790</u>	<u>2,886,288</u>	<u>(14,838,190)</u>	
Total Primary Government	<u>\$ 20,397,986</u>	<u>2,273,718</u>	<u>399,790</u>	<u>2,886,288</u>	<u>(14,838,190)</u>	
Component unit:						
Greenwood Leflore Hospital	\$ 117,743,948	101,025,617				(16,718,331)
Total Component Unit	<u>\$ 117,743,948</u>	<u>101,025,617</u>	<u>-</u>	<u>-</u>		<u>(16,718,331)</u>
General revenues:						
Property taxes				\$ 15,684,443	-	
Road & bridge privilege taxes				327,051	-	
Grants and contributions not restricted to specific programs				1,739,185	13,580,799	
Unrestricted interest income				355,134	698,582	
Rental Income				120,262	-	
Miscellaneous				32,118	-	
Gain (Loss) on disposal of assets				88,693	(63,139)	
Total General Revenues				<u>18,346,886</u>	<u>14,216,242</u>	
Changes in Net Position				<u>3,508,696</u>	<u>(2,502,089)</u>	
Net Position - Beginning				<u>28,062,095</u>	<u>54,788,438</u>	
Net Position - Ending				<u>\$ 31,570,791</u>	<u>52,286,349</u>	

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

LEFLORE COUNTY
Balance Sheet – Governmental Funds
September 30, 2020

Exhibit 3

	Major Funds					Other	Total
	General	Road and	Bridge and	ERBR	GO PI Bonds	Governmental	Governmental
	Fund	Bridge	Culvert	STP	Series 2017	Funds	Funds
		Fund	Fund	Fund	Fund		
ASSETS							
Cash	\$ 5,689,634	1,217,018	1,625	1,419,743	2,064,949	3,027,515	13,420,484
Property tax receivable	10,400,851	387,145	1,962,436	-	-	2,487,765	15,238,197
Accounts receivable (net of allowance for uncollectibles of \$1,436,979)	-	-	-	-	-	362,441	362,441
Fines receivable (net of allowance for uncollectibles of \$4,961,665)	1,059,443	-	-	-	-	-	1,059,443
Capital lease receivable	-	-	-	-	-	295,565	295,565
Intergovernmental receivables	520,497	53,649	-	-	-	4,031	578,177
Other receivables	55,189	-	-	-	-	23,632	78,821
Due from other funds	133,749	28,441	22,854	-	-	28,297	213,341
Advances to other funds	3,000	-	-	-	-	-	3,000
Total Assets	\$ 17,862,363	1,686,253	1,986,915	1,419,743	2,064,949	6,229,246	31,249,469
LIABILITIES							
Liabilities:							
Claims payable	\$ 12,801	4,908	-	-	43,591	45,922	107,222
Intergovernmental payables	329,715	-	-	-	-	-	329,715
Due to other funds	88,229	-	-	-	-	133,749	221,978
Other payables	5,388	-	-	-	-	-	5,388
Amounts held in custody for others	81,178	-	-	-	-	60,378	141,556
Total Liabilities	\$ 517,311	4,908	-	-	43,591	240,049	805,859
DEFERRED INFLOWS OF RESOURCES:							
Unavailable revenue - property taxes	10,400,851	387,145	1,962,436	-	-	2,487,765	15,238,197
Unavailable revenue - capital leases	-	-	-	-	-	295,565	295,565
Unavailable revenue - accounts receivable	-	-	-	-	-	362,441	362,441
Unavailable revenue - fines	1,059,443	-	-	-	-	-	1,059,443
Total Deferred Inflows of Resources	\$ 11,460,294	387,145	1,962,436	-	-	3,145,771	16,955,646
Fund balances:							
Nonspendable:							
Advances	3,000	-	-	-	-	-	3,000
Restricted for:							
General government	-	-	-	-	-	404,751	404,751
Public safety	-	-	-	-	-	533,006	533,006
Public works	-	1,294,200	24,479	1,419,743	2,021,358	367,983	5,127,763
Economic development and assistance	-	-	-	-	-	355,418	355,418
Debt service	-	-	-	-	-	1,146,370	1,146,370
Unemployment compensation	-	-	-	-	-	35,898	35,898
Unassigned	5,881,758	-	-	-	-	-	5,881,758
Total Fund Balances	\$ 5,884,758	1,294,200	24,479	1,419,743	2,021,358	2,843,426	13,487,964
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 17,862,363	1,686,253	1,986,915	1,419,743	2,064,949	6,229,246	31,249,469

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

LEFLORE 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	\$ 13,487,964
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 \$88,285,035	56,499,256
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	1,421,884
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(20,768,922)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(20,781,131)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(243,515)
Capital leases are not available to pay for current period expenditures and, therefore, are deferred in the funds.	267,153
Deferred amount on refunding	371,093
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:	
Deferred outflows of resources related to pensions	1,541,550
Deferred inflows of resources related to pensions	<u>(224,541)</u>
Total Net Position - Governmental Activities	\$ <u><u>31,570,791</u></u>

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

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

	Major Funds					Other Governmental Funds	Total Governmental Funds
	General Fund	Road and Bridge Fund	Bridge and Culvert Fund	ERBR STP Fund	GO PI Bonds Series 2017 Fund		
REVENUES							
Property taxes	\$ 10,720,189	452,253	1,980,742	-	-	2,531,259	15,684,443
Road and bridge privilege taxes	-	327,051	-	-	-	-	327,051
Licenses, commissions and other revenue	499,006	-	-	-	-	9,901	508,907
Fines and forfeitures	357,578	-	-	-	-	-	357,578
Intergovernmental revenues	1,268,233	1,550,870	-	1,398,116	-	808,044	5,025,263
Charges for services	597,857	-	-	-	-	901,300	1,499,157
Interest income	163,370	2,454	2,567	1,335	96,602	88,806	355,134
Rental income	120,262	-	-	-	-	-	120,262
Miscellaneous revenues	31,003	-	-	-	-	1,115	32,118
Total Revenues	13,757,498	2,332,628	1,983,309	1,399,451	96,602	4,340,425	23,909,913
EXPENDITURES							
Current:							
General government	7,116,906	-	-	-	-	315,867	7,432,773
Public safety	2,937,209	-	-	-	-	650,126	3,587,335
Public works	120,000	4,037,728	-	3,000	460,117	1,104,853	5,725,698
Health and welfare	643,278	-	-	-	-	433,778	1,077,056
Culture and recreation	682,217	-	-	-	-	-	682,217
Conservation of natural resources	60,944	-	-	-	-	26,838	87,782
Economic development and assistance	478,905	-	-	-	-	-	478,905
Debt service:							
Principal	52,825	456,859	-	-	-	1,676,894	2,186,578
Interest	2,204	44,935	-	-	-	441,092	488,231
Fiscal Agent Fees	-	-	-	-	-	71,626	71,626
Total Expenditures	12,094,488	4,539,522	-	3,000	460,117	4,721,074	21,818,201
Excess of Revenues over (under) Expenditures	1,663,010	(2,206,894)	1,983,309	1,396,451	(363,515)	(380,649)	2,091,712
OTHER FINANCING SOURCES (USES)							
Long-term capital debt issued	-	811,500	-	-	-	420,617	1,232,117
Proceeds from sale of capital assets	-	112,810	-	-	-	35,650	148,460
Premiums on bonds issued	-	-	-	-	-	-	-
Lease principal payments	-	-	-	-	-	78,095	78,095
Transfers in	100,000	1,978,597	-	-	-	400,000	2,478,597
Transfers out	(400,000)	-	(1,978,597)	-	-	(100,000)	(2,478,597)
Total Other Financing Sources and Uses	(300,000)	2,902,907	(1,978,597)	-	-	834,362	1,458,672
Net Changes in Fund Balances	1,363,010	696,013	4,712	1,396,451	(363,515)	453,713	3,550,384
Fund Balances - Beginning, as previously reported	4,521,748	598,187	19,767	-	2,384,873	2,413,005	9,937,580
Fund Reclassifications				23,292		(23,292)	-
Fund Balances - Beginning, as restated	4,521,748	598,187	19,767	23,292	2,384,873	2,389,713	9,937,580
Fund Balances - Ending	\$ 5,884,758	1,294,200	24,479	1,419,743	2,021,358	2,843,426	13,487,964

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

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

	<u>Amount</u>
Net Changes in Fund Balances - Governmental Funds	\$ 3,550,384
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Thus, the change in net position differs from the change in fund balances by the amount that capital outlays of \$1,774,979 exceeded depreciation of \$1,558,909 in the current period.	216,070
In the Statement of Activities, only gains and losses from the sale of capital assets are reported, whereas in the Governmental Funds, proceeds from the sale of capital assets increase financial resources. Thus, the change in net position differs from the change in fund balances by the amount of the gain on sale of assets of \$88,693 decreased by the proceeds from disposal of \$148,460	(59,767)
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.	(146,468)
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.	54,544
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 \$2,186,578 exceeded debt proceeds of \$1,232,117	954,461
Under the modified accrual basis of accounting used in the Governmental Funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However, in the Statement of Activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is recognized under the modified accrual basis of accounting when due, rather than as it accrues. Thus, the change in net position differs from the change in fund balances by a combination of the following items:	
Amortization of bond premium	8,488
Amortization of bond discount	(27,714)
Amortization of refunding charges on long-term debt	(41,233)
Compensated absences payable	(96,442)
Accrued interest payable	25,275
In the Statement of Activities, only interest income from payments received on capital leases are reported, whereas in the governmental funds, both principal and interest payments received increase financial resources. Thus, the change in net position differs from change in fund balances by the principal collections on the capital leases.	(78,095)
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	(2,074,389)
Recording of contributions made during the year	1,223,582
Change in Net Position of Governmental Activities	\$ <u><u>3,508,696</u></u>

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

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

Exhibit 5

	Agency Funds
	<hr/>
ASSETS	
Cash	\$ 261,613
Due from other funds	8,637
Total Assets	\$ <u>270,250</u>
	<hr/>
LIABILITIES	
Accrued payables	\$ 228,631
Intergovernmental payables	38,619
Advances from other funds	3,000
Total Liabilities	\$ <u>270,250</u>
	<hr/>

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

A. Financial Reporting Entity.

Leflore 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 Leflore 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
- Tax 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.

The Greenwood Leflore Hospital is a 208-bed acute care hospital and related psychiatric, rehabilitation and outpatient care facilities and physician clinics principally located in Greenwood, Mississippi.

C. Basis of Presentation.

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

Government-wide Financial Statements:

The Statement of Net Position and the Statement of Activities display information concerning the County as a whole. The statements include all nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are generally financed through taxes, intergovernmental revenues, and other non-exchange revenues. The primary government is reported separately from its legally separate component unit for which the primary government is financially accountable.

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

The County reports the following major Governmental Funds:

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

Road and Bridge Fund - This fund is used to account for monies from specific revenue sources that are restricted for roads and bridges.

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

Bridge and Culvert Fund - This fund is used to account for monies from specific revenue sources that are restricted for bridges and culverts.

ERBR STP Fund - This fund is used to account for revenues designated for public works projects and the related expenditures.

GO PI Bonds, Series 2017 Fund - This fund is used to account for bond proceeds that are restricted for public improvement and the related expenditures.

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, 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 market value.

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

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 non-spendable fund balance account in the General Fund, if applicable, to indicate that they are not available for appropriation and are not expendable available financial resources. However, this is not applicable to advances reported in other governmental funds, which are reported, by definition, as restricted, committed or assigned. Inter-fund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

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. A full year's depreciation expense is taken for all purchases and sales of capital assets during the year. The following schedule details those thresholds and estimated useful lives:

Asset Classification	Capitalization Thresholds	Estimated Useful Life
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.

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

J. Deferred Outflows/Inflows of Resources.

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

Deferred outflows related to pensions – This amount represents the County’s proportionate share of the deferred outflows of resources reported by the pension plan in which the County participates. See Note 9 for additional details.

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

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

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

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

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

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

Deferred inflows related to pensions – This amount represents the County’s proportionate share of the deferred inflows of resources reported by the pension plan in which the County participates. See Note 9 for additional details.

K. Pensions.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, 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 benefit terms. Investments are reported at fair value.

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

L. Long-term liabilities.

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

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

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

M. Equity Classifications.

Government-wide Financial Statements:

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

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

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

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

Net Position Flow Assumption – When an expense is incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) resources are available, it is the County's general policy to use restricted resources first. When expenses are incurred for purposes for which unrestricted (committed, assigned 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.

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

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

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

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

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

Fund Balance Flow Assumption – When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) resources are available, it is the County's general policy to use restricted resources first. When expenditures are incurred for purposes for which unrestricted (committed, assigned 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.

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

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

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

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.

NOTE 2 – FUND RECLASSIFICATIONS.

A summary of the significant fund reclassifications is as follows:

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

Explanation	Amount
To reclassify ERBR STP Funds from Other Governmental	\$ 23,292
Total prior period adjustments	\$ 23,292

NOTE 3 - DEPOSITS AND INVESTMENTS.

Deposits:

Leflore County:

The carrying amount of the County's total deposits with financial institutions at September 30, 2020, was \$13,682,097 and the bank balance was \$14,020,943. The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC).

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

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

Greenwood Leflore Hospital:

Custodial credit risk is the risk that, in the event of a bank failure, the Hospital's deposits might not be recovered. The collateral for public entities' deposits in financial institutions are 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 Hospital's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Depository Insurance Corporation ("FDIC"). All deposits with financial institutions must be collateralized in an amount equal to 105 percent of uninsured deposits and are therefore fully insured. The bank balance of the collateralized and insured balances was \$47,819,056 at September 30, 2020, including money market accounts listed below.

Investments:

Greenwood Leflore Hospital

The statutes of the State of Mississippi restrict the authorized investments of the Hospital to obligations of the U. S. Treasury, agencies and instrumentalities of the United States and certain other types of investments. The Hospital does not have a formal investment policy that further limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. The Mississippi Hospital Association ("MHA") investment pool is the result of an amendment to the Mississippi Code of 1972 passed in the 1999 and 2000 sessions of the Mississippi Legislature. This law expanded the investment options and permits the pooling of hospital funds. All Mississippi hospitals are allowed to participate in these funds. Pooled funds are invested in authorized investments and are managed by approved investment advisors. The external investment pools do not have a credit rating on the overall pool and they are not insured.

The Hospital's investments are reported at fair value. At September 30, 2020, the Hospital had the following investments and maturities:

Investment Type	Bond Ratings		Interest Rate	Carrying Amount	Maturity Date
	Moody's	S&P			
MHA Intermediate Pool	N/A	N/A	N/A	4,649,176	N/A
Total				\$ 4,649,176	

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

Deposits and investments are presented on the statements of net position as of September 30, 2020, as follows:

<u>Description</u>	<u>Amount</u>
Cash and cash equivalents	\$ 38,613,917
Assets limited as to use, current	897,011
Internally designated for capital improvements	<u>13,400,000</u>
Total	<u>\$ 52,910,928</u>

The Hospital holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the Hospital's mission, the Hospital determined that the disclosures related to these investments only need to be disaggregated by major type. The Hospital elected a narrative format for the fair value disclosures.

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

The Hospital has the following recurring fair value measurements:

- Investment pools of \$4,649,176 as of September 30, 2020, are valued at the Hospital's percentage ownership based on the value of the underlying investments (Level 2 inputs).

NOTE 4 - 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>
General Fund	Other Governmental Funds	\$ 133,749
Road and Bridge Fund	General Fund	28,441
Bridge & Culvert Fund	General Fund	22,854
Other Governmental	General Fund	28,297
Agency Funds	General Fund	<u>8,637</u>
		<u>\$ 221,978</u>

Receivables represent tax revenues and law library fees collected but not settled until October 2020. All interfund balances are expected to be repaid within one year from the date of the financial statements.

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

B. Advances from/to Other Funds

Receivable Fund	Payable Fund	Amount
General Fund	Agency Funds	3,000
Total		\$ 3,000

The amount payable from Agency Funds represents interest not transferred to General Fund.

C. Transfers In/Out

Transfers In	Transfers Out	Amount
General Fund	Other Governmental Funds	100,000
Road and Bridge Fund	Bridge & Culvert Fund	1,978,597
Other Governmental Funds	General Funds	400,000
		\$ 2,478,597

Transfers to General Fund from Other Governmental Funds are to close out the Industrial Development Fund. Transfers to the Road and Bridge Fund are reimbursement for bridge expenditures. Transfers to Other Governmental Funds from General Funds are to the E-911 Fund for operations.

NOTE 5 - INTERGOVERNMENTAL RECEIVABLES.

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

Description	Amount
Legislative credit	\$ 134,394
CARES Act grant	327,650
Court grants	15,520
Other aid	42,581
Timber Severance Tax	55
Liquor Tax	297
Public works capital grants	27,678
Gasoline tax	25,971
State privilege taxes	4,031
	578,177

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

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
<u>Non-depreciable capital assets:</u>					
Land	\$ 4,368,269	-	-	-	4,368,269
Construction in progress	1,662,980	392,100	-	-	2,055,080
Total non-depreciable capital assets	6,031,249	392,100	-	-	6,423,349
<u>Depreciable capital assets:</u>					
Infrastructure	97,862,087	-	-	-	97,862,087
Building	21,986,935	-	-	-	21,986,935
Improvements other than buildings	4,123,291	-	-	-	4,123,291
Mobile equipment	7,300,080	133,541	77,300	-	7,356,321
Furniture and equipment	3,189,301	18,741	30,443	-	3,177,599
Leased property under capital leases	2,777,346	1,230,597	153,234	-	3,854,709
Total depreciable capital assets	137,239,040	1,382,879	260,977	-	138,360,942
<u>Less accumulated depreciated for:</u>					
Infrastructure	67,132,371	70,920	-	-	67,203,291
Buildings	7,869,377	356,007	-	-	8,225,384
Improvements other than buildings	2,436,721	163,689	-	-	2,600,410
Mobile equipment	5,820,609	389,979	57,374	-	6,153,214
Furniture and equipment	2,746,583	109,112	30,443	-	2,825,252
Leased property under capital leases	921,675	469,202	113,393	-	1,277,484
Total accumulated depreciation	86,927,336	1,558,909	201,210	-	88,285,035
Total depreciable capital assets, net	50,311,704	(176,030)	59,767	-	50,075,907
Governmental activities capital assets, net	\$ 56,342,953	216,070	59,767	-	56,499,256

Depreciation expense was charged to the following functions:

General government	\$ 125,818
Public safety	368,818
Public works	668,291
Health and welfare	32,693
Culture and recreation	87,604
Conservation of natural resources	11,831
Economic development	263,854
Total governmental activities depreciation expense	\$ 1,558,909

Commitments with respect to unfinished capital projects at September 30, 2019, consisted of the following:

Description of Commitment	Remaining Financial Commitment	Expected Date of Completion
Hwy 7/Hwy 49 Connector Road	Unknown	Unknown
CR537 Lake Henry Bridge	Unknown	Unknown

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

Greenwood Leflore Hospital

	Balance Oct. 1, 2019	Additions	Deletions	Adjustments*	Balance Sept. 30, 2020
Non-depreciable capital assets:					
Land	\$ 578,395	-	-	-	578,395
Construction in progress	1,754,290	2,818,213	2,742,381	-	1,830,122
Total non-depreciable capital assets	2,332,685	2,818,213	2,742,381	-	2,408,517
Depreciable capital assets:					
Land improvements	1,321,367	625	-	-	1,321,992
Building	55,679,737	1,198,144	-	-	56,877,881
Fixed equipment	7,546,182	279,778	659	-	7,825,301
Movable equipment	127,097,275	5,431,404	503,102	-	132,025,577
Total depreciable capital assets	191,644,561	6,909,951	503,761	-	198,050,751
Less accumulated depreciated for:					
Land improvements	469,070	11,868	-	-	480,938
Building	19,487,369	1,584,349	-	-	21,071,718
Fixed equipment	3,954,858	88,292	-	-	4,043,150
Movable equipment	126,980,074	4,221,064	440,322	-	130,760,816
Total accumulated depreciation	150,891,371	5,905,573	440,322	-	156,356,622
Total depreciable capital assets, net	40,753,190	1,004,378	63,439	-	41,694,129
Governmental activities capital assets, net	\$ 43,085,875	3,822,591	2,805,820	-	44,102,646

Depreciation expense for the year ended September 30, 2020, totaled \$5,905,573.

NOTE 7 - CLAIMS AND JUDGMENTS.

Risk Financing:

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

NOTE 8 - CAPITAL LEASES.

As Lessor:

On October 7, 2013, the County entered into a capital lease agreement with Coburn Supply Company. The capital lease stipulated that the lessee would pay approximately \$7,966 per month in lease payments commencing on January 1, 2014, for a term of 10 years.

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

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

<u>Class of Property</u>	<u>Amount</u>
Buildings	\$ 825,000
Total	<u>\$ 825,000</u>

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

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>
2021	89,032	10,708
2022	91,740	9,427
2023	86,381	8,277
Total	<u>267,153</u>	<u>28,412</u>

As Lessee:

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

<u>Classes of Property</u>	<u>Amount</u>
Mobile Equipment	\$ 3,571,962
Furniture and equipment	282,747
Total	<u>\$ 3,854,709</u>
Less: Accumulated Depreciation	1,277,484
Leased Property Under Capital Leases	<u>2,577,225</u>

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

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>
2021	584,610	57,970
2022	561,029	43,343
2023	522,695	35,156
2024	474,538	16,024
2025	368,501	5,399
2026	19,172	49
Total	<u>2,530,545</u>	<u>157,941</u>

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

NOTE 9 - DEFINED BENEFIT PENSION PLAN.

Leflore County

General Information about the Pension Plan

Plan Description. Leflore 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.

Benefit 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 annual retirement allowance for each full fiscal year of retirement up to the year in which the retired member reaches age 60 (55 for those who became members of PERS before July 1, 2011), with 3.0 percent compounded for each fiscal year thereafter. Plan provisions are established and may be amended only by the State of Mississippi Legislature.

Contributions. At September 30, 2020, PERS members are required to contribute 9% of their annual covered salary, and the County is required to contribute an actuarially determined rate. The employer's rate at September 30, 2020 was 17.40% of annual covered payroll. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. The County's contributions (employer share only) to PERS for the years ending September 30, 2020, 2019, and 2018, were \$1,223,581, \$1,153,405, and \$1,111,943, respectively, equal to the required contributions for each year.

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

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 \$20,781,131 for its proportionate share of the net pension liability. The net pension liability was measured at 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 0.107347 percent, which was based on a measurement date of June 30, 2020. This was a decrease of .0008 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 \$2,074,389. At September 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 177,658	-
Net difference between projected and actual earnings on pension plan investments	860,779	-
Changes of assumptions	117,138	-
Changes in the proportion and differences between the County's contributions and proportionate share of contributions	86,401	224,541
County contributions subsequent to the measurement date	299,574	-
Total	\$ 1,541,550	224,541

The \$299,574 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending September 30	Amount
2021	\$ 58,988
2022	306,571
2023	376,816
2024	275,060
	1,017,435

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

Inflation	2.75 percent
Salary increases	3.00 – 18.25 percent, including inflation

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

Investment rate of return 7.75 percent, net of pension plan investment expense, including inflation

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

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

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

The target asset allocation and best estimates of arithmetic real rate of return for each major asset class as of June 30, 2020, are summarized in the following table:

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

Discount Rate. The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate of (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

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

would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate	1% Increase (8.75%)
County's proportionate share of the net pension liability	\$ 26,898,622	20,781,131	15,731,745

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

DEFINED BENEFIT PENSION PLAN - COMPONENT UNIT

Greenwood Leflore Hospital

Greenwood Leflore Hospital Pension Plan (the "Plan") is a single-employer defined benefit pension plan sponsored by the Hospital. The Plan provides retirement, disability, and death benefits to Plan members and beneficiaries. The Hospital elected to freeze the Plan to new members as of March 31, 2012. The Plan issues a publicly available financial report that can be obtained from the Chief Financial Officer of Greenwood Leflore Hospital at P.O. Box 1410, Greenwood, Mississippi, 38935.

For purposes of measuring the net pension liability or asset, deferred outflows of resources and deferred inflows of resources related to the defined benefit plan, and defined benefit pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported on the Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Normal Retirement Benefit

The normal retirement date of a participant is the first day of the calendar month coincident with or next following his attainment of age 65 and completion of five years of service.

The normal retirement benefit, payable monthly for life, is equal to the sum of (i), (ii) and (iii) as follows:

- (i) For service before October 1, 1972:
 - a. 1.00 percent of average compensation multiplied by benefit service through September 30, 1972.
- (ii) For service from October 1, 1972 through September 30, 1988:
 - a. 0.85 percent of average compensation plus 1.00 percent of average compensation in excess of \$15,000, all multiplied by benefit service from October 1, 1972 through September 30, 1988 (limited to 16 years).
- (iii) For each year of participation on and after October 1, 1988:
 - a. 1.25 percent of compensation for a given year of participation plus 0.65 percent of compensation for that year in excess of the integration level for that year.

"Years of participation" as used in (iii) above for the benefit attributable to compensation in excess of the integration level cannot exceed 35 years minus the number of years of benefit service used in (ii) above.

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

"Average compensation" is the average of a participant's compensation for the three consecutive plan years preceding October 1, 1988, which produce the highest average (or the average over all years of benefit service if less than three).

"Integration level" for a plan year means one-half of Social Security-covered compensation for an individual who reaches Social Security retirement age in that year, but not less than \$10,000.

Summary of Participant Data

	2020
1. Inactive Plan Participants	
a.) Retirees and beneficiaries currently receiving benefits	349
b.) Terminated employees entitled to deferred benefits	575
c.) Disabled employees entitled to deferred benefits	-
d.) Total	<u>924</u>
2. Active Plan Participants	
a.) Vested	309
b.) Nonvested	-
c.) Total	<u>309</u>
3. Total Plan Participants	<u><u>1,233</u></u>

Funding Policy

Although a formal funding policy has not been established, the Hospital generally contributes the amount necessary to fund the Plan at an actuarially determined rate. Employees are not allowed to contribute to the Plan. The current actuarially required minimum rate is 1.7 percent of annual covered payroll. The Hospital's contributions to the Plan for the year ended September 30, 2020 were \$1,413,913 equal to the actuarial determined annual contributions for each year.

Net Pension Liability

The Hospital's net pension liability was measured as of September 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2019.

Summary of Assumptions

The total pension liability as of September 30, 2020, was measured using the following actuarial assumptions, applied to all periods in the measurement:

Investment Rate of Return – 7.00 percent, per annum, compounded annually

Discount Rate - 7.00 percent per annum, compounded annually

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

The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rates. Based on that assumption, 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' projected benefit payments to determine the total pension liability.

Salary increases Not applicable, benefits are frozen

Effective September 30, 2019, the mortality table was changed from the RP-2014 Blue Collar, Separate Pre- and Post-Commencement, with separate Male and Female tables, fully Generational using Projections Scale MP-2018 to the RP-2014 Blue Collar, Separate Pre- and Post-Commencement, with separate Male and Female tables, fully Generational using Projections Scale MP-2019 to better recognize current and future mortality improvements.

All liabilities and normal costs are calculated based on the Entry Age Normal method.

Schedule of Changes in Net Pension Liability

	Total Pension Liability (a)	Increase (Decrease) Plan Net Position (b)	Net Pension Liability (a)-(b)
Balance at September 30, 2019	\$ 48,259,789	\$ 33,877,252	\$ 14,382,537
Changes for the Year:			
Interest	3,474,705	-	3,474,705
Difference between expected and actual experience	377,521	-	377,521
Changes of assumptions	876,677	-	876,677
Contributions - employer	-	1,413,913	(1,413,913)
Net investment income	-	3,654,209	(3,654,209)
Benefits paid/refunds	(2,848,623)	(2,848,623)	-
Administrative expenses	-	(87,105)	87,105
Net changes	1,880,280	2,132,394	(252,114)
Balance at September 30, 2020	\$ 50,140,069	\$ 36,009,646	\$ 14,130,423

The following represents the net pension liability as calculated using the stated discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate	1% Increase (8.00%)
Net pension liability	\$ 19,876,500	14,130,423	9,352,416

The asset allocations for each major asset class at September 30, 2020, are summarized below in the following table:

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

<u>Asset Class</u>	<u>2020 Allocation</u>
Mutual funds - fixed income	43.4%
Mutual funds - equities	40.8%
Common stock - equities	2.3%
International mutual funds	12.6%
Cash and cash equivalents	0.8%
International foreign stock	<u>0.1%</u>
Total	<u><u>100%</u></u>

Pension Expense and Deferred Outflows/Inflows of Resources

For the year ended September 30, 2020, the Hospital recognized pension expense of \$1,413,106. At September 30, 2020 the Hospital reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

<u></u>	<u>2020</u>
Deferred outflows of resources	
Experience losses	\$ 125,840
Changes in assumptions	<u>292,226</u>
Total deferred outflows of resources	<u><u>418,066</u></u>
Deferred inflows of resources	
Net difference between projected and actual earnings on pension plan investments	<u>(713,949)</u>
Total deferred inflows of resources	\$ <u><u>(713,949)</u></u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (benefit) as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2021	\$ 181,486
2022	(89,560)
2023	(140,673)
2024	(247,136)
Total	\$ <u><u>(295,883)</u></u>

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

Amortization Period

Investment gains or losses are amortized over five years.

Changes in actuarial assumptions and experience gains or losses are amortized over the average working lifetime of all participants, which for the current period is 1.5 years for the measurement period ended September 30, 2020.

NOTE 10 - LONG TERM DEBT.

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

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
Governmental Activities:			
A. General Obligation Bonds:			
GO Bonds, S2010	930,000	2.50-3.38%	04/2025
Jail Refunding, S2012	1,745,000	5.00%	12/2023
GO PI Bonds, S2012	2,720,000	3.00%	07/2032
GO Bonds, S2015	4,150,000	various	02/2035
GO Refunding Bonds, S2015	2,440,000	various	11/2028
GO PI Bonds, S2017	<u>4,375,000</u>	1.15-2.75%	09/2037
Total General Obligation Bonds	<u>\$ 16,360,000</u>		
B. Capital Leases:			
8- 2017 Chevrolet Tahoes	\$ 76,749	2.09%	02/2022
2 Chevrolet Trucks	14,598	2.17%	02/2022
6-2018 Caterpillar Motor Graders	1,062,098	3.15%	10/2025
Ford F-150	39,216	1.65%	08/2024
Caterpillar Wheel Loader and Kenworth Tractor Trucks	722,297	2.03%	03/2020
E911 Upgrade Equipment	155,872	2.70%	04/2023
2019 Freightliner Garbage Truck	85,584	2.70%	10/2023
2020 Freightliner Garbage Trucks	<u>374,131</u>	2.20%	02/2025
Total Capital Leases	<u>\$ 2,530,545</u>		
C. Other Loans:			
Coburn Supply Company	<u>267,153</u>	2.00%	09/2023
Total Other Loans	<u>\$ 267,153</u>		

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

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

Year Ending September 30	General Obligation Bonds		Other Loans	
	Principal	Interest	Principal	Interest
2021	\$ 1,445,000	441,575	89,032	10,708
2022	1,480,000	404,631	91,740	9,427
2023	1,515,000	364,781	86,381	6,258
2024	1,555,000	322,744	-	-
2025	1,140,000	2,763,991	-	-
2026-2030	4,985,000	993,900	-	-
2031-2035	3,610,000	345,634	-	-
2036-2037	630,000	19,050	-	-
	-	-	-	-
	-	-	-	-
Total	\$ 16,360,000	5,656,306	267,153	26,393

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 5.83% of the latest property assessments.

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

	Balance Oct. 1, 2019	Additions	Reductions	Adjustments*	Balance Sept. 30, 2020	Amount due within one year
Governmental Activities:						
Compensated absences	\$ 1,519,421	96,442	-	-	1,615,863	-
Claims and judgments					-	
General obligation bonds	17,770,000	-	1,410,000	-	16,360,000	1,445,000
Less:						
Discounts	(166,357)	-	(27,714)	-	(138,643)	-
Add:						
Premiums	142,492	-	8,488	-	134,004	-
Capital leases	1,958,783	1,232,117	660,355	-	2,530,545	584,610
Other loans	383,376	-	116,223	-	267,153	89,032
Total	\$ 21,607,715	1,328,559	2,167,352	-	20,768,922	2,118,642

Compensated absences will be paid by the funds from which the employees' salaries were paid which are generally the General Fund, Road and Bridge Fund, and E-911 Fund.

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

LONG TERM DEBT - COMPONENT UNIT

Greenwood Leflore Hospital

A summary of long-term debt, including capital lease obligations at September 30, 2020 is as follows:

	<u>2020</u>
Trustmark note payable, with an interest rate of 2.98 percent and payments due through November 2, 2021, collateralized by equipment that was purchased with the note.	\$ 874,875
Bank of Commerce note payable, with an interest rate of 3.00 percent and payable in 11 monthly principal and interest payments of \$13,215, beginning December 2019 and ending November 2020 with a final payment of \$884,009	892,715
Capital lease obligations, with payments due through 2024, collateralized by leased equipment	<u>3,595,463</u>
Total long-term debt	5,363,053
Less current maturities of long-term debt	(2,718,961)
Long-term debt and capital lease obligations, excluding current maturities	\$ <u><u>2,644,092</u></u>

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

<u>Year Ending September 30</u>	<u>Long-Term Debt</u>		<u>Capital Lease Obligations</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 1,596,761	20,609	1,122,200	86,034
2022	170,829	478	1,025,075	54,673
2023	-	-	663,933	31,710
2024	-	-	650,014	13,156
2025	-	-	134,241	812
Total	\$ <u><u>1,767,590</u></u>	<u><u>21,087</u></u>	<u><u>3,595,463</u></u>	<u><u>186,385</u></u>

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

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

	Balance Oct. 1, 2019	Additions	Reductions	Adjustments*	Balance Sept. 30, 2020	Amount due within one year
Notes Payable	\$ 1,600,336	1,000,000	832,746	-	1,767,590	1,596,762
Capital lease obligations	1,515,022	2,870,479	790,038	-	3,595,463	1,122,199
Total	\$ 3,115,358	3,870,479	1,622,784	-	5,363,053	2,718,961

NOTE 11 - CONTINGENCIES.

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

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

NOTE 12 - EFFECT OF DEFERRED AMOUNTS ON NET POSITION.

The governmental activities' unrestricted net position deficit amount of \$(14,135,784) 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 \$299,574 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 \$1,241,976 balance of the deferred outflow of resources related to pensions at September 30, 2020, will be recognized in pension expense over the next 4 years. The \$224,541 balance of the deferred inflow of resources related to pension at September 30, 2020, will be recognized in pension expense over the next 3 years.

The governmental activities' unrestricted net position deficit amount of \$(14,135,784) includes the effect of deferring the recognition of revenue resulting from capital lease receivable. The \$28,412 balance of deferred inflows of resources at September 30, 2020, will be recognized as revenue and will increase the unrestricted net position in future years.

The governmental activities' net investment in capital assets net position of \$39,738,648 includes the effect of deferring the recognition of expenditures resulting for an advance refunding of County debt. The \$371,093 balance of deferred outflows of resources at September 30, 2020, will be recognized as an expense and will decrease the net investment in capital assets net position over the next 9 years.

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

NOTE 13 -RELATED ORGANIZATIONS.

The Leflore County Board of Supervisors is responsible for appointing a voting majority of the members of the boards of the following organizations, but the county's accountability for these organizations does not extend beyond making appointments and in making small appropriations, if any, to these organizations:

East Leflore Water & Sewer District
Minter City Water & Sewer District
Blue Lake Water & Sewer District
Philipston Water District
Teoc Drainage District
Big Sand Drainage District
Abiaca Drainage District
Fighting Bayou Drainage District
Pecan Bayou Drainage District
Abotapoota Drainage District
Leflore County Drainage District
New Jones Walton Drainage District
Cude Drainage District
Rucker Ellsberry Drainage District
Lake Henry Drainage District

NOTE 14 -JOINT VENTURES.

The county participates in the following joint ventures:

Leflore County is a participant with the City of Greenwood in a joint venture, authorized by Section 61-3-5, Miss. Code Ann. (1972), to operate the Greenwood-Leflore County Airport. The joint venture was created to provide airport services and is governed by a five-member board of commissioners with two appointed by the Leflore County Board of Supervisors, two appointed by the City of Greenwood and one jointly appointed. By contractual agreement, the county's appropriation from the General Fund this year to the joint venture amounted to \$120,000. Complete financial statements for the Greenwood-Leflore Airport can be obtained from the Greenwood-Leflore County Airport, P.O. Box 378, Greenwood, MS 38930.

Leflore County is a participant with the City of Greenwood in a joint venture, authorized by Section 39 -3-8, Miss. Code Ann. (1972), to operate the Greenwood-Leflore Public Library. The joint venture was created to provide library services to the public and is governed by a five-member board of which two members are appointed by Leflore County and three members are appointed by the City of Greenwood. The county's appropriation from the General Fund this year to the joint venture amounted to \$171,935. Complete financial statements for the Greenwood-Leflore Public Library can be obtained from the following address: 405 West Washington, Greenwood, MS 38930.

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

NOTE 15 -JOINTLY GOVERNED ORGANIZATIONS.

The County participates in the following jointly governed organizations:

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 Leflore County Board of Supervisors appoints one of the eight members of the board of commissioners. Leflore County contributed \$121,500 for the support of the center in fiscal year 2020.

Yazoo-Mississippi Delta 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 Leflore County Board of Supervisors appoints two of the 21 members of the district board of commissioners. The county levied a .75 mill tax resulting in \$168,011 for the maintenance and support of the district in fiscal year 2020.

North Central Planning and Development District operates in a district composed of the Counties of Attala, Carroll, Grenada, Holmes, Leflore, Montgomery, and Yalobusha. The Leflore County Board of Supervisors appoints four of the 28 members of the district board of directors. Leflore County contributed \$33,212 for the support of the district in fiscal year 2020.

Mississippi Delta Community College operates in a district composed of the Counties of Bolivar, Coahoma, Humphreys, Issaquena, Leflore, Sharkey, Sunflower and Washington. The Leflore County Board of Supervisors appoints two of the 20 members of the college board of trustees. The county appropriated \$731,505 for maintenance and support of the college in fiscal year 2020.

Greenwood-Leflore Industrial Board members are appointed by the Greenwood-Leflore-Carroll Economic Foundation whose membership is open to the public. Leflore County and the City of Greenwood fund the industrial board equally. The county contributed \$94,026 in support of the industrial board in fiscal year 2020.

NOTE 16 - TAX ABATEMENT

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

The Leflore 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 eight entities as of September 30, 2020.

The County had abatements under the following statutes, which does not provide for the abatement of school or state tax levies: 27-31-101 and 27-31-105, Miss. Code (Ann.) 1972. All allowable property tax levies:

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

Category	Fiscal Year 2020	
	% of Taxes Abated	Ad Valorem Taxes Abated
Additions, expansions or equipment replacement - personal property	100%	<u>\$791,724</u>

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

NOTE 17 – NET PATIENT SERVICE REVENUE

Greenwood Leflore Hospital

The Hospital has agreements with governmental and other third-party payors that provide for payments to the Hospital for services rendered at amounts different from its established rates. Patient revenue is reported net of contractual adjustments arising from these third-party arrangements, as well as net of provisions for uncollectible accounts. A summary of the payment arrangements with major third-party payors follows:

Medicare

Inpatient acute, psychiatric, rehabilitation and outpatient services rendered to Medicare beneficiaries are paid primarily by prospectively determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Medicare bad debts and disproportionate share payments are paid at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary.

Medicaid

Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed based upon the Ambulatory Payment Classification ("APC") system for outpatient payments APR-DRG system for inpatient payments.

The Hospital participates in the Division of Medicaid ("DOM") Mississippi Hospital Access Payment ("MHAP") program (the "MHAP Program"). The MHAP Program is administered by the DOM through the Mississippi CAN coordinated care organizations ("CCO"). The CCO's subcontract with the Hospitals throughout the state for distribution of the MHAP for the purpose of protecting patient access to hospital care. The MHAP payments and the associated tax were distributed and collected in equal installments during the months of December 2018 through June 2019 and monthly thereafter. The Hospital received approximately \$9,654,000 from the MHAP program with related tax assessments of approximately \$2,436,000 recorded in operating expenses for the year ended September 30, 2020.

Laws and regulations governing the Medicare and Medicaid program are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change. The 2020 net patient service revenue did not change as a result of prior year retroactive adjustments. The Hospital's cost reports have been settled through September 30, 2014.

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

Other

The Hospital has also entered into payment agreements with certain other commercial insurance carriers and preferred provider organizations. The basis for payment to the Hospital under these agreements includes prospectively determined rates and discounts from established charges.

The composition of net patient service revenue as of September 30, 2020, includes

	Amount
Gross patient service revenue	\$ 315,281,761
Less:	
Provisions for contractual adjustments	(200,092,212)
Provisions for bad debts	(15,251,992)
Net patient service revenue	\$ 99,937,557

NOTE 18 – LIMITED COMPLIANCE REVIEW REPORT

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

NOTE 19 - SUBSEQUENT EVENTS.

Events that occur after the Statement of Net Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management of Leflore County evaluated the activity of the County through June 21, 2022 (the date the financial statements were available to be issued) and determined that the following subsequent events have occurred requiring disclosure in the notes to the financial statements.

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

Issue Date	Interest Rate	Issue Amount	Type of Financing	Source of Financing
6/22/2021	1.60%	\$ 162,018	Lease Purchase	Ad valorem taxes
9/13/2021	1.79%	\$ 160,000	Lease Purchase	Ad valorem taxes
11/8/2021	1.24%	\$ 302,000	Lease Purchase	Ad valorem taxes
12/15/2021	1.60%	\$ 194,016	Lease Purchase	Ad valorem taxes
12/16/2021	1.53%	\$ 1,198,473	Lease Purchase	Ad valorem taxes
2/22/2022	1.37-2.05%	\$ 10,000,000	General Obligation Bonds	Ad valorem taxes

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

On October 29, 2018, Lavis Weathers vs. Leflore County was filed in the County Court of Leflore County. The suit alleged that Leflore County breached its contract with Plaintiff thus causing monetary damages. Neither the County's insurance carrier nor the County responded to the complaint. On January 28, 2021, an order was entered for default judgment against Leflore County in the amount of \$38,268, plus interest at the rate of 5% from and after October 28, 2018, plus all costs of court and costs of collection. Leflore County filed a motion to set aside default judgment which was heard on May 20, 2021. Leflore County was not successful on its motion to set aside default judgment. Leflore County has filed an appeal from County Court to Circuit Court regarding this case.

LEFLORE COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

LEFLORE COUNTY
BUDGETARY COMPARISON SCHEDULE- BUDGET AND ACTUAL (NON-GAAP BASIS)
GENERAL FUND
For the Year Ended September 30, 2020
UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 10,572,878	10,703,147	10,703,147	-
Licenses, commissions and other revenue	427,600	520,243	520,243	-
Fines and forfeitures	315,000	355,663	355,663	-
Intergovernmental revenues	946,043	985,833	985,833	-
Charges for services	685,000	615,101	615,101	-
Interest income	108,000	162,780	162,780	-
Miscellaneous revenues	206,200	148,800	148,800	-
Total Revenues	<u>13,260,721</u>	<u>13,491,567</u>	<u>13,491,567</u>	<u>-</u>
EXPENDITURES				
Current:				
General government	5,791,809	7,318,840	7,318,840	-
Public safety	5,459,588	3,071,651	3,071,651	-
Public works	120,000	120,000	120,000	-
Health and welfare	741,414	672,335	672,335	-
Culture and recreation	797,207	726,153	726,153	-
Conservation of natural resources	135,197	62,673	62,673	-
Economic development and assistance	293,637	505,109	505,109	-
Debt service:				
Principal	-	52,825	52,825	-
Interest	-	2,204	2,204	-
Total Expenditures	<u>13,338,852</u>	<u>12,531,790</u>	<u>12,531,790</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	<u>(78,131)</u>	<u>959,777</u>	<u>959,777</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	858,052	643,619	643,619	-
Transfers out	(948,052)	(943,619)	(943,619)	-
Proceeds from sale of capital assets	-	-	-	-
Total Other Financing Sources and Uses	<u>(90,000)</u>	<u>(300,000)</u>	<u>(300,000)</u>	<u>-</u>
Net Change in Fund Balance	(168,131)	659,777	659,777	-
Fund Balances - Beginning	<u>2,564,816</u>	<u>2,995,213</u>	<u>6,823,501</u>	<u>3,828,288</u>
Fund Balances - Ending	<u>\$ 2,396,685</u>	<u>3,654,990</u>	<u>7,483,278</u>	<u>3,828,288</u>

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

LEFLORE COUNTY
BUDGETARY COMPARISON SCHEDULE- BUDGET AND ACTUAL (NON-GAAP BASIS)
ROAD AND BRIDGE FUND
For the Year Ended September 30, 2020
UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 425,826	429,288	429,288	-
Road and bridge privilege taxes	310,000	327,051	327,051	-
Intergovernmental revenues	843,166	1,526,838	1,526,838	-
Interest income	15,000	2,454	2,454	-
Miscellaneous revenues	10,000	-	-	-
Total Revenues	<u>1,603,992</u>	<u>2,285,631</u>	<u>2,285,631</u>	<u>-</u>
EXPENDITURES				
Current:				
Public works	3,083,980	4,709,087	4,709,087	-
Debt service:				
Principal	467,700	457,251	457,251	-
Interest	-	44,543	44,543	-
Total Expenditures	<u>3,551,680</u>	<u>5,210,881</u>	<u>5,210,881</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	<u>(1,947,688)</u>	<u>(2,925,250)</u>	<u>(2,925,250)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,178,166	1,978,597	1,978,597	-
Proceeds from sale of capital assets	-	112,810	112,810	-
Proceeds from long term debt	1,965,759	811,500	811,500	-
Total Other Financing Sources and Uses	<u>3,143,925</u>	<u>2,902,907</u>	<u>2,902,907</u>	<u>-</u>
Net Change in Fund Balance	1,196,237	(22,343)	(22,343)	-
Fund Balances - Beginning	<u>3,444,184</u>	<u>1,902,853</u>	<u>1,203,410</u>	<u>(699,443)</u>
Fund Balances - Ending	<u>\$ 4,640,421</u>	<u>1,880,510</u>	<u>1,181,067</u>	<u>(699,443)</u>

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

LEFLORE COUNTY
BUDGETARY COMPARISON SCHEDULE- BUDGET AND ACTUAL (NON-GAAP BASIS)
BRIDGE AND CULVERT FUND
For the Year Ended September 30, 2020
UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 1,966,759	1,977,655	1,977,655	-
Interest income	9,000	2,567	2,567	-
Total Revenues	<u>1,975,759</u>	<u>1,980,222</u>	<u>1,980,222</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	<u>1,975,759</u>	<u>1,980,222</u>	<u>1,980,222</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(1,975,759)</u>	<u>(1,978,597)</u>	<u>(1,978,597)</u>	<u>-</u>
Total Other Financing Sources and Uses	<u>(1,975,759)</u>	<u>(1,978,597)</u>	<u>(1,978,597)</u>	<u>-</u>
Net Change in Fund Balance	-	1,625	1,625	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ -</u>	<u>1,625</u>	<u>1,625</u>	<u>-</u>

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

LEFLORE COUNTY
BUDGETARY COMPARISON SCHEDULE- BUDGET AND ACTUAL (NON-GAAP BASIS)
ERBR STP FUND
For the Year Ended September 30, 2020
UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental revenues	\$ -	1,398,116	1,398,116	-
Interest income	528	1,335	1,335	-
Total Revenues	<u>528</u>	<u>1,399,451</u>	<u>1,399,451</u>	<u>-</u>
EXPENDITURES				
Current:				
Public works	23,800	3,000	3,000	-
Total Expenditures	<u>23,800</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	<u>(23,272)</u>	<u>1,396,451</u>	<u>1,396,451</u>	<u>-</u>
Net Change in Fund Balance	(23,272)	1,396,451	1,396,451	-
Fund Balances - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Ending	<u>\$ (23,272)</u>	<u>1,396,451</u>	<u>1,396,451</u>	<u>-</u>

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

LEFLORE COUNTY
BUDGETARY COMPARISON SCHEDULE- BUDGET AND ACTUAL (NON-GAAP BASIS)
GO PI BONDS SERIES 2017 FUND
For the Year Ended September 30, 2020
UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Interest income	\$ 30,000	96,602	96,602	-
Total Revenues	<u>30,000</u>	<u>96,602</u>	<u>96,602</u>	<u>-</u>
EXPENDITURES				
Current:				
General government	100,000	-	-	-
Public works	<u>2,865,000</u>	<u>417,405</u>	<u>417,405</u>	<u>-</u>
Total Expenditures	<u>2,965,000</u>	<u>417,405</u>	<u>417,405</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	<u>(2,935,000)</u>	<u>(320,803)</u>	<u>(320,803)</u>	<u>-</u>
Net Change in Fund Balance	(2,935,000)	(320,803)	(320,803)	-
Fund Balances - Beginning	<u>(3,296,200)</u>	<u>(2,295,618)</u>	<u>2,385,753</u>	<u>4,681,371</u>
Fund Balances - Ending	<u>\$ (6,231,200)</u>	<u>(2,616,421)</u>	<u>2,064,950</u>	<u>4,681,371</u>

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

LEFLORE COUNTY
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST 10 FISCAL YEARS*
For the Year Ended September 30, 2020
UNAUDITED

	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset)	0.107347%	0.108167%	0.109473%	0.10%	0.11%	0.11%	0.12%
County's proportionate share of the net pension liability (asset)	\$ 20,781,131	19,028,709	18,208,612	17,411,177	18,969,436	17,503,163	14,653,926
Covered payroll	\$ 7,148,008	7,044,634	6,990,613	6,792,457	6,461,740	6,710,113	7,018,089
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	290.73%	270.12%	260.47%	256.33%	293.57%	260.85%	208.80%
Plan fiduciary net position as a percentage of the total pension liability	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%	67.21%

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

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

LEFLORE COUNTY
Schedule of the County's Contributions
Last 10 Fiscal Years
For the Year Ended September 30, 2020
UNAUDITED

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,223,581	1,153,405	1,111,943	1,069,812	1,017,724	1,056,843	1,105,349
Contributions in relation to the contractually required contribution	<u>1,223,581</u>	<u>1,153,405</u>	<u>1,111,943</u>	<u>1,069,812</u>	<u>1,017,724</u>	<u>1,056,843</u>	<u>1,105,349</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered payroll	\$ 7,032,076	7,130,689	7,059,951	6,792,457	6,461,740	6,710,113	7,018,089
Contributions as a percentage of covered payroll	17.40%	16.18%	15.75%	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.

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

LEFLORE COUNTY
Discretely Presented Component Unit – Greenwood Leflore Hospital
Schedule of Changes in Net Pension Liability and Related Ratios
For the Year Ended September 30, 2020
UNAUDITED

	2020	2019	2018	2017	2016	2015
Total Pension Liability	\$					
Interest	3,474,705	3,514,817	3,413,176	3,363,064	3,384,889	3,384,889
Difference between expected and actual experience	377,521	(1,120,322)	740,367	(355,795)	(294,088)	68,042
Changes of assumptions	876,677	382,573	(299,489)		(1,336,081)	
Benefit payments/refunds	<u>(2,848,623)</u>	<u>(2,665,455)</u>	<u>(2,461,722)</u>	<u>(2,320,792)</u>	<u>(2,053,702)</u>	<u>(1,965,617)</u>
Net change in total pension liability	1,880,280	111,613	1,392,332	686,477	(298,982)	1,487,314
Total pension liability - beginning	<u>48,259,789</u>	<u>48,148,176</u>	<u>46,755,844</u>	<u>46,069,367</u>	<u>46,368,349</u>	<u>44,881,035</u>
Total pension liability - ending (a)	\$ <u>50,140,069</u>	<u>48,259,789</u>	<u>48,148,176</u>	<u>46,755,844</u>	<u>46,069,367</u>	<u>46,368,349</u>
Plan Fiduciary Net Position						
Contributions - employer	1,413,913	1,340,319	1,452,904	1,367,610	1,394,632	2,517,899
Net investment income	3,654,209	1,826,911	2,073,394	2,883,575	2,229,987	107,212
Benefit payments/refunds	(2,848,623)	(2,665,455)	(2,461,722)	(2,320,792)	(2,053,702)	(1,965,617)
Administrative expenses	<u>(87,105)</u>	<u>(85,539)</u>	<u>(85,579)</u>	<u>(80,239)</u>	<u>(78,351)</u>	<u>(88,388)</u>
Net Change in plan fiduciary net position	2,132,394	416,236	978,997	1,850,154	1,492,566	571,106
Plan fiduciary net position - beginning	<u>33,877,252</u>	<u>33,461,016</u>	<u>32,482,019</u>	<u>30,631,865</u>	<u>29,139,299</u>	<u>28,568,193</u>
Plan fiduciary net position -ending (b)	\$ <u>36,009,646</u>	<u>33,877,252</u>	<u>33,461,016</u>	<u>32,482,019</u>	<u>30,631,865</u>	<u>29,139,299</u>
Net pension liability - ending (a) - (b)	\$ <u>14,130,423</u>	<u>14,382,537</u>	<u>14,687,160</u>	<u>14,273,825</u>	<u>15,437,502</u>	<u>17,229,050</u>
Plan fiduciary net position as a percent of the total pension liability	71.8%	70.2%	69.5%	69.5%	66.5%	63.0%
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percent of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A

Note to Schedule: This schedule is intended to show a 10-year trend and is presented on the measurement date of the net pension liability. Additional years will be reported as they become available.

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

Leflore County
Discretely Presented Component Unit – Greenwood Leflore Hospital
SCHEDULE OF CONTRIBUTIONS
For the Year Ended September 30, 2020
UNAUDITED

Year Ended September 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarial Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as % of Covered Payroll
2020	\$ 1,405,581	\$ 1,413,913	\$ 8,332	N/A	N/A
2019	1,340,319	1,340,319	-	N/A	N/A
2018	1,452,904	1,452,904	-	N/A	N/A
2017	1,367,610	1,367,610	-	N/A	N/A
2016	1,394,632	1,394,632	-	N/A	N/A
2015	1,458,037	1,458,037	-	N/A	N/A

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

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

Budgetary Comparison Schedule

A. Budgetary Information.

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

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

B. Basis of Presentation.

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

C. Budget/GAAP Reconciliation.

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

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

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

	General Fund	Road and Bridge Fund	Bridge and Culvert Fund	ERBR STP Fund	GO PI Bonds Series 2017 Fund
Budget (Cash Basis)	\$ 659,777	(22,343)	1,625	1,396,451	(320,803)
Increase (Decrease)					
Net adjustment for revenue accruals	265,928	46,997	3,087	-	-
Net adjustment for expenditure accruals	437,305	671,359	-	-	(42,712)
GAAP Basis	\$ <u>1,363,010</u>	<u>696,013</u>	<u>4,712</u>	<u>1,396,451</u>	<u>(363,515)</u>

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

Pension Schedules

A. Changes of assumptions.

Leflore County

2019

- The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:
 - For males, 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119.
 - For females, 85% of the female rates from ages 18 to 65 scaled up to 102% for ages 75 to 119.
 - Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.
- The expectation of disabled mortality was changed to PubT.H-2010 Disabled Retiree Table for disabled retirees with the following adjustments:
 - For males, 137% of male rates at all ages.
 - For females, 115% of female rates at all ages.
 - Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.
- The price inflation assumption was reduced from 3.00% to 2.75%.
- The wage inflation assumption was reduced from 3.25% to 3.00%.
- Withdrawal rates, pre-retirement mortality rates, and service retirement rates were also adjusted to more closely reflect actual experience.
- The percentage of active member disabilities assumed to be in the line of duty was increased from 7% to 9%.

2017

- The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Mortality Table projected with Scale BB to 2022. Small adjustments were also made to the Mortality Table for disabled lives.
- The wage inflation assumption was reduced from 3.75% to 3.25%.
- Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience.
- The percentage of active member disabilities assumed to be in the line of duty was increased from 6.00% to 7.00%.

2016

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

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

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.

B. Changes in benefit provisions.

Leflore County

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

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

Component Unit
Greenwood Leflore Hospital

Summary of Assumptions and Methods Used to Determine Contributions Rates

The total pension liability as of September 30, 2020, was determined using the following actuarial assumptions, applied to all periods in the measurement:

Investment Rate of Return 7.00% percent, per annum, compounded annually

Discount Rate 7.00% percent per annum, compounded annually

The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rates. Based on that assumption, 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 projected benefit payments to determine the total pension liability.

Salary increases Not applicable, benefits are frozen

Effective September 30, 2020, the mortality table was changed from the RP-2014 Blue Collar, Separate Pre- and Post-Commencement, with separate Male and Female tables, fully Generational using Projections Scale MP-2018 to the RP-2014 Blue Collar, Separate Pre- and Post-Commencement, with separate Male and Female tables, fully Generational using Projections Scale MP-2019 to better recognize current and future mortality improvements.

Amortization Period

Investment gains or losses are amortized over five years.

Changes in actuarial assumptions and experience gains or losses are amortized over the average working lifetime of all participants, which for the years ending September 30, 2020 was 1.5 years.

Investment Returns

Net investment yield for fiscal year ended September 30, 2020 - 11.01%

The annual money-weighted rate of return is based on monthly cash flows on pension plan investments, net of pension plan investment expense.

Fiduciary net position is the amount of assets available for benefits in the Plan.

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

Total pension liability is the Plan liability determined using assumption listed in the Summary of Actuarial Assumption.

Net pension liability is the difference in the total pension liability and the fiduciary net position.

Amortization Period (Funding)

The actuarially determined contribution for the Plan year ended September 30, 2020, uses a closed period of 22 years.

Assumptions and Valuation Method

The Hospital selected the assumptions and funding methods based on the review of Plan experience in conjunction with the October 1, 2019 and 2018 Actuarial Valuation Reports. The actuary annually reviews the assumptions and methods for reasonableness.

The normal retirement date of a participant is the first day of the calendar month coincident with or next following his attainment of age 65 and completion of five years of service.

LEFLORE COUNTY

SUPPLEMENTARY INFORMATION

LEFLORE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2020

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor and Number</i>	<i>Federal Expenditures(\$)</i>
Other Programs			
Department of Homeland Security			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	MEMA	302,393
Total Disaster Grants - Public Assistance (Presidentially Declared Disasters)			302,393
Emergency Management Performance Grants			
Emergency Management Performance Grants	97.042	MEMA	30,293
Total Emergency Management Performance Grants			30,293
<i>Total Department of Homeland Security</i>			332,686
Department of the Interior			
National Wildlife Refuge Fund			
National Wildlife Refuge Fund	15.659		12,338
Total National Wildlife Refuge Fund			12,338
<i>Total Department of the Interior</i>			12,338
United States Department of Justice			
National Institute of Justice Research, Evaluation, and Development Project Grants			
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560		12,000
Total National Institute of Justice Research, Evaluation, and Development Project Grants			12,000
<i>Total United States Department of Justice</i>			12,000
Department of Housing and Urban Development			
Home Investment Partnerships Program			
Home Investment Partnerships Program	14.239		433,778
Total Home Investment Partnerships Program			433,778
<i>Total Department of Housing and Urban Development</i>			433,778
Department of the Treasury			
Coronavirus Relief Fund			
Coronavirus Relief Fund	21.019	MEMA	327,650
Total Coronavirus Relief Fund			327,650
<i>Total Department of the Treasury</i>			327,650
United States Department of Agriculture			
Rural Development, Forestry, and Communities			
Rural Development, Forestry, and Communities	10.672		36,000
Total Rural Development, Forestry, and Communities			36,000
Soil and Water Conservation			
Soil and Water Conservation	10.902		337,047
Total Soil and Water Conservation			337,047
<i>Total United States Department of Agriculture</i>			373,047
Total Other Programs			1,491,499
Total Expenditures of Federal Awards			\$ 1,491,499

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note A- Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Leflore County under programs of the federal government for the year ended September 30, 2020. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform

LEFLORE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2020

Guidance). Because the Schedule presents only a selected portion of the operations of Leflore County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Leflore County.

Note B- Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts (if any) shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note C- Indirect Cost Rate

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

LEFLORE COUNTY
RECONCILIATION OF OPERATING COSTS OF SOLID WASTE
For the Year Ended September 30, 2020

Operating Expenditures, Cash Basis:

Personnel	457,460
Expendable Commodities:	
Gasoline and petroleum products	57,626
Repair parts	45,433
Office, field and shop supplies	47,638
Solid waste contract and disposal fees	11,829
Debt Service	108,672

Solid Waste Cash Basis Operating Expenditures	728,658
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Full Cost Expenses:

Indirect administrative costs	1,835
Depreciation on equipment	83,970
Net effect of other accrued expenses	<u>(2,586)</u>

Solid Waste Full Cost Operating Expenses	<u><u>811,877</u></u>
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LEFLORE COUNTY

OTHER INFORMATION

LEFLORE COUNTY
SCHEDULE OF SURETY BONDS FOR COUNTY OFFICIALS
For the Year Ended September 30, 2020
UNAUDITED

Name	Position	Company	Bond
Sam Abraham	Supervisor	Brierfield Insurance Company	100,000
Anjuan Brown	Supervisor	Brierfield Insurance Company	100,000
Robert L. Collins, Sr.	Supervisor	Brierfield Insurance Company	100,000
Reginald Moore	Supervisor	State Farm Fire and Casualty Company	100,000
Wayne A. Self	Supervisor	Western Surety Company	100,000
Eric Mitchell	Supervisor	State Farm Fire and Casualty Company	100,000
Christine Lymon	County Administrator	Brierfield Insurance Company	100,000
Christine Lymon	Chancery Clerk	Brierfield Insurance Company	100,000
Elmus Stockstill	Circuit Clerk	Brierfield Insurance Company	100,000
Jasmine McClung	Deputy Circuit Clerk	Traveler's Casualty & Surety of America	75,000
Ecila Banks	Deputy Circuit Clerk	Traveler's Casualty & Surety of America	75,000
Lisa Roberts	Deputy Circuit Clerk	Traveler's Casualty & Surety of America	75,000
Jeriell Jones	Deputy Circuit Clerk	Traveler's Casualty & Surety of America	75,000
Cheryl Williams	Deputy Circuit Clerk	Traveler's Casualty & Surety of America	75,000
Annie M. Conley	Tax Collector	Western Surety Company	100,000
Sheron Elliott	Deputy Tax Collector	Traveler's Casualty & Surety of America	50,000
Koneshiana Erving	Deputy Tax Collector	Traveler's Casualty & Surety of America	50,000
Deneidra Johnson	Deputy Tax Collector	Traveler's Casualty & Surety of America	50,000
Marissa Jones	Deputy Tax Collector	Traveler's Casualty & Surety of America	50,000
Pamela Keys	Deputy Tax Collector	Traveler's Casualty & Surety of America	50,000
Rebecca Seawright	Deputy Tax Collector	Traveler's Casualty & Surety of America	50,000
Carolyn R. Smith	Deputy Tax Collector	Traveler's Casualty & Surety of America	50,000
Leroy Ware	Tax Assessor	State Farm Fire and Casualty Company	100,000
Carlos C. Roberson	Deputy Tax Assessor	Traveler's Casualty & Surety of America	10,000
Tyneiseca M. Epps	Deputy Tax Assessor	Traveler's Casualty & Surety of America	10,000
Kimilia R. Sigers	Deputy Tax Assessor	Traveler's Casualty & Surety of America	10,000
Larresia Hunt	Justice Court Clerk	United States Fidelity and Guaranty Company	50,000
Martha Howard	Justice Court Clerk	Travelers Casualty & Surety Company of America	50,000
Bettie Freeman	Deputy Justice Court Clerk	Traveler's Casualty & Surety of America	50,000
James E. Campbell, Jr.	Justice Court Judge	Brierfield Insurance Company	50,000
James K. Littleton, III	Justice Court Judge	State Farm Fire and Casualty Company	50,000
Carlos Palmer	Justice Court Judge	Traveler's Casualty & Surety of America	50,000
James Steven Pernell	Constable	Western Surety Company	50,000
Andrew McQueen	Constable	Western Surety Company	50,000
Vonzell Self	Constable	Western Surety Company	50,000
Gabriel D. Brisco	Solid Waste Clerk	Traveler's Casualty & Surety of America	50,000
Rebecca Kwong	Purchase Clerk	Traveler's Casualty & Surety of America	75,000
Lashandria Young	Inventory Control Clerk	Traveler's Casualty & Surety of America	75,000
Jerry L. Smith	Road Manager	Traveler's Casualty & Surety of America	50,000
Frederick L. "Ricky" Banks	Sheriff	Brierfield Insurance Company	100,000
Cathy Mai	Receiving Clerk	Traveler's Casualty & Surety of America	75,000
Joe W. Barnes	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000
Jerome Thomas Blake	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000
James Richard Brown, Jr.	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000
James H. Brown	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000
Paulette Clay	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000
Debra Denise Edmond	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000
Donna R. Gibson	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000
Jimmy F. Gibson, Jr.	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000
Vernon W. Gravlee	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000
Robert Earl Haggie	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000
Angelica Denise Harris	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000
Deneidra Latrice Johnson	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000
Bobbie Jean Jones	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000
Bobby Norwood	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000
Fredrick Randle	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000
Kelly Harrington Roberts	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000
Kimilia Sigers	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000
Kenneth Wade Spencer	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000

LEFLORE COUNTY

SPECIAL REPORTS

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PRIVATE COMPANIES PRACTICE SECTION

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

Members of the Board of Supervisors
Leflore County, Mississippi

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of Leflore 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 June 21, 2022. Other auditors audited the financial statements of Greenwood Leflore Hospital, component unit, as described in our report on Leflore County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting and on compliance and other matters that are reported separately by that audit.

Internal Control Over Financial Reporting

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

Compliance and Other Matters

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

We noted certain matters that we reported to the management of Leflore County, Mississippi, in the Limited Internal Control and Compliance Review Management Report dated June 21, 2022 included within this document.

Purpose of this Report

This 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
June 21, 2022

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

Members of the Board of Supervisors
Leflore County, Mississippi

Report on Compliance for Each Major Federal Program

We have audited Leflore County, Mississippi's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Leflore County, Mississippi's major federal programs for the year ended September 30, 2020. Leflore County, Mississippi's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Leflore County, Mississippi's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Leflore County, Mississippi's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each of the major federal program. However, our audit does not provide a legal determination of Leflore County, Mississippi's compliance.

Opinion on Each Major Federal Program

In our opinion, Leflore County, Mississippi complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2020.

Report on Internal Control Over Compliance

Management of Leflore County, Mississippi is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Leflore County, Mississippi's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.

Bridgers, Goodman, Baird & Clarke, PLLC

Bridgers, Goodman, Baird & Clarke, PLLC

Certified Public Accountants

Vicksburg, Mississippi

June 21, 2022

LEFLORE COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

LEFLORE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2020

Section 1: Summary of Auditor's Results

Financial Statements:

- | | |
|---|---------------|
| 1. Type of auditor's report issued on the financial statements: | |
| Governmental activities | Unmodified |
| Aggregate discretely presented component unit | Unmodified |
| General Fund | Unmodified |
| Road and Bridge Fund | Unmodified |
| Bridge and Culvert Fund | Unmodified |
| ERBR STP Fund | Unmodified |
| GO PI Bonds Series 2017 Fund | Unmodified |
| Aggregate remaining fund information | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiency identified? | None Reported |
| 3. Noncompliance material to the financial statements noted? | No |

Federal Awards:

- | | |
|---|---------------|
| 4. Internal control over major federal programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiency identified? | None Reported |
| 5. Type of auditor's report issued on compliance for major federal programs: | Unmodified |
| 6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | No |
| 7. Identification of major federal programs: | |
| a. CFDA #14.239, Home Investment Partnerships Program | |
| b. CFDA # 21.019, Coronavirus Relief Fund | |
| 8. Dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
| 9. Auditee qualified as low-risk auditee? | No |
| 10. Prior fiscal year audit findings and questioned costs relative to federal awards which would require the auditee to prepare a summary schedule of prior audit findings in accordance with 2 CFR 200.516(b)? | No |

LEFLORE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2020

Section 2: Financial Statement Findings

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