

WAYNE COUNTY, MISSISSIPPI

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



SHAD WHITE

STATE AUDITOR

Stephanie C. Palmertree, CPA
Director, Financial & Compliance Audit Division

Joe E. McKnight, CPA
Director, County Audit Section



A Report from the County Audit Section

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**STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR**

Shad White
AUDITOR

June 2, 2022

Members of the Board of Supervisors
Wayne County, Mississippi

Dear Board Members:

I am pleased to submit to you the 2020 financial and compliance audit report for Wayne County. This audit was performed pursuant to Section 7-7-211(e), Mississippi Code Ann. (1972). The audit was performed 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.

I appreciate the cooperation and courtesy extended by the officials and employees of Wayne County throughout the audit. Thank you for working to move Mississippi forward by serving as a supervisor for Wayne County. If I or this office can be of any further assistance, please contact me or Joe McKnight of my staff at (601) 576-2674.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Shad White", is written over a horizontal line.

Shad White

WAYNE COUNTY

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WAYNE COUNTY

FINANCIAL SECTION

WAYNE COUNTY

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**STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
SHAD WHITE
AUDITOR**

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors
Wayne County, Mississippi

Report on the Financial Statements

We have audited the accompanying cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wayne 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 basic financial statements of the County's primary government 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 the cash basis of accounting, as described in Note 1. This includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Basis for Adverse Opinion on the Aggregate Discretely Presented Component Units

The financial statements do not include financial data for the County's legally separate component units. Accounting principles applicable to the County's cash basis of accounting require the financial data for those component units to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units. The County has not issued such reporting entity financial statements. The amount by which this departure would affect the cash basis assets, net position, receipts, and disbursements of the aggregate discretely presented component units is not reasonably determinable.

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on the Aggregate Discretely Presented Component Units" paragraph, the financial statements referred to above do not present fairly the cash basis financial position of the aggregate discretely presented component units of Wayne County, Mississippi, as of September 30, 2020, or the changes in cash basis financial position thereof for the year then ended in accordance with accounting principles applicable to the County's cash basis of accounting.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Wayne County, Mississippi, as of September 30, 2020, and the respective changes in cash basis financial position thereof for the year then ended, in accordance with the basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements which describes that Wayne County, Mississippi prepares its financial statements on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters

Report on Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Wayne 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 Schedule of Operating Costs of Solid Waste are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the Schedule 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 Schedule of Operating Costs of Solid Waste are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Budgetary Comparison Schedule, Schedule of Interfund Loans and Advances, Schedule of Capital Assets, Schedule of Changes in Long-term Debt, Schedule of Surety Bonds for County Officials and corresponding notes have 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 2, 2022 on our consideration of Wayne 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 Wayne 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 Wayne County, Mississippi's internal control over financial reporting and compliance.

A handwritten signature in black ink, reading "Joe E. McKnight". The signature is fluid and cursive, with the first name "Joe" and last name "McKnight" clearly legible.

JOE E. MCKNIGHT, CPA
Director, County Audit Section

June 2, 2022

WAYNE COUNTY

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WAYNE COUNTY

FINANCIAL STATEMENTS

WAYNE COUNTY

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WAYNE COUNTY
Statement of Net Position - Cash Basis
September 30, 2020

Exhibit 1

	Primary Government
	Governmental
	Activities
ASSETS	
Cash	\$ 9,167,134
Total Assets	<u>9,167,134</u>
NET POSITION	
Restricted:	
Expendable:	
General government	681,885
Public safety	255,087
Public works	4,158,249
Culture and recreation	34,827
Economic development and assistance	2,095,717
Debt service	236,414
Unrestricted	1,704,955
Total Net Position	<u>\$ 9,167,134</u>

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

WAYNE COUNTY
Statement of Activities - Cash Basis
For the Year Ended September 30, 2020

Exhibit 2

Functions/Programs	Cash Disbursements	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities
Primary government:					
Governmental activities:					
General government	\$ 4,043,744	464,385	116,061	205,050	(3,258,248)
Public safety	3,170,327	636,185	519,072		(2,015,070)
Public works	5,292,520	655,961	880,108	784,542	(2,971,909)
Health and welfare	301,186		56,430		(244,756)
Culture and recreation	21,663				(21,663)
Education					0
Conservation of natural resources	63,271				(63,271)
Economic development and assistance	1,066,900				(1,066,900)
Purchase of investment					0
Debt service:					
Principal	4,838,653				(4,838,653)
Interest	270,499				(270,499)
Bond issue costs	574,000				(574,000)
Total Governmental Activities	\$ 19,642,763	1,756,531	1,571,671	989,592	(15,324,969)
General receipts:					
Property taxes				\$	6,615,725
Road & bridge privilege taxes					271,946
Grants and contributions not restricted to specific programs					1,764,554
Unrestricted interest income					88,286
Miscellaneous					1,324,565
Proceeds from debt issuance					969,782
Refunding bonds issued					4,319,000
Sale of county property					267,925
Total General Receipts and Other Cash Sources					15,621,783
Changes in Net Position					296,814
Net Position - Beginning					8,870,320
Net Position - Ending				\$	9,167,134

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

WAYNE COUNTY
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
September 30, 2020

Exhibit 3

	Major Funds					
	General	District Three Road Maintenance Fund	GO Industrial Development Bond 2013 Fund	Meadow land Park Construction Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash	\$ 1,704,955	1,064,729	236,414	2,095,716	4,065,320	9,167,134
Total Assets	<u>\$ 1,704,955</u>	<u>1,064,729</u>	<u>236,414</u>	<u>2,095,716</u>	<u>4,065,320</u>	<u>9,167,134</u>
FUND BALANCES						
Restricted for:						
General government	\$				681,885	681,885
Public safety					255,087	255,087
Public works		1,064,729			3,093,520	4,158,249
Culture and recreation					34,827	34,827
Economic development and assistance				2,095,716	1	2,095,717
Debt service			236,414			236,414
Unassigned	1,704,955					1,704,955
Total Fund Balances	<u>\$ 1,704,955</u>	<u>1,064,729</u>	<u>236,414</u>	<u>2,095,716</u>	<u>4,065,320</u>	<u>9,167,134</u>

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

WAYNE COUNTY

Exhibit 4

Statement of Cash Receipts, Disbursements and Changes in Cash Basis Fund Balances -
Governmental Funds
For the Year Ended September 30, 2020

	Major Funds					
	General	District Three Road Maintenance Fund	GO Industrial Development Bond 2013 Fund	Meadow land Park Construction Fund	Other Governmental Funds	Total Governmental Funds
RECEIPTS						
Property taxes	\$ 4,218,318	278,077	345,534		1,773,796	6,615,725
Road and bridge privilege taxes		54,389			217,557	271,946
Licenses, commissions and other receipts	252,960				95,029	347,989
Fines and forfeitures	189,225				5,740	194,965
Intergovernmental receipts	1,436,360	821,919	2,201		2,065,337	4,325,817
Charges for services	240,542	4,000			969,035	1,213,577
Interest income	29,298	8,048	1,275	16,450	33,215	88,286
Miscellaneous receipts	319,282	6,000	106,191		893,092	1,324,565
Total Receipts	6,685,985	1,172,433	455,201	16,450	6,052,801	14,382,870
DISBURSEMENTS						
General government	3,930,794				112,950	4,043,744
Public safety	2,223,950				946,377	3,170,327
Public works		631,141			4,661,379	5,292,520
Health and welfare	301,186					301,186
Culture and recreation	10,000				11,663	21,663
Conservation of natural resources	63,271					63,271
Economic development and assistance	174,755			43,382	848,763	1,066,900
Debt service:						
Principal	7,662	58,423	3,965,000		807,568	4,838,653
Interest	1,122	4,642	217,533		47,202	270,499
Bond issue costs			574,000			574,000
Total Disbursements	6,712,740	694,206	4,756,533	43,382	7,435,902	19,642,763
Excess (Deficiency) of Receipts over (under) Disbursements	(26,755)	478,227	(4,301,332)	(26,932)	(1,383,101)	(5,259,893)
OTHER CASH SOURCES (USES)						
Proceeds from long-term debt issuance		150,499			819,283	969,782
Refunding bonds issued			4,319,000			4,319,000
Sale of county property	135,000	73,625			59,300	267,925
Transfers in					539,652	539,652
Transfers out	(58,496)	(429,800)			(51,356)	(539,652)
Total Other Cash Sources and Uses	76,504	(205,676)	4,319,000	0	1,366,879	5,556,707
Excess (Deficiency) of Receipts and other Cash Sources over (under) Disbursements and other Cash Uses	49,749	272,551	17,668	(26,932)	(16,222)	296,814
Cash Basis Fund Balances - Beginning	1,655,206	792,178	218,746	2,122,648	4,081,542	8,870,320
Cash Basis Fund Balances - Ending	\$ 1,704,955	1,064,729	236,414	2,095,716	4,065,320	9,167,134

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

WAYNE COUNTY
Statement of Fiduciary Assets and Liabilities - Cash Basis
September 30, 2020

Exhibit 5

	Agency Funds
ASSETS	
Cash	\$ 108,696
Total Assets	\$ 108,696
LIABILITIES	
Amounts held in custody for others	\$ 108,696
Total Liabilities	\$ 108,696

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

WAYNE COUNTY

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WAYNE COUNTY

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

(1) Summary of Significant Accounting Policies.

A. Financial Reporting Entity.

Wayne 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. The financial statements of the County are presented on a cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America as established by the Governmental Accounting Standards Board. These accounting principles require Wayne County to present these financial statements on the primary government and its component units which have significant operational or financial relationships with the County.

Management has chosen to omit from these financial statements the following component units which have significant operational or financial relationships with the County. Accordingly, the financial statements do not include the data of these component units necessary for reporting in accordance with accounting principles applicable to the County's cash basis of accounting.

- Wayne County Economic Development District
- Wayne General Hospital

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

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

B. Individual Component Unit Disclosures.

Blended Component Units

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

The Wayne County Volunteer Fire Department, Inc. was organized under Section 19-5-151, Mississippi Code Annotated (1972), and is a legally separate entity. The Fire Department provides fire protection and other emergency services to all areas of the county outside the cities of Waynesboro and State Line. A majority of the Department's funding is supplied by the County. The Fire Department is included as a special revenue fund in the County's financial statements.

The Emergency Management District of Wayne County was created by Wayne County and the City of Waynesboro under the authority of Section 33-15-17, Mississippi Code Annotated (1972), to provide emergency management and communications services and facilities (E-911), including emergency radio and telephone dispatching service, in a

WAYNE COUNTY

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

manner which best fills the needs of all local communities. The President of The Board of Supervisors and the Wayne County Sheriff serve as two of the five members of the governing county of the District. The County is legally entitled to and can access the District's resources; and the County is obligated for the debt of the District. The Emergency Management District of Wayne County is included in the County's financial statements as a special revenue fund.

C. Basis of Presentation.

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

Government-wide Financial Statements:

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

The Statement of Net Position – Cash Basis presents the financial condition of the governmental activities of the County at year-end. The Government-wide Statement of Activities – Cash Basis presents a comparison between direct disbursements and program receipts for each function or program of the County's governmental activities. Direct disbursements are those that are specifically associated with a service, program or department and therefore, are clearly identifiable to a particular function. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other receipts not classified as program receipts are presented as general receipts of the County, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing or draws from the general receipts 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, fund balances, receipts and disbursements. Funds are organized into governmental, and fiduciary. Major individual Governmental Funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column as Other Governmental Funds.

D. Measurement Focus and Basis of Accounting.

The Government-wide, Governmental Funds, and Fiduciary Funds financial statements are presented on a cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. This basis of accounting involves the reporting of only cash and cash equivalents and the changes therein resulting from cash inflows (cash receipts) and cash outflows (cash disbursements) reported in the period in which they occurred. This cash basis of accounting differs from GAAP primarily because revenues (cash receipts) are recognized when received in cash rather than when earned and susceptible to accrual, and expenditures or

WAYNE COUNTY

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

expenses (cash disbursements) are recognized when paid rather than when incurred or subject to accrual.

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.

District Three Road Maintenance Fund - This fund is used to account for monies from specific sources that are restricted for district three road maintenance.

GO Industrial Development Bond 2013 Fund - This fund is used to account for resources accumulated and used for construction and infrastructure at Meadowland Industrial Park and Wayne County Industrial Park.

Meadowland Park Construction Fund - This fund is used to account for resources accumulated and used for infrastructure construction at Meadowland Industrial Park.

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 cash sources that are restricted or committed to disbursement 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 disbursement 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 disbursement 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 classification 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.

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.

WAYNE COUNTY

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

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).

G. Equity Classifications.

Government-wide Financial Statements:

Equity is classified as net position and displayed in two components:

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."

Net Position Flow Assumption

When a disbursement is paid 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 disbursements are paid for purposes for which unrestricted (committed, assigned and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the County's general policy to spend committed resources first, followed by assigned amounts, and then unassigned amounts.

Fund Financial Statements:

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

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

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

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 disbursements paid 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 a disbursement is paid 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 disbursements are paid for purposes for which unrestricted (committed, assigned and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the County's general policy to spend committed resources first, followed by assigned amounts, and then unassigned amounts.

WAYNE COUNTY

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

H. Property Tax Receipts.

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

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

I. Changes in Accounting Standards.

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

(2) Deposits.

The carrying amount of the County's total deposits with financial institutions at September 30, 2020, was \$9,275,830, and the bank balance was \$9,473,227. 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.

(3) Interfund Transfers.

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

Transfers In/Out:

WAYNE COUNTY

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

Transfers In	Transfers Out	Amount
Other Governmental Funds	General Fund	\$ 58,496
Other Governmental Funds	District Three Road Maintenance Fund	429,800
Other Governmental Funds	Other Governmental Funds	51,356
Total		\$ 539,652

The principal purpose of interfund transfers was to provide funds for debt service payments.

(4) 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.

(5) 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 disbursements of resources for allowable purposes. The County may be responsible for any disallowances.

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.

(6) Joint Venture.

The County participates in the following joint venture:

Wayne County is a participant with the City of Waynesboro in a joint venture authorized by Section 39-3-8, Miss. Code Ann. (1972), to operate the Waynesboro-Wayne County Library System. The Library was created to provide free public library service to citizens of the respective county and city. The Library is governed by a ten-member board, one from each county and city district. The County and City are obligated by contract to levy not more than a four mill and three mill tax, respectively, as provided by Sections 39-3-5(1) and 39-3-7(1), Miss. Code Ann. (1972), respectively, for the ongoing financial support of the Library. By contractual agreement, the County's contribution to the joint venture this year amounted to \$145,501. Complete financial statements for the Library can be obtained from the Waynesboro-Wayne County Library, 1103A Mississippi Drive, Waynesboro, Mississippi 39367.

WAYNE COUNTY

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

(7) Jointly Governed Organizations.

The County participates in the following jointly governed organizations:

Southern Mississippi Planning and Development District operates in a district composed of the Counties of Covington, Forrest, George, Greene, Hancock, Harrison, Jackson, Jefferson Davis, Jones, Lamar, Marion, Pearl River, Perry, Stone and Wayne. The Wayne County Board of Supervisors appoints one of the 27 members of the board of directors. The County contributed \$22,916 for support of the district in fiscal year 2020, a small percentage of the district's total revenue.

Pine Belt Mental Health Care Resources operates in a district composed of the Counties of Covington, Forrest, Greene, Jefferson Davis, Jones, Lamar, Marion, Perry and Wayne. The Wayne County Board of Supervisors appoints one of the nine members of the board of commissioners. The County contributed \$47,500 for support of the entity in fiscal year 2020.

Jones County Junior College operates in an area composed of the Counties of Clarke, Covington, Greene, Jasper, Jones, Perry, Smith and Wayne. The college is governed by a 20-member board of trustees. Each county appoints two of the college's trustees, except Jones County, which appoints six. The County contributed \$613,116 for the maintenance and support of the college in fiscal year 2020.

Mississippi Regional Housing Authority VIII operates in a district composed of the Counties of Covington, Forrest, George, Greene, Hancock, Harrison, Jackson, Jones, Lamar, Marion, Pearl River, Perry, Stone and Wayne. The governing body is a 15-member board of commissioners, one appointed by the Board of Supervisors of each of the member counties and one appointed at-large. The counties generally provide no financial support to the organization.

Multi-County Community Service Agency is a human resources agency created to administer programs conducted by community action agencies, limited purpose agencies and related programs authorized by federal law. Its six members are as follows: Clarke, Jasper, Kemper, Lauderdale, Newton and Wayne counties. Each member appoints three of the 18 board members. The County contributed \$10,000 for support of the agency in fiscal year 2020.

The Regional Railroad Authority of East Mississippi was created in September 2009 by Clarke, George, Greene and Wayne counties; Lauderdale County's membership was effective a month later. The Authority was created to preserve, develop and maintain rail service in the member counties. Each member county appoints five commissioners to the Board of Commissioners, while any municipality in each of these counties through which such railroad(s) run appoints one commissioner. The County contributed \$12,230 for support of the Authority in fiscal year 2020.

(8) Defined Benefit Pension Plan.

Plan Description. Wayne 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.

Funding Policy. At September 30, 2020, PERS members were required to contribute 9% of their annual covered salary, and the County is required to contribute at an actuarially determined rate. The rate at September 30, 2020 was 17.40% of annual covered payroll. The contribution requirements of PERS members 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 \$750,293, \$676,383, and \$673,265, respectively, equal to the required contributions for each year.

WAYNE COUNTY

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

(9) Tax Abatements.

As of September 30, 2020, Wayne County provides tax-exempt status subject to the requirements of GASB Statement No. 77 to seven manufacturing facilities, one processing plant and four public utilities. These companies are exempt from real property taxes and personal property taxes except for levies involving the schools, the mandatory mill, and community college tax levies. These exemptions are authorized by Sections 27-31-101, 27-31-102 and 27-31-105, Mississippi Code Annotated (1972). These exemptions encourage businesses to locate or expand operations in the County and create jobs. The taxes abated for fiscal year 2020 totaled \$192,643.

WAYNE COUNTY

SUPPLEMENTARY INFORMATION

WAYNE COUNTY

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

Federal Grantor/ Pass-through Grantor/ Program Title or Cluster	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture - Forest Service/ Passed-through the Mississippi State Treasurer's Office Forest service schools and roads cluster:			
Schools and roads - grants to states	10.665	N/A	\$ 241,501
Total U.S. Department of Agriculture			241,501
U.S. Department of Transportation/ Passed-through the Mississippi Department of Transportation Public transportation emergency relief program	20.527	ER-0077(20)B	12,324
Passed-through the Mississippi Emergency Management Agency Interagency hazardous materials public sector training and planning grants	20.703	HM-HMP-0554-16-01-00	20,207
Total U.S. Department of Transportation			32,531
U.S. Department of the Treasury Passed-through the Mississippi Emergency Management Agency COVID-19-Coronavirus relief fund*	21.019	N/A	355,242
Total U.S. Department of Treasury			355,242
U.S. Department of Homeland Security/ Passed-through the Mississippi Emergency Management Agency Disaster grants - public assistance (Presidentially declared disasters)	97.036	FEMA-4528-DR-MS	17,846
Disaster grants - public assistance (Presidentially declared disasters)	97.036	FEMA-4415-DR-MS	99,987
Subtotal			117,833
Emergency management performance grant	97.042	EMA-2019-EP-00006	22,991
Total U.S. Department of Homeland Security			140,824
Total Expenditures of Federal Awards			\$ 770,098

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

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

Note B - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the cash 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 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

Wayne County has elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

* Denotes major federal award program

WAYNE COUNTY
Schedule of Operating Costs of Solid Waste
For the Year Ended September 30, 2020

Operating Disbursements, Cash Basis:

Salaries	\$	523,909
Expendable Commodities:		
Gasoline and petroleum products		52,276
Repair parts		32,648
Clothing		609
Hauling and landfill fees		88,473
Maintenance		15,960
Contractual services		36,996
Supplies		<u>3,430</u>
Solid Waste Operating Costs Disbursements	\$	<u><u>754,301</u></u>

WAYNE COUNTY

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WAYNE COUNTY

OTHER INFORMATION

WAYNE COUNTY

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WAYNE 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)
RECEIPTS				
Property taxes	\$ 4,318,740	4,218,318	4,218,318	
Licenses, commissions and other receipts	235,762	252,960	252,960	
Fines and forfeitures	285,542	189,225	189,225	
Intergovernmental receipts	1,044,550	1,436,360	1,436,360	
Charges for services	80,000	240,542	240,542	
Interest income	24,474	29,298	29,298	
Miscellaneous receipts	304,767	319,282	319,282	
Total Receipts	<u>6,293,835</u>	<u>6,685,985</u>	<u>6,685,985</u>	<u>0</u>
DISBURSEMENTS				
Current:				
General government	3,215,028	3,930,794	3,930,794	
Public safety	2,397,719	2,223,950	2,223,950	
Health and welfare	300,905	301,186	301,186	
Culture and recreation	10,000	10,000	10,000	
Conservation of natural resources	69,360	63,271	63,271	
Economic development and assistance	46,187	174,755	174,755	
Debt service:				
Principal		7,662	7,662	
Interest		1,122	1,122	
Total Disbursements	<u>6,039,199</u>	<u>6,712,740</u>	<u>6,712,740</u>	<u>0</u>
Excess (Deficiency) of Receipts over (under) Disbursements	<u>254,636</u>	<u>(26,755)</u>	<u>(26,755)</u>	<u>0</u>
OTHER CASH SOURCES (USES)				
Sale of county property		135,000	135,000	
Compensation for loss of county property	5,000			
Transfers in				
Transfers out		(58,496)	(58,496)	
Total Other Cash Sources and Uses	<u>5,000</u>	<u>76,504</u>	<u>76,504</u>	<u>0</u>
Excess (Deficiency) of Receipts and other Cash Sources over (under) Disbursements and other Cash Uses	<u>259,636</u>	<u>49,749</u>	<u>49,749</u>	<u>0</u>
Cash Basis Fund Balances - Beginning	<u>759,145</u>	<u>1,655,206</u>	<u>1,655,206</u>	<u>0</u>
Cash Basis Fund Balances - Ending	<u>\$ 1,018,781</u>	<u>1,704,955</u>	<u>1,704,955</u>	<u>0</u>

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

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

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
RECEIPTS				
Property taxes	\$ 401,297	278,077	278,077	
Road and bridge privilege taxes		54,389	54,389	
Intergovernmental receipts	127,724	821,919	821,919	
Charges for services	4,000	4,000	4,000	
Interest income	6,000	8,048	8,048	
Miscellaneous receipts	1,000	6,000	6,000	
Total Receipts	<u>540,021</u>	<u>1,172,433</u>	<u>1,172,433</u>	<u>0</u>
DISBURSEMENTS				
Current:				
Public works	1,201,586	631,141	631,141	
Debt service:				
Principal		58,423	58,423	
Interest		4,642	4,642	
Total Disbursements	<u>1,201,586</u>	<u>694,206</u>	<u>694,206</u>	<u>0</u>
Excess (Deficiency) of Receipts over (under) Disbursements	<u>(661,565)</u>	<u>478,227</u>	<u>478,227</u>	<u>0</u>
OTHER CASH SOURCES (USES)				
Proceeds from long-term debt		150,499	150,499	
Sale of county property		73,625	73,625	
Transfers out		(429,800)	(429,800)	
Total Other Cash Sources and Uses	<u>0</u>	<u>(205,676)</u>	<u>(205,676)</u>	<u>0</u>
Excess (Deficiency) of Receipts and other Cash Sources over (under) Disbursements and other Cash Uses	<u>(661,565)</u>	<u>272,551</u>	<u>272,551</u>	<u>0</u>
Cash Basis Fund Balances - Beginning	<u>725,188</u>	<u>792,178</u>	<u>792,178</u>	<u>0</u>
Cash Basis Fund Balances - Ending	<u>\$ 63,623</u>	<u>1,064,729</u>	<u>1,064,729</u>	<u>0</u>

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

WAYNE COUNTY
Schedule of Interfund Loans and Advances
For the Year Ended September 30, 2020
UNAUDITED

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>	Balance at Sept. 30, 2020
General Fund	Other Governmental Funds	\$ 828,512
General Fund	Other Governmental Funds	1,590
General Fund	Other Governmental Funds	2,266
General Fund	GO Industrial Development Bond 2013	<u>106,191</u>
Total		\$ <u><u>938,559</u></u>

The amounts due represent various receipts posted that are due to be repaid within one year.

B. Advances From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	Balance at Sept. 30, 2020
General Fund	Other Governmental Funds	\$ 191,459
District Three Road Maintenance Fund	General Fund	9,862
District Three Road Maintenance Fund	Other Governmental Funds	30,169
Meadowland Park Construction Fund	Other Governmental Funds	44,338
Other Governmental Funds	General Fund	96,542
Other Governmental Funds	Other Governmental Funds	163,609
Agency Fund	Other Governmental Funds	<u>33,417</u>
Total		\$ <u><u>569,396</u></u>

The amounts due represent various receipts posted to incorrect funds that were not repaid within one year.

WAYNE COUNTY
Schedule of Capital Assets
For the Year Ended September 30, 2020
UNAUDITED

Governmental activities:

	Balance Oct. 1, 2019	Additions	Deletions	Balance Sept. 30, 2020
Land	\$ 2,038,596			2,038,596
Construction in progress	5,064,422	188,685		5,253,107
Infrastructure	133,751,029	347,796		134,098,825
Buildings	9,379,925			9,379,925
Improvements other than buildings	1,094,481			1,094,481
Mobile equipment	8,413,291	460,424	288,758	8,584,957
Furniture and equipment	1,924,536	29,021	58,139	1,895,418
Leased property under capital leases	3,331,785	411,309	275,262	3,467,832
Total capital assets	\$ <u>164,998,065</u>	<u>1,437,235</u>	<u>622,159</u>	<u>165,813,141</u>

WAYNE COUNTY
Schedule of Changes in Long-term Debt
For the Year Ended September 30, 2020
UNAUDITED

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

Description and Purpose	Issue Date	Maturity Date	Interest Rate	Balance Oct. 1, 2019	Issued	Principal Payments	Balance Sept. 30, 2020
Governmental Activities:							
A. General Obligation Bonds:							
General obligation industrial development bonds 2013	12/19/2013	12/2033	4.00-5.25% \$	4,640,000		3,965,000	675,000
General obligation industrial development bonds - 2020 refunding	9/10/2020	12/2033	2.48%		4,319,000		4,319,000
B. Capital Leases:							
County Escrow - New Phone System	2/16/2017	03/2022	6.72%	20,163		7,662	12,501
District 1 - Caterpillar	3/10/2016	03/2020	2.09%	11,406		11,406	
District 1 - Caterpillar Mini excavator	7/12/2018	07/2023	5.05%	47,040		47,040	
District 1 - Caterpillar 299D2 XHP skid steer	4/4/2019	04/2024	4.95%	89,825		10,690	79,135
District 2 - Caterpillar Mini excavator	5/18/2018	05/2023	4.55%	44,241		5,663	38,578
District 2 - Caterpillar 430F2 Backhoe Loader	10/11/2017	10/2022	3.19%	93,377		10,762	82,615
District 2 - 2014 Mack dump truck (refinanced)	1/23/2018	01/2021	3.39%	27,888		20,471	7,417
District 2 - 2014 Caterpillar 930K loader	10/30/2014	11/2019	2.12%	97,298		97,298	
District 2 - 2014 Mack dump truck (refinanced)	1/23/2018	01/2021	3.39%	27,989		20,471	7,518
District 2 - Caterpillar 299D2 XHP skid steer	10/29/2018	09/2023	5.05%	71,658		10,256	61,402
District 3 - John Deere backhoe (refinanced)	1/4/2018	01/2021	2.78%	20,629		20,629	
District 3 - New Holland tractor w/ mower	9/13/2016	09/2020	2.15%	20,004		20,004	
District 3 - Motor Grader	5/1/2017	05/2022	2.31%	188,937		16,160	172,777
District 4 - Refinanced 2012 Mack Truck	4/28/2017	04/2020	2.49%	10,818		10,818	
District 4 - 2013 Mack dump truck (refinanced)	1/23/2018	01/2021	3.39%	27,336		20,410	6,926
District 4 - New Kubota tractor/boom mower	1/11/2017	01/2022	2.25%	54,158		22,865	31,293
District 5 - Caterpillar motor grader	1/21/2015	02/2020	2.03%	140,827		140,827	
District 5 - Caterpillar backhoe loader	1/27/2016	02/2020	1.94%	69,349		69,349	
District 5 - John Deere 544K loader	4/22/2016	05/2020	1.84%	108,227		108,227	
District 5 - Kubota cab tractor with bushhog	5/23/2016	05/2020	1.84%	8,901		8,901	

WAYNE COUNTY
Schedule of Changes in Long-term Debt
For the Year Ended September 30, 2020
UNAUDITED

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

Description and Purpose	Issue Date	Maturity Date	Interest Rate	Balance Oct. 1, 2019	Issued	Principal Payments	Balance Sept. 30, 2020
Governmental Activities:							
Countywide - New 2018 Komatsu Wheel loader	1/1/2018	01/2021	2.16%	186,287		17,638	168,649
Sanitation - 2017 Western Star truck	6/2/2016	05/2020	1.82%	20,417		20,417	
Fire Department - 2 Freightliner pumper fire trucks	1/29/2016	12/2019	1.86%	18,295		18,295	
Fire Department - Freightliner pumper fire truck	9/12/2016	09/2020	1.95%	28,981		28,981	
Fire Department - 120 Kenwood portable radios	5/1/2019	05/2024	4.03%	168,961		31,176	137,785
District 1 - Caterpillar 306 Mini Excavator	7/23/2020	07/2024	3.09%		69,997	1,138	68,859
District 2 - 2014 Caterpillar 930K loader (refinanced)	12/10/2019	12/2023	3.60%		95,000	16,788	78,212
District 3 - 2021 Western Star Dump Truck	8/6/2020	08/2021	1.76%		150,499	1,628	148,871
District 4 - John Deere Tractor with Loader	8/4/2020	08/2022	2.99%		60,023	2,925	57,098
District 5 - Caterpillar backhoe loader (refinanced)	2/13/2020	02/2023	3.49%		64,000	11,926	52,074
District 5 - John Deere 544K loader (refinanced)	5/12/2020	05/2023	2.79%		98,475	10,540	87,935
District 5 - Caterpillar Motor Grader	2/13/2020	02/2025	3.24%		281,289	15,431	265,858
District 5 - 2021 Western Star Dump Truck	8/9/2020	08/2021	1.76%		150,499	1,629	148,870
C. Other Loans:							
Countywide Excavator - Signature Loan	06/28/17	07/2022	3.90%	141,499		15,232	126,267
Total				<u>\$ 6,384,511</u>	<u>5,288,782</u>	<u>4,838,653</u>	<u>6,834,640</u>

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

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

Name	Position	Company	Bond
Hal Hayes	Supervisor District 1	RLI Insurance Company	\$100,000
Marvin Chapman	Supervisor District 2	RLI Insurance Company	\$100,000
Jerry Hutto	Supervisor District 3	RLI Insurance Company	\$100,000
Gary Malone	Supervisor District 4	RLI Insurance Company	\$100,000
Henry Cooley	Supervisor District 5	RLI Insurance Company	\$100,000
Geary Jackson	Chancery Clerk	RLI Insurance Company	\$100,000
Kristen Harrison	Purchase Clerk	RLI Insurance Company	\$75,000
Tina Cochran	Assistant Purchase Clerk	Western Surety Company	\$50,000
Melissa Davis	Receiving Clerk	Western Surety Company	\$75,000
Brenda B. Mills	Assistant Receiving Clerk	RLI Insurance Company	\$50,000
Christopher McIlwain	Assistant Receiving Clerk	RLI Insurance Company	\$50,000
Keith McLaughlin	Assistant Receiving Clerk	RLI Insurance Company	\$50,000
John P. Donald	Assistant Receiving Clerk	RLI Insurance Company	\$50,000
Johnny W Lee	Assistant Receiving Clerk	RLI Insurance Company	\$50,000
Martin D. Stevison	Assistant Receiving Clerk	RLI Insurance Company	\$50,000
Janet Bishop	Assistant Receiving Clerk	RLI Insurance Company	\$50,000
Kevin Stevens	Inventory Control Clerk	RLI Insurance Company	\$75,000
Alan Scott Frost	Constable	RLI Insurance Company	\$50,000
James Beard	Constable	RLI Insurance Company	\$50,000
Stephen Ainsworth	Constable	RLI Insurance Company	\$50,000
Roase Bingham	Circuit Clerk	RLI Insurance Company	\$100,000
Jody Ashley	Sheriff	Western Surety Company	\$100,000
Charles Chapman	Justice Court Judge	Western Surety Company	\$50,000
Leslie S. Walker	Justice Court Judge	RLI Insurance Company	\$50,000
Ralph Smith	Justice Court Judge	RLI Insurance Company	\$50,000
Larita Michelle Mcain	Justice Court Clerk	RLI Insurance Company	\$50,000
Jimmie Ashley Pitts	Deputy Justice Court Clerk	RLI Insurance Company	\$50,000
Georgia M. Vaughn	Deputy Justice Court Clerk	Western Surety Company	\$50,000
Wanda Worsham	Deputy Justice Court Clerk	RLI Insurance Company	\$50,000
Crystal Dennis	Deputy Justice Court Clerk	RLI Insurance Company	\$50,000
Debbie Richards	Tax Assessor-Collector	RLI Insurance Company	\$100,000
Rose M. Trisler	Deputy Tax Assessor	RLI Insurance Company	\$10,000
Candace Cooley	Deputy Tax Assessor	RLI Insurance Company	\$10,000
Katie Odom	Deputy Tax Collector	RLI Insurance Company	\$50,000
Candace Cooley	Deputy Tax Collector	RLI Insurance Company	\$50,000
Deborah Smith	Deputy Tax Collector	RLI Insurance Company	\$50,000
Abby S. Holifield	Deputy Tax Collector	RLI Insurance Company	\$50,000
Latonie M. McIlwain	Deputy Tax Collector	RLI Insurance Company	\$50,000
Priscilla A. Pittman	Deputy Tax Collector	RLI Insurance Company	\$50,000
Melinda P. Taylor	Deputy Tax Collector	RLI Insurance Company	\$50,000
Christina Lewis	Deputy Tax Collector	RLI Insurance Company	\$50,000

WAYNE COUNTY

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WAYNE COUNTY

Notes to the Other Information For the Year Ended September 30, 2020

(1) Budgetary Comparison Information.

A. Budgetary Information.

Statutory requirements dictate how and when the County's budget is to be prepared. Generally, in the month of August, prior to the ensuing fiscal year beginning each October 1, the Board of Supervisors of the County, using historical and anticipated fiscal data and proposed budgets submitted by the Sheriff and the Tax Assessor-Collector for his or her respective department, prepares an original budget for each of the Governmental Funds for said fiscal year. The completed budget for the fiscal year includes for each fund every source of receipt, each general item of disbursement, 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 presents the original legally adopted budget, the final legally adopted budget, actual amounts on a budgetary basis and variances between the final budget and the actual amounts. The schedule is presented for the General Fund and the major Special Revenue Fund.

(2) Long-term Debt Information:

- A. Legal Debt Margin - The amount of debt, excluding specific exempted debt that can be incurred by the County is limited by state statute. Total outstanding debt during a year can be no greater than 15% of assessed value of the taxable property within the County, according to the then last completed assessment for taxation. However, the limitation is increased to 20% whenever a county issues bonds to repair or replace washed out or collapsed bridges on the public roads of the county. As of September 30, 2020, the amount of outstanding debt was equal to 1.91% of the latest property assessments.

WAYNE COUNTY

Notes to the Other Information For the Year Ended September 30, 2020

B. Subsequent Events.

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

<u>Issue Date</u>	<u>Interest Rate</u>	<u>Issue Amount</u>	<u>Type of Financing</u>	<u>Source of Financing</u>
10/16/2020	2.00-2.75%	\$ 1,850,000	General obligation bond	Ad valorem taxes
10/16/2020	3.00-3.50%	900,000	General obligation bond	Ad valorem taxes
12/07/2020	2.62%	234,981	Capital lease	Ad Valorem taxes
03/11/2021	0.88%	313,800	Capital lease	Ad Valorem taxes
03/22/2021	1.55%	24,000	Capital lease	Ad Valorem taxes
04/15/2021	1.50%	139,522	Capital lease	Ad Valorem taxes
04/15/2021	1.50%	139,522	Capital lease	Ad Valorem taxes
04/15/2021	1.62%	108,456	Capital lease	Ad Valorem taxes
05/13/2021	1.65%	251,175	Capital lease	Ad Valorem taxes
07/06/2021	3.00%	5,000,000	General obligation Bond	Use Tax
07/15/2021	1.76%	132,639	Refinance	Ad Valorem taxes
07/15/2021	1.76%	132,639	Refinance	Ad Valorem taxes
08/19/2021	1.63%	82,380	Capital lease	Ad Valorem taxes
09/16/2021	2.86%	1,389,963	Capital lease	Ad Valorem taxes

WAYNE COUNTY

SPECIAL REPORTS

WAYNE COUNTY

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STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
SHAD WHITE
AUDITOR

**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
Wayne 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 cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wayne 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 2, 2022. Our report includes an adverse opinion on the aggregate discretely presented component units due to the omission of the discretely presented component units which are required by accounting principles applicable to the County's cash basis of accounting to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as 2020-002 to be a material weakness.

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. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as 2020-001 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Wayne County, Mississippi's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2020-002.

We also noted certain matters which we have reported to the management of Wayne County, Mississippi, in the Independent Accountant's Report on Central Purchasing System, Inventory Control System and Purchase Clerk Schedules and the Limited Internal Control and Compliance Review Management Report dated June 2, 2022, included within this document.

Wayne County's Responses to Findings

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

Purpose of this Report

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



JOE E. MCKNIGHT, CPA
Director, County Audit Section

June 2, 2022



**STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
SHAD WHITE
AUDITOR**

**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
Wayne County, Mississippi

Report on Compliance for the Major Federal Program

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

Opinion on the Major Federal Program

In our opinion, Wayne 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 its major federal program for the year ended September 30, 2020.

Report on Internal Control Over Compliance

Management of Wayne 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 Wayne 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.



JOE E. MCKNIGHT, CPA
Director, County Audit Section

June 2, 2022



STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
SHAD WHITE
AUDITOR

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

Members of the Board of Supervisors
Wayne County, Mississippi

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

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

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

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

Inventory Control Clerk.

1. The Inventory Control Clerk should maintain an inventory control system.

Repeat Finding No

Criteria Section 31-7-107, Miss Code Ann. (1972), requires the Inventory Control Clerk to maintain an inventory control system. An effective system of internal control over capital assets requires that certain data elements be captured in capital asset records for all capital assets. Required data elements include description of assets, cost, locations, acquisition dates, disposition dates, methods of disposition, and other relevant information.

The presence of these data elements in capital assets records helps identify and distinguish county assets from one another, thereby safeguarding county assets from loss or misappropriation.

Condition	We noted control procedures were inadequate for maintaining adequate subsidiary records documenting the County's capital assets.
Cause	The Inventory Control Clerk lacked the necessary control procedures to accurately maintain an inventory control system and adequate subsidiary records.
Effect	The failure to maintain an accurate inventory control system could result in the reporting of inaccurate amounts and increases the possibility of the loss or misappropriation of public funds.
Recommendation	The Inventory Control Clerk should implement procedures to maintain accurate inventory records documenting the existence, completeness, and valuation of capital assets.
Views of Responsible Official(s)	We are taking steps to comply with recommendations.

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

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

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

This report is intended for use in evaluating the central purchasing system and inventory control system of Wayne County, Mississippi, and is not intended to be and should not be relied upon for any other purpose. However, this report is a matter of public record and its distribution is not limited.



JOE E. MCKNIGHT, CPA
Director, County Audit Section

June 2, 2022

WAYNE COUNTY

Schedule 1

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

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

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

Schedule 2

Our tests did not identify any emergency purchases.

WAYNE COUNTY

Schedule 3

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

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

WAYNE COUNTY

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STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
SHAD WHITE
AUDITOR

LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors
Wayne County, Mississippi

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

In addition, for areas not considered material to Wayne County, Mississippi's financial reporting, we have performed some additional limited internal control and state legal compliance review procedures as identified in the state legal compliance audit program issued by the Office of the State Auditor. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the County's compliance with these requirements. Accordingly, we do not express such an opinion. This report does not affect our report dated June 2, 2022, on the financial statements of Wayne County, Mississippi.

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

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

Board of Supervisors.

1. Interfund transfers should be approved in the minutes of the Board of Supervisors' meetings.

Repeat Finding Yes

Criteria Section 19-3-27, Miss. Code Ann. (1972), requires the maintenance of a complete and correct record of all proceedings of the Board of Supervisors.

Condition As reported in the prior year's audit report, interfund transfers were made without board orders being spread on the minutes. Inaccurate amounts were recorded and spread on the minutes.

Cause The Board of Supervisors did not comply with applicable state laws.

Effect	The failure to obtain the Board of Supervisors' approval for the correct amount of all interfund transfers could result in the reporting of erroneous amounts and increases the possibility of the loss or misappropriation of public funds.
Recommendation	The Board of Supervisors should approve and spread accurate and complete orders on the minutes relative to all interfund transfers.
Views of Responsible Official(s)	Corrections were made and steps are being made to comply with the recommendation.

Board of Supervisors and Tax Assessor-Collector.

2. Deputy Tax Assessors and Collectors should be bonded as required by state statute.

Repeat Finding	No
Criteria	Section 27-1-3, Miss. Code Ann. (1972), requires each Deputy Tax to execute a bond in the amount not less than \$10,000 to be payable, conditioned and approved as provided by law. Also, Section 25-1-15(2), requires a new bond every four (4) years concurrent with the normal election cycle of the County for all public employees to give individual bond.
Condition	The Deputy Tax Assessors had a lapse in coverage during fiscal year 2020, and therefore, were not properly bonded.
Cause	The County did not comply with state laws.
Effect	Failure to comply with the statutes would limit the amount available for recovery if a loss occurred over multiple terms.
Recommendation	The County should implement additional procedures to ensure the Deputy Tax Assessors are bonded as required by state statute.
Views of Responsible Official(s)	We are taking steps to comply with recommendations.

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

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



JOE E. MCKNIGHT, CPA
Director, County Audit Section

June 2, 2022

WAYNE COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

WAYNE COUNTY

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WAYNE 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 units	Adverse
General Fund	Unmodified
District Three Road Maintenance Fund	Unmodified
GO Industrial Development Bond 2013 Fund	Unmodified
Meadowland Park Construction Fund	Unmodified
Aggregate remaining fund information	Unmodified
2. Internal control over financial reporting:
 - a. Material weakness identified? Yes
 - b. Significant deficiency identified? Yes
3. Noncompliance material to the financial statements noted? Yes

Federal Awards:

4. Internal control over major federal programs:
 - a. Material weakness 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 finding(s) disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No
7. Identification of major federal programs:
 - a. CFDA #21.019, COVID-19-Coronavirus relief fund
8. Dollar threshold used to distinguish between type A and type B programs: \$750,000
9. Auditee qualified as low-risk auditee? No
10. Prior fiscal year audit finding(s) and questioned costs relative to federal awards which would require the auditee to prepare a summary schedule of prior audit findings in accordance with 2 CFR 200.511(b)? Yes

WAYNE COUNTY

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

Section 2: Financial Statement Findings

Board of Supervisors.

Significant Deficiency

2020-001.	<u>The County did not complete the federal grant activity schedule.</u>
Repeat Finding	No
Criteria	An effective system of internal control over federal grants includes properly identifying all federal programs and related disbursements.
Condition	The County did not complete the federal grant activity schedule for the fiscal year ended September 30, 2020.
Cause	The County lacked the necessary controls to complete the federal grant activity schedule for the fiscal year ended September 30, 2020.
Effect	The failure to properly complete the federal grant activity schedule increases the possibility of not reporting all federal disbursements and could affect the requirement to have a Single Audit.
Recommendation	The Board of Supervisors should implement controls to ensure the federal grant activity schedule is prepared each year.
Views of Responsible Official(s)	See Auditee's Corrective Action Plan.

Material Weakness
Material Noncompliance

2020-002.	<u>Controls over repayment of interfund advances should be strengthened.</u>
Repeat Finding	No.
Criteria	The Mississippi Code is silent regarding the authority of the County to make interfund loans.
Condition	The County has interfund loans outstanding that are over one year old. The loans were not repaid as of September 30, 2020.
Cause	The County lacked the necessary controls to ensure that interfund loans were repaid within one year.
Effect	Failure of the Board of Supervisors to ensure repayment of these loans is an illegal diversion of legally restricted funds.

WAYNE COUNTY

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

Recommendation For any interfund loan made, the Board of Supervisors should approve and record in the board minutes the reason for the loan, when the loan will be repaid and the source of funds for repayment. The Board of Supervisors should ensure these old loans are repaid by approving and recording in the minutes a repayment schedule and complying with the repayment schedule.

**Views of Responsible
Official(s)** See Auditee's Corrective Action Plan.

WAYNE COUNTY

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WAYNE COUNTY

AUDITEE'S CORRECTIVE ACTION PLAN
AND
AUDITEE'S SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

WAYNE COUNTY

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WAYNE COUNTY BOARD OF SUPERVISORS
WAYNE COUNTY COURTHOUSE
609 AZALEA DRIVE
WAYNESBORO, MISSISSIPPI 39367
Telephone: (601) 735-3414
Fax: (601) 735-6230

HAL HAYES, District 1
HENRY COOLEY, District 5
GARY MALONE, District 4

OFFICERS
JERRY HUTTO, President-District 3
MARVIN CHAPMAN, Vice President, District 2
GEARY JACKSON, Chancery Clerk

COOPER LEGGETT, Attorney
P.O. Box 384, Waynesboro, MS 39367
Telephone: (601) 735-4920

CORRECTIVE ACTION PLAN

May 24, 2022

Office of the State Auditor
P.O. Box 956
Jackson, Mississippi 39205

Gentlemen:

Wayne County respectfully submits the following Corrective Action Plan for the year ended September 30, 2020.

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

SECTION 2: FINANCIAL STATEMENT FINDINGS

2020-001. Corrective Action Planned: We are taking steps to comply with the recommendation.

Anticipated Completion Date: Unknown

Name of Contact Person Responsible for Corrective Action: Geary Jackson

2020-002. Corrective Action Planned: The County is making steps to repay advances. The Board approved to payback advances in the amount of \$191,459 from Sanitation, \$11,603 to Escrow, and \$179,856 to General Fund. Other paybacks of advances from Sanitation will be repaid according to a schedule approved by the BOS on 11/1/21 in the amount of \$54,306 per year for five years.

Anticipated Completion Date: Unknown

Name of Contact Person Responsible for Corrective Action: Geary Jackson

SECTION 3: FEDERAL AWARD FINDINGS

There are no findings or questioned costs related to federal awards.

Sincerely,



Geary Jackson, Chancery Clerk
For Wayne County

WAYNE COUNTY BOARD OF SUPERVISORS
WAYNE COUNTY COURTHOUSE
609 AZALEA DRIVE
WAYNESBORO, MISSISSIPPI 39367
Telephone: (601) 735-3414
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HAL HAYES, District 1
HENRY COOLEY, District 3
GARY MALONE, District 4

OFFICERS
JERRY HUTTO, President-District 3
MARYN CHAPMAN, Vice President-District 2
GEARY JACKSON, Chancery Clerk

COOPER L. EGGETT, Attorney
P.O. Box 384, Waynesboro, MS 39367
Telephone: (601) 735-4920

May 24, 2022

Office of the State Auditor
P.O. Box 95c
Jackson, MS 39205

Gentlemen:

Wayne County respectfully submits the following summary schedule of prior year audit findings relative to the financial statements.

2019-001. Warrants should not be signed without sufficient money in the funds.

Condition: As reported in the prior year's audit report, warrants were issued on funds which did not have sufficient money available. At September 30, 2019, the Waste Tire Facility Fund and the Agency Clearing Fund had negative cash balances of \$8,838 and \$1,923, respectively.

Recommendation: The Board of Supervisors should ensure that no warrants are signed or delivered until there is sufficient money in the funds upon which they are drawn to pay the same as required by law.

Current Status: Not signing or delivering warrants without proper funds in account.

2019-002. The County should strengthen controls to ensure only allowable costs are submitted for federal reimbursement.

Condition: During our test work, we determined the following costs were unallowable:

<u>Reason for Disallowance</u>	<u>Amount</u>
a. Material costs were not adequately documented	\$ 584,617
b. Project management and grant administration costs were not charged consistently throughout the county	15,825
c. Force account equipment costs were charged for dates on which there were no corresponding allowable force account labor hours	23,329

d. The fringe benefit rate used to compute force account labor costs was incorrect	10,501
e. Force account labor costs were charged for days for which the employee was not paid by the county	7,993
f. Force account labor costs were charged at an hourly rate different from that paid by the county	2,523
g. Force account labor costs were charged for the same employee on the same day for two different projects	1,964
Total	\$ 646,752

Recommendation: The Board of Supervisors should strengthen control procedures to ensure all expenditures are allowable in respect to a specific federal award.

Current Status:

- a. The County has since purchased load tickets to be utilized when obtaining borrow fill from the County Pit.
- b. Due to the County not being in a unit system each district supervisor has the option to hire a project manager or choose not to.
- c. Force account equipment charges are allowed without the charge of force account labor in the event of emergency protective measures according to the Stafford Act.
- d. The County now updates the fringe benefit rate of each employee through payroll at the beginning of each fiscal year due to possible raises and changes in benefits and provides this to the applicant agent.
- e. The County now has the payroll clerk work closely with the applicant agent to obtain the payroll sheets of all employees being utilized on any project.
- f. The County Payroll Clerk now provides the applicant agent current payroll sheets with the correct labor cost for all employees utilized on any project.
- g. The county has since put in place the payroll clerk works with the applicant agent to ensure that time sheets are utilized correctly on all projects.

Sincerely,



Geary Jackson
Chancery Clerk