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ADAMS COUNTY, MISSISSIPPI

Audited Financial Statements and Special Reports

For the Year Ended September 30, 2021



ADAMS COUNTY
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ADAMS COUNTY

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors
Adams County, Mississippi

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Adams County, Mississippi, (the County) as of and for the year ended September 30, 2021, 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 Adams County Airport Commission and Natchez-Adams Port Commission which are discretely presented component units and represent 41% and 59%, respectively, of the assets, 54% and 46%, respectively, of the net position, and 25% and 75% of the revenues of the discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for Adams County Airport Commission and Natchez-Adams County Port Commission is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

Basis for Qualified Opinions on Governmental Activities and General Fund

The Tax Collector did not reconcile their bank statements nor match up to the booked cash. The amount by which this departure would affect the assets, net position/fund balance, and revenues of the Governmental Activities and the General Fund has not been determined.

Qualified Opinions

In our opinion, except for the effects of the matter discussed in "Basis for Qualified Opinions on Governmental Activities and General Fund" paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Governmental Activities and the General Fund of Adams County, Mississippi, as of September 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the aggregate discretely presented component units, each major fund other than the General Fund, and the aggregate remaining fund information of Adams County, Mississippi, as of September 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Budgetary Comparison Schedules and corresponding notes, the Schedule of the County's Proportionate Share of the Net Pension Liability, and the Schedule of the County's Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States

of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Omission of Required Supplementary Information

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

Other Information

The Schedule of Surety Bonds for County Officials has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2022, on our consideration of Adams 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 Adams 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 Adams 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

December 7, 2022

ADAMS COUNTY

FINANCIAL STATEMENTS

ADAMS COUNTY
Statement of Net Position
September 30, 2021

Exhibit 1

	Primary Government	Component Units		
	Governmental Activities	Adams County Airport Comm.	Natchez-Adams Port Comm.	Total
Assets				
Cash	\$ 8,780,703	\$ 397,624	45,164	442,788
Property tax receivable	12,550,478			-
Accounts receivable	-	15,595	310,707	326,302
Fines receivable, net of allowance for uncollectibles of \$2,853,802	628,995			-
Accounts receivable, net of allowance for uncollectibles of \$2,740,784	106,329			-
Loans receivable, net	2,087,000			-
Intergovernmental receivables	282,033			-
Other receivables	1,380,070			-
Prepaid expenses	-	18,787		18,787
Inventories, at cost	-	44,823		44,823
Intangible assets	-	89,034		89,034
Land and construction in progress	13,461,291	556,420	785,873	1,342,293
Other capital assets, net	58,102,127	5,234,965	7,867,872	13,102,837
Total Assets	97,379,026	6,357,248	9,009,616	15,366,864
Deferred Outflows of Resources				
Deferred outflows related to pension	2,129,586	37,174	146,687	183,861
Deferred amount on refunding	249,024			-
Total Deferred Outflows of Resources	2,378,610	37,174	146,687	183,861
Liabilities				
Claims payable	802,456			-
Amounts held in custody for others	892,637			-
Intergovernmental payables	918,579			-
Accrued interest payable	116,021			-
Accounts payable	-	79,608	139,585	219,193
Accrued payroll and payroll taxes	-		23,331	23,331
Unearned revenue	2,980,878			-
Long-term liabilities				-
Due within one year:				-
Capital related debt	2,185,460		2,087,000	2,087,000
Non-capital debt	400,000			-
Due in more than one year:				-
Capital related debt	13,621,844			-
Non-capital debt	1,030,721	25,971		25,971
Net pension liability	18,091,255	394,933	1,537,166	1,932,099
Total Liabilities	41,039,851	500,512	3,787,082	4,287,594
Deferred Inflows of Resources				
Deferred inflows related to pension	5,933,054	97,131	473,619	570,750
Deferred revenues - property tax	12,550,478			-
Total deferred inflows of resources	18,483,532	97,131	473,619	570,750
Net Position				
Net investment in capital assets	56,005,138	5,791,385	6,566,745	12,358,130
Restricted:				
Expendable:				
General government	735,697			
Public safety	461,028			
Public works	889,217			
Economic development	1,003,643			-
Unemployment	34,361			-
Non-expendable				-
Loan receivable	2,087,000			-
Unrestricted	(20,981,831)	5,394	(1,671,143)	(1,665,749)
Total Net Position	\$ 40,234,253	\$ 5,796,779	4,895,602	10,692,381

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

ADAMS COUNTY
Statement of Activities
For the Year Ended September 30, 2021

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and	Component Units		
		Charges for	Operating	Capital Grants and	Changes in Net Position	Adams Co	Natchez-	Total
		Services	Grants and	Contributions	Primary Government	Airport	Adams Port	Component
			Contributions		Governmental	Comm.	Comm.	Units
					Activities			
Primary government:								
Governmental activities:								
General government	\$ 10,666,117	3,134,372	829,683		(6,702,062)			
Public safety	8,133,409	1,326,254	775,051		(6,032,104)			
Public works	5,494,215	1,268,506	699,337	802,684	(2,723,688)			
Health and welfare	377,720		74,972		(302,748)			
Culture and recreation	119,931				(119,931)			
Conservation of natural resources	1,155,758				(1,155,758)			
Economic development and assistance	286,605			166,752	(119,853)			
Interest on long-term debt	624,676				(624,676)			
Pension expense	580,555				(580,555)			
Total Governmental Activities	<u>27,438,986</u>	<u>5,729,132</u>	<u>2,379,043</u>	<u>969,436</u>	<u>(18,361,375)</u>			
Total Primary Government	<u>\$ 27,438,986</u>	<u>5,729,132</u>	<u>2,379,043</u>	<u>969,436</u>	<u>(18,361,375)</u>			
Component Units:								
Adams County Airport Commission	\$ 1,062,057	387,560	598,406			(76,091)		(76,091)
Natchez-Adams Port Commission	2,960,896	2,024,926		27,720			(908,250)	(908,250)
Total Component Units	<u>\$ 4,022,953</u>	<u>2,412,486</u>	<u>598,406</u>	<u>27,720</u>				<u>(984,341)</u>
General revenues:								
Property taxes					\$ 15,771,716			-
Road & bridge privilege taxes					950,757			-
Grants and contributions not restricted to specific programs					1,124,305	245,000	1,370,000	1,615,000
Unrestricted investment income					205,712	404	109	513
Miscellaneous					896,673	154,408	731,509	885,917
Total General Revenues					<u>18,949,163</u>	<u>399,812</u>	<u>2,101,618</u>	<u>2,501,430</u>
Changes in Net Position					<u>587,788</u>	<u>323,721</u>	<u>1,193,368</u>	<u>1,517,089</u>
Net Position - Beginning, as previously reported					39,518,013	5,473,058	3,668,234	9,141,292
Fund reclassifications					128,452			-
Prior period adjustment							34,000	34,000
Net Position - Beginning, as restated					<u>39,646,465</u>	<u>5,473,058</u>	<u>3,702,234</u>	<u>9,175,292</u>
Net Position - Ending	<u>\$</u>				<u>40,234,253</u>	<u>5,796,779</u>	<u>4,895,602</u>	<u>10,692,381</u>

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

ADAMS COUNTY
Balance Sheet – Governmental Funds
September 30, 2021

Exhibit 3

	Major Funds			
	General Fund	Fiscal Recovery Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash	\$ 2,110,076	2,990,510	3,070,167	8,170,753
Property tax receivable	10,061,803		2,488,675	12,550,478
Fines receivable, net of allowance for uncollectibles of \$2,853,802	628,995			628,995
Accounts receivable, net of allowance for uncollectibles of \$2,740,784			106,329	106,329
Loans receivable, net			2,087,000	2,087,000
Intergovernmental receivables	240,074		41,959	282,033
Due from other funds			184,448	184,448
Advances to other funds	73,577		88,854	162,431
Other receivables	1,380,070			1,380,070
Total Assets	<u>14,494,595</u>	<u>2,990,510</u>	<u>8,067,432</u>	<u>25,552,537</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Claims payable	69,429		148,343	217,772
Intergovernmental payables	880,781			880,781
Due to other funds	222,246			222,246
Advances from other funds	90,324		37,265	127,589
Amounts held in custody for others	892,637			892,637
Unearned revenue	0	2,980,878		2,980,878
Total Liabilities	<u>2,155,417</u>	<u>2,980,878</u>	<u>185,608</u>	<u>5,321,903</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	10,061,803	0	2,488,675	12,550,478
Unavailable revenue - garbage fees			106,329	106,329
Unavailable revenue - fines	628,995			628,995
Total Deferred Inflows of Resources	<u>10,690,798</u>	<u>0</u>	<u>2,595,004</u>	<u>13,285,802</u>
FUND BALANCES				
Nonspendable:				
Advances	73,577			73,577
Loan receivable			2,087,000	2,087,000
Restricted for:				
General government		9,632	726,065	735,697
Public safety			461,028	461,028
Public works			889,217	889,217
Economic development			1,003,643	1,003,643
Debt service			85,506	85,506
Unemployment compensation			34,361	34,361
Unassigned	1,574,803			1,574,803
Total Fund Balances	<u>1,648,380</u>	<u>9,632</u>	<u>5,286,820</u>	<u>6,944,832</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 14,494,595</u>	<u>2,990,510</u>	<u>8,067,432</u>	<u>25,552,537</u>

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

ADAMS COUNTY**Exhibit 3-1****Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
September 30, 2021**

	<u>Amount</u>
Total fund balance - Governmental Funds	\$ 6,944,832
Amounts reported for governmental services 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 \$69,246,468.	71,563,418
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	
Accounts Receivable, net	106,329
Fines Receivable, net	628,995
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(17,238,025)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(116,021)
Deferred amount on refunding	249,024
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(18,091,255)
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	2,129,586
Deferred inflows of resources related to pensions	(5,933,054)
Internal Service Funds are used by management to charge the cost of insurance to individual funds. The assets and liabilities of the Internal Service Funds are included in governmental activities in the Statement of Net Position.	(9,576)
Total Net Position - Governmental Activities	<u>\$ 40,234,253</u>

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

ADAMS COUNTY
Exhibit 4
**Statement of Revenues, Expenditures, and Changes in Fund Balances for Governmental Funds
For the Year Ended September 30, 2021**

	Major Funds			
	General Fund	Fiscal Recovery Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 11,294,547		4,477,169	15,771,716
Road and bridge privilege taxes			950,757	950,757
Licenses, commissions and other revenue	483,679		412,104	895,783
Fines and forfeitures	257,420		10,886	268,306
Intergovernmental revenues	1,723,454		2,749,330	4,472,784
Charges for services	658,653		1,585,193	2,243,846
Interest income	190,967	9,632	4,026	204,625
Miscellaneous revenues	105,401		467,919	573,320
Total Revenues	14,714,121	9,632	10,657,384	25,381,137
EXPENDITURES				
Current:				
General government	7,070,303		578,361	7,648,664
Public safety	6,557,064		2,127,676	8,684,740
Public works			5,196,182	5,196,182
Health and welfare	377,720			377,720
Culture and recreation	119,931			119,931
Conservation of natural resources	365,731		790,027	1,155,758
Economic development and assistance	267,115		651,478	918,593
Debt service:				
Principal	369,561		2,182,271	2,551,832
Interest	24,302		550,294	574,596
Total Expenditures	15,151,727	0	12,076,289	27,228,016
Excess of Revenues over (under) Expenditures	(437,606)	9,632	(1,418,905)	(1,846,879)
OTHER FINANCING SOURCES (USES)				
Long-term capital debt issued	282,289		527,823	810,112
Proceeds from sale of capital assets	63,199		407,061	470,260
Transfers in	384,162		1,517,242	1,901,404
Transfers out	(2,133,352)		(414,823)	(2,548,175)
Total Other Financing Sources and Uses	(1,403,702)	0	2,037,303	633,601
Net Changes in Fund Balances	(1,841,308)	9,632	618,398	(1,213,278)
Fund Balances - Beginning, as previously reported	3,361,236	0	4,668,422	8,029,658
Fund reclassification	128,452			128,452
Fund Balances - Beginning, as restated	3,489,688	0	4,668,422	8,158,110
Fund Balances - Ending	\$ 1,648,380	9,632	5,286,820	6,944,832

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

ADAMS 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, 2021**

	<u>Amount</u>
Net Change in Fund Balances - Governmental Funds	\$ (1,213,278)
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 \$1,662,668 was exceeded by depreciation of \$1,875,349 in the current period.	(212,681)
In the Statement of Activities, only gains and losses from the sale of capital assets are reported, while in the governmental funds, the proceeds from the sale of capital assets increases financial resources. Thus, the change in net position differs from the change in fund balance by the amount of the net gain of \$323,353 and the proceeds from the sale of capital assets of \$470,260 in the current period.	(146,907)
Fine revenue recognized on the modified accrual basis in the funds during the current year is increased because prior year recognition would have been required on the Statement of Activities using the full-accrual basis of accounting.	(304,216)
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.	(372)
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 proceeds of \$810,112 was exceeded by debt repayments of \$2,551,832.	1,741,720
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. Thus, the change in net position differs from the change in fund balances by a combination of the following items:	
Change in compensated absences	26,298
Change in accrued interest payable	7,034
Amortization of bond premium	8,913
Amortization of refunding charges on long-term debt	(66,027)
Items reported in the Statement of Activities relating to the implementation of GASB 68 are not reported in the governmental funds. These activities include:	
Recognition of pension expense for the current year	(580,555)
Recognition of contributions made for the current year	1,422,750
An Internal Service Fund is used by management to charge the cost of insurance to individual funds. The net revenue (expense) is reported within governmental activities	(94,891)
Change in Net Position of Governmental Activities	\$ <u><u>587,788</u></u>

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

ADAMS COUNTY
Statement of Net Position – Proprietary Fund
September 30, 2021

Exhibit 5

	Internal Service Fund
	<hr/>
ASSETS	
Current assets:	
Cash	\$ 609,950
Advances to other funds	10,000
Total Assets	<hr/> 619,950 <hr/>
LIABILITIES	
Current liabilities:	
Claims payable	584,684
Advances from other funds	44,842
Total Liabilities	<hr/> 629,526 <hr/>
NET POSITION	
Unrestricted	<hr/> (9,576)
Total Net Position	\$ <hr/> (9,576) <hr/>

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

ADAMS COUNTY**Exhibit 6****Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Fund
For the Year Ended September 30, 2021**

	<u>Internal Service Fund</u>
Operating Revenues	
Premiums	\$ 2,625,785
Total Operating Revenues	<u>2,625,785</u>
Operating Expenses	
Claims payments	<u>3,368,534</u>
Total Operating Expenses	<u>3,368,534</u>
Operating Income (Loss)	<u>(742,749)</u>
Nonoperating Revenues (Expenses)	
Interest income	<u>1,087</u>
Net Nonoperating Revenue (Expenses)	<u>1,087</u>
Transfers in	<u>646,771</u>
Change in Net Position	<u>(94,891)</u>
Net Position - Beginning	<u>85,315</u>
Net Position - Ending	\$ <u><u>(9,576)</u></u>

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

ADAMS COUNTY**Exhibit 7****Statement of Cash Flows – Proprietary Fund
For the Year Ended September 30, 2021**

	Internal Service Fund
Cash Flows From Operating Activities	
Receipts for premiums	\$ 2,625,785
Other operating cash payments	<u>(2,981,853)</u>
Net Cash Provided (Used) by Operating Activities	<u>(356,068)</u>
Cash Flows From Noncapital Financing Activities	
Cash received from other funds:	
Operating transfers in	<u>646,771</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>646,771</u>
Cash Flows From Investing Activities	
Interest on deposits	<u>1,087</u>
Net Cash Provided (Used) by Investing Activities	<u>1,087</u>
Net Increase (Decrease) in Cash and Cash Equivalents	291,790
Cash and Cash Equivalents at Beginning of Year	<u>318,160</u>
Cash and Cash Equivalents at End of Year	<u>\$ 609,950</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating income (Loss)	\$ (742,749)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Changes in assets and liabilities:	
Increase (decrease) in claims payable	<u>386,681</u>
Total Adjustments	<u>386,681</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (356,068)</u>

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

ADAMS COUNTY
Statement of Fiduciary Net Position
September 30, 2021

Exhibit 8

	<u>Custodial Funds</u>
ASSETS	
Cash	\$ 4,499,315
Due from other funds	<u>37,798</u>
Total Assets	<u><u>4,537,113</u></u>
LIABILITIES	
Intergovernmental payables	<u>37,798</u>
Total Liabilities	\$ <u><u>37,798</u></u>
NET POSITION	
Restricted for:	
Individuals, organizations and other governments	<u>4,499,315</u>
Total Net Position	\$ <u><u>4,499,315</u></u>

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

ADAMS COUNTY
Statement of Changes in Fiduciary Net Position
For the Year Ended September 30, 2021

Exhibit 9

	<u>Custodial Funds</u>
ADDITIONS	
Tax collections for other governments	\$ 840,455
Other taxes and fees collected for other governments	55,952,014
Licenses and fees collected for State	<u>883</u>
Total Additions	<u><u>56,793,352</u></u>
DEDUCTIONS	
Payments of tax to other governments	865,464
Payments of other taxes and fees to other governments	<u>51,626,950</u>
Total Deductions	<u><u>\$ 52,492,414</u></u>
Net increase (decrease) in fiduciary net position	4,300,938
Net Position - Beginning of year	<u>198,377</u>
Net Position - End of year	<u><u>\$ 4,499,315</u></u>

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

ADAMS COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

A. Financial Reporting Entity.

Adams 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 Adams County to present these financial statements on the primary government and its component units which have 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.

Blended Component Units

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

Adams County Public Improvement Corporation was incorporated as a nonprofit under Section 31-8-3, Miss. Code Ann. (1972) that allows counties to enter into lease agreements with any corporation. The Corporation's three-member Board of Directors is appointed by the Board of Supervisors. The Corporation produces a financial benefit through its ability to finance the construction of capital facilities for the primary government by obligating funds to repay debt pursuant to a lease agreement.

Discretely Presented Component Units

The component units' columns in the financial statements include the financial data of the following component units of the County. They are reported in separate columns to emphasize that they are legally separate from the County. The majority of the members of the governing bodies of these component units were appointed by the County Board of Supervisors.

ADAMS COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

The County reports the following discretely presented component units. Complete financial statements for these component units can be obtained through the Adams County Board of Supervisors.

- Adams County Airport Commission
- Natchez-Adams County Port Commission

The Adams County Airport Commission (the Airport) was established by a joint resolution and ordinance of the Board of Supervisors of Adams County, Mississippi, the Mayor and the Board of Aldermen of the City of Natchez, Mississippi, pursuant to Section 61-3-5 of the Mississippi Code of 1972, annotated and recompiled. Pursuant to the provisions of the joint resolution and ordinance of May 1998, the Adams County Board of Supervisors created the Adams County Airport Commission. Adams County provides the annual funding for the Airport; therefore, it is treated as a component unit of the County for reporting purposes. The Airport has a year end of September 30.

The Natchez-Adams County Port Commission (the Port) is located along the Mississippi River in the City of Natchez in Adams County, Mississippi. The Port is governed by a Board of Commissioners which are appointed by the Adams County Board of Supervisors. The Port has a year end of September 30.

Certified public accounting firms other than the primary government's auditor audited the financial statements for each discretely presented component unit listed above and provided these to the County as the primary government.

Financial information may be obtained from the Adams County Chancery Clerk's office at 115 S. Wall Street, Natchez, MS 39120.

C. Basis of Presentation.

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

Government-wide Financial Statements:

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

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

ADAMS COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

classified as program revenues, are presented as general revenues of the County, with certain limited exceptions. Internal service fund balances have been eliminated against the expenses and program revenue. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the County.

Fund Financial Statements:

Fund financial statements of the County are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows, liabilities, deferred inflows, fund balances, revenues, and expenditures. Funds are organized into governmental, proprietary, 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, Proprietary Funds and Fiduciary 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.

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

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

The County reports the following major Governmental Funds:

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

Fiscal Recovery Fund – This fund is used to account for monies from The American Rescue Plan Act of 2021 that are to aid in the recovery of the effects associated with the COVID-19 pandemic.

Additionally, the County reports the following fund types:

ADAMS COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

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.

PROPRIETARY FUND TYPE

Internal Service Fund – This fund is used to account for those operations that provide services to other departments or agencies of the government, or to other governments, on a cost reimbursement basis. The County's internal service fund reports on the self-insurance programs for employee medical benefits.

FIDUCIARY FUND TYPE

Custodial Funds – These funds are used to report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

E. Account Classifications.

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

F. Deposits and Investments.

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

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

G. Receivables.

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

H. Inter-fund Transactions and Balances.

ADAMS COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

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

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 asset costs, other than infrastructure, have been estimated and the methods of estimation are not readily available. Donated capital assets are recorded at estimated fair market value at the time of donation. The costs of normal maintenance and repairs that do not add to the value of assets or materially extend their respective lives are not capitalized; however, improvements are capitalized. Interest expenditures are not capitalized on capital assets.

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:

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

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

J. Deferred Outflows/Inflows of Resources.

ADAMS COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

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 12 for additional details.

Deferred amount on refunding – For current refundings and advance refundings 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 so will not be recognized as inflows of resources (revenues) 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.

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

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

Deferred inflows related to pensions – This amount represents the County's proportionate share of the deferred inflows of resources reported by the pension plan in which the County participates. See Note 12 for additional details.

K. Pensions.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public Employees' Retirement System of Mississippi (PERS) and additions to/deductions from PERS' fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

L. Long-term Liabilities.

ADAMS COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

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

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable 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, the face amount of debt issued is reported as other financing sources.

M. Equity Classifications.

Government-wide Financial Statements:

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

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

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

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

Net Position Flow Assumption:

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

Fund Financial Statements:

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

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

Nonspendable fund balance includes amounts that cannot be spent. This includes amounts that are either not in a spendable form (inventories, prepaid amounts, long-term portion of loans/notes receivable, or

ADAMS COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

property held for resale unless the proceeds from the collection of those receivables or from the sale of those properties are restricted, committed or assigned) or amounts that are legally or contractually required to be maintained intact, such as a principal balance of a permanent fund.

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

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

Fund Balance Flow Assumption:

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

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.

O. Intergovernmental Revenues in Governmental Funds.

ADAMS COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

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 and Proprietary Funds financial statements. In fund financial statements, Governmental Funds report the compensated absence liability payable only if the payable has matured, for example an employee resigns or retires.

Q. Changes In Accounting Standards.

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

GASB 84, *Fiduciary Activities*, was implemented during fiscal year 2021. The objective of this statement is to improve the guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, (4) custodial funds.

NOTE 2 – FUND RECLASSIFICATIONS.

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

ADAMS COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

Exhibit 2 - Statement of Activities - Governmental Activities

Explanation	Amount
Governmental Activities	
To reclassify agency funds to the General Fund for the implementation of GASB 84	128,452
Total fund reclassifications	<u>\$ 128,452</u>

Exhibit 4 - Statement of Revenues, Expenses and Changes in Fund Balances - General Fund

Explanation	Amount
General Fund	
To reclassify agency funds to the General Fund for the implementation of GASB 84	128,452
Total fund reclassifications	<u>\$ 128,452</u>

NOTE 3 – PRIOR PERIOD ADJUSTMENTS.

A summary of the significant fund equity prior period adjustments is as follows:

Exhibit 2 - Statement of Activities

Explanation	Amount
Component Unit - Natchez-Adams County Port Commission	
To correct omission of prior year revenues	34,000
Total prior period adjustments	<u>\$ 34,000</u>

NOTE 4 – DEPOSITS.

Deposits:

The carrying amount of the County's total deposits with financial institutions at September 30, 2021, was \$13,280,018 and the bank balance was \$14,156,910. 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.

ADAMS COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

NOTE 5 – INTER-FUND TRANSACTIONS AND BALANCES.

The following is a summary of inter-fund balances at September 30, 2021:

A. Due From/To Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Other Governmental Funds	General Fund	\$ 184,448
Custodial Funds	General Fund	37,798
Total		<u>\$ 222,246</u>

The receivables represent the tax revenues collected in September 2021, but not settled until October 2021. All interfund balances are expected to be repaid within one year from the date of the financial statements.

B. Advances from/to Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 28,735
General Fund	Internal Service Fund	44,842
Other Governmental Funds	General Fund	80,324
Other Governmental Funds	Other Governmental Funds	8,530
Internal Service Fund	General Fund	10,000
Total		<u>\$ 172,431</u>

Advances to other funds have generally been made to provide cash to funds to help fund operations.

C. Transfers In/Out:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 384,162
Other Governmental Funds	General Fund	1,486,581
Other Governmental Funds	Other Governmental Funds	30,661
Internal Service Fund	General Fund	646,771
Total		<u>\$ 2,548,175</u>

Transfers are for the following: 1) County matching on grants, 2) transfer of one mill funds, excess tax bids, and grand gulf fund for unrestricted operations, and 3) miscellaneous fund operations where cash was short.

NOTE 6 – INTERGOVERNMENTAL RECEIVABLES.

Intergovernmental receivables at September 30, 2021, consisted of the following:

ADAMS COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

<u>Governmental Activities:</u>	<u>Amount</u>
Legislative Tag Credit	\$ 194,194
Coronavirus Relief Fund	45,880
Sheriff's VOCA Grant	29,761
Family Drug Court Grants	11,318
Sheriff's OP Seatbelt Grant	880
Total Governmental Activities	<u>\$ 282,033</u>

NOTE 7 – LOANS RECEIVABLE.

Loans receivable balances at September 30, 2021, are as follows:

<u>Description</u>	<u>Date of Loan</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Receivable Balance</u>
Natchez-Adams County Port Commission	Nov-1997	5.20%	Nov-2017	\$ 2,087,000
Total loans receivable				<u>\$ 2,087,000</u>

With respect to the past maturity date, this loans receivable is used to pay the Mississippi Development Bank Port Improvement Bonds. In years where revenues are unavailable from the Port, Adams County repays the bonds. The Port then has the liability to repay the county. In the year ended September 30, 2021, the Port transferred \$0 to the county to assist in defraying the principal and interest payments on these bonds. The Port reports a corresponding payable. Even though the original maturity date has passed, the loans receivable from the Natchez-Adams County Port Commission still exists.

NOTE 8– CAPITAL ASSETS.

The following is a summary of capital assets activity for the year ended September 30, 2021:

ADAMS COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

Governmental activities:

	Balance Oct. 1, 2020	Additions	Deletions	Adjustments	Balance Sept. 30, 2021
Non-depreciable capital assets:					
Land	\$ 12,361,312				12,361,312
Construction in progress	467,991	631,988			1,099,979
Total non-depreciable capital assets	12,829,303	631,988	-	-	13,461,291
Depreciable capital assets:					
Infrastructure	94,604,652	268,363			94,873,015
Buildings	19,273,193				19,273,193
Improvements other than buildings	1,366,707				1,366,707
Mobile equipment	5,813,444	104,364	170,605	644,361	6,391,564
Furniture and equipment	2,243,499	54,576	5,562		2,292,513
Leased property under capital leases	3,442,202	603,377	249,615	(644,361)	3,151,603
Total depreciable capital assets	126,743,697	1,030,680	425,782	-	127,348,595
Less accumulated depreciation for:					
Infrastructure	53,384,613	806,391			54,191,004
Buildings	6,078,199	317,057			6,395,256
Improvements other than buildings	484,257	32,537			516,794
Mobile equipment	4,745,294	213,614	160,559	316,443	5,114,792
Furniture and equipment	1,911,741	67,501	5,422		1,973,820
Leased property under capital leases	1,045,890	438,249	112,894	(316,443)	1,054,802
Total accumulated depreciation	67,649,994	1,875,349	278,875	-	69,246,468
Total depreciable capital assets, net	59,093,703	(844,669)	146,907	-	58,102,127
Governmental activities Capital assets, net	\$ 71,923,006	(212,681)	146,907	-	71,563,418

Adjustments are to reclassify paid off capital leases.

Depreciation expense was charged to the following functions:

Governmental Activities:	Amount
General government	\$ 222,698
Public safety	225,405
Public works	1,427,246
Total governmental activities depreciation expense	\$ 1,875,349

Commitments with respect to unfinished capital projects as of September 30, 2021, consisted of the following:

Description of Commitment	Remaining Financial Commitment	Expected Date of Completion
Belwood Levee Project	\$ 88,012	2023

ADAMS COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

Capital Assets - Component Units:

Adams County Airport Commission	Balance Oct. 1, 2020	Additions	Deletions	Adjustments	Balance Sept. 30, 2021
Non-depreciable capital assets:					
Land	\$ 268,655				268,655
Construction in progress	587,790	287,765	587,790		287,765
Total non-depreciable capital assets	856,445	287,765	587,790	-	556,420
Depreciable capital assets:					
Buildings and improvements	14,227,149	867,064			15,094,213
Equipment and fixtures	465,246	20,799			486,045
Total depreciable capital assets	14,692,395	887,863	-	-	15,580,258
Less accumulated depreciation for:					
Buildings and improvements	9,805,747	287,310			10,093,057
Equipment and fixtures	244,586	7,650			252,236
Total accumulated depreciation	10,050,333	294,960	-	-	10,345,293
Total depreciable capital assets, net	4,642,062	592,903	-	-	5,234,965
Component unit capital assets, net	\$ 5,498,507	880,668	587,790	-	5,791,385
Natchez-Adams County Port Commission					
Non-depreciable capital assets:					
Land	\$ 54,173				54,173
Construction in progress	731,700				731,700
Total non-depreciable capital assets	785,873	0	-	-	785,873
Depreciable capital assets:					
Buildings and improvements	10,163,623	1,560,000	30,041		11,693,582
Equipment and fixtures	5,332,267				5,332,267
Total depreciable capital assets	15,495,890	1,560,000	30,041	-	17,025,849
Less accumulated depreciation for:					
Buildings and improvements	5,795,718	352,816	22,367		6,126,167
Equipment and fixtures	2,746,759	285,051			3,031,810
Total accumulated depreciation	8,542,477	637,867	22,367	-	9,157,977
Total depreciable capital assets, net	6,953,413	922,133	7,674	-	7,867,872
Component unit capital assets, net	\$ 7,739,286	922,133	7,674	-	8,653,745

NOTE 9 – CLAIMS AND JUDGMENTS.

Risk Financing – The County finances its exposure to risk of loss related to workers' compensation for injuries to its employees through the Mississippi Public Entity Workers' Compensation Trust, a public entity risk pool. The County pays premiums to the pool for its workers' compensation insurance coverage, and the participation agreement provides that the pool will be self-sustaining through member premiums. The retention for the pool is \$1,000,000 for each accident and completely covers statutory limits set by the Workers' Compensation Commission. Risk of loss is remote for claims exceeding the pool's retention liability. However, the pool also has catastrophic reinsurance coverage for statutory limits above the pool's retention, provided by Safety National Casualty Corporation, effective from January 1, 2021, to January 1, 2022. The pool may make an overall supplemental assessment or declare a refund depending on the loss experience of all the entities it insures.

The County finances its exposure to risk of loss relating to employee health and accident coverage through the Mississippi Public Entity Employee Benefit Trust, a public entity risk pool. The pool is a claims-servicing

ADAMS COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

organization with the County retaining the risk of loss on all claims to which the County is exposed. Premium payments to the pool are determined on an actuarial basis. The County has reinsurance which functions on two stop loss coverages: specific and aggregate. These coverages are purchased from an outside commercial carrier. For the current fiscal year, the specific coverage begins when an individual participant's claim exceeds \$20,000, and the aggregate policy covers all submitted claims in excess of \$55,000. The reinsurance coverage limit is \$1,000,000. Claims expenses and liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs).

The following table provides changes in the balances of claims liabilities for fiscal years 2020 and 2021:

		Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2019-2020	\$	25,840	2,279,051	2,106,888	198,003
2020-2021	\$	198,003	3,755,215	3,368,534	584,684

NOTE 10 – CAPITAL LEASES.

As Lessee

The County is obligated for the following capital assets acquired through capital leases as of September 30, 2021:

<u>Classes of Property</u>	<u>Governmental Activities</u>
Mobile equipment	\$ 3,151,603
Less: Accumulated depreciation	1,054,802
Leased Property Under Capital Leases	<u>\$ 2,096,801</u>

The following is a schedule by years of the total payments due as of September 30, 2021:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 976,734	\$ 84,525
2023	636,460	57,323
2024	507,642	38,215
2025	490,476	23,202
2026	395,884	12,634
2027-2030	78,561	6,851
Total	<u>\$ 3,085,757</u>	<u>\$ 222,750</u>

NOTE 11 – LONG TERM DEBT

ADAMS COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

Debt outstanding as of September 30, 2021, consisted of the following:

Description and Purpose	Amount Outstanding	Interest Rate	Maturity Date
Governmental Activities:			
A. General Obligation Bonds:			
2017 Refunding Bonds	6,740,000	4.50%	08/2033
Refunded Hospital Bonds	810,000	4.50%	10/2023
Refunded GO Jail Bonds	465,000	2.00%	07/2024
Port Improvement Bonds	1,810,000	4.50%	07/2028
Capital Improvement Bonds, Series 2018	2,955,000	2.50-3.50%	03/2033
 Total General Obligation Bonds	 \$ <u>12,780,000</u>		
B. Capital Leases:			
2016 Pierce Pumper Truck	209,054	2.49%	05/2024
(6) Interceptors for SO	40,719	2.37%	02/2022
(2) Tandem Dump Trucks	163,328	2.49%	05/2022
Cat 430 Loader/Sweeper	77,416	2.49%	06/2022
(2) Bobtail Dump Trucks	113,315	2.39%	08/2022
Zero Turn Tractor	19,840	2.94%	06/2023
Mini-Excavator	53,487	3.87%	09/2023
(4) Ram Trucks & Touchprint Booking System	68,458	3.73%	08/2023
(2) New Holland Tractors & (2) Diamond Cutters	102,168	3.53%	08/2023
Various Equipment	475,694	3.30%	02/2024
(4) Dodge Chargers	78,552	3.30%	02/2024
2019 Cat Tractor	163,843	3.40%	03/2030
Knuckle Boom Loader	102,639	3.56%	05/2024
(1) Dodge Ram 1500 & (1) Cargo Van	42,662	2.32%	05/2025
(1) Backhoe, (1) Wheel Loader & (1) Excavator	401,392	2.29%	07/2025
(5) Dodge Durangos & (1) Chev Silverado for SO	163,078	2.29%	08/2025
(1) JD Motor Grader, (1) Cat Wheel Loader & (1) JD Backhoe	527,823	2.34%	11/2025
(7) SO Vehicles	282,289	2.15%	03/2026
 Total Capital Leases	 \$ <u>3,085,757</u>		
C. Other Loans:			
Revolving Loan - Freight Rail Service Projects	\$ 506,223	0.00%	09/2032
Series 2017 Negotiable Note	135,129	4.45%	06/2022
Total Other Loans	\$ <u>641,352</u>		

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

ADAMS COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
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Governmental Activities:

Year Ending September 30:	General Obligation Bonds		Other Loans	
	Principal	Interest	Principal	Interest
2022	\$ 1,425,000	481,213	183,726	3,057
2023	1,475,000	434,488	48,597	
2024	1,100,000	385,434	48,597	
2025	990,000	345,528	48,597	
2026	1,030,000	306,815	48,597	
2027-2031	4,845,000	928,776	242,983	
2032-2033	1,915,000	110,393	20,255	
Total	\$ 12,780,000	2,992,647	641,352	3,057

Legal Debt Margin - The amount of debt, excluding specific exempted debt that can be incurred by the County is limited by state statute. Total outstanding debt during a year can be no greater than 15% of assessed value of the taxable property within the County, according to the then last completed assessment for taxation. However, the limitation is increased to 20% whenever counties issue bonds to repair or replace washed out or collapsed bridges on the public roads of the County. As of September 30, 2021, the amount of outstanding debt was equal to 3.86% of the latest property assessments.

The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2021:

	Balance Oct. 1, 2020	Additions	Deletions	Balance Sept. 30, 2021	Amount due within one year
Governmental Activities:					
Compensated absences	\$ 647,019		26,298	620,721	-
General obligation bonds	14,155,000		1,375,000	12,780,000	1,425,000
Premiums	119,108		8,913	110,195	
Capital Leases	3,271,021	810,112	995,376	3,085,757	976,734
Other loans	822,808		181,456	641,352	183,726
Total	\$ 19,014,956	810,112	2,587,043	17,238,025	2,585,460
Deferred amount on refunding	315,051		66,027	249,024	

Compensated absences will be paid by the funds from which the employees' salaries were paid which are generally the General Fund, Road Maintenance Fund, County Wide Bridge and Culvert Fund and Solid Waste Fund.

Component Units:

ADAMS COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
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Natchez-Adams County Port Commission:

Description and Purpose	Amount Outstanding	Interest Rate	Maturity Date
Loans Payable:			
Improvements to the Adams County Port	\$ 2,087,000	5.20	11-2017
Total	\$ 2,087,000		

Port Commission Loan Disclosure:

With respect to the Mississippi Development Bank Port Improvement Bonds and to the past maturity date, the Port has a commitment to repay the bonds if revenues are available. In years where revenues are unavailable, Adams County, repays the bonds. The Port then has the liability to repay the county. In the year ended September 30, 2021, the Port transferred \$0 to the county to assist in defraying the principal and interest payments on these bonds. Adams County reports a corresponding receivable. Even though the original maturity date has passed, the loans payable to Adams County still exists.

Natchez-Adams County Port Commission:

	Balance Oct. 1, 2020	Additions	Deletions	Balance Sept. 30, 2021	Amount due within one year
Loans Payable	\$ 2,087,000	-	-	2,087,000	2,087,000
Total	\$ 2,087,000	-	-	2,087,000	2,087,000

Adams County Airport Commission:

The \$25,971 of long-term liabilities of the Adams County Airport Commission is for accrued compensated absences.

NOTE 12 – DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

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

Benefits Provided. Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi, state universities, community and junior colleges, and teachers and employees of the public school districts. For those persons employed by political subdivisions and instrumentalities of the State of Mississippi, membership is contingent upon approval of

ADAMS COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

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, 2021, PERS members were required to contribute 9% of their annual covered salary, and the County is required to contribute at an actuarially determined rate. The employer's rate at September 30, 2021 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, 2021, 2020, and 2019 were \$1,422,750, \$1,399,981, and \$1,335,081, respectively, equal to the required contributions for each year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2021, the County reported a liability of \$18,091,255 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, 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, 2021 net pension liability was 0.1224 percent, which was based on a measurement date of June 30, 2021. This was an increase of 0.0005 percent from its proportionate share used to calculate the September 30, 2020 net pension liability, which was based on a measurement date of June 30, 2020.

For the year ended September 30, 2021, the County recognized pension expense of \$580,555. At September 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

ADAMS COUNTY, MISSISSIPPI
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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 288,771	-
Net difference between projected and actual earnings on pension plan investments	-	5,450,951
Changes of assumptions	1,393,981	-
Changes in the proportion and differences between County contributions and proportionate share of contributions	71,848	482,103
County Contributions subsequent to the measurement date	374,986	-
	<u>\$ 2,129,586</u>	<u>5,933,054</u>

The \$374,986 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending September 30:</u>	<u>Amount</u>
2022	\$ (955,867)
2023	(764,451)
2024	(834,568)
2025	(1,623,568)
Total	<u>\$ (4,178,454)</u>

Actuarial Assumptions. The total pension liability as of June 30, 2021 was determined by an actuarial valuation prepared as of June 30, 2020, by the new actuarial assumptions adopted by the Board subsequent to the June 30, 2020 valuation based on the experience investigation for the four-year period ending June 30, 2020, and by the investment experience for the fiscal year ending June 30, 2021. The following actuarial assumptions are applied to all periods in the measurement:

Inflation	2.40 percent
Salary increases	2.65 - 17.90 percent, including inflation
Investment rate of return	7.55 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, 95% of male rates up to age 60, 110% for ages 61 to 75 and 101% for ages above 77. For females, 84% of the female rates up to age 72 and 100% for ages above 76. Mortality rates for disability retirees were based on the PubG.H-2010 Disabled Table adjusted 134% for males and 121% for females. Mortality rates for Contingent Annuitants were based on the PubS.H-2010(B) Contingent Annuitant Table, adjusted 97% for males and 110% for females. Mortality rates will be projected generationally using the MP-2020 projection scale to account for future improvements in life expectancy.

The actuarial assumptions used for the purposes of determining the total pension liability were based on the results of an actuarial experience study for the period July 1, 2016 to June 30, 2020. The experience report is dated April 20, 2021.

ADAMS COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

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 rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2021, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	27.00 %	4.60 %
International Equity	22.00	4.50
Global Equity	12.00	4.80
Fixed Income	20.00	(0.25)
Real Estate	10.00	3.75
Private Equity	8.00	6.00
Cash Equivalents	1.00	(1.00)
	<u>100.00 %</u>	

Discount Rate. The discount rate used to measure the total pension liability was 7.55 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00%) and that employer contributions will be made at the current 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 7.55 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.55 percent) or 1-percentage-point higher (8.55 percent) than the current rate:

	1% Decrease (6.55%)	Current Discount Rate (7.55%)	1% Increase (8.55%)
County's proportionate share of the net pension liability	\$ 25,621,458	18,091,255	11,885,768

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

ADAMS COUNTY, MISSISSIPPI
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COMPONENT UNITS

Adams County Airport Commission

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

Contributions. The Airport's contributions (employer share only) to PERS for the years ending September 30, 2021, 2020 and 2019 were \$31,846, \$29,094, and \$31,795, respectively, equal to the required contributions for each year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2021, the Airport reported a liability of \$394,933 for its proportionate share of the net pension liability. The Airport's proportionate share used to calculate the September 30, 2021 net pension liability was 0.002672 percent, which was based on a measurement date of June 30, 2021. This was an increase of 0.000011 percent from its proportionate share used to calculate the September 30, 2020 net pension liability, which was based on a measurement date of June 30, 2020.

For the year ended September 30, 2021, the Airport recognized pension expense of \$69,610. At September 30, 2021, the Airport reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,590	-
Net difference between projected and actual earnings on pension plan investments	-	97,131
Changes of assumptions	23,864	-
Changes in the proportion and differences between Airport contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	8,720	-
	<u>\$ 37,174</u>	<u>97,131</u>

The \$8,720 reported as deferred outflows of resources related to pensions resulting from Airport contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending September 30:</u>	<u>Amount</u>
2022	\$ (15,424)
2023	(13,710)
2024	(15,756)
2025	(23,787)
Total	<u>\$ (68,677)</u>

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Sensitivity to the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.

	1% Decrease (6.55%)	Current Discount Rate (7.55%)	1% Increase (8.55%)
Proportionate share of the net pension liability	\$ 559,318	394,933	259,467

Natchez-Adams County Port Commission

Plan Description. The Natchez-Adams County Port Commission contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing, multiple-employer defined benefit pension plan.

Contributions. The Port's contributions (employer share only) to PERS for the years ending September 30, 2021, 2020 and 2019 were \$122,364, \$132,072, and \$132,024, respectively, equal to the required contributions for each year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2021, the Port reported a liability of \$1,537,166 for its proportionate share of the net pension liability. The Port's proportionate share used to calculate the September 30, 2021 net pension liability was 0.010427 percent, which was based on a measurement date of June 30, 2021. This was a decrease of 0.001342 percent from its proportionate share used to calculate the September 30, 2020 net pension liability, which was based on a measurement date of June 30, 2020.

For the year ended September 30, 2021, the Port recognized pension expense of \$374,954. At September 30, 2021, the Port reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 17,863	-
Net difference between projected and actual earnings on pension plan investments	-	379,767
Changes of assumptions	92,907	-
Changes in the proportion and differences between Port contributions and proportionate share of contributions	-	93,852
Contributions subsequent to the measurement date	35,917	-
	<u>\$ 146,687</u>	<u>473,619</u>

The \$35,917 reported as deferred outflows of resources related to pensions resulting from Port contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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<u>Year ending September 30:</u>	<u>Amount</u>
2022	\$ (118,269)
2023	(90,668)
2024	(61,326)
2025	(92,586)
Total	<u>\$ (362,849)</u>

Sensitivity to the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.

	1% Decrease <u>(6.55%)</u>	Current Discount Rate <u>(7.55%)</u>	1% Increase <u>(8.55%)</u>
Proportionate share of the net pension liability	\$ 2,176,987	1,537,166	1,009,902

NOTE 13 – DEFICIT FUND BALANCES OF INDIVIDUAL FUNDS.

The following funds reported deficits in fund balances at September 30, 2021:

<u>Fund</u>	<u>Deficit Amount</u>
Governmental Activities	
Emergency 911 Fund	\$ 7,137
Waste Collection and Disposal Fund	<u>130,971</u>
Total	<u>\$ 138,108</u>

NOTE 14 – CONTINGENCIES.

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

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

NOTE 15 - EFFECT OF DEFERRED AMOUNTS ON NET POSITION.

The governmental activities' unrestricted net position deficit amount of \$(20,981,831) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflow of

ADAMS COUNTY, MISSISSIPPI
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resources related to pension in the amount of \$374,986 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, 2022. The \$1,754,600 balance of the deferred outflow of resources related to pensions at September 30, 2021, will be recognized in pension expense over the next three years. The \$5,933,054 balance of the deferred inflow of resources related to pension at September 30, 2021, will be recognized in pension expense over the next four years.

The governmental activities' net investment in capital assets net position of \$56,005,138 includes the effect of deferring the recognition of expenditures resulting from an advance refunding of County debt. The \$249,024 balance of deferred outflows of resources at September 30, 2021, will be recognized as an expense and will decrease the net investment in capital assets net position. This was proportionally expended beginning in the 2017 fiscal year and will continue through the end of the refunded debt, which is fiscal year 2024.

NOTE 16 – JOINTLY GOVERNED ORGANIZATIONS.

The County participates in the following jointly governed organizations:

Copiah-Lincoln Community College operates in a district composed of the Counties of Adams, Copiah, Franklin, Jefferson, Lawrence, Lincoln, and Simpson. The Adams County Board of Supervisors appoints five of the 27 members of the board of trustees. The County appropriated \$865,464 for maintenance and support of the college in fiscal year 2021.

Southwest Mississippi Planning and Development District operates in a district composed of the counties of Adams, Amite, Claiborne, Franklin, Jefferson, Lawrence, Lincoln, Pike, Walthall, and Wilkinson. The Adams County Board of Supervisors appoints four of the 40 members of the district board of directors. The County appropriated \$71,865 for support of the district in fiscal year 2021.

Southwest Mississippi Mental Health Complex operates in a district composed of the Counties of Adams, Amite, Claiborne, Franklin, Jefferson, Lawrence, Lincoln, Pike, Walthall, and Wilkinson. The Adams County Board of Supervisors appoints one of the ten members of the board of commissioners. The County contributes a small part of the entity's total revenues. The County appropriated \$77,143 for support of the district in fiscal year 2021.

Southwest Mississippi Development Corporation operates in a district composed of the Counties of Adams, Amite, Claiborne, Franklin, Jefferson, Lawrence, Lincoln, Pike, Walthall, and Wilkinson. The entity is governed by members appointed by each county's lead industrial foundation or chamber of commerce. If no industrial foundation or chamber of commerce is present, the member is appointed by the County's Board of Supervisors. The member counties provide only modest financial support for the Corporation.

NOTE 17 - 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

ADAMS COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

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 Adams 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 twelve entities as of September 30, 2021.

The County had abatements under the following statutes, which do not provide for the abatement of school or state tax levies: 27-31-101, 27-31-102, and 27-31-105, Miss. Code (Ann.) 1972. All allowable property tax levies are as follows:

Category	Fiscal Year 2021	
	% of Taxes Abated	Amount of Taxes Abated
Economic development projects	100	\$ 1,689,910

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 18 – SUBSEQUENT EVENTS.

Events that occur after the Statement of Net Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized 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 Adams County evaluated the activity of the County through December 7, 2022 (the date the financial statements were available to be issued) and determined that the following subsequent events have occurred that require disclosure in the notes to the financial statements.

Subsequent to September 30, 2021, the County issued the following debt obligations:

Issue Date	Interest Rate	Issue Amount	Type of Financing	Source of Financing
11/2/2021	2.29%	186,477	Lease purchase	Ad valorem taxes
6/23/2022	2.65%	134,929	Lease purchase	Ad valorem taxes
7/18/2022	3.80%	3,080,000	G.O. Bonds	Ad valorem taxes
9/30/2022	2.70%	645,000	Lease purchase	Ad valorem taxes
10/20/2022	2.98%	7,500,000	Urban Renewal Revenue Bonds	Ad valorem taxes

ADAMS COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

ADAMS COUNTY
Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis)
General Fund
For the Year Ended September 30, 2021
UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 11,650,380	11,650,380	10,993,390	(656,990)
Licenses, commissions and other revenue	398,000	398,000	440,560	42,560
Fines and forfeitures	230,000	230,000	256,875	26,875
Special assessments	1,000	1,000	-	(1,000)
Intergovernmental revenues	1,531,188	1,531,188	2,064,154	532,966
Charges for services	475,000	475,000	658,653	183,653
Interest income	100,000	100,000	189,406	89,406
Miscellaneous revenues	1,000,339	1,000,339	105,401	(894,938)
Total Revenues	15,385,907	15,385,907	14,708,439	(677,468)
EXPENDITURES				
General government	6,749,972	6,749,972	7,165,462	(415,490)
Public safety	6,487,017	6,487,017	6,581,616	(94,599)
Public works	-	-	-	-
Health and welfare	385,991	385,991	377,312	8,679
Culture and recreation	434,000	434,000	130,078	303,922
Education	704,684	704,684	-	704,684
Conservation of natural resources	142,916	142,916	365,731	(222,815)
Economic development and assistance	266,765	266,765	263,115	3,650
Debt service	244,419	244,419	393,863	(149,444)
Total Expenditures	15,415,764	15,415,764	15,277,177	138,587
Excess of Revenues over (under) Expenditures	(29,857)	(29,857)	(568,738)	(538,881)
OTHER FINANCING SOURCES (USES)				
Sources	376,472	376,472	729,650	353,178
Uses	(1,484,106)	(1,484,106)	(2,133,352)	(649,246)
Total Other Financing Sources and Uses	(1,107,634)	(1,107,634)	(1,403,702)	(296,068)
Net Change in Fund Balance	(1,137,491)	(1,137,491)	(1,972,440)	(834,949)
Fund Balance - Beginning	(1,276,405)	(1,314,202)	4,074,064	5,388,266
Fund Balance - Ending	\$ (2,413,896)	(2,451,693)	2,101,624	4,553,317

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

ADAMS COUNTY
Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis)
Fiscal Recovery Fund
For the Year Ended September 30, 2021
UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental revenues	2,980,878	2,980,878	2,980,878	-
Interest income	9,632	9,632	9,632	-
Total Revenues	<u>2,990,510</u>	<u>2,990,510</u>	<u>2,990,510</u>	<u>-</u>
EXPENDITURES				
General government	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	<u>2,990,510</u>	<u>2,990,510</u>	<u>2,990,510</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Sources	-	-	-	-
Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	2,990,510	2,990,510	2,990,510	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 2,990,510</u>	<u>2,990,510</u>	<u>2,990,510</u>	<u>-</u>

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

ADAMS COUNTY
Schedule of the County's Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years*
For the Year Ended September 30, 2021

UNAUDITED

Adams County	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset)	0.1224%	0.1219%	0.1264%	0.1294%	0.1187%	0.1137%	0.1178%	0.1138%
County's proportionate share of the net pension liability (asset)	\$ 18,091,255	23,598,423	22,236,254	21,518,573	19,727,813	20,310,016	18,201,828	13,807,531
County's covered payroll	\$ 8,208,604	8,115,161	8,229,706	8,330,952	8,582,533	7,587,328	7,377,765	7,391,308
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	220.39%	290.79%	270.19%	258.30%	229.86%	267.68%	246.71%	186.81%
Plan fiduciary net position as a percentage of the total pension liability	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%	67.21%

COMPONENT UNITS

Adams County Airport Commission

Proportion of the net pension liability (asset)	0.002672%	0.002661%	0.002745%	0.002649%	0.002606%	0.002557%	0.003089%	**
Proportionate share of the net pension liability (asset)	\$ 394,933	515,944	482,900	440,608	460,144	460,144	477,498	**
Covered payroll	\$ 183,023	167,207	196,833	153,913	168,915	154,886	186,470	**
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	215.78%	308.57%	245.33%	286.27%	272.41%	297.09%	256.07%	**
Plan fiduciary net position as a percentage of the total pension liability	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%	**

Natchez-Adams County Port Commission

Proportion of the net pension liability (asset)	0.010427%	0.011769%	0.012871%	0.012561%	0.010896%	0.011349%	0.011976%	**
Proportionate share of the net pension liability (asset)	\$ 1,537,166	2,284,341	2,269,364	2,095,754	1,811,949	2,027,215	1,851,253	**
Covered payroll	\$ 759,034	759,034	839,831	807,466	727,328	707,779	764,800	**
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	202.52%	300.95%	270.22%	259.55%	249.12%	286.42%	242.06%	**
Plan fiduciary net position as a percentage of the total pension liability	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%	**

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

** Information is unavailable for September 30, 2014 for the Adams County Airport Commission and the Natchez-Adams Port Commission.

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

ADAMS COUNTY
Schedule of the County's Contributions
Last 10 Fiscal Years*
For the Year Ended September 30, 2021

UNAUDITED

Adams County	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 1,422,750	1,399,981	1,335,081	1,312,126	1,226,581	1,195,004	1,161,998	1,088,398
Contributions in relation to the contractually required contribution	<u>1,422,750</u>	<u>1,399,981</u>	<u>1,335,081</u>	<u>1,312,126</u>	<u>1,226,581</u>	<u>1,195,004</u>	<u>1,161,998</u>	<u>1,088,398</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
County's covered payroll	\$ 8,176,723	8,045,859	8,248,434	8,330,959	7,787,816	7,587,327	7,377,765	6,910,463
Contributions as a percentage of covered payroll	17.40%	17.40%	16.19%	15.75%	15.75%	15.75%	15.75%	15.75%

COMPONENT UNITS

Adams County Airport Commission

Contractually required contribution	\$ 31,846	29,094	31,795	24,241	26,604	24,395	29,369	**
Contributions in relation to the contractually required contribution	<u>31,846</u>	<u>29,094</u>	<u>31,795</u>	<u>24,241</u>	<u>26,604</u>	<u>24,395</u>	<u>29,369</u>	<u>**</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>**</u>
Covered payroll	\$ 183,023	167,207	196,833	153,913	168,915	154,886	186,470	**
Contributions as a percentage of covered payroll	17.40%	17.40%	16.15%	15.75%	15.75%	15.75%	15.75%	**

Natchez-Adams County Port Commission

Contractually required contribution	\$ 122,364	132,072	132,024	126,336	114,574	111,745	120,456	**
Contributions in relation to the contractually required contribution	<u>122,364</u>	<u>132,072</u>	<u>132,024</u>	<u>126,336</u>	<u>114,574</u>	<u>111,745</u>	<u>120,456</u>	<u>**</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>**</u>
Covered payroll	\$ 703,197	759,034	839,831	807,466	727,328	707,779	764,800	**
Contributions as a percentage of covered payroll	17.40%	17.40%	15.72%	15.65%	15.75%	15.79%	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.

** Information is unavailable for September 30, 2014 for the Adams County Airport Commission and the Natchez-Adams Port Commission.

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

ADAMS COUNTY, MISSISSIPPI
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2021

UNAUDITED

A. Budgetary Information.

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

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

B. Basis of Presentation.

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

C. Budget/GAAP Reconciliation.

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

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

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

	<u>Governmental Funds</u>	
	General Fund	Fiscal Recovery Fund
Budget (Cash basis)	\$ (1,972,440)	2,990,510
Increase (Decrease)		
Net adjustments for revenue accruals	5,682	(2,980,878)
Net adjustments for expenditure accruals	125,450	0
GAAP Basis	\$ <u>(1,841,308)</u>	<u>9,632</u>

ADAMS COUNTY, MISSISSIPPI
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2021

UNAUDITED

Pension Schedules

A. Changes of assumptions.

2015

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

2016

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

2017

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

2019

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

ADAMS COUNTY, MISSISSIPPI
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2021

UNAUDITED

- 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%.

2021

- The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:
 - For males, 95% of male rates up to age 60, 110% for ages 61 to 75, and 101% for ages above 77.
 - For females, 84% of the female rates up to age 72, 100% for ages above 76.
 - Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
- The expectation of disabled mortality was changed to PubG.H-2010 Disabled Table for disabled retirees with the following adjustments:
 - For males, 134% of male rates at all ages.
 - For females, 121% of female rates at all ages.
 - Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
- The expectation of contingent annuitant mortality was based on the PubS.H-2010(B) Contingent Annuitant Table with the following adjustments:
 - For males, 97% of male rates at all ages.
 - For females, 110% of female rates at all ages.
 - Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
- The price inflation assumption was reduced from 2.75% to 2.40%.
- The wage inflation assumption was reduced from 3.00% to 2.65%.
- The investment rate of return assumption was changed from 7.75% to 7.55%.
- The assumed load for administrative expenses was increased from 0.25% to 0.28% of payroll.
- 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 9% to 12%.
- The percentage of active member deaths assumed to be in the line of duty was decreased from 6% to 4%.

B. Changes in benefit provisions.

2016

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

ADAMS COUNTY, MISSISSIPPI
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2021

UNAUDITED

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, 2019 valuation for the June 30, 2021 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	28.8 years
Asset valuation method	5-year smoothed market
Price Inflation	2.75 percent
Salary increase	3.00 percent to 18.25 percent, including inflation
Investment rate of return	7.75 percent, net of pension plan investment expense, including inflation

ADAMS COUNTY

OTHER INFORMATION

ADAMS COUNTY
Schedule of Surety Bonds for County Officials
For the Year Ended September 30, 2021
“Unaudited”

Name	Position	Company	Bond
Wes Middleton	Supervisor District 1	Western Surety	100,000
Kevin Wilson	Supervisor District 2	Western Surety	100,000
Angela Hutchins	Supervisor District 3	Briarfield	100,000
James Gray	Supervisor District 4	Western Surety	100,000
Warren Gaines	Supervisor District 5	Western Surety	100,000
Brandi Lewis	Chancery Clerk	FCCI Insurance	100,000
Angie King	County Administrator	Western Surety	100,000
Larry Hughes	Tax Assessor	Western Surety	50,000
Marilyn Washington	Deputy Tax Assessor	Western Surety	10,000
Myra Myers	Deputy Tax Assessor	Western Surety	10,000
Frankette Davis	Deputy Tax Assessor	Western Surety	10,000
Terrance Bailey	Tax Collector	Western Surety	100,000
LaKeysha Green	Deputy Tax Collector	Western Surety	50,000
Linda Golden	Deputy Tax Collector	FCCI Insurance	50,000
Shirley Emery	Deputy Tax Collector	Western Surety	50,000
Angela Green	Deputy Tax Collector	Western Surety	50,000
Eva Givens	Circuit Clerk	Western Surety	100,000
Dianne Goodman	Deputy Circuit Clerk	FCCI Insurance	100,000
Marilyn Jackson	Deputy Circuit Clerk	Western Surety	100,000
Brittanie Dennard	Deputy Circuit Clerk	Western Surety	100,000
Travis L. Patten	Sheriff	Western Surety	100,000
Frances Bell	Purchase Clerk	Western Surety	100,000
Kristie Sewell	Asst. Purchase Clerk	Western Surety	50,000
Claudia White	Receiving Clerk	Western Surety	75,000
Johnette Wilks	Asst. Receiving Clerk	Western Surety	50,000
Johnny Williams	Asst. Receiving Clerk	Western Surety	50,000
Mary Ann Anderson	Asst. Receiving Clerk	Western Surety	50,000
Mary Kay Dougherty	Asst. Receiving Clerk	FCCI Insurance	50,000
Michael Chatman	Asst. Receiving Clerk	Western Surety	50,000
Sammy Gaines	Asst. Receiving Clerk	Western Surety	50,000
Sheila D. Jackson	Asst. Receiving Clerk	RLI Surety	50,000
William Neely	Asst. Receiving Clerk	RLI Surety	50,000
Charlie Campbell	Asst. Receiving Clerk	Western Surety	50,000
Timothy Chatman	Asst. Receiving Clerk	Western Surety	50,000
Jocelyn Coulston	Asst. Receiving Clerk	Western Surety	50,000
Corvet McNeal	Inventory Control Clerk	Western Surety	75,000
Edwin Smith	Asst. Inventory Control Clerk	Western Surety	50,000
Robert Joseph Dollar	Road Manager	Western Surety	50,000
Willie B. Jones	Constable-Northern District	Western Surety	50,000
Randy Freeman	Constable-Southern District	Western Surety	50,000
Audrey Bailey Minor	Justice Court Judge-Northern	Western Surety	50,000
Eileen Mary Maher	Justice Court Judge-Southern	Western Surety	50,000
Verna Johnson	Justice Court Clerk	Western Surety	50,000
Promise Batteast	Deputy Justice Court Clerk	Western Surety	50,000
Shacarin Mikell	Deputy Justice Court Clerk	Western Surety	50,000
Ladonna Moore	Deputy Justice Court Clerk	Western Surety	50,000

ADAMS COUNTY

SPECIAL REPORTS

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

Members of the Board of Supervisors
Adams County, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Adams County, Mississippi (the County), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 7, 2022. Our report includes a reference to other auditors who audited the financial statements of Adams County Airport Commission and Natchez-Adams County Port Commission, as described in our report on the Adams County, Mississippi financial statements. This report does not include the results of the auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The report is qualified on the governmental activities and General Fund because the Tax Collector did not reconcile their bank statements nor match up to the booked cash.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Adams County, Mississippi's internal control over financial reporting (internal control) as a basis for designing 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 Adams 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 Responses, we have 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 Responses as 2021-001 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 deficiencies described in the accompanying Schedule of Findings and Responses as 2021-002 and 2021-003 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Adams 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 financial statements. 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 Adams 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 December 7, 2022, included within this document.

Adams County's Responses to Findings

Adams County's responses to the findings identified in our audit are described in the accompanying Auditee's Corrective Action Plan. Adams County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on them.

Purpose of this Report

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

Bridgers, Goodman, Baird & Clarke, PLLC

Bridgers, Goodman, Baird & Clarke, PLLC

Certified Public Accountants

Vicksburg, Mississippi

December 7, 2022

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

Members of the Board of Supervisors
Adams County, Mississippi

We have examined Adams County, Mississippi's (the County) compliance with establishing and maintaining a central purchasing system and inventory control system in accordance with Section 31-7-101 through 31-7-127, Miss. Code Ann. (1972) and compliance with the purchasing requirements in accordance with the bid requirements of Section 31-7-13, Miss. Code Ann. (1972) during the year ended September 30, 2021. The Board of Supervisors of Adams County, Mississippi is responsible for County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

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

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

The results of our audit procedures disclosed 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:

Receiving Clerk

1. Public Officials Should Ensure that the Receiving Clerk Properly Acknowledges Receipt of all Purchases and Executes a Receiving Report in Compliance with State Law.

Repeat Finding	Yes; 2018, 2019, 2020
Criteria	<i>Section 31-7-109, Mississippi Code Annotated (1972)</i> , states, "The receiving clerk or his assistants shall, upon proper delivery of equipment, heavy equipment, machinery, supplies, commodities, materials or services, acknowledge receipt of goods in compliance with a receipting system prescribed by the State Department of Audit under the authority of Section 7-7-211 and in accordance with Section 31-7-113, and the receiving clerk shall be responsible for the maintenance of such system."
Condition	<p>During the course of our test work, we noted the following instances of non-compliance:</p> <ul style="list-style-type: none"> • One (1) instance consisting of multiple purchases where the Receiving Clerk had not properly executed the receiving reports
Cause	The Receiving Clerk and Assistant Receiving Clerks failed to properly acknowledge receipt of goods and services purchased by the County by executing a receiving report.
Effect	The County is not in compliance with the State's receiving law, and this may result in the misappropriation of public funds.
Recommendation	The Receiving Clerk should ensure that all items purchased by the County are properly acknowledged as received by correctly completing a receiving report.
Response	This one instance referenced relates to credit card purchases. The receiving clerk was not aware that these reports were required for credit card purchases. The receiving clerk and purchase clerk have formulated a policy which will go into effect hereto forward. The purchase clerk will create an open purchase order for Card Services (vendor for the credit card statement) at the beginning of each month. As a purchase is made with the procurement card, the purchase clerk will add those items to the open purchase order for Card Services and close the open purchase order out once the statement for the credit card is received. An invoice isn't provided when purchasing with the procurement card so in order to process the receiving report the purchase clerk will submit to the receiving clerk the delivery confirmation and/or receipt. A copy of the purchase order will be submitted along with the supporting documents for the credit card statement to Accounts Payable for payment.

In our opinion, except for the noncompliance referred to in the preceding paragraph, Adams County, Mississippi, complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements for the year ended September 30, 2021.

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

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

Bridgers, Goodman, Baird & Clarke, PLLC

Bridgers, Goodman, Baird & Clarke, PLLC

Certified Public Accountants

Vicksburg, Mississippi

December 7, 2022

**Schedule of Purchases Not Made From the Lowest Bidder
For the Year Ended September 30, 2021**

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

ADAMS COUNTY
Schedule of Emergency Purchases
For the Year Ended September 30, 2021

Schedule 2

<u>Date</u>	<u>Item Purchased</u>	<u>Amount</u>	<u>Vendor</u>	<u>Reason for Emergency Purchase</u>
9/29/2021	Road Repair	265,000	Midway Construction, Inc.	Deemed by the Board as an emergency per 31-7-13(k)

**Schedule of Purchases Made Noncompetitively from a Sole Source
For the Year Ended September 30, 2021**

<u>Date</u>	<u>Item Purchased</u>	<u>Amount</u>	<u>Vendor</u>
10/19/2020	(2) Tasers, (2) Body Cameras	\$ 3,189.90	Axon Enterprise, Inc.
8/16/2021	Emergency Software (911 eye)	11,300.00	Critical Response Group

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LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors
Adams County, Mississippi

In planning and performing our audit of the financial statements of Adams County, Mississippi for the year ended September 30, 2021, we considered Adams 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 Adams 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 December 7, 2022, on the financial statements of Adams 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:

Human Resources

1. Employee File Documentation

Repeat Finding Yes, 2019, 2020

Criteria	The County is responsible for establishing and maintaining an effective system of internal controls pertaining to the documentation in employee files.
Condition	<p>During the course of our test work, we noted the following:</p> <ul style="list-style-type: none"> • Four (4) instances where the tax withholding forms in the file did not match the payroll system • Four (4) instances where the approved pay rate was not evidenced in the file
Cause	The employee files are not being reviewed regularly to identify any files lacking proper documentation.
Effect	The County employees' wages could be calculated at the wrong pay rates and also withholding elections could be computed at incorrect rates.
Recommendation	The County should maintain a complete employee file system that would ensure that the County is in compliance with State and Federal employee documentation laws.
Response	As the new director of Human Resources as of July 25, 2022, I will take ownership of establishing and maintaining an effective system of internal control of the county's employees' documents and files. I will review files regularly to identify any files lacking proper documentation, to ensure the files are updated timely, and to ensure that appropriate documentation is maintained so the county will be in compliance with State and Federal employee documentation laws.

Sheriff

2. The Sheriff Should Ensure Compliance with State Laws over Meals Served to Non-Inmate Individuals.

Repeat Finding Yes, 2019, 2020

Criteria	<p><i>Attorney General Opinion 1997 WL 612747</i>, states, "...that a jailer may eat meals at the jail with the cost thereof being reimbursed. While the Board of Supervisors may need to eat a meal as part of their inspection of the jail, all other non-inmate individuals who eat at the jail should reimburse the county for the cost of their meals."</p> <p><i>Attorney General Opinion 1983 WL 43195</i>, states, "There is no requirement that the county pay for the jailer's meals although if the Board of Supervisors made a finding of fact, consistent with the particular factual situation, as to need, etc., 1) such could be authorized as part of the jailer's remuneration, or 2) the market value of the meals could be deducted from the jailer's salary. The details could be dealt with in the Board's delineation of the jailer's job description."</p>
Condition	During the course of our test work, we noted that multiple non-inmate personnel received meals from the County Jail. The meals are not paid for by each individual, and the Sheriff did not collect revenue from non-inmate individuals receiving meals.

Cause	The Sheriff did not properly collect revenue from non-inmate individuals being served meals out of the County Jail.
Effect	Failure to properly track and collect revenue from meals being served to non-inmate personnel could result in the County overpaying for supplies for meals for prisoners.
Recommendation	The Sheriff should implement procedures to ensure all non-inmate personnel who eat meals from the Jail pay for all meals consumed.
Response	On May 17, 2022 ACSO implemented into policy that only employees of the Sheriff's office may eat meals at the jail for \$5.00 per meal. All monies are collected by the Sergeant on shift. A computer-generated receipt is given to the payee to present to the cook to verify and log into the daily meal log. Another receipt is placed inside an envelope with the payment (\$5.00) dropped into a lock box inside the Jail Control Room. Money is picked up and deposited into the ACSO Trust Account on the next day by myself, Jacquelyn Posey. These funds are deposited into the general fund at the end of the month. Cash is used for all meals.

3. The Sheriff is not making timely deposits.

Repeat Finding	Yes, 2020
Criteria	Management is responsible for establishing a proper internal control system to ensure a strong financial accountability and safeguarding of assets and revenue.
Condition	During the course of our test work, we found that three (3) deposits were not made in a timely manner.
Cause	This is due to inadequate internal controls surrounding the depositing of revenue collected in the Sheriff's Office.
Effect	Inadequate controls surrounding the deposits of revenue collections could result in improper revenue recognition. Failure to implement controls over cash could result in a delay in the timely reconciliation of bank accounts, and settlement of funds to the County.
Recommendation	The Sheriff should ensure that the deposits are being made in a timely manner.
Response	All monies collected by the Adams County Sheriff's Office are placed in a locked Metal drop box and are picked up in the morning by Jackie Posey, of the Sheriff's Office, and are counted and deposited by the bank. From 2016 to December of 2021, Jackie Posey did not have a key to the locked box and could not make timely Deposits when the Jail Administrator was out for vacation, illness, or work-related Training. A key has now been assigned to Jackie Posey.

Road Manager

4. The Road Manager Should Prepare All Requisitions for the County Road

Department.

Repeat Finding	Yes; 2018, 2019, 2020
Criteria	<i>Section 65-17-1(2), Mississippi Code Annotated (1972), states, "All requisitions for the purchase and repair of all equipment, heavy equipment, machinery, supplies, commodities, materials and services for the county road department shall be prepared by the county road manager and submitted to the county department of purchasing for processing in accordance with the central purchasing system."</i>
Condition	<p>During the course of our test work, we noted the following instances of non-compliance:</p> <ul style="list-style-type: none">• Four (4) instances where the Requisition for Road Department was signed by someone other than the Road Manager
Cause	The Road Manager is not signing the purchase requisitions for the Road Department.
Effect	The County is not in compliance with State law, and this may result in the misappropriation of public funds.
Recommendation	The Road Manager should verify that he or she signs all purchase requisitions for the road department.
Response	The Road Department will ensure that all purchase requisitions are signed off on by the Road Manager.

Circuit Clerk

5. Circuit Clerk Should Ensure Compliance with State Law over Maintaining a Fee Journal.

Repeat Finding	Yes; 2019, 2020
Criteria	<i>Section 9-1-43(3), Mississippi Code Annotated (1972), states, "The Circuit Clerk shall be liable on their official bond for the proper deposit and accounting of all monies received by his office. The State Auditor shall promulgate uniform accounting methods for the accounting of all sources of income by the offices of the Chancery and Circuit Clerk."</i>
Condition	<p>The Circuit Clerk did not properly maintain her fee journal to account for all monies received during the year.</p> <p>During the course of our audit, we noted three revenue line items and one expense line item that could not be tied out to the fee journal.</p>
Cause	The Circuit Clerk did not properly maintain her fee journal during the year.
Effect	Failure to maintain an accurate fee journal could result in the loss or misappropriation of public funds.

Recommendation The Circuit Clerk should maintain an accurate and complete accounting system that encompasses all her revenues and expenses.

Response 2020 and 2019 findings were not made until after 2021 ended. The Circuit Clerk will receive training and establish protocols that will ensure accurate fee journal entries moving forward.

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

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

Bridgers, Goodman, Baird & Clarke, PLLC

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

December 7, 2022

ADAMS COUNTY

SCHEDULE OF FINDINGS AND RESPONSES

ADAMS COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended September 30, 2021

Section 1: Summary of Auditor's Results

Financial Statements:

1.	Type of auditor's report issued on the financial statements:	
	Governmental activities	Qualified
	Aggregate Discretely Presented Component Units	Unmodified
	General Fund	Qualified
	Fiscal Recovery Fund	Unmodified
	Aggregate remaining fund information	Unmodified
	Internal Service Fund	Unmodified
2.	Internal control over financial reporting:	
	a. Material weaknesses identified?	Yes
	b. Significant deficiencies identified?	Yes
3.	Noncompliance material to the financial statements noted?	No

Section 2: Financial Statement Findings

Material Weakness

Tax Collector

2021-001. The Tax Collector's Office is not Performing Bank Reconciliations Accurately.

Repeat Finding Yes, 2018, 2019, 2020

Criteria An effective system of internal control in the Tax Collector's Office consists of timely and accurate reconciliation of bank statements and ensuring reconciled cash is sufficient for settlement of outstanding collections to the proper entities for which collections were made.

Condition During the course of our test work, we noted the following:

- The Tax Collector did not reconcile bank statements in an accurately and timely manner.
- Furthermore, reconciled cash was not compared with booked cash to ensure cash accounted for is sufficient to settle in full to entities for which collections are made.
- The Tax Collector's office uses a largely manual spreadsheet for the tracking of collections and disbursements in place of the Delta accounting software purchased for the office. As such, the daily collections reports from the receipting software used in the office do not reconcile to the manual spreadsheet or to the bank statement making the possibility of an accurate reconciliation extremely remote.

ADAMS COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended September 30, 2021

Cause	The Tax Collector has failed to properly implement an accounting system and internal control to track and reconcile all receipts, expenditures, and bank statements.
Effect	<p>The failure to properly implement a system of accounting for all receipts and disbursements as well as the failure to accurately and timely reconcile bank statements makes it nearly impossible to determine if cash on hand is sufficient to fully settle to entities such as 1) the County, 2) the City of Natchez, and 3) Natchez-Adams Public Schools for collections made in the previous month. The auditor chose to not include cash on the audited financial statements due to the stated cash being unsubstantiated.</p> <p>Due to the audit of cash not including the Tax Collector cash as of September 30, 2021 in the financial statements, this will result in a modified audit opinion for opinion units such as 1) General Fund and 2) Governmental Activities. The failure to have an adequate system of internal controls over cash in the Tax Collector's Office could result in the loss or misappropriation of public funds.</p>
Recommendation	The Tax Collector should seek assistance in learning to use and implement the usage of an accounting system for the office to track and record all collections and expenditures so that an accurate reconciliation can be performed as a control over cash.
Response	See Auditee's Corrective Action Plan
Significant Deficiency	
Tax Collector	
2021-002	<u>The Tax Collector has Insufficient Separation of Duties in the Collection, Deposit Preparation, and Recording Functions.</u>
Repeat Finding	Yes, 2019, 2020
Criteria	An effective system of internal control should include an adequate segregation of duties in the collection, deposit preparation, and recording functions.
Condition	During the course of our audit, we noted that the same individual collects money, reviews the collections for the day, and prepares the deposit.
Cause	The Tax Collector has not established a system of internal control with adequate separation of duties concerning the collection, deposit preparation, and recording of revenues.
Effect	Failure to properly separate the accounting duties could result in the misappropriation of public funds.
Recommendation	The Tax Collector should ensure that there is an adequate separation of

ADAMS COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended September 30, 2021

duties in the collection, deposit preparation and recording functions within the office.

Response See Auditee's Corrective Action Plan

Significant Deficiency
Tax Collector

2021-003 The Tax Collector is not Making Accurate Deposits.

Repeat Finding Yes, 2019. 2020

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

Condition During the course of our test work, we found that the collections per the computer system did not match the deposits made at the bank with seven (7) exceptions noted. For the period tested, there was an unexplained difference between the collections per the computer and the deposits made that amounted to \$2,542.84.

Cause The Tax Collector has not established a system of internal control to ensure deposits are made accurately and that any identified unexplained differences are resolved in a timely manner.

Effect Inadequate controls surrounding the deposits of revenue collections could result in improper revenue recognition and the misappropriation of public funds.

Recommendation The Tax Collector should implement an effective internal control system to ensure the accuracy of deposits.

Response See Auditee's Corrective Action Plan

ADAMS COUNTY

AUDITEE'S CORRECTIVE ACTION PLAN

Bridgers, Goodman, Baird & Clarke, PLLC
Certified Public Accountants
3528 Manor Drive
Vicksburg, Mississippi 39180

To Whom It May Concern:

Adams County respectfully submits the following corrective action plan for the year ended September 30, 2021.

The findings from the Schedule of Findings and Responses 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.

2021-001. Corrective Action Planned:

In September of 2022, Adams County contracted with a consultant to assist in training the Tax Collector on the implementation and operation of Delta's Accounting System. As of October 2022, the Tax Collector has been using the accounting system to balance daily and for bank reconciliation.

Anticipated Completion Date:

September 30, 2023

Name and Contact Person Responsible for Corrective Action:

Terrance Bailey, Tax Collector; Phone Number: 601.442.8601

2021-002. Corrective Action Planned:

The Tax Collector has implemented a policy of separation of duties by not allowing the Bookkeeper to collect any ad valorem. The Tax Collector conducts the daily receipting and disbursements through the accounting program and prepares the daily revenue deposits.

Anticipated Completion Date:

September 30, 2023

Name and Contact Person Responsible for Corrective Action:

Terrance Bailey, Tax Collector; Phone Number: 601.442.8601

2021-003. Corrective Action Planned:

Internal controls have been established by using the Delta Accounting System. The Tax Collector balances daily with the proper collection reports and accounting reports. In addition to the above-mentioned practices, the deputy clerks are being trained with internal control systems to minimize collection errors.

Anticipated Completion Date:

September 30, 2023

Name and Contact Person Responsible for Corrective Action:

Terrance Bailey, Tax Collector; Phone Number: 601.442.8601

ADAMS COUNTY

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

Adams County Summary Schedule of Prior Year Audit Findings

Finding Number	Finding Summary	Status	Additional Information
2020-001 (Originally 2018-001; Initial Year of Finding)	The Tax Collector did not reconcile the bank statements in a timely manner, and reconciled cash was not compared with booked cash to ensure cash accounted for is sufficient to settle in full to entities in which collections are made.	Not Corrected (See Finding 2021-001)	In September of 2022, Adams County contracted with a consultant to assist in training the Tax Collector on the implementation and operation of Delta's Accounting System. As of October 2022, the Tax Collector has been using the accounting system to balance daily and for bank reconciliation.
2020-002 (Originally 2019-002; Initial Year of Finding)	In the Tax Collector's Office, the same individual collects money, reviews the collections for the day, and prepares the deposit.	Not Corrected (See Finding 2021-002)	The Tax Collector has implemented a policy of separation of duties by not allowing the Bookkeeper to collect any ad valorem. The Tax Collector conducts the daily receipting and disbursements through the accounting program and prepares the daily revenue deposits.
2020-003 (Originally 2019-003; Initial Year of Finding)	In the Tax Collector's Office, we found that the collections per the computer system did not match the deposits made at the bank with sixteen (16) exceptions noted. For the period tested, there was an unexplained difference between collections per the computer and the deposits made that amounted to \$4,777.71.	Not Corrected (See Finding 2021-003)	Internal controls have been established by using the Delta Accounting System. The Tax Collector balances daily with the proper collection reports and accounting reports. In addition to the above-mentioned practices, the deputy clerks are being trained with internal control systems to minimize collection errors.