



The following document was not prepared by the Office of the State Auditor, but was prepared by and submitted to the Office of the State Auditor by a private CPA firm. The document was placed on this web page as it was submitted. The Office of the State Auditor assumes no responsibility for its content or for any errors located in the document. Any questions of accuracy or authenticity concerning this document should be submitted to the CPA firm that prepared the document. The name and address of the CPA firm appears in the document.

**ALCORN COUNTY, MISSISSIPPI**  
**AUDITED FINANCIAL STATEMENTS**  
**AND SPECIAL REPORTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**ALCORN COUNTY  
TABLE OF CONTENTS  
SEPTEMBER 30, 2021**

	<u>Page</u>
FINANCIAL SECTION	3
INDEPENDENT AUDITOR’S REPORT	4
FINANCIAL STATEMENTS	8
Statement of Net Position	9
Statement of Activities	10
Balance Sheet - Governmental Funds	11
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	12
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	13
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	14
Statement of Net Position - Proprietary Fund	15
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund	16
Statement of Cash Flows - Proprietary Fund	17
Notes to Financial Statements	18
REQUIRED SUPPLEMENTARY INFORMATION	44
Budgetary Comparison Schedule - Budget and Actual (Non-GAAP Basis) General Fund	45
Budgetary Comparison Schedule - Budget and Actual (Non-GAAP Basis) American Rescue Plan Act Fund	46
Budgetary Comparison Schedule - Budget and Actual (Non-GAAP Basis) Regional Park Fund	47
Schedule of the County’s Proportionate Share of the Net Pension Liability	48
Schedule of County Contributions – PERS	49
Notes to the Required Supplementary Information	50
SUPPLEMENTARY INFORMATION	53
Reconciliation of Operating Costs of Solid Waste	54
OTHER INFORMATION	55
Schedule of Surety Bonds for County Officials	56
SPECIAL REPORTS	57
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 <i>Government Auditing Standards</i>	58
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))	60
Limited Internal Control and Compliance Review Management Report	65
SCHEDULE OF FINDINGS AND RESPONSES	68

## **FINANCIAL SECTION**

**J. E. VANCE & COMPANY, P.A.**  
CERTIFIED PUBLIC ACCOUNTANTS

825 JEFFERSON STREET  
POST OFFICE BOX 1280  
TUPELO, MISSISSIPPI 38802

(662) 842-2123  
FACSIMILE (662) 841-6809  
E-MAIL: jev@jevance.com

**INDEPENDENT AUDITOR'S REPORT**

Members of the Board of Supervisors  
Alcorn County, Mississippi

**Adverse, Qualified, and Unmodified Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Alcorn County, Mississippi, 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.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Qualified
Business-type Activities	Qualified
Aggregate Discretely Presented Component Units	Adverse
General Fund	Unmodified
American Rescue Plan Act Fund	Unmodified
Regional Park Fund	Unmodified
Alcorn County Regional Correctional Facility Fund	Qualified
Aggregate Remaining Fund Information	Unmodified

**Adverse Opinion on Aggregate Discretely Presented Component Units**

In our opinion, because of the significance of the matter discussed in the Basis for Adverse, Qualified, and Unmodified Opinions section of our report, the financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of Alcorn County, Mississippi, as of September 30, 2021, or the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Qualified Opinion on the Governmental activities, Business-type Activities, and the Alcorn County Regional Correctional Facility Fund**

In our opinion, except for the matter described in the Basis for Adverse, Qualified, and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, business-type activities, and the Alcorn County Regional Correctional Facility Fund of Alcorn County, Mississippi, as of September 30, 2021, and the 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.

**Unmodified Opinions on the General Fund, American Rescue Plan Act Fund, Regional Park Fund, and the Aggregate Remaining Fund Information**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the General Fund, American Rescue Plan Act Fund, Regional Park Fund, and the aggregate remaining fund information of Alcorn 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.

## **Basis for Adverse, Qualified, and Unmodified Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Alcorn County, Mississippi, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse, qualified, and unmodified audit opinions.

## **Matters Giving Rise to Adverse Opinion on the Aggregate Discretely Presented Component Units and Qualified Opinion on the Governmental activities, Business-type Activities, and the Alcorn County Regional Correctional Facility Fund**

The financial statements do not include financial data for Alcorn County, Mississippi's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units. The County has not issued such reporting entity financial statements. The effects of not including the County's legally separate component units on the aggregate discretely presented component units and the aggregate remaining fund information have not been determined.

As discussed in Note 8 to the financial statements, the County has not recorded a net liability for other postemployment benefits in the governmental activities, business-type activities, and the Alcorn County Regional Correctional Facility Fund and, accordingly, has not recorded expense for the current period change in those liabilities, deferred outflows, and deferred inflows. Accounting principles generally accepted in the United States of America require that other postemployment benefits attributable to employee services already rendered and that are not contingent on a specific event that is outside the control of the employer and employee be accrued as liabilities, deferred outflows, deferred inflows, and expenses as employees earn the rights to the benefits, which would affect the liabilities, deferred outflows, deferred inflows, reduce the net position and change the expenses of the governmental activities and business-type activities. The amount by which this departure would affect the liabilities, deferred outflows, deferred inflows, net position and expenses of the governmental activities, business-type activities, and the Alcorn County Regional Correctional Facility Fund is not reasonably determinable.

## **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Alcorn County, Mississippi's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 Alcorn County, Mississippi's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Alcorn County, Mississippi's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## **Other Matters**

### *Required Supplementary Information*

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

### **Omission of Required Supplementary Information**

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

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Alcorn County, Mississippi's basic financial statements. The Reconciliation of Operating Costs of Solid Waste is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the Reconciliation of Operating Costs of Solid Waste is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 15, 2024, on our consideration of Alcorn 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 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 Alcorn 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 Alcorn County, Mississippi's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "J. E. Vance & Company". The signature is written in a cursive, flowing style.

J. E. Vance & Company, P.A.  
July 15, 2024



## **FINANCIAL STATEMENTS**

**Alcorn County**  
**Statement of Net Position**  
**September 30, 2021**

**Exhibit 1**

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
<b>ASSETS</b>			
Cash	\$ 10,211,430		10,211,430
Property tax receivable	10,324,755		10,324,755
Fines receivable (net of allowance for uncollectibles of \$1,439,673)	334,201		334,201
Intergovernmental receivables	803,780	325,642	1,129,422
Other receivables	116,883	10,940	127,823
Prepaid items	167,540		167,540
Loans receivable	6,193,903		6,193,903
Internal balances	3,416,871	(3,416,871)	
Restricted assets - cash		2,553,581	2,553,581
Capital assets:			
Land and construction in progress	3,016,220	35,000	3,051,220
Other capital assets, net	59,968,285	15,884,578	75,852,863
<b>Total Assets</b>	<b>94,553,868</b>	<b>15,392,870</b>	<b>109,946,738</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	1,893,922	534,183	2,428,105
Deferred amount on refunding	736,916	1,122,169	1,859,085
<b>Total Deferred Outflows of Resources</b>	<b>2,630,838</b>	<b>1,656,352</b>	<b>4,287,190</b>
<b>LIABILITIES</b>			
Claims payable	624,768	81,154	705,922
Intergovernmental payables	420,847		420,847
Accrued interest payable	132,800	62,676	195,476
Unearned revenue	3,708,020		3,708,020
Amounts held in custody for others	208,998		208,998
Long-term liabilities			
Due within one year:			
Capital debt	805,639	618,844	1,424,483
Non-capital debt	963,616		963,616
Due in more than one year:			
Capital debt	6,842,365	6,534,377	13,376,742
Non-capital debt	7,453,626		7,453,626
Net pension liability	10,954,033	3,089,599	14,043,632
<b>Total Liabilities</b>	<b>32,114,712</b>	<b>10,386,650</b>	<b>42,501,362</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property tax for future reporting period	10,324,755		10,324,755
Deferred inflows related to pensions	3,298,889	930,456	4,229,345
<b>Total Deferred Inflows of Resources</b>	<b>13,623,644</b>	<b>930,456</b>	<b>14,554,100</b>
<b>NET POSITION</b>			
Net investment in capital assets	55,336,501	9,888,526	65,225,027
Restricted:			
Expendable:			
General government	186,026		186,026
Public safety	1,076,598		1,076,598
Public works	3,377,467		3,377,467
Debt service	775,999		775,999
Culture and recreation	4,430		4,430
Economic development	27,435		27,435
Unrestricted	(9,338,106)	(4,156,410)	(13,494,516)
<b>Total Net Position</b>	<b>\$ 51,446,350</b>	<b>5,732,116</b>	<b>57,178,466</b>

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

**Alcorn County**  
**Statement of Activities**  
**For the Year Ended September 30, 2021**

**Exhibit 2**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary government:							
Governmental activities:							
General government	\$ 5,378,215	519,664	151,781		(4,706,770)		(4,706,770)
Public safety	4,018,731	709,483	341,875	142,952	(2,824,421)		(2,824,421)
Public works	5,611,932		1,965,767	2,754,549	(891,616)		(891,616)
Health and welfare	495,830		30,573		(465,257)		(465,257)
Culture and recreation	824,781		325,082		(499,699)		(499,699)
Conservation of natural resources	129,433				(129,433)		(129,433)
Economic development and assistance	393,678				(393,678)		(393,678)
Interest on long-term debt	692,568				(692,568)		(692,568)
Pension expense	1,028,391				(1,028,391)		(1,028,391)
Total Governmental Activities	18,573,559	1,229,147	2,815,078	2,897,501	(11,631,833)		(11,631,833)
Business-type activities:							
Regional Correctional Facility	4,172,199	4,259,205	106,723			193,729	193,729
Total Business-type Activities	4,172,199	4,259,205	106,723	-0-		193,729	193,729
Total Primary Government	\$ 22,745,758	5,488,352	2,921,801	2,897,501	(11,631,833)	193,729	(11,438,104)
General revenues:							
Property taxes					\$ 12,272,241		12,272,241
Road & bridge privilege taxes					435,367		435,367
Grants and contributions not restricted to specific programs					1,261,059		1,261,059
Unrestricted interest income					93,030	2,656	95,686
Miscellaneous					301,019	5,206	306,225
Transfers					6,984	(6,984)	-0-
Total General Revenues and Transfers					14,369,700	878	14,370,578
Changes in Net Position					2,737,867	194,607	2,932,474
Net Position - Beginning					48,708,483	5,537,509	54,245,992
Net Position - Ending					\$ 51,446,350	5,732,116	57,178,466

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

**Alcorn County**  
**Balance Sheet - Governmental Funds**  
**September 30, 2021**

**Exhibit 3**

	Major Funds				
	General Fund	American Rescue Plan Act Fund	Regional Park Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash	\$ 1,078,308	3,591,059	100,557	5,441,506	10,211,430
Property tax receivable	5,844,251			4,480,504	10,324,755
Fines receivable (net of allowance for uncollectibles of \$1,439,673)	334,201				334,201
Intergovernmental receivables	288,749			219,337	508,086
Other receivables	65,406			51,477	116,883
Loans receivable			5,845,000	348,903	6,193,903
Due from other funds	3,416,871			86,341	3,503,212
Total Assets	\$ 11,027,786	3,591,059	5,945,557	10,628,068	31,192,470
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities:					
Claims payable	\$ 74,363			550,405	624,768
Intergovernmental payables	420,847				420,847
Due to other funds	86,341				86,341
Unearned revenue		3,591,059		116,961	3,708,020
Amounts held in custody for others	208,998				208,998
Total Liabilities	\$ 790,549	3,591,059	-0-	667,366	5,048,974
Deferred inflows of resources:					
Unavailable revenue - property taxes	5,844,251			4,480,504	10,324,755
Unavailable revenue - fines	334,201				334,201
Total Deferred Inflows of Resources	\$ 6,178,452	-0-	-0-	4,480,504	10,658,956
Fund balances:					
Nonspendable:					
Loans receivable			5,845,000		5,845,000
Restricted for:					
General government				186,026	186,026
Public safety				1,076,598	1,076,598
Public works				3,377,467	3,377,467
Culture and recreation				4,430	4,430
Economic development and assistance				27,435	27,435
Debt service			100,557	808,242	908,799
Unassigned	4,058,785				4,058,785
Total Fund Balances	\$ 4,058,785	-0-	5,945,557	5,480,198	15,484,540
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 11,027,786	3,591,059	5,945,557	10,628,068	31,192,470

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

**Alcorn County**  
**Reconciliation of Governmental Funds**  
**Balance Sheet to the Statement of Net Position**  
**September 30, 2021**

**Exhibit 3-1**

	<u>Amount</u>
Total Fund Balance - Governmental Funds	\$ 15,484,540
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets are used in governmental activities and are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$87,642,832.	62,984,505
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	
Fines receivable	334,201
Prepaid insurance	167,540
Intergovernmental receivables	295,694
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(16,065,246)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(10,954,033)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(132,800)
Deferred amount on refunding is being amortized over future periods and, therefore, is not reported in the funds:	736,916
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:	
Deferred outflows of resources related to pensions	1,893,922
Deferred inflows of resources related to pensions	<u>(3,298,889)</u>
Total Net Position - Governmental Activities	\$ <u><u>51,446,350</u></u>

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

**Alcorn County**

**Exhibit 4**

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds  
For the Year Ended September 30, 2021**

	Major Funds			Other	Total
	General	American	Regional	Governmental	Governmental
	Fund	Rescue Plan Act	Park	Funds	Funds
	Fund	Fund	Fund		
REVENUES					
Property taxes	\$ 7,213,352			5,058,889	12,272,241
Road and bridge privilege taxes				435,367	435,367
Licenses, commissions and other revenue	296,987			7,208	304,195
Fines and forfeitures	345,200			4,107	349,307
Intergovernmental revenues	1,827,119	105	325,082	4,988,905	7,141,211
Charges for services	295,737			361,150	656,887
Interest income	72,563			20,466	93,029
Miscellaneous revenues	222,280			104,763	327,043
Total Revenues	10,273,238	105	325,082	10,980,855	21,579,280
EXPENDITURES					
Current:					
General government	4,779,220			960,153	5,739,373
Public safety	3,059,636	105		1,260,910	4,320,651
Public works	110,000			7,441,764	7,551,764
Health and welfare	472,270				472,270
Culture and recreation	271,870			409,520	681,390
Conservation of natural resources	134,898				134,898
Economic development and assistance	18,493			375,185	393,678
Debt service:					
Principal	76,105		215,000	1,500,693	1,791,798
Interest	141,661		224,525	310,640	676,826
Total Expenditures	9,064,153	105	439,525	12,258,865	21,762,648
Excess of Revenues over (under) Expenditures	1,209,085	-0-	(114,443)	(1,278,010)	(183,368)
OTHER FINANCING SOURCES (USES)					
Long-term capital debt issued	127,806			121,708	249,514
Long-term non-capital debt issued				500,000	500,000
Refunding bonds issued	3,930,000				3,930,000
Payments to bond refunding escrow	(3,780,264)				(3,780,264)
Discount on refunding bonds	(12,069)				(12,069)
Transfers in	17,206			3,603,702	3,620,908
Transfers out	(3,535,060)			(78,864)	(3,613,924)
Lease principal payments				110,298	110,298
Total Other Financing Sources and Uses	(3,252,381)	-0-	-0-	4,256,844	1,004,463
Net Changes in Fund Balances	(2,043,296)	-0-	(114,443)	2,978,834	821,095
Fund Balances - Beginning	6,102,081	-0-	6,060,000	2,501,364	14,663,445
Fund Balances - Ending	\$ 4,058,785	-0-	5,945,557	5,480,198	15,484,540

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

**Alcorn 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 Changes in Fund Balances - Governmental Funds	\$ 821,095
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 \$3,027,925 exceeded depreciation of \$1,475,647.	1,552,278
Fine revenue recognized on the modified accrual basis in the funds during the current year is reduced because prior year recognition would have been required on the Statement of Activities using the full-accrual basis of accounting.	(78,992)
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 \$4,667,445, deferred amount on refunding of \$780,264, and amortization of \$23,718 exceeded debt repayments of \$4,791,798.	880,899
Some items reported in the statement of activities do not provide or require the use of current financial resources and therefore are not reported as revenues / expenditures in the funds. Thus, the change in net position differs from the change in fund balances by a combination of the following items:	
Decrease in long-term receivables	(195,846)
Increase in prepaid insurance	15,193
Decrease in accrued interest payable	7,976
In the Statement of Activities, only interest income from payments received on capital leases are reported, whereas in the governmental funds, both principal and interest payments received increase financial resources. Thus, the change in net position differs from the change in fund balances by the amount of capital lease principal collections.	(110,298)
Some items reported in the Statement of Activities relating to the implementation of GASB 68 are not reported in the governmental funds. These activities include:	
Recording of pension expense for the current period	(1,028,391)
Recording of contributions made to retirement plan	<u>873,953</u>
Change in Net Position of Governmental Activities	\$ <u><u>2,737,867</u></u>

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

**Alcorn County**  
**Statement of Net Position - Proprietary Fund**  
**September 30, 2021**

**Exhibit 5**

	<u>Business-type Activities - Enterprise Fund</u>
	<u>Alcorn County Regional Correctional Facility</u>
<b>ASSETS</b>	
Current assets:	
Intergovernmental receivables	\$ 325,642
Other receivables	10,940
Restricted assets - cash	2,553,581
Total Current Assets	<u>2,890,163</u>
Noncurrent assets:	
Capital assets:	
Land	35,000
Other capital assets, net	15,884,578
Total Noncurrent Assets	<u>15,919,578</u>
<b>Total Assets</b>	<u>18,809,741</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pensions	534,183
Deferred amount on refunding	1,122,169
<b>Total Deferred Outflows of Resources</b>	<u>1,656,352</u>
<b>LIABILITIES</b>	
Current liabilities:	
Claims payable	81,154
Accrued interest payable	62,676
Due to other funds	3,416,871
Capital debt:	
Limited obligation bonds	618,844
Total Current Liabilities	<u>4,179,545</u>
Noncurrent liabilities:	
Capital debt:	
Limited obligation bonds	6,534,377
Net pension liability	3,089,599
Total Noncurrent Liabilities	<u>9,623,976</u>
<b>Total Liabilities</b>	<u>13,803,521</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to pensions	930,456
<b>Total Deferred Inflows of Resources</b>	<u>930,456</u>
<b>NET POSITION</b>	
Net investment in capital assets	9,888,526
Unrestricted	(4,156,410)
<b>Total Net Position</b>	<u>\$ 5,732,116</u>

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



**Alcorn County**  
**Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund**  
**For the Year Ended September 30, 2021**

**Exhibit 6**

	<u>Business-type Activities - Enterprise Fund</u>
	Alcorn County Regional Correctional Facility
<b>Operating Revenues</b>	
Charges for services	\$ 4,259,205
Operating grants	106,723
<b>Total Operating Revenues</b>	<u>4,365,928</u>
<b>Operating Expenses</b>	
Personal services	1,683,697
Pension expense	290,059
Contractual services	579,640
Materials and supplies	820,780
Depreciation expense	422,513
<b>Total Operating Expenses</b>	<u>3,796,689</u>
<b>Operating Income (Loss)</b>	<u>569,239</u>
<b>Nonoperating Revenues (Expenses)</b>	
Interest income	2,656
Interest expense	(375,510)
Other income	5,206
<b>Net Nonoperating Revenue (Expenses)</b>	<u>(367,648)</u>
<b>Net Income (Loss) Before Transfers</b>	201,591
Transfers out	(6,984)
<b>Changes in Net Position</b>	<u>194,607</u>
<b>Net Position - Beginning</b>	<u>5,537,509</u>
<b>Net Position - Ending</b>	<u><u>\$ 5,732,116</u></u>

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

**Alcorn County**  
**Statement of Cash Flows - Proprietary Fund**  
**For the Year Ended September 30, 2021**

**Exhibit 7**

	<u>Business-type Activities - Enterprise Fund</u>	
	<u>Alcorn County Regional</u>	
	<u>Correctional Facility</u>	
<b>Cash Flows From Operating Activities</b>		
Receipts from customers	\$	4,353,617
Intergovernmental grants received		106,723
Payments to suppliers		(1,377,402)
Payments to employees		(1,940,550)
<b>Net Cash Provided by Operating Activities</b>		<u>1,142,388</u>
<b>Cash Flows From Capital and Related Financing Activities</b>		
Principal paid on long-term debt		(600,000)
Acquisition of capital assets		(28,726)
Interest paid on debt		(266,005)
<b>Net Cash Used by Capital and Related Financing Activities</b>		<u>(894,731)</u>
<b>Cash Flows From Noncapital Financing Activities</b>		
Receipts from governmental funds		146,491
Transfers to governmental funds		(6,984)
Other receipts		5,206
<b>Net Cash Provided by Noncapital Financing Activities</b>		<u>144,713</u>
<b>Cash Flows From Investing Activities</b>		
Interest on deposits		2,656
<b>Net Cash Provided by Investing Activities</b>		<u>2,656</u>
<b>Net Change in Cash and Cash Equivalents</b>		395,026
Cash and Cash Equivalents at Beginning of Year		
Unrestricted	6,984	
Restricted	<u>2,151,571</u>	
	2,158,555	2,158,555
Cash and Cash Equivalents at End of Year		
Restricted	<u>2,553,581</u>	
	2,553,581	<u>\$ 2,553,581</u>
<b>Reconciliation of Operating Income to Net Cash</b>		
<b>Provided by Operating Activities:</b>		
Operating income	\$	569,239
Adjustments to reconcile operating income to net cash		
provided by operating activities:		
Depreciation expense		422,513
Changes in assets and liabilities:		
Decrease in intergovernmental receivables		266,154
Increase in other receivables		(3,307)
Increase in interfund receivables		(179,375)
Increase in claims payable		23,605
Increase in interfund payables	146,491	
Less: portion of increase attributable to non-capital financing activities	<u>(146,491)</u>	
Increase in operating portion of interfund payables	-0-	-0-
Decrease in net pension liability		(818,877)
Decrease in deferred outflows of resources	44,197	
Less: portion of decrease attributable to deferred amount on refunding	<u>(112,217)</u>	
Increase in operating portion of deferred outflows of resources	(68,020)	(68,020)
Increase in deferred inflows of resources		930,456
Total Adjustments		<u>573,149</u>
<b>Net Cash Provided by Operating Activities</b>	\$	<u>1,142,388</u>

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

**ALCORN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**(1) Summary of Significant Accounting Policies**

**A. Financial Reporting Entity**

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

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

- Alcorn County Human Resource Agency
- Alcorn County Volunteer Fire Districts

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. Basis of Presentation**

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

**Government-wide Financial Statements**

The Statement of Net Position and Statement of Activities display information concerning the county as a whole. The statements include all activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are generally financed through taxes, intergovernmental revenues and other nonexchange revenues and are reported separately from business-type activities. Business-type activities rely mainly on fees and charges for support.

The Statement of Net Position presents the financial condition of the governmental and business-type 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 and business-type 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, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other revenues not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business-type activity or governmental function is self-financing or draws from the general revenues of the County.

**ALCORN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**B. Basis of Presentation (Continued)**

**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 of resources, liabilities, deferred inflows of resources, fund balance, revenues and expenditures/expenses. Funds are organized into governmental and proprietary. Major individual Governmental Funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column as Other Governmental Funds.

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

The Government-wide and Proprietary 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 assets 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 nonoperating. 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 nonoperating.

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.

American Rescue Plan Act Fund - This fund is used to account for federal revenues that are designated for recovery from the Coronavirus pandemic.

Regional Park Fund - This fund is used to account for monies from specific revenue sources that are established for the expansion of Crossroads Regional Park.

**ALCORN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**C. Measurement Focus and Basis of Accounting (Continued)**

The county reports the following major Enterprise Fund:

Alcorn County Regional Correctional Facility Fund – This fund is used to account for the County’s activities in operating a regional correctional facility.

Additionally, the County reports the following fund types:

**Governmental Fund Types**

Special Revenue Funds – These funds are used to account for 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 expenditure for principal and interest.

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

**Proprietary Fund Type**

Enterprise Funds – These funds are used to account for those operations that are financed and operated in a manner similar to private business enterprises or where the County has decided that periodic determination of revenues earned, expenses incurred and/or net income is necessary for management accountability.

**D. 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.

**E. Deposits and Investments**

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

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

**F. Receivables**

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

**ALCORN COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**G. Interfund Transactions and Balances**

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

**H. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items, such as prepaid insurance, are not reported for Governmental Fund types since the costs of such items are accounted for as expenditures in the period of acquisition.

**I. Restricted Assets**

Proprietary Fund assets required to be held and/or used as specified in bond indentures, bond resolutions, trustee agreements, board resolutions and donor specifications have been reported as restricted assets. Certain proceeds of the county's enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The "debt service reserve" account is used to report resources set aside to subsidize potential deficiencies from the county's operation that could adversely affect debt service payments. The "project fund" account is used to report those proceeds of revenue bonds issuances that are restricted for use in construction. The "revenue" fund is used to account for all revenues of the correctional facility and to provide payment for operating and maintenance expenses as well as required monthly deposits to other accounts to meet minimum requirements of trust agreements. The "depreciation and operating reserve" fund is used to pay the costs of major repairs and replacements to the correctional facility the costs of which are such that they should be spread over a number of years rather than charged as a current expense in a single year. The "insurance payment" fund is used to pay the annual insurance premium for insurance for the correctional facility. The "general" fund is used to pay the principal and interest payments due to the county's enterprise fund revenue bonds. When both restricted and nonrestricted assets are available for use, the policy is to use restricted assets first.

**J. Capital Assets**

Capital acquisition and construction are reflected as expenditures in governmental fund statements and the related assets are reported as capital assets in the (applicable) governmental activities and business-type activities column in the government-wide financial statements. All purchased capital assets are stated at historical cost where records are available and at an estimated historical cost where no records exist. Capital assets include significant amounts of infrastructure which have been valued at estimated historical cost. The estimated historical cost was based on replacement cost multiplied by the consumer price index implicit price deflator for the year of acquisition. The extent to which capital assets, other than infrastructure, costs have been estimated and the methods of estimation are not readily available.

**ALCORN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**J. Capital Assets (Continued)**

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.

Capital assets acquired or constructed for Proprietary Fund operations are capitalized at cost in the respective funds in which they are utilized. No interest is capitalized on self-constructed assets because noncapitalization of interest does not have a material effect on the County's financial statements. Donated capital assets are recorded at their fair value at the time of donation.

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 and proprietary funds. Depreciation is calculated on the straight-line basis for all assets, except land. A full year's depreciation expense is taken for all purchases and sales of capital assets during the year.

The following schedule details those thresholds and estimated useful lives:

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

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

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

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

Deferred 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 11 for additional details.

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

**ALCORN COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**K. Deferred Outflows/Inflows of Resources (Continued)**

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

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

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

Fines

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 11 for additional details.

**L. 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.

**M. Long-Term Liabilities**

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

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

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



**ALCORN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**N. 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 improvements 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.”

Fund Financial Statements:

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

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

*Nonspendable fund balance* includes amounts that cannot be spent. This includes amounts that are either not in a spendable form (inventories, prepaid amounts, long-term portion of loans/notes receivable, or property held for resale unless the proceeds from the collection of those receivables or from the sale of those properties are restricted 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.

When an expenditure/expense is incurred for purposes for which both restricted and unrestricted (unassigned) resources are available, it is the County’s general policy to use restricted resources first. When expenditures/expenses are incurred for purposes for which unrestricted 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.

**ALCORN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**O. Property Tax Revenues**

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

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

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

**P. Intergovernmental Revenues in Governmental Funds**

Intergovernmental revenues, consisting of grants, entitlements and shared revenues, are usually recorded in Governmental Funds when measurable and available. However, the "available" criterion applies for certain federal grants and shared revenues when the expenditure is made because expenditure is the prime factor for determining eligibility. Similarly, if cost sharing or matching requirements exist, revenue recognition depends on compliance with these requirements.

**Q. 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 or unused personal leave. For the year ended September 30, 2021, Alcorn County recognized no liability.

**R. 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 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, and (4) custodial funds. All of the funds previously reported as agency funds of the County did not meet the criteria to be classified as fiduciary funds; therefore, these funds were incorporated into the County General Fund for fiscal year 2021.

**ALCORN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**(2) Deposits**

The carrying amount of the County's total deposits with financial institutions at September 30, 2021 was \$12,765,011, including \$2,553,581 in restricted accounts, and the bank balance was \$13,560,447. 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 a 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** – 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. However, the Mississippi State Treasurer manages that risk on behalf of the County. Deposits above the FDIC coverage are collateralized by the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on behalf of the County.

**(3) Loans Receivable**

At September 30, 2021, the Corinth-Alcorn County Recreational Commission (ACRC) had \$5,845,000 in loans payable for previous and current loans the County made to the expansion project of Crossroads Regional Park using funds from the \$7,100,000 Taxable Special Obligation Bonds Issue, Series 2015. During June 2015, the Commission entered into an agreement to finance the County's scheduled debt payments totaling \$7,100,000 principal, with interest ranging from 4.5% - 5.75% over the remaining life of the bonds.

At September 30, 2021, the Farmington Volunteer Fire Department had \$348,903 in a loan payable to the County for the purchase of a fire truck. On February 1, 2020, the Fire Department entered into an agreement to finance the County's scheduled debt payments totaling \$415,000 principal, with interest at 2%, over the remaining life of the CAP loan.

The following is a summary of loan repayments, equal to the annual debt service requirements of the County:

Year Ending September 30,	ACRC	Farmington Vol. Fire Dept.	Total
2022	\$ 230,000	39,151	\$ 269,151
2023	235,000	39,941	274,941
2024	250,000	40,748	290,748
2025	260,000	41,570	301,570
2026	275,000	42,409	317,409
2027-2031	1,595,000	145,084	1,740,084
2032-2036	2,050,000	-0-	2,050,000
2037-2038	950,000	-0-	950,000
Loans receivable	\$ <u>5,845,000</u>	<u>348,903</u>	\$ <u>6,193,903</u>

**ALCORN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**(4) Interfund Transactions and Balances**

The following is a summary of interfund balances at September 30, 2021:

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

Receivable Fund	Payable Fund	Amount
General Fund	Alcorn County Regional Correctional Facility Fund	\$ 3,416,871
Other Governmental Funds	General Fund	<u>86,341</u>
Total		<u><u>\$ 3,503,212</u></u>

The payables from the General Fund represent the tax revenue collected but not settled until October 2021. The payables from the Alcorn County Regional Correctional Facility Fund represent loans to cover operating cash deficits in the County's pooled cash account. All interfund balances are expected to be repaid within one year from the date of the financial statements.

**B. Transfers In/Out**

Transfers In	Transfers Out	Amount
General Fund	Other Governmental Funds	\$ 10,222
General Fund	Alcorn County Regional Correctional Facility Fund	6,984
Other Governmental Funds	General Fund	3,535,060
Other Governmental Funds	Other Governmental Funds	<u>68,642</u>
Total		<u><u>\$ 3,620,908</u></u>

The principal purpose of interfund transfers was to provide funds for grant matches, prior year shortfalls, or capital outlay. All interfund transfers were routine and consistent with the activities of the fund making the transfer.

**ALCORN COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**(5) Intergovernmental Receivables**

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

Description	Amount
<i>Governmental Funds / Governmental Activities:</i>	
Legislative Tag Credit	\$ 159,841
Motor Vehicle Fuel Tax	60,588
Motor Vehicle Licenses	53,622
Insurance Premium Tax	108,948
MS Emergency Management Agency	2,597
MS Department of Environmental Quality	32,960
HAVA Election Grant	65,302
Payments in lieu-of-tax	18,518
Other	<u>5,710</u>
Total Governmental Funds	<u>508,086</u>
MS Emergency Management Agency	25,165
Payments in lieu-of-tax	<u>270,529</u>
Total Long-term Receivables	<u>295,694</u>
Total Governmental Activities	<u><u>\$ 803,780</u></u>
<i>Enterprise Funds / Business-type Activities:</i>	
Reimbursement for housing prisoners	<u>\$ 325,642</u>
Total Enterprise Funds / Business-type Activities	<u><u>\$ 325,642</u></u>

**ALCORN COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**(6) Capital Assets**

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

<b>Primary Government:</b>	<b>Balance 10/1/2020</b>	<b>Increases</b>	<b>Decreases</b>	<b>Adjustments</b>	<b>Balance 9/30/2021</b>
<b>Governmental Activities:</b>					
<u>Non-depreciable capital assets:</u>					
Land	\$ 727,783				\$ 727,783
Construction-in-progress	3,362,068	2,771,819		(3,845,450)	2,288,437
Total non-depreciable capital assets	4,089,851	2,771,819	-0-	(3,845,450)	3,016,220
<u>Depreciable capital assets:</u>					
Infrastructure	122,095,684			3,845,450	125,941,134
Buildings	14,556,569				14,556,569
Improvements other than buildings	461,273				461,273
Mobile equipment	3,688,866			190,629	3,879,495
Furniture and equipment	1,222,136	6,592			1,228,728
Leased property under capital leases	1,485,033	249,514		(190,629)	1,543,918
Total depreciable capital assets	143,509,561	256,106	-0-	3,845,450	147,611,117
<u>Less accumulated depreciation for:</u>					
Infrastructure	73,684,862	893,328			74,578,190
Buildings	7,333,159	220,944			7,554,103
Improvements other than buildings	246,333	17,268			263,601
Mobile equipment	3,137,946	102,013		77,245	3,317,204
Furniture and equipment	1,130,131	8,094			1,138,225
Leased property under capital leases	634,754	234,000		(77,245)	791,509
Total accumulated depreciation	86,167,185	1,475,647	-0-	-0-	87,642,832
Total depreciable capital assets, net	57,342,376	(1,219,541)	-0-	3,845,450	59,968,285
<b>Governmental activities capital assets, net</b>	<b>\$ 61,432,227</b>	<b>1,552,278</b>	<b>-0-</b>	<b>-0-</b>	<b>\$ 62,984,505</b>
<b>Business-type Activities:</b>					
<u>Non-depreciable capital assets:</u>					
Land	\$ 35,000				\$ 35,000
<u>Depreciable capital assets:</u>					
Buildings	20,302,639				20,302,639
Mobile equipment	29,169				29,169
Furniture and equipment	182,797	28,726			211,523
Total depreciable capital assets	20,514,605	28,726	-0-	-0-	20,543,331
<u>Less accumulated depreciation for:</u>					
Buildings	4,060,540	406,054			4,466,594
Mobile equipment	21,004	5,252			26,256
Furniture and equipment	154,696	11,207			165,903
Total accumulated depreciation	4,236,240	422,513	-0-	-0-	4,658,753
Total depreciable capital assets, net	16,278,365	(393,787)	-0-	-0-	15,884,578
<b>Business-type activities capital assets, net</b>	<b>\$ 16,313,365</b>	<b>(393,787)</b>	<b>-0-</b>	<b>-0-</b>	<b>\$ 15,919,578</b>
<b>Primary government capital assets, net</b>	<b>\$ 77,745,592</b>	<b>1,158,491</b>	<b>-0-</b>	<b>-0-</b>	<b>\$ 78,904,083</b>

Adjustments were made to reclassify assets no longer under capital lease obligation and to record completed construction.

**ALCORN COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**(6) Capital Assets (Continued)**

Depreciation expense was charged to the following functions:

	Governmental Activities	Business-type Activities
General government	\$ 55,032	\$ -0-
Public safety	157,728	422,513
Public works	1,095,935	-0-
Health and welfare	23,560	-0-
Culture and recreation	143,392	-0-
Total depreciation expense	<u>\$ 1,475,647</u>	<u>\$ 422,513</u>

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

Governmental Activities: Description of Commitment	Remaining Financial Commitment	Expected Date of Completion
SAP-02(67)	\$ 1,085,875	Unknown
LSBP-02(25)	281,864	Jan-23
LSBP-02(26)	665,850	Unknown
ERBR-LSBP-02(01)	980,272	Jun-22
Total Governmental Activities	<u>\$ 3,013,861</u>	

**(7) Claims and Judgments**

**Risk Financing**

The County finances its exposure to risk of loss related to workers' compensation for injuries to its employees through the Mississippi Public Entity Workers' Compensation Trust, a public entity risk pool. The County pays premiums to the pool for its workers' compensation insurance coverage and the participation agreement provides that the pool will be self-sustaining through member premiums. The retention for the pool is \$1,000,000 for each accident and completely covers statutory limits set by 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.

**ALCORN COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**(8) Other Postemployment Benefits**

Plan Description

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

**(9) 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	\$ 1,003,418
Furniture and equipment	<u>540,500</u>
Total	1,543,918
Less: Accumulated Depreciation	<u>791,509</u>
Leased Property Under Capital Lease	<u>\$ 752,409</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	\$ 335,409	10,775
2023	125,191	4,516
2024	89,718	2,202
2025	50,463	1,024
2026	<u>16,812</u>	<u>102</u>
Total	<u>\$ 617,593</u>	<u>18,619</u>



**ALCORN COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**(10) Long-term Debt**

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

Description and Purpose	Amount Outstanding	Interest Rates	Final Maturity Date
<b>Governmental Activities</b>			
General Obligation Bonds:			
General Obligation Refunding Bonds - Series 2016	\$ 6,770,000	3.00-4.00	07/01/2034
General Obligation Refunding Bonds - Series 2021	<u>3,930,000</u>	0.85-2.75	11/01/2037
Total General Obligation Bonds	<u>\$ 10,700,000</u>		
Limited Obligation Bonds:			
Taxable Special Obligation Bonds - Series 2015	<u>\$ 2,845,000</u>	4.00-5.25	11/01/2030
Capital Leases:			
2018 Chevrolet Silverado	\$ 6,218	3.09	07/30/2022
(2) 2020 Ford Police Interceptors	35,221	1.48	10/06/2022
(2) 2020 Ford Explorers	44,973	1.48	02/04/2023
E-911 Equipment	113,114	2.32	05/23/2022
2018 Ford Interceptor Utility Vehicle	5,038	2.95	05/23/2022
2017 John Deere 6130M Tractor	8,882	2.45	02/21/2022
John Deere 6125M Tractor & Loader	12,816	2.10	05/04/2022
2005 Volvo VNM64T Dump Truck	4,990	2.99	05/08/2022
1999 IR CR 70 Roller	3,152	2.99	05/08/2022
6110M John Deere Tractor	83,830	3.24	12/27/2024
Dura-Patcher Tractor	54,125	2.83	05/16/2024
309 Hyd Excavator 24 Bucket	92,024	1.62	05/21/2025
Ford F250 Pickup	19,603	1.70	04/20/2023
Ford F250 Pickup	19,603	1.70	04/20/2023
2021 Mack Dump Truck	<u>114,004</u>	1.60	05/01/2026
Total Capital Leases	<u>\$ 617,593</u>		
Other Loans:			
MDA/Flowers Bakeries	\$ 197,980	3.00	08/01/2028
Negotiable Promissory Note	563,889	1.39	09/24/2025
Negotiable Promissory Note	250,000	1.59	05/13/2022
Farmington Firetruck	348,903	2.00	02/01/2030
Negotiable Promissory Note	<u>500,000</u>	1.05	05/01/2023
Total Other Loans	<u>\$ 1,860,772</u>		
<b>Business-type Activities</b>			
Limited Obligation Bonds:			
Taxable Special Obligation Refunding Bonds - Series 2017	<u>\$ 7,165,000</u>	1.20-4.00	07/01/2031

**ALCORN COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**(10) Long-term Debt (Continued)**

Pledge of Future Revenues - The County has pledged future revenues for housing inmates, net of specified operating expenses, to repay \$7,165,000 in limited obligation urban renewal revenue refunding bonds issued in February 2017. Proceeds from the bonds provided financing for the construction of the Alcorn County Regional Correction Facility. The bonds are not a general obligation of the county and, therefore, are not secured by the full faith and credit of the county. The bonds are payable solely from income derived from an inmate housing agreement with the Mississippi Department of Corrections for housing state prisoners and income received from any other governments for housing and holding prisoners and are payable through 2031. Annual principal and interest payments on the bonds are expected to require less than 25 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$8,686,110. Principal and interest paid for the current year and total inmate housing net revenues were \$866,005 and \$4,259,205 respectively.

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

Governmental Activities:

Year Ending September 30,	General Obligation Bonds		Limited Obligation Bonds		Other Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 465,000	296,904	230,000	298,200	703,232	29,404
2023	505,000	303,518	235,000	287,738	456,760	19,277
2024	520,000	285,523	250,000	276,825	210,344	13,067
2025	540,000	266,928	260,000	265,350	214,019	9,392
2026	555,000	247,358	275,000	253,313	71,777	5,657
2027-2031	3,050,000	968,106	1,595,000	1,043,750	204,640	6,880
2032-2036	4,110,000	412,425	-0-	-0-	-0-	-0-
2037-2038	955,000	38,425	-0-	-0-	-0-	-0-
Total	\$ 10,700,000	2,819,187	2,845,000	2,425,176	1,860,772	83,677

Business-type Activities:

Year Ending September 30,	Limited Obligation Bonds	
	Principal	Interest
2022	\$ 620,000	250,705
2023	635,000	233,655
2024	655,000	214,605
2025	675,000	193,645
2026	695,000	171,033
2027-2031	3,885,000	457,467
Total	\$ 7,165,000	1,521,110

Legal Debt Margin - The amount of debt, excluding specific exempted debt, that can be incurred by the County is limited by state statute. Total outstanding debt during a year can be no greater than 15% of assessed value of the taxable property within the County, according to the then last completed assessment for taxation. However, the limitation is increased to 20% whenever a county issues bonds to repair or replace washed out or collapsed bridges on the public roads of the County. As of September 30, 2021, the amount of outstanding debt was equal to 5.09% of the latest property assessments.

**ALCORN COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**(10) Long-term Debt (Continued)**

Advance Refunding - On February 11, 2021, the County issued \$3,930,000 in general obligation refunding bonds with an average interest rate of 2.32% to advance refund \$3,000,000 of the following outstanding bond issue(s):

Issue	Average Interest Rate	Outstanding Amount Refunded
Taxable Special Obligation Bonds - Series 2015	5.59%	\$ 3,000,000

The bonds had an outstanding balance of \$5,845,000 at the time of refunding, but only \$3,000,000 of the bond was refunded, leaving a remaining principal balance of \$2,845,000, none of which was redeemed during fiscal year 2021.

The net proceeds of \$3,780,263 (net of original issue discount of \$12,069 and after payment of \$137,550 in underwriting fees and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, those bonds are considered to be defeased, and the liability for those bonds has been removed from the Statement of Net Position.

The County advance refunded the above bonds to reduce its total debt service payments over the next 17 years by almost \$330,058 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$278,470.

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	Reductions	Balance Sept. 30, 2021	Amount due within one year
<b>Governmental Activities:</b>					
General obligation bonds	\$ 7,170,000	3,930,000	400,000	10,700,000	465,000
Unamortized premium	129,886		38,879	91,007	31,558
Unamortized discount	(30,879)	(12,069)	(2,302)	(40,646)	(3,089)
Limited obligation bonds	6,060,000		3,215,000	2,845,000	230,000
Unamortized premium	38,364		12,887	25,477	9,750
Unamortized discount	(63,791)		(29,834)	(33,957)	(2,605)
Capital leases	730,984	249,514	362,905	617,593	335,409
Other loans	2,174,665	500,000	813,893	1,860,772	703,232
<b>Totals</b>	<b>\$ 16,209,229</b>	<b>4,667,445</b>	<b>4,811,428</b>	<b>16,065,246</b>	<b>1,769,255</b>
<b>Business-type Activities:</b>					
Limited obligation bonds	\$ 7,765,000		600,000	7,165,000	620,000
Unamortized discount	(12,892)		(1,113)	(11,779)	(1,156)
<b>Totals</b>	<b>\$ 7,752,108</b>	<b>-0-</b>	<b>598,887</b>	<b>7,153,221</b>	<b>618,844</b>

**ALCORN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**(11) Defined Benefit Pension Plan**

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

Benefits Provided. Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi, state universities, community and junior colleges, and teachers and employees of the public school districts. For those persons employed by political subdivisions and instrumentalities of the State of Mississippi, membership is contingent upon approval of the entity's participation in PERS by the PERS' Board of Trustees. If approved, membership for the entity's employees is a condition of employment and eligibility is granted to those who qualify upon hiring. Participating members who are vested and retire at or after age 60 or those who retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.0 percent of their average compensation for each year of creditable service up to and including 30 years (25 years for those who became members of PERS before July 1, 2011), plus 2.5 percent for each additional year of creditable service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age that the member is below 65, whichever is less. Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. A Cost-of-Living Adjustment (COLA) payment is made to eligible retirees and beneficiaries. The COLA is equal to 3.0 percent of the 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 \$1,120,453, \$1,062,616, and \$943,871, respectively, equal to the required contributions for each year.

**ALCORN COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**(11) Defined Benefit Pension Plan (Continued)**

*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 for its proportionate share of the net pension liability of \$14,043,632 (\$10,954,033 for governmental activities and \$3,089,599 for business-type activities). 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. At June 30, 2021, the County's proportion was 0.095015 percent, which was an increase of 0.003244 from its proportion measured as of June 30, 2020.

Internally, the County allocates its proportionate share of the net pension liability to governmental activities and business-type activities. As of September 30, 2021 and 2020, the internal proportionate share allocated to governmental activities and business-type activities was 78% and 22%, respectively.

For the year ended September 30, 2021, the County recognized pension expense of \$1,028,391 for governmental activities and \$290,059 for business-type activities.

At September 30, 2021, the County reported deferred outflows of resources related to pensions from the following sources:

	Governmental Activities	Business-type Activities	Total
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$ 175,155	49,403	224,558
Changes of assumptions	842,906	237,743	1,080,649
Changes in the proportion and differences between the County's contributions and proportionate share of contributions	650,329	183,426	833,755
Contributions subsequent to the measurement date	225,532	63,611	289,143
<b>Total Deferred Outflows of Resources</b>	<b>\$ 1,893,922</b>	<b>534,183</b>	<b>2,428,105</b>
<b>Deferred Inflows of Resources</b>			
Net difference between projected and actual earnings on pension plan investments	\$ 3,298,889	930,456	4,229,345
<b>Total Deferred Inflows of Resources</b>	<b>\$ 3,298,889</b>	<b>930,456</b>	<b>4,229,345</b>

**ALCORN COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**(11) Defined Benefit Pension Plan (Continued)**

Deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date and consisting of \$225,532 for governmental activities and \$63,611 for business-type activities 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:

Year ending September 30:	Total
2022	\$ (33,360)
2023	(267,329)
2024	(529,373)
2025	(1,260,321)
	<u>\$ (2,090,383)</u>

Actuarial Assumptions. The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, 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 female rates up to age 72 and 100% for ages above 76. 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 four-year period from July 1, 2016 to June 30, 2020. The experience report is dated April 20, 2021.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	27.00 %	4.60 %
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
Total	<u>100.00 %</u>	

**ALCORN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**(11) Defined Benefit Pension Plan (Continued)**

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 employer contribution rate (17.40%). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.55 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%)	Discount Rate (7.55%)	1% Increase (8.55%)
County's proportionate share of the net pension liability	\$ 19,889,076	14,043,632	9,226,522

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

**(12) Contingencies**

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

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

**ALCORN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**(13) Joint Ventures**

The county participates in the following joint ventures:

Alcorn County is a participant with the Counties of Prentiss, Tippah and Tishomingo in a joint venture, authorized by Section 39-3-9, Miss. Code Ann. (1972), to operate Northeast Regional Library. The joint venture was created to provide a regional public library for the area and is governed by a four-member board appointed by the four Boards of Supervisors. By contractual agreement, the county's appropriation from the General Fund this year to the joint venture amounted to \$170,000. Complete financial statements for the Northeast Regional Library can be obtained from Northeast Regional Library, 1023 North Fillmore Street, Corinth, Mississippi 38834.

Alcorn County is a participant with the City of Corinth in a joint venture, authorized by HB #1183, 1972 Session, to operate the Corinth-Alcorn Area Chamber of Commerce, The Alliance. The joint venture was created to foster, encourage and facilitate economic development in the county. The Alcorn County Board of Supervisors appoints four of the 32 members of the board of directors. The county levied taxes of \$375,185 for the operation of the entity during the 2021 fiscal year. Complete financial statements for the Corinth-Alcorn Area Chamber of Commerce can be obtained from The Alliance, 810 Tate Street, Corinth, Mississippi 38834.

Alcorn County is a participant with the City of Corinth in a joint venture, authorized by Section 61-3-5, Miss. Code Ann. (1972), to operate the Corinth-Alcorn County Airport. The joint venture was created to provide an airport for the area and is governed by a five-member board of commissioners appointed as follows: Alcorn County, two; City of Corinth, two; jointly, one. Alcorn County provided \$110,000 for the operation of the entity during the 2021 fiscal year. Complete financial statements for the Corinth-Alcorn County Airport can be obtained from Corinth-Alcorn County Airport, 56 CR 613, Corinth, Mississippi 38834.

Alcorn County is a participant with the City of Corinth in a joint venture to operate the Siege and Battle of Corinth Commission. The joint venture was created to promote tourism and is governed by five commissioners. The Alcorn County Board of Supervisors and the City of Corinth Board of Aldermen each appoint two commissioners, and jointly appoint the fifth commissioner. Complete financial statements for the Siege and Battle of Corinth Commission can be obtained from P.O. Box 45, Corinth, Mississippi 38835-0045.

Alcorn County is a participant with the City of Corinth in a joint venture, authorized by Section 41-13-15, Miss. Code Ann. (1972), to operate Magnolia Hospital. The joint venture was created to provide a community hospital for the area and is governed by a five-member board of trustees; two appointed by the county Board of Supervisors, two appointed by the city and one jointly appointed. Alcorn County provided \$8,055 for the 2021 fiscal year. Complete financial statements for the Magnolia Hospital can be obtained from Magnolia Hospital, 611 Alcorn Drive, Corinth, Mississippi 38834.

Alcorn County is a participant with the City of Corinth in a joint venture, authorized by Section 55-9-1, Miss. Code Ann. (1972), to operate the Corinth-Alcorn County Recreational Commission. The joint venture was created to provide recreational opportunities for the area and is governed by a five-member board. Each entity appoints two of the five board members and the fifth is jointly appointed. Alcorn County provided \$401,920 for the 2021 fiscal year. Complete financial statements for the Corinth-Alcorn Recreation Commission can be obtained from Corinth-Alcorn Recreation Commission, P.O. Box 699, Corinth, Mississippi 38835.

Alcorn County is a participant with the City of Corinth in a joint venture, established by local and private legislation (Senate Bill 3219), 1997 Session, to operate the Corinth Area Tourism Promotion Council. The joint venture was created to promote tourism and is governed by a seven-member board of directors. Each entity appoints one board member, the Corinth Area Restaurant Association appoints three board members and the Corinth Area Hotel-Motel-Inn-Bed and Breakfast Association appoints two board members. The joint venture is funded by a 2 percent sales tax on motel and food and beverage sales within the City of Corinth. Complete financial statements for the Corinth Area Tourism Promotion Council can be obtained from the Corinth Area Tourism Promotion Council, P.O. Box 69, Corinth, Mississippi 38835.



**ALCORN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**(14) Jointly Governed Organizations**

The county participates in the following jointly governed organizations:

The Region IV Mental Health Services District operates in a district composed of the Counties of Alcorn, DeSoto, Prentiss, Tippah and Tishomingo. The Alcorn County Board of Supervisors appoints one of the five members of the board of commissioners. The county appropriated \$50,088 for the maintenance and support of the commission in the fiscal year 2021.

Northeast Mississippi Planning and Development District operates in a district composed of the Counties of Alcorn, Benton, Marshall, Prentiss, Tippah and Tishomingo. The Alcorn County Board of Supervisors appoints four of the 24 members of the board of directors. The county appropriated \$129,801, including tuition assistance of \$107,786, for support of the district in fiscal year 2021.

The Northeast Mississippi Community College operates in a district composed of the Counties of Alcorn, Prentiss, Tippah, Tishomingo and Union. The Alcorn County Board of Supervisors appoints two of the 15 members of the college board of trustees. The county levied \$1,143,244 in taxes for maintenance and support of the college in fiscal year 2021.

TAP Alliance (TAP) is an alliance among Tishomingo, Alcorn and Prentiss Counties and the City of Corinth, City of Booneville and City of Iuka. The county appoints two of the nine members of the board of directors, which is to be appointed by and from that county's Board of Supervisors. The county did not appropriate funds for the support of the alliance in fiscal year 2021.

**(15) Tax Abatements**

There are currently a number of agencies with economic development directives and targeted industries in Alcorn County, Mississippi. These efforts to bring businesses and industries into Alcorn County afford the County the opportunity to develop these partnerships that help raise the prominence of the region and attract prospective projects. Due to the pro-business attitude and wise infrastructure planning of the local elected officials as well as the ability to offer various incentives to entice businesses and industries to locate in Alcorn County, the County operates strongly with a well diverse base of manufacturers and distributors.

**Facts and Assumptions**

Alcorn County provides tax incentives and abatements under four programs: Property tax reductions not to exceed ten years for new enterprises, property tax reductions not to exceed ten years for additions to or expansions of facilities or properties, fee in lieu of personal and real property taxes and tax increment financing. Various Mississippi Code sections allow the County to offer the before mentioned incentives. In order to qualify for any incentive there is an application process, presentation to the Board of Supervisors and ultimately a recommendation by the Board of Supervisors to grant the incentive.

- Mississippi Code Section 27-31-101, allows County Board of Supervisors, at their discretion, to grant tax exemptions for new enterprises from ad valorem taxation, however they do not have the authority to exempt ad valorem taxes for school districts and shall not exceed a period longer than ten years. The date of completion of the new enterprise is when the exemption shall begin. The various new enterprises which fall under this code section and are eligible for an exemption are determined by the Mississippi Department of Revenue and are limited to the following: Warehouse and/or distribution centers, manufacturing, processors and refineries, research facilities, corporate regional and national headquarters meeting minimum criteria established by the Mississippi Development Authority, recreational facilities that impact tourism and data/information procession enterprises that both meet minimum established criteria, technology intensive enterprises or facilities, health care industry facilities as defined in Code Section 57-117-3 and telecommunications enterprises meeting minimum criteria.

**ALCORN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**(15) Tax Abatements (Continued)**

- Mississippi Code Section 27-31-105, allows County Board of Supervisors, at their discretion, to grant tax exemptions for any enterprise who makes additions to or expansions of the facilities or properties or replaces equipment used in conjunction with or necessary to the operation of such enterprises from ad valorem taxation with the exception of school district taxes and not to exceed a period longer than ten years. The initial request for exemption must be made in writing by June 1<sup>st</sup> of the year immediately following the year in which the additions, expansions or replacements are completed. The time of the exemption shall commence from the date of completion of the additions, expansions or replacements and shall extend for a period not to exceed ten years, however the Board of Supervisors in lieu of granting the exemption for one period of ten years, may grant the exemption in consecutive periods of five years each, not to exceed ten years.
- Mississippi Code Section 27-31-104, allows County Board of Supervisors, at their discretion, to grant a fee in lieu of taxes for certain projects. The County Board of Supervisors are authorized to enter into an agreement with a private company having a minimum capital investment of one hundred million dollars or a qualified business meeting minimum criteria established by the Mississippi Development Authority. The Board of Supervisors may enter into a fee in lieu agreement on behalf of the County and the County school district. Any grant of fee in lieu of ad valorem taxes shall be in a written agreement negotiated by the enterprise and the Board of Supervisors with final approval given by the Mississippi Development Authority. The minimum sum allowable as a fee in lieu shall not be less than one-third of the ad valorem levy, including ad valorem taxes for school district purposes.
- Mississippi Code Section 27-31-51 allows County Board of Supervisors, at their discretion, to grant eligible warehouses a license to operate as a free port warehouse. A free port warehouse is regularly engaged in the handling and storage of personal property pending transit to a final destination outside the State of Mississippi. This exemption may be granted for all local property taxes and may be granted for any period of time set by the Board of Supervisors.

<u>Tax Abatement Programs</u>	<u>Industries</u>	<u>Reported Capital Investment / Inventory</u>	<u>Amount of taxes abated during the fiscal year</u>
Personal / Real Tax Exemptions	9 Agencies	\$ 22,256,549	\$ 1,412,178
Free-port Warehouse	Kimberly Clark Inc.	\$ 114,262 *	\$ 1,087

\* - Taxable inventory is computed from estimates of monthly shipments within Mississippi.

These incentives have served many purposes, including but not limited to: the amount of dollars through infrastructure improvements, the overall number of new businesses and industries that have located or relocated to Alcorn County, the number of jobs that have been and continue to be created in Alcorn County, and most importantly an excellent quality of life for all citizens throughout the County while maintaining a low tax bill without a significant tax increase.

**ALCORN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**(16) Effect of Deferred Amounts on Net Position**

**Governmental Activities**

The governmental activities' unrestricted net position amount of (\$9,338,106) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflow of resources related to pension in the amount of \$225,532 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 \$1,668,390 balance of the deferred outflow of resources related to pensions at September 30, 2021, will be recognized in pension expense over the next 3 years. The \$3,298,889 balance of the deferred inflow of resources related to pensions at September 30, 2021, will be recognized in pension expense over the next 4 years.

The governmental activities' unrestricted net position also includes the effect of deferring the recognition of expenditures resulting from a refunding of County debt. The \$736,916 balance of deferred outflow of resources at September 30, 2021, will be recognized as an expense and will decrease unrestricted net position over the next 17 years.

**Business-type Activities**

The business-type activities' unrestricted net position amount of (\$4,156,410) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflow of resources related to pension in the amount of \$63,611 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 \$470,572 balance of the deferred outflow of resources related to pensions at September 30, 2021, will be recognized in pension expense over the next 3 years. The \$930,456 balance of the deferred inflow of resources related to pensions at September 30, 2021, will be recognized in pension expense over the next 4 years.

The business-type activities' net investment in capital assets of \$9,888,526 includes the effect of deferring the recognition of expenditures resulting from a refunding of County debt. The \$1,122,169 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 over the next 10 years.

**(17) 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 Alcorn County evaluated the activity of the County through July 15, 2024, (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:

**ALCORN COUNTY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

**(17) Subsequent Events (Continued)**

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

Issue Date	Interest Rate	Issue Amount	Type of Financing	Source of Financing
11/03/21	1.44%	\$ 96,544	Capital Lease	Ad valorem taxes
11/04/21	3.00%	\$ 2,569,500	Capital Improvements Loan	Ad valorem taxes
01/10/22	1.58%	21,000	Capital Lease	Ad valorem taxes
02/14/22	1.79%	64,784	Capital Lease	Ad valorem taxes
03/29/22	2.24%	287,142	Capital Lease	Ad valorem taxes
05/01/22	2.04%	500,000	Other Loan	Ad valorem taxes
08/15/22	3.59%	93,067	Capital Lease	Ad valorem taxes
08/16/22	3.59%	93,067	Capital Lease	Ad valorem taxes
08/25/22	4.29%	32,759	Capital Lease	Ad valorem taxes
08/25/22	3.24%	97,647	Capital Lease	Ad valorem taxes
08/30/22	3.70%	3,665,000	General Oblig. Bonds	Ad valorem taxes
09/07/22	4.74%	33,146	Capital Lease	Ad valorem taxes
12/14/22	3.98%	632,421	Capital Lease	Ad valorem taxes
12/23/22	4.39%	36,098	Capital Lease	Ad valorem taxes
03/10/23	4.98%	75,592	Capital Lease	Ad valorem taxes
03/27/23	4.31%	500,000	Other Loan	Ad valorem taxes
03/27/23	4.31%	37,796	Capital Lease	Ad valorem taxes
06/06/23	4.26%	38,093	Capital Lease	Ad valorem taxes
10/13/23	5.33%	54,584	Capital Lease	Advalorem Taxes
12/05/23	3.00%	1,104,458	Other Loan	Advalorem Taxes
12/06/23	4.87%	78,424	Capital Lease	Advalorem Taxes
12/06/23	4.87%	31,965	Capital Lease	Advalorem Taxes
03/20/24	4.97%	500,000	Other Loan	Advalorem Taxes
04/17/24	5.31%	145,312	Capital Lease	Advalorem Taxes

- During December 2020, the county tax collector was served a demand letter in the amount of \$69,155, which included alleged embezzlement, losses to the county, interest, and investigative fees. On August 28, 2023, the tax collector pled guilty to false representations to defraud the government. As part of the plea agreement, he agreed to immediately resign from the tax collector's office and remove his name from the ballot for re-election.
- During October 2021, the County began construction of a new industrial access road, along with water and sewer improvements, to a new facility for Mission Forest Products (the Company), an industry desiring to locate within the County. The Company is investing approximately \$150,000,000 toward the creation of a facility which is expected to employ approximately 130 employees. The project, code-named "Project Bulldog") will cost approximately \$156,420,000 and will be funded from the following sources:

Source of Funds	Amount
Mission Forest Products	\$ 150,000,000
Community Development Block Grant - Alcorn County	2,600,000
Capital Improvements Loan - Alcorn County	2,569,500
Appalachian Regional Commission Grant - Alcorn County	500,000
Other Local Funds	750,500
Total Expected Project Cost	\$ 156,420,000

## **REQUIRED SUPPLEMENTARY INFORMATION**

**Alcorn County**  
**Budgetary Comparison Schedule -**  
**Budget and Actual (Non-GAAP Basis)**  
**General Fund**  
**For the Year Ended September 30, 2021**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 7,036,340	7,261,730	7,261,730	-0-
Licenses, commissions and other revenue	371,650	305,153	305,153	-0-
Fines and forfeitures	439,500	339,492	339,492	-0-
Intergovernmental revenues	1,359,500	1,597,369	1,780,363	182,994
Charges for services	300,000	289,791	289,791	-0-
Interest income	150,000	75,073	75,073	-0-
Miscellaneous revenues	115,000	248,265	222,241	(26,024)
Total Revenues	<u>9,771,990</u>	<u>10,116,873</u>	<u>10,273,843</u>	<u>156,970</u>
<b>EXPENDITURES</b>				
Current:				
General government	4,700,019	4,699,826	4,845,320	(145,494)
Public safety	3,212,749	2,863,726	2,875,202	(11,476)
Public works	122,000	110,000	110,000	-0-
Health and welfare	525,658	472,931	472,931	-0-
Culture and recreation	255,000	271,870	271,870	-0-
Conservation of natural resources	158,200	133,283	133,283	-0-
Economic development	20,000	18,494	18,494	-0-
Capital projects	500,250	-0-	-0-	-0-
Debt service:				
Principal	28,494	78,420	76,105	2,315
Interest	551	1,679	141,661	(139,982)
Total Expenditures	<u>9,522,921</u>	<u>8,650,229</u>	<u>8,944,866</u>	<u>(294,637)</u>
Excess of Revenues over (under) Expenditures	<u>249,069</u>	<u>1,466,644</u>	<u>1,328,977</u>	<u>(137,667)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-term capital debt issued	-0-	127,806	127,806	-0-
Refunding bonds issued	-0-	-0-	3,930,000	3,930,000
Payments to bond refunding escrow	-0-	-0-	(3,780,264)	(3,780,264)
Discount on refunding bonds	-0-	-0-	(12,069)	(12,069)
Transfers in	-0-	17,206	17,206	-0-
Transfers out	(249,069)	(3,535,060)	(3,535,060)	-0-
Total Other Financing Sources and Uses	<u>(249,069)</u>	<u>(3,390,048)</u>	<u>(3,252,381)</u>	<u>137,667</u>
Net Change in Fund Balance	<u>-0-</u>	<u>(1,923,404)</u>	<u>(1,923,404)</u>	<u>-0-</u>
Fund Balances - Beginning	<u>9,317,842</u>	<u>9,317,842</u>	<u>9,433,463</u>	<u>115,621</u>
Fund Balances - Ending	<u>\$ 9,317,842</u>	<u>7,394,438</u>	<u>7,510,059</u>	<u>115,621</u>

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

**Alcorn County**  
**Budgetary Comparison Schedule -**  
**Budget and Actual (Non-GAAP Basis)**  
**American Rescue Plan Act Fund**  
**For the Year Ended September 30, 2021**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget
REVENUES				
Intergovernmental revenues	\$ -0-	3,591,164	3,591,164	-0-
Total Revenues	-0-	3,591,164	3,591,164	-0-
EXPENDITURES				
Current:				
Public safety	-0-	105	105	-0-
Total Expenditures	-0-	105	105	-0-
Excess of Revenues over (under) Expenditures	-0-	3,591,059	3,591,059	-0-
Net Change in Fund Balance	-0-	3,591,059	3,591,059	-0-
Fund Balances - Beginning	-0-	-0-	-0-	-0-
Fund Balances - Ending	\$ -0-	3,591,059	3,591,059	-0-

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

**Alcorn County**  
**Budgetary Comparison Schedule -**  
**Budget and Actual (Non-GAAP Basis)**  
**Regional Park Fund**  
**For the Year Ended September 30, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget</u>
REVENUES				
Intergovernmental revenues	\$ 530,000	540,082	540,082	-0-
Total Revenues	<u>530,000</u>	<u>540,082</u>	<u>540,082</u>	<u>-0-</u>
EXPENDITURES				
Debt service:				
Principal	215,000	215,000	215,000	-0-
Interest	<u>315,000</u>	<u>224,525</u>	<u>224,525</u>	<u>-0-</u>
Total Expenditures	<u>530,000</u>	<u>439,525</u>	<u>439,525</u>	<u>-0-</u>
Excess of Revenues over (under) Expenditures	<u>-0-</u>	<u>100,557</u>	<u>100,557</u>	<u>-0-</u>
Net Change in Fund Balance	<u>-0-</u>	<u>100,557</u>	<u>100,557</u>	<u>-0-</u>
Fund Balances - Beginning	<u>11,940</u>	<u>11,940</u>	<u>15,543</u>	<u>3,603</u>
Fund Balances - Ending	\$ <u>11,940</u>	<u>112,497</u>	<u>116,100</u>	<u>3,603</u>

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



**ALCORN COUNTY**  
**SCHEDULE OF THE COUNTY'S PROPORTIONATE**  
**SHARE OF THE NET PENSION LIABILITY**  
**LAST TEN FISCAL YEARS\***  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

		<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
County's proportion of the net pension liability		0.095015%	0.091771%	0.089228%	0.083418%	0.081223%	0.076494%	0.076644%
County's proportionate share of the net pension liability	\$	14,043,632	17,765,799	15,696,965	13,874,891	13,502,019	13,663,738	11,847,651
County's covered payroll	\$	6,317,547	6,059,041	5,721,188	5,259,553	5,210,470	4,893,480	4,788,273
County's proportionate share of the net pension liability as a percentage of its covered payroll		222.30%	293.21%	274.37%	263.80%	259.13%	279.22%	247.43%
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 amount presented for each fiscal year was determined as of the measurement date of 6/30 of the year presented. This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB 68 was implemented in FYE 9/30/15, and, until a full 10-year trend is compiled, the County has only presented information for the years in which information is available.

The notes to the required supplementary information are an integral part of this schedule.

**ALCORN COUNTY**  
**SCHEDULE OF COUNTY CONTRIBUTIONS – PERS**  
**LAST TEN FISCAL YEARS\***  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 1,120,453	1,062,616	943,871	839,104	823,269	789,649	748,568
Contributions in relation to the contractually required contribution	(1,120,453)	(1,062,616)	(943,871)	(839,104)	(823,269)	(789,649)	(748,568)
Contribution deficiency (excess)	<u>\$ -0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
County's covered payroll	6,439,385	6,106,992	5,836,529	5,327,640	5,227,105	5,013,627	4,752,786
Contributions as a percentage of covered payroll	17.40%	17.40%	16.17%	15.75%	15.75%	15.75%	15.75%

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

The notes to the required supplementary information are an integral part of this schedule.

**ALCORN COUNTY**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**  
**UNAUDITED**

Budgetary Comparison Schedules

**A. Budgetary Information**

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

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

**B. Basis of Presentation**

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

		Governmental Fund Types		
		General Fund	American Rescue Plan Act Fund	Regional Park Fund
Budget (Cash Basis)	\$	(1,923,404)	\$ 3,591,059	\$ 100,557
Increase (Decrease)				
Net adjustments for revenue accruals		(605)	(3,591,059)	(215,000)
Net adjustments for expenditure accruals		(119,287)	-0-	-0-
GAAP Basis	\$	<u>(2,043,296)</u>	<u>-0-</u>	<u>(114,443)</u>

**ALCORN COUNTY**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**  
**UNAUDITED**

Pension Schedules

**A. Changes of Assumptions**

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 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 reflect actual experience more closely.
- 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 in the line of duty was decreased from 6% to 4%.

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, and for females, 115% of female rates at all ages. Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.
- The price inflation assumption was reduced from 3.00% to 2.75%.
- The wage inflation assumption was reduced from 3.25% to 3.00%.
- Withdrawal rates, pre-retirement mortality rates, and service retirement rates were also adjusted to more closely reflect actual experience.
- The percentage of active member disabilities assumed to be in the line of duty was increased from 7% to 9%.

**ALCORN COUNTY**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**  
**UNAUDITED**

Pension Schedules, continued

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%.

2016

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

2015

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

**B. Changes in benefit provisions**

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.

**C. 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

## **SUPPLEMENTARY INFORMATION**

**Alcorn County**  
**Reconciliation of Operating Costs of Solid Waste**  
**For the Year Ended September 30, 2021**  
**UNAUDITED**

**Operating Expenditures, Cash Basis:**

Contractual services	\$ <u>801,850</u>
----------------------	-------------------

<b>Solid Waste Cash Basis Operating Expenditures</b>	<u>801,850</u>
------------------------------------------------------	----------------

**Full Cost Expenses:**

Depreciation on buildings	11,840
---------------------------	--------

Net effect of other accrued expenses	<u>(8,750)</u>
--------------------------------------	----------------

<b>Solid Waste Full Cost Operating Expenses</b>	\$ <u><u>804,940</u></u>
-------------------------------------------------	--------------------------

## **OTHER INFORMATION**



**Alcorn County**  
**Schedule of Surety Bonds for County Officials**  
**For the Year Ended September 30, 2021**  
**UNAUDITED**

<b>Name</b>	<b>Position</b>	<b>Insurance Company</b>	<b>Bond</b>
Lowell Hinton	District 1 Supervisor	Travelers Casualty & Surety Co.	\$ 100,000
James Voyles	District 2 Supervisor	Travelers Casualty & Surety Co.	100,000
Tim Mitchell	District 3 Supervisor	Travelers Casualty & Surety Co.	100,000
Stephen Glidewell	District 4 Supervisor	Travelers Casualty & Surety Co.	100,000
Jimmy Waldon	District 5 Supervisor	RLI Insurance Company	100,000
Robert Gregory Moore, Jr.	Board Attorney	Travelers Casualty & Surety Co.	10,000
Greg Younger	Chancery Clerk	RLI Insurance Company	100,000
Debbie King	Inventory Control Clerk	Travelers Casualty & Surety Co.	50,000
Robert Burns	Purchase Clerk	Travelers Casualty & Surety Co.	75,000
Jill Goodwin	Assistant Purchase Clerk	Travelers Casualty & Surety Co.	50,000
Carolyn James	Receiving Clerk	FCCI Insurance Group	75,000
Richard Bobo	Assistant Receiving Clerk	Travelers Casualty & Surety Co.	50,000
Keven Moss	Assistant Receiving Clerk	Travelers Casualty & Surety Co.	50,000
Eddie Clark	Assistant Receiving Clerk	Travelers Casualty & Surety Co.	50,000
Jerry Gifford	Assistant Receiving Clerk	Travelers Casualty & Surety Co.	50,000
Larry Settlemires	Assistant Receiving Clerk	FCCI Insurance Group	50,000
Shelly Hopkins	Assistant Receiving Clerk	Travelers Casualty & Surety Co.	50,000
Laura Lawson	Assistant Receiving Clerk	Travelers Casualty & Surety Co.	50,000
Tracy Bullard	Assistant Receiving Clerk	FCCI Insurance Group	50,000
Dana Talley	Assistant Receiving Clerk	Travelers Casualty & Surety Co.	50,000
John C Butler	Constable	Travelers Casualty & Surety Co.	50,000
Harry Duncan	Constable	Travelers Casualty & Surety Co.	50,000
Ben Caldwell	Sheriff	Travelers Casualty & Surety Co.	100,000
Sheriff's Deputies	(65) Sheriff's Deputies	Travelers Casualty & Surety Co.	50,000
Jeremy Blaylock	Justice Court Judge	Travelers Casualty & Surety Co.	50,000
Jimmy McGee	Justice Court Judge	Travelers Casualty & Surety Co.	50,000
Briony Mitchell	Justice Court Clerk	Travelers Casualty & Surety Co.	50,000
Miquela Jones	Deputy Justice Court Clerk	Travelers Casualty & Surety Co.	50,000
Carol Derrick	Deputy Justice Court Clerk	FCCI Insurance Group	50,000
Cindy Davis	Deputy Justice Court Clerk	FCCI Insurance Group	50,000
Lana Nix	Deputy Justice Court Clerk	Travelers Casualty & Surety Co.	50,000
Crystal Starling	Circuit Clerk	RLI Insurance Company	100,000
Heather Boyer	Deputy Circuit Clerk	RLI Insurance Company	100,000
Morgan Burkeens	Deputy Circuit Clerk	RLI Insurance Company	100,000
Kalee Smith	Deputy Circuit Clerk	RLI Insurance Company	100,000
Leslie Cantrell	Deputy Circuit Clerk	RLI Insurance Company	100,000
Sandy Mitchell	Tax Assessor	Travelers Casualty & Surety Co.	50,000
Larry Ross	Tax Collector	RLI Insurance Company	100,000
Lauren Simmons	Deputy Tax Collector	Western Surety	50,000
Melissa Gaines	Deputy Tax Collector	Western Surety	50,000
Caroline Lancaster	Deputy Tax Collector	Western Surety	50,000
Tammy Mask	Deputy Tax Collector	Western Surety	50,000
Heather Crabb	Deputy Tax Collector	Western Surety	50,000
Laura Hisaw	Deputy Tax Collector	Western Surety	50,000

## **SPECIAL REPORTS**

**J. E. VANCE & COMPANY, P.A.**  
CERTIFIED PUBLIC ACCOUNTANTS

825 JEFFERSON STREET  
POST OFFICE BOX 1280  
TUPELO, MISSISSIPPI 38802

---

(662) 842-2123  
FACSIMILE (662) 841-6809  
E-MAIL: jev@jevance.com

**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  
Alcorn County, Mississippi

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Alcorn County, Mississippi, 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 July 15, 2024. Our report includes an adverse opinion on the aggregate discretely presented component units due to the omission of the discretely presented component units which is required by accounting principles generally accepted in the United States of America to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units. The report is qualified on the governmental activities, business-type activities, and the Alcorn County Regional Correctional Facility Fund because the County did not record a liability or current year expense for other postemployment benefits as required by accounting principles generally accepted in the United States of America.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Alcorn County, Mississippi's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Alcorn County, Mississippi's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as 2021-001, 2021-002, 2021-003, 2021-004, 2021-005, 2021-006, 2021-007, and 2021-008, that we consider to be material weaknesses.

### **Compliance and Other Matters**

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

We noted certain matters that we reported to the management of Alcorn 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 July 15, 2024, included within this document.

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

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

### **Purpose of the 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.

A handwritten signature in black ink that reads "J. E. Vance & Company". The signature is written in a cursive, flowing style.

Tupelo, Mississippi  
July 15, 2024

**J. E. VANCE & COMPANY, P.A.**  
CERTIFIED PUBLIC ACCOUNTANTS

825 JEFFERSON STREET  
POST OFFICE BOX 1280  
TUPELO, MISSISSIPPI 38802

---

(662) 842-2123  
FACSIMILE (662) 841-6809  
E-MAIL: jev@jevance.com

**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  
Alcorn County, Mississippi

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

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and accordingly, included examining, on a test basis, evidence about the County's compliance with those requirements and performing 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 Alcorn County, Mississippi, has established centralized purchasing for all funds of the county and has established an inventory control system. The objective of the central purchasing system is to provide reasonable, but not absolute, assurance that purchases are executed in accordance with state law.

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

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

**Inventory Control Clerk.**

1. Repeat Finding – Yes (2016-1, 2017-1, 2018-1, 2019-1, 2020-1)

Criteria – Section 31-7-107, Mississippi Code Annotated (1972), requires the establishment and maintenance of an inventory control system.

Condition – The County failed to account for several additions to inventory, including mobile equipment, lease finance purchases, and construction-in-process on state-aid and emergency road and bridge infrastructure projects.

Cause – The County has ineffective controls over recordkeeping for inventory.

Effect: – The County’s inventory was incomplete. Audit adjustments were necessary to correct the balance of the County’s capital asset records. Adjustments to correct these errors were proposed and made to the financial statements with management’s approval. Failure to maintain accurate inventory control records could result in violation of state purchasing statutes or the misappropriation of public funds.

Recommendation – The Inventory Control Clerk should implement procedures to ensure that progress on all state aid road and bridge projects which meet the capitalization criteria are recorded for inclusion in capital asset records.

Views of Responsible Official – We have appointed a new inventory control clerk to maintain our inventory records. She has made corrections to our historical records and will continue to improve our recordkeeping moving forward.

In our opinion, except for the noncompliance referred to in the preceding paragraphs, Alcorn 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 of the purchasing system and, in our opinion, is fairly presented when considered in relation to that examination.

Alcorn County’s response to the findings included in this report were not audited, and accordingly, we express no opinion on them.

This report is intended for use in evaluating Alcorn 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.

A handwritten signature in black ink that reads "J. E. Vance & Company". The signature is written in a cursive, flowing style.

Tupelo, Mississippi  
July 15, 2024

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

**Schedule 1**

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

**Alcorn County  
Schedule of Emergency Purchases  
For the Year Ended September 30, 2021**

**Schedule 2**

Our tests did not identify any emergency purchases.



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

**Schedule 3**

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

**J. E. VANCE & COMPANY, P.A.**  
CERTIFIED PUBLIC ACCOUNTANTS

825 JEFFERSON STREET  
POST OFFICE BOX 1280  
TUPELO, MISSISSIPPI 38802

---

(662) 842-2123  
FACSIMILE (662) 841-6809  
E-MAIL: jev@jevance.com

**Limited Internal Control and Compliance Review Management Report**

Members of the Board of Supervisors  
Alcorn County, Mississippi

In planning and performing our audit of the financial statements of Alcorn County, Mississippi for the year ended September 30, 2021, we considered Alcorn 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 Alcorn 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 July 15, 2024, on the financial statements of Alcorn 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 and other matters that are opportunities for strengthening internal controls and operating efficiency.

Our findings and recommendations and your responses are disclosed below:

**Receiving Clerk, (2) Assistant Receiving Clerks, (2) Deputy Justice Court Clerks**

1. Repeat Finding – Yes (2018-2, 2019-2, 2020-2)

Criteria – Section 25-1-15, *Mississippi Code Annotated (1972)*, states, "A new bond in an amount not less than that required by law shall be secured upon employment and coverage shall continue by the securing of a new bond every four (4) years concurrent with the normal election cycle of the Governor or the normal election cycle of the local government applicable to the employee.

Condition – A review of the bond schedule revealed that the following county employee's bonds were listed as "Continuation Certificates":

- Receiving Clerk
- Two (2) Assistant Receiving Clerks
- Two (2) Deputy Justice Court Clerks

A "Continuation Certificate" is a document that extends the life of the original surety bond that only covers the current bonding period, rather than both the current and previous periods. Failure to have a bond in place for a specific term of office could limit the amount available for a recovery of loss if the loss occurs over multiple terms.

Cause – The listed employees did not follow the Mississippi statute stated above.

Effect – Failure to have a sufficient bond in place for a specific term of office could limit the amount available for a recovery of loss.

Recommendation – County officials should ensure that all bonds comply with statutory coverage requirements, properly list a specific term of office covered and that new bonds are secured every four (4) years concurrent with the normal election cycle of the Governor.

Official Response – We have begun making corrections to these bonds starting with the new term.

### **Inventory Control Clerk**

2. Repeat Finding – Yes (2020-4)

Criteria – *Section 31-7-124, Mississippi Code Annotated (1972)*, states, in part, “The inventory control clerk shall give bond in a penalty equal to Seventy-five Thousand Dollars (\$75,000.00) with sufficient surety, to be payable, conditioned, and approved as provided by law.

Condition – A review of the bond schedule revealed that the inventory control clerk was bonded for \$50,000.

Cause – The inventory control clerk did not follow the Mississippi statute stated above.

Effect – Failure to have a sufficient bond in place for a specific term of office could limit the amount available for a recovery of loss.

Recommendation – The inventory control clerk should ensure that her bond complies with statutory coverage requirements.

Official Response – This was corrected with a rider effective March 31, 2022.

### **Purchase Clerk**

3. Repeat Finding – No

Criteria – *Section 31-7-124, Mississippi Code Annotated (1972)*, states, in part, “The purchase clerk shall give bond in a penalty equal to One-hundred Thousand Dollars (\$100,000.00) with sufficient surety, to be payable, conditioned, and approved as provided by law.

Condition – A review of the bond schedule revealed that the purchase clerk was bonded for \$75,000.

Cause – The purchase clerk did not follow the Mississippi statute stated above.

Effect – Failure to have a sufficient bond in place for a specific term of office could limit the amount available for a recovery of loss.

Recommendation – The purchase clerk should ensure that his bond complies with statutory coverage requirements.

Official Response – This was corrected with a rider effective March 30, 2022.

## Board of Supervisors

### 4. Repeat Finding - No

Criteria – Section 19-11-17, *Mississippi Code Annotated (1972)* states, “No expenditures shall be made, or liabilities incurred, or warrants issued, in excess of the budget estimates as finally determined by the board of supervisors, or as thereafter revised under the provisions of this chapter.”

Section 19-11-19(1), *Mississippi Code Annotated (1972)* states, “The board of supervisors may revise the budget of expenses at any regular meeting during the fiscal year by increasing or decreasing the items of said budget in proportion to the increase or decrease in the anticipated revenue collections and/or other sources of funds... However, revisions as herein authorized shall not be deemed to permit any expenditures in excess of the various items of the budget as then approved, and any expenditures made in excess of the budget as then approved shall be invalid, and subsequent revision shall not validate such expenditures. The revisions made in the budget, from time to time, shall be spread upon the official minutes of the board at the meeting at which any such revision is made.”

Condition – The County approved two (2) budget amendments during the fiscal year, and on November 1, 2021 approved amending the 2021 Fiscal Year Budget to Actual.

When comparing the final budget to the original budget, several departments were found to have expended greater than the original budget without the benefit of a budget amendment. As there were no revisions to these department’s original budgets, it is impossible to verify when expenditures exceeded budget estimates, thus invalidating the expenditure.

Cause – County employees did not follow the Mississippi statute listed above.

Effect – Any violation for approval of expenditures made, liabilities incurred, or warrants issued in excess of the budget estimates shall make the Board of Supervisors voting for same, and the surety upon their official bonds, liable for the full amount of the claims allowed, the contract entered into, or the public work provided for.

Any expenditure made in excess of the budget as then approved shall be invalid, and subsequent revision shall not validate such expenditures.

Recommendation – The Board of Supervisors should ensure that no expenditures are made, liabilities incurred, or warrants issued in excess of the budget estimates approved by the Board of Supervisors, or prior to a revision of the county budget being made and spread upon the official minutes of the board.

Officials’ Response – We monitor the budget on a regular basis when previously unplanned circumstances arise but will try to do a better job staying ahead of excess expenditures in the future.

Alcorn 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.



Tupelo, Mississippi  
July 15, 2024

## **SCHEDULE OF FINDINGS AND RESPONSES**

**ALCORN 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
Business-type Activities	Qualified
Alcorn County Regional Correctional Facility Fund	Qualified
Aggregate Discretely Presented Component Units	Adverse
General Fund	Unmodified
American Rescue Plan Act Fund	Unmodified
Regional Park Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified
2. Internal control over financial reporting:
  - a. Material weakness(es) identified? Yes
  - b. Significant deficiency(ies) identified? None Reported
3. Noncompliance material to the financial statements? No

**Section 2: Financial Statement Findings**

**Board of Supervisors**

**Material Weakness**

2021-001 Finding - The County should implement controls to ensure preparation of its financial statements.

Repeat Finding – Yes

Criteria – A critical aspect of effective financial management is the preparation of accurate financial statements.

Condition – The County's accounting records are maintained on a cash basis and the auditors assisted in the preparation of accrual entries and the financial statements. However, the County has made all management decisions including approving the accrual entries, designating an individual with a basic understanding of the financial statements and related note disclosures to oversee the financial statement preparation, evaluating the adequacy and results of the services performed, and accepting responsibility for the results of the services.

Cause – The Board of Supervisors did not assign the preparation of the financial statements to the accounting personnel.

Effect – The Board of Supervisors chose not to prepare the financial statements and related notes.

Recommendation – The Board of Supervisors should establish adequate controls and procedures to ensure that the financial statements and note disclosures are prepared in accordance with generally accepted accounting principles.

Response

Like many small to medium sized counties, Alcorn County must rely heavily for assistance on our contract auditors. We will continue our efforts to achieve a goal of excellence in our accounting procedures, with the ultimate goal of preparing our own financial statements.

Material Weakness

2021-002 Finding - Financial data for component units not included in the financial statements.

Repeat Finding – Yes

Criteria – Accounting principles generally accepted in the United States of America require the financial data for the County's component units to be included in the financial data of the County unless the County also issues financial statements for the financial reporting entity that includes the financial data for its component units. The County has not issued such reporting entity financial statements.

Condition – The financial statements of the County do not include the financial data of the County's legally separate component units.

Cause – The County chose not to include the financial statements of its component units.

Effect – The failure to include the financial statements of the component units could result in the financial statements of the County to be misleading.

Recommendation – In order for the County to comply with accounting principles generally accepted in the United States of America, the County should include the County's component units.

Response – Alcorn County Human Resources Agency issues a separate audited financial statement. The County did not choose to include the component units in the County financial statements. The Board does not believe the financial statements are misleading without the component units included.

Material Weakness

2021-003 Finding - Liability for postemployment benefits not recorded and note disclosures for postemployment benefits not reported.

Repeat Finding – Yes

Criteria – GASB Statement 75 requires the County to report on an accrual basis the liability associated with other postemployment benefits.

Condition – The County has not recorded a liability for other postemployment benefits nor reported the note disclosures which are required by accounting principles generally accepted in the United States of America.

Cause – The County did not have an annual actuarial valuation of other postemployment benefits.

Effect – The failure to include the accrual of the other postemployment benefits liability could result in the financial statements of the County to be misleading.

Recommendation – The Board of Supervisors should have an actuarial valuation performed annually so that the liability for the other postemployment benefits can be recorded and appropriate note disclosures can be made.

Response – The Board believes the liability associated with the Plan would be immaterial to the financial statements.

2021-004 Finding – Budget estimates were exceeded without the benefit of a budget amendment.

Repeat Finding - No

Criteria – Section 19-11-17, *Mississippi Code Annotated (1972)* states, “No expenditures shall be made, or liabilities incurred, or warrants issued, in excess of the budget estimates as finally determined by the board of supervisors, or as thereafter revised under the provisions of this chapter.”

Section 19-11-19(1), *Mississippi Code Annotated (1972)* states, “The board of supervisors may revise the budget of expenses at any regular meeting during the fiscal year by increasing or decreasing the items of said budget in proportion to the increase or decrease in the anticipated revenue collections and/or other sources of funds... However, revisions as herein authorized shall not be deemed to permit any expenditures in excess of the various items of the budget as then approved, and any expenditures made in excess of the budget as then approved shall be invalid, and subsequent revision shall not validate such expenditures. The revisions made in the budget, from time to time, shall be spread upon the official minutes of the board at the meeting at which any such revision is made.”

Condition – The County approved two (2) budget amendments during the fiscal year, and on November 1, 2021 approved amending the 2021 Fiscal Year Budget to Actual.

When comparing the final budget to the original budget, several departments were found to have expended greater than the original budget without the benefit of a budget amendment. As there were no revisions to these department’s original budgets, it is impossible to verify when expenditures exceeded budget estimates, thus invalidating the expenditure.

Cause – County employees did not follow the Mississippi statute listed above.

Effect – Any violation for approval of expenditures made, liabilities incurred, or warrants issued in excess of the budget estimates shall make the Board of Supervisors voting for same, and the surety upon their official bonds, liable for the full amount of the claims allowed, the contract entered into, or the public work provided for.

Any expenditure made in excess of the budget as then approved shall be invalid, and subsequent revision shall not validate such expenditures.

Recommendation – The Board of Supervisors should ensure that no expenditures are made, liabilities incurred, or warrants issued in excess of the budget estimates approved by the Board of Supervisors, or prior to a revision of the county budget being made and spread upon the official minutes of the board.

Response – We monitor the budget on a regular basis when previously unplanned circumstances arise but will try to do a better job staying ahead of excess expenditures in the future.

**Receiving Clerk, (2) Assistant Receiving Clerks, (2) Deputy Justice Court Clerks**

Material Weakness

2021-005 Finding – Public Officials’ Surety Bonds were listed as “Continuation Certificates”.

Repeat Finding – Yes

Criteria – Section 25-1-15, *Mississippi Code Annotated (1972)*, states, “A new bond in an amount not less than that required by law shall be secured upon employment and coverage shall continue by the securing of a new bond every four (4) years concurrent with the normal election cycle of the Governor or the normal election cycle of the local government applicable to the employee.

Condition – A review of the bond schedule revealed that the following county employee’s bonds were listed as “Continuation Certificates”:

- Receiving Clerk
- Two (2) Assistant Receiving Clerks
- Two (2) Deputy Justice Court Clerks



A “Continuation Certificate” is a document that extends the life of the original surety bond that only covers the current bonding period, rather than both the current and previous periods. Failure to have a bond in place for a specific term of office could limit the amount available for a recovery of loss if the loss occurs over multiple terms.

Cause – County employees did not follow the Mississippi statute stated above.

Effect – Failure to have a sufficient bond in place for a specific term of office could limit the amount available for a recovery of loss.

Recommendation – County officials should ensure that all bonds comply with statutory coverage requirements, properly list a specific term of office covered and that new bonds are secured every four (4) years concurrent with the normal election cycle of the Governor.

Response – We have begun making corrections to these bonds starting with the new term.

## **Inventory Control Clerk**

### **Material Weakness**

2021-006 Finding – The County should implement controls to ensure that inventory additions are accurately recorded in its accounting system.

Repeat Finding – Yes

Criteria – An effective system of internal controls should include adequate subsidiary records documenting amounts to be capitalized.

Condition – The County failed to account for several additions to inventory, including mobile equipment, lease finance purchases, and construction-in-process on state-aid and emergency road and bridge infrastructure projects. As a result, audit adjustments were necessary to correct the balance of the County’s capital asset records. Adjustments to correct these errors were proposed and made to the financial statements with management’s approval.

Cause – The lack of adequate controls over the inventory control system.

Effect – The failure to implement a proper inventory control system resulted in the reporting of inaccurate amounts on the capital asset reports which increases the possibility of the loss or misappropriation of assets.

Recommendation – The Inventory Control Clerk should implement procedures to ensure that purchases which meet the capitalization criteria are included in capital asset records.

Response – We have appointed a new inventory control clerk to maintain our inventory records. She has made corrections to our historical records and will continue to improve our recordkeeping moving forward.

### **Material Weakness**

2021-007 Finding – Inventory Control Clerk was insufficiently bonded.

Repeat Finding – Yes

Criteria – *Section 31-7-124, Mississippi Code Annotated (1972)*, states, in part, “The inventory control clerk shall give bond in a penalty equal to Seventy-five Thousand Dollars (\$75,000.00) with sufficient surety, to be payable, conditioned, and approved as provided by law.

Condition – A review of the bond schedule revealed that the inventory control clerk was bonded for \$50,000.

Cause – The inventory control clerk did not follow the Mississippi statute stated above.

Effect – Failure to have a sufficient bond in place for a specific term of office could limit the amount available for a recovery of loss.

Recommendation – The inventory control clerk should ensure that her bond complies with statutory coverage requirements.

Response – This was corrected with a rider effective March 31, 2022.

## **Purchase Clerk**

### Material Weakness

2021-008 Finding – Purchase Clerk was insufficiently bonded.

Repeat Finding – No

Criteria – *Section 31-7-124, Mississippi Code Annotated (1972)*, states, in part, “The purchase clerk shall give bond in a penalty equal to One-hundred Thousand Dollars (\$100,000.00) with sufficient surety, to be payable, conditioned, and approved as provided by law.

Condition – A review of the bond schedule revealed that the purchase clerk was bonded for \$75,000.

Cause – The purchase clerk did not follow the Mississippi statute stated above.

Effect – Failure to have a sufficient bond in place for a specific term of office could limit the amount available for a recovery of loss.

Recommendation – The purchase clerk should ensure that his bond complies with statutory coverage requirements.

Official Response – This was corrected with a rider effective March 30, 2022.