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CARROLL COUNTY, MISSISSIPPI
Audited Financial Statements and Special Reports
For the Year Ended September 30, 2021



CARROLL COUNTY
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CARROLL COUNTY

FINANCIAL SECTION



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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors
Carroll County, Mississippi

Report on the Financial Statements

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 Carroll County, Mississippi, (the County) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Carroll County, Mississippi, as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Carroll County, Mississippi, has omitted the Management's Discussion and Analysis that accounting principles general 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 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 and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Carroll County, Mississippi's basic financial statements. The accompanying Reconciliation of Operating Costs of Solid Waste is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

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 February 14, 2023 on our consideration of Carroll County, Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Carroll 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 Carroll County, Mississippi's internal control over financial reporting and compliance.

Bridgers, Goodman, Baird & Clarke, PLLC

Bridgers, Goodman, Baird & Clarke, PLLC
Certified Public Accountants
Vicksburg, MS
February 14, 2023

CARROLL COUNTY

FINANCIAL STATEMENTS

CARROLL COUNTY
Statement of Net Position
September 30, 2021

Exhibit 1

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash	\$ 8,032,855	812,858	8,845,713
Investments		632,594	632,594
Property tax receivable	3,897,903		3,897,903
Accounts receivable (net of allowance for uncollectibles of \$ 446,446)	128,606		128,606
Fines receivable (net of allowance for uncollectibles of \$588,169)	229,464		229,464
Capital leases receivable	265,637		265,637
Intergovernmental receivables	348,511	278,799	627,310
Other receivables	25,278	2,640	27,918
Capital assets:			
Land and construction in progress	202,819		202,819
Other capital assets, net	14,354,322	2,559,174	16,913,496
Total Assets	<u>27,485,395</u>	<u>4,286,065</u>	<u>31,771,460</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	881,950	529,004	1,410,954
Total Deferred Outflows of Resources	<u>881,950</u>	<u>529,004</u>	<u>1,410,954</u>
LIABILITIES			
Claims payable	627,294	126,134	753,428
Intergovernmental payables	207,174	116	207,290
Accrued interest payable	5,261		5,261
Unearned revenue	1,004,615		1,004,615
Amounts held in custody for others	13,904		13,904
Long-term liabilities			
Due within one year:			
Non-capital debt	90,926		90,926
Capital debt	237,990		237,990
Due in more than one year:			
Capital debt	882,472		882,472
Non-capital debt	163,568	15,637	179,205
Net pension liability	5,257,368	3,296,810	8,554,178
Total Liabilities	<u>8,490,572</u>	<u>3,438,697</u>	<u>11,929,269</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	1,745,502	836,447	2,581,949
Deferred inflows - capital lease interest	13,909		13,909
Deferred revenues - property taxes	3,897,903		3,897,903
Total Deferred Inflows of Resources	<u>5,657,314</u>	<u>836,447</u>	<u>6,493,761</u>
NET POSITION			
Net investment in capital assets	13,436,679	2,559,174	15,995,853
Restricted for:			
Expendable:			
General government	492,351		492,351
Public safety	607,465		607,465
Public works	3,085,792		3,085,792
Health and welfare	87,715		87,715
Economic development and assistance	25,017		25,017
Debt service	148,571		148,571
Unrestricted	(3,664,131)	(2,019,249)	(5,683,380)
Total Net Position	<u>\$ 14,219,459</u>	<u>539,925</u>	<u>14,759,384</u>

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

CARROLL 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 Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 2,402,679	280,768	35,516		(2,086,395)		(2,086,395)
Public safety	1,601,986	92,755	107,126		(1,402,105)		(1,402,105)
Public works	7,570,043	719,251	1,019,978	83,950	(5,746,864)		(5,746,864)
Health and welfare	89,010		21,001	6,449	(61,560)		(61,560)
Culture and recreation	189,287				(189,287)		(189,287)
Conservation of natural resources	80,471				(80,471)		(80,471)
Economic development and assistance	43,292		67,649		24,357		24,357
Interest on long-term debt	33,091				(33,091)		(33,091)
Pension expense	396,644				(396,644)		(396,644)
Total Governmental Activities	<u>12,406,503</u>	<u>1,092,774</u>	<u>1,251,270</u>	<u>90,399</u>	<u>(9,972,060)</u>		<u>(9,972,060)</u>
Business-type activities:							
Regional Jail	3,120,908	2,747,130				(373,778)	(373,778)
Total Business-type Activities	<u>3,120,908</u>	<u>2,747,130</u>	<u>0</u>	<u>0</u>	<u>(373,778)</u>	<u>(373,778)</u>	<u>(373,778)</u>
Total Primary Government	<u>\$ 15,527,411</u>	<u>3,839,904</u>	<u>1,251,270</u>	<u>90,399</u>	<u>(9,972,060)</u>	<u>(373,778)</u>	<u>(10,345,838)</u>
General revenues:							
Property taxes					\$ 5,747,080		5,747,080
Road & bridge privilege taxes					146,679		146,679
Grants and contributions not restricted to specific programs					297,140		297,140
Unrestricted interest income					32,786		32,786
Unrestricted investment income						2,924	2,924
Miscellaneous					247,987	61,493	309,480
Total General Revenues					<u>6,471,672</u>	<u>64,417</u>	<u>6,536,089</u>
Changes in Net Position					<u>(3,500,388)</u>	<u>(309,361)</u>	<u>(3,809,749)</u>
Net Position - Beginning					<u>17,719,847</u>	<u>849,286</u>	<u>18,569,133</u>
Net Position - Ending					<u>\$ 14,219,459</u>	<u>539,925</u>	<u>14,759,384</u>

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

CARROLL COUNTY
Balance Sheet - Governmental Funds
September 30, 2021

Exhibit 3

	Major Funds				
	General Fund	American Rescue Fund	ERBR-STP/BR 0008(13)B BT5 Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash	\$ 2,363,997	966,600	654,737	4,047,521	8,032,855
Property tax receivable	2,637,002			1,260,901	3,897,903
Accounts receivable (net of allowance for uncollectibles of \$446,446)				128,606	128,606
Fines receivable (net of allowance for uncollectibles of \$588,169)	229,464				229,464
Capital lease receivable				265,637	265,637
Intergovernmental receivables	128,006			220,505	348,511
Other receivables	38			25,240	25,278
Due from other funds				44,398	44,398
Total Assets	\$ 5,358,507	966,600	654,737	5,992,808	12,972,652
LIABILITIES					
Liabilities:					
Claims payable	\$ 126,269		235,319	265,706	627,294
Intergovernmental payables	206,541			633	207,174
Due to other funds	44,398				44,398
Unearned revenue		966,044		38,571	1,004,615
Amounts held in custody for others	13,904				13,904
Total Liabilities	\$ 391,112	966,044	235,319	304,910	1,897,385
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue - property taxes	2,637,002			1,260,901	3,897,903
Unavailable revenue - capital lease				265,637	265,637
Unavailable revenue - accounts receivable				128,606	128,606
Unavailable revenue - fines	229,464				229,464
Total Deferred Inflows of Resources	\$ 2,866,466			1,655,144	4,521,610
Fund balances:					
Restricted for:					
General government		556		492,351	492,907
Public safety				590,420	590,420
Public works			419,418	2,429,773	2,849,191
Economic development and assistance				25,017	25,017
Debt service				153,832	153,832
Committed to:					
Public safety				17,045	17,045
Public works				236,601	236,601
Health and welfare				87,715	87,715
Unassigned	2,100,929				2,100,929
Total Fund Balances	\$ 2,100,929	556	419,418	4,032,754	6,553,657
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 5,358,507	966,600	654,737	5,992,808	12,972,652

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

CARROLL COUNTY
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
September 30, 2021

Exhibit 3-1

	<u>Amount</u>
Total Fund Balance - Governmental Funds	\$ 6,553,657
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 \$10,162,223.	14,557,141
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	358,070
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(1,374,956)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(5,257,368)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(5,261)
Capital leases are not available to pay for current period expenditures and, therefore, are deferred in the funds.	251,728
Deferred outflows and inflows of resources related to pensions and other postemployment benefits are applicable to future periods and, therefore, are not reported in the funds:	
Deferred outflows of resources related to pensions	881,950
Deferred inflows of resources related to pensions	<u>(1,745,502)</u>
Total Net Position - Governmental Activities	\$ <u>14,219,459</u>

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

CARROLL 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	ERBR-STP/BR	Governmental	Governmental
	Fund	Rescue	0008(13)B BT5	Funds	Funds
	Fund	Fund	Fund	Funds	Funds
REVENUES					
Property taxes	\$ 3,530,386			2,216,694	5,747,080
Road and bridge privilege taxes				146,679	146,679
Licenses, commissions and other revenue	124,042			610	124,652
Fines and forfeitures	171,655			4,452	176,107
Intergovernmental revenues	408,965			1,229,844	1,638,809
Charges for services	6,616			804,380	810,996
Interest income	8,576	556		23,654	32,786
Miscellaneous revenues	17,178			229,911	247,089
Total Revenues	4,267,418	556		4,656,224	8,924,198
EXPENDITURES					
Current:					
General government	2,365,116			218,052	2,583,168
Public safety	1,224,849			527,128	1,751,977
Public works	20,301		1,585,293	5,569,836	7,175,430
Health and welfare	82,556			493	83,049
Culture and recreation	183,000				183,000
Conservation of natural resources	86,859				86,859
Economic development and assistance	43,292				43,292
Debt service:					
Principal	12,698			355,646	368,344
Interest	240			27,590	27,830
Total Expenditures	4,018,911		1,585,293	6,698,745	12,302,949
Excess of Revenues over (under) Expenditures	248,507	556	(1,585,293)	(2,042,521)	(3,378,751)
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	1,550			800	2,350
Transfers in				300,500	300,500
Transfers out	(300,500)				(300,500)
Lease principal payments				102,003	102,003
Total Other Financing Sources and Uses	(298,950)			403,303	104,353
Net Changes in Fund Balances	(50,443)	556	(1,585,293)	(1,639,218)	(3,274,398)
Fund Balances - Beginning	2,151,372		2,004,711	5,671,972	9,828,055
Fund Balances - Ending	\$ 2,100,929	556	419,418	4,032,754	6,553,657

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

CARROLL 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	\$ (3,274,398)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Thus, the change in net position differs from the change in fund balances by the amount that depreciation of \$711,752 exceeded capital outlays of \$232,448 in the current period.	(479,304)
In the Statement of Activities, only gains and losses from the sale of capital assets are reported, whereas in the Governmental Funds, proceeds from the sale of capital assets increase financial resources. Thus, the change in net position differs from the change in fund balances by the amount of the net loss of \$57,684 and the proceeds from the sale of \$2,350 in the current period.	(60,034)
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.	(9,870)
Solid waste revenue recognized on the modified accrual basis in the funds during the current year is reduced because prior year recognition would have been required on the Statement of Activities using the full-accrual basis of accounting.	(9,111)
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 of debt repayments of \$368,344.	368,344
Under the modified accrual basis of accounting used in the Governmental Funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However, in the Statement of Activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is recognized under the modified accrual basis of accounting when due, rather than as it accrues. Thus, the change in net position differs from the change in fund balances by a combination of the following items:	
Increase in accrued interest payable	(5,261)
In the Statement of Activities, only interest income from payments received on capital leases are reported, whereas in the governmental funds, both principal and interest payments received increase financial resources. Thus, the change in net position differs from change in fund balances by the principal collections on the capital leases.	(102,003)
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	(396,644)
Recording of contributions made during the year	467,893
Change in Net Position of Governmental Activities	\$ <u><u>(3,500,388)</u></u>

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

CARROLL COUNTY
Statement of Net Position - Proprietary Fund
September 30, 2021

Exhibit 5

	Business-type Activities Enterprise Fund CMRCF Fund
ASSETS	
Current assets:	
Cash	\$ 812,858
Investments	632,594
Intergovernmental receivables	278,799
Other receivables	2,640
Total Current Assets	<u>1,726,891</u>
Noncurrent assets:	
Capital assets:	
Other capital assets, net	<u>2,559,174</u>
Total Noncurrent Assets	<u>2,559,174</u>
Total Assets	<u>4,286,065</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	<u>529,004</u>
Total Deferred Outflows of Resources	<u>529,004</u>
LIABILITIES	
Current liabilities:	
Claims payable	126,134
Intergovernmental payables	116
Total Current Liabilities	<u>126,250</u>
Noncurrent liabilities:	
Non-capital debt:	
Compensated absences payable	15,637
Net pension liability	<u>3,296,810</u>
Total Noncurrent Liabilities	<u>3,312,447</u>
Total Liabilities	<u>3,438,697</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	<u>836,447</u>
Total Deferred Inflows of Resources	<u>836,447</u>
NET POSITION	
Net investment in capital assets	2,559,174
Unrestricted	<u>(2,019,249)</u>
Total Net Position	<u>\$ 539,925</u>

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

CARROLL COUNTY

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

	Business-type Activities Enterprise Fund CMRCF Fund
Operating Revenues	
Charges for services	\$ 2,747,130
Miscellaneous	76,402
Total Operating Revenues	<u>2,823,532</u>
Operating Expenses	
Cost of sales	
Personal services	1,830,178
Contractual services	331,407
Materials and supplies	628,366
Depreciation expense	124,032
Indirect administrative cost	16,852
Pension expense	190,073
Total Operating Expenses	<u>3,120,908</u>
Operating Income (Loss)	<u>(297,376)</u>
Nonoperating Revenues (Expenses)	
Interest income	2,924
Loss on disposal of capital assets	(14,909)
Net Nonoperating Revenue (Expenses)	<u>(11,985)</u>
Changes in Net Position	<u>(309,361)</u>
Net Position - Beginning	<u>849,286</u>
Net Position - Ending	\$ <u><u>539,925</u></u>

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

CARROLL COUNTY
Statement of Cash Flows - Proprietary Fund
For the Year Ended September 30, 2021

Exhibit 7

	Business-type Activities Enterprise Fund CMRCF Fund
Cash Flows From Operating Activities	
Receipts from customers	\$ 2,637,206
Payments to suppliers	(625,890)
Payments to employees	(1,990,751)
Payments for contractual services	(331,518)
Payments to General Fund for indirect costs	(16,852)
Other operating cash receipts	287,825
Net Cash Provided (Used) by Operating Activities	<u>(39,980)</u>
Cash Flows From Capital and Related Financing Activities	
Acquisition and construction of capital assets	<u>(47,264)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(47,264)</u>
Cash Flows From Investing Activities	
Proceeds from sale and maturities of investments	10,892
Interest and dividends on investments	2,924
Net Cash Provided (Used) by Investing Activities	<u>13,816</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(73,428)</u>
Cash and Cash Equivalents at Beginning of Year	886,286
Cash and Cash Equivalents at End of Year	\$ <u><u>812,858</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	\$ <u>(297,376)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation expense	124,032
Changes in assets and liabilities:	
(Increase) decrease in intergovernmental receivable	98,897
(Increase) decrease in other receivables	2,602
(Increase) decrease in deferred outflows of resources	(173,668)
Increase (decrease) in claims payable	64,793
Increase (decrease) in intergovernmental payables	(94)
Increase (decrease) in compensated absences liability	1,308
Increase (decrease) in pension liability	(696,921)
Increase (decrease) in deferred inflows of resources	836,447
Total Adjustments	<u>257,396</u>
Net Cash Provided (Used) by Operating Activities	\$ <u><u>(39,980)</u></u>

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

CARROLL COUNTY
Statement of Fiduciary Net Position
September 30, 2021

Exhibit 8

	<u>Custodial Funds</u>
ASSETS	
Cash and investments	\$ _____
Total Assets	\$ <u>0</u>
LIABILITIES	
Amounts held in custody for others	\$ _____
Total Liabilities	\$ <u>0</u>
NET POSITION	
Restricted for:	
Individuals, organizations and other governments	\$ _____
Total net position	<u>0</u>

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

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

Exhibit 9

	<u>Custodial Funds</u>
ADDITIONS	
Collections on behalf of individuals	\$ 15,639
Assessments of fines for other governments	<u>233,769</u>
Total Additions	<u>249,408</u>
DEDUCTIONS	
Payments of collections on behalf of individuals	15,639
Payments of assessments of fines to other governments	<u>233,769</u>
Total Deductions	<u>249,408</u>
Net increase (decrease) in fiduciary net position	<u> </u>
Net Position - Beginning	<u> </u>
Net Position - Ending	<u>\$ 0</u>

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

CARROLL COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

(1) Summary of Significant Accounting Policies.

A. Financial Reporting Entity.

Carroll County, Mississippi (the County) is a political subdivision of the State of Mississippi. The County is governed by an elected five-member Board of Supervisors. Accounting principles generally accepted in the United States of America require Carroll County to present these financial statements on the primary government and its component units which have significant operational or financial relationships with the County.

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

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

B. Individual Component Unit Disclosures.

Blended Component Units

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

The Carroll County Economic Development District is comprised solely of the five members of the Carroll County Board of Supervisors. Although created legally separate from the County under Section 19-5-99, Miss. Code Ann. (1972), the District is reported as if it were part of the primary government because its sole purpose is to enhance and develop the economic development resources of the County.

C. Basis of Presentation.

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

CARROLL COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

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 nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are generally financed through taxes, intergovernmental 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 activities 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 and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other revenues not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business-type activity or governmental function is self-financing or draws from the general revenues of the County.

Fund Financial Statements:

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

D. Measurement Focus and Basis of Accounting.

The Government-wide, Proprietary Funds and Fiduciary Funds financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year for which they are levied. Shared revenues are recognized when the provider government recognizes the liability to the County. Grants are recognized as revenues as soon as all eligibility requirements have been satisfied.

The revenues and expenses of Proprietary Funds are classified as operating or 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

CARROLL COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

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 Fund – This fund accounts for federal grant monies received from the American Rescue Plan to address issues resulting from COVID 19.

ERBR-STP/BR-0008(13)B BT5 – This fund is used to account for monies from specific revenue sources that are restricted for emergency road and bridge repair projects.

The County reports the following major Proprietary Fund:

Carroll-Montgomery Regional Correctional Facility (CMRCF) – This fund is used to account for the county's activities of operating the correctional facility.

Additionally, the County reports the following fund types:

GOVERNMENTAL FUND TYPES

Special Revenue Funds - These funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure 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 Fund - 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.

FIDUCIARY FUND TYPE

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

E. Account Classifications.

The account classifications used in the financial statements conform to the broad classifications

CARROLL COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

recommended in *Governmental Accounting, Auditing and Financial Reporting* as issued in 2012 by the Government Finance Officers Association.

F. Deposits and Investments.

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

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

G. Receivables.

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

H. Interfund Transactions and Balances.

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

I. Capital Assets.

Capital acquisition and construction are reflected as expenditures in Governmental Fund statements and the related assets are reported as capital assets in the (applicable) governmental or 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. 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

CARROLL COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

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.

J. Deferred Outflows/Inflows of Resources.

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

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

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.

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

Deferred inflows – capital lease interest - Deferred inflows of resources should be reported when resources associated with capital lease receivable interest are reported as a receivable before the period for which the interest is due.

Deferred revenues – property taxes/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 – capital lease – When a lease receivable is recorded in the governmental fund financial statements, but the revenue is not available, the government should report a deferred inflow of resources until such time as the revenue becomes available.

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

CARROLL COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

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

K. 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 governmental activities, business-type activities or Proprietary Funds Statement of Net Position.

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. Compensated Absences.

The Carroll-Montgomery Regional Correctional Facility has adopted a policy of compensation for accumulated unpaid employee personal leave. No payment is authorized for accrued major medical leave. Accounting principles generally accepted in the United States of America require accrual of accumulated unpaid employee benefits as long-term liabilities in the government-wide financial statements and Proprietary Funds financial statements.

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 improvement of those assets.

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

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

CARROLL COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

Net Position Flow Assumption:

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

Fund Financial Statements:

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

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

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

Committed fund balance includes amounts that can be used only for specific purposes pursuant to constraints imposed by a formal action of the Board of Supervisors, the county's highest level of decision-making authority. This formal action is an order of the Board of Supervisors as approved in the board minutes.

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

Fund Balance Flow Assumption:

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

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.

CARROLL COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

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 collectibility 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. 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.

(2) Deposits and Investments.

Deposits:

The carrying amount of the County's total deposits with financial institutions at September 30, 2021, was \$8,845,713, and the bank balance was \$9,014,395. 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, *Mississippi Code of 1972 Annotated*. Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC).

CARROLL COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

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

Investments:

Investments balances at September 30, 2021, are as follows:

<u>Investment Type</u>	<u>Maturity</u>	<u>Fair Value Level</u>	<u>Fair Value</u>
Federal Government Obligation			
Mutual Funds	N/A	Level 1	\$ <u>632,594</u>

Interest Rate Risk. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, Section 19-9-29, Miss. Code Ann.(1972), limits the maturity period of any investment to no more than one year.

Credit Risk. State law limits investments to those authorized by Sections 19-9-29 and 91-13-8, Miss. Code Ann.(1972). The county does not have a formal investment policy that would further limit its investments choices or one that addresses credit risk.

Custodial Credit Risk - Investments. Custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The county does not have a formal policy for custodial credit risk. These investments are uninsured, unregistered and were held by the counterparty in trust accounts on behalf of the county.

(3) Interfund Transactions and Balances.

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

A. Due From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Other Governmental Funds	General Fund	\$ <u>44,398</u>
Total		\$ <u>44,398</u>

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

CARROLL COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2021

B. Transfers In/Out:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Other Governmental Funds	General Fund	\$ <u>300,500</u>
Total		\$ <u><u>300,500</u></u>

The principal purpose of interfund transfers was to disburse reappraisal escrow monies and provide money for operations. All interfund transfers were routine and consistent with the activities of the fund making the transfer.

(4) Intergovernmental Receivables.

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

<u>Description</u>	<u>Amount</u>
Governmental Activities:	
Legislative tax credit	\$ 98,394
Emergency management performance grant	9,195
Waste tire grant	5,534
Motor vehicle license	6,060
Alcohol open containers grant	1,760
Public safety partnership and community policing grant	9,250
State and community highway safety grant	1,733
Welfare reimbursement	1,148
Timber severance tax	596
Garbage fees	6,758
Heavy duty truck tax	8,780
Emergency watershed protection	172,503
Rural development grant	<u>26,800</u>
Total Governmental Activities	\$ <u><u>348,511</u></u>
Business-type Activities:	
Litter pick up	\$ 2,393
Reimbursement for housing prisoners	<u>276,406</u>
Total Business-type Activities	\$ <u><u>278,799</u></u>

CARROLL COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2021

(5) Capital Assets.

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

Governmental activities:

	Balance Oct. 1, 2020	Additions	Deletions	Adjustments*	Balance Sept. 30, 2021
<u>Non-depreciable capital assets:</u>					
Land	\$ 202,819				202,819
Construction in progress	552,918	16,387		(569,305)	
Total non-depreciable capital assets	755,737	16,387		(569,305)	202,819
<u>Depreciable capital assets:</u>					
Infrastructure	13,940,842			569,305	14,510,147
Buildings	2,138,258				2,138,258
Mobile equipment	6,605,476	169,770	396,725	301,533	6,680,054
Furniture and equipment	783,552	46,291	190,727		639,116
Leased property under capital leases	850,503			(301,533)	548,970
Total depreciable capital assets	24,318,631	216,061	587,452	569,305	24,516,545
<u>Less accumulated depreciation for:</u>					
Infrastructure	2,817,679	305,386			3,123,065
Buildings	873,167	39,871		161,189	1,074,227
Mobile equipment	5,295,636	291,832	355,764		5,231,704
Furniture and equipment	707,185	17,622	171,654		553,153
Leased property under capital leases	284,222	57,041		(161,189)	180,074
Total accumulated depreciation	9,977,889	711,752	527,418		10,162,223
Total depreciable capital assets, net	14,340,742	(495,691)	60,034	569,305	14,354,322
Governmental activities capital assets, net	\$ 15,096,479	(479,304)	60,034		14,557,141

* Adjustments are to reclassify completed construction in progress to infrastructure and to reclassify paid out lease purchase to their proper classification.

CARROLL COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

Business-type activities:

	Balance Oct. 1, 2020	Additions	Deletions	Balance Sept. 30, 2021
<u>Depreciable capital assets:</u>				
Buildings	4,575,063			4,575,063
Mobile equipment	173,639	8,084	18,000	163,723
Furniture and equipment	267,393	39,180	131,094	175,479
Total depreciable capital assets	5,016,095	47,264	149,094	4,914,265
<u>Less accumulated depreciation for:</u>				
Buildings	2,013,026	91,501		2,104,527
Mobile equipment	130,603	12,217	16,200	126,620
Furniture and equipment	221,615	20,314	117,985	123,944
Total accumulated depreciation	2,365,244	124,032	134,185	2,355,091
Total depreciable capital assets, net	2,650,851	(76,768)	14,909	2,559,174
Business-type activities capital assets, net	\$ 2,650,851	(76,768)	14,909	2,559,174

The building for the CMRCF is constructed on sixteenth section land that is not owned by the county.

Depreciation expense was charged to the following functions:

	Amount
Governmental activities:	
General government	\$ 27,043
Public safety	72,289
Public works	594,820
Health and welfare	5,961
Culture and recreation	11,639
Total governmental activities depreciation expense	\$ 711,752

	Amount
Business-type activities:	
Correctional facility	\$ 124,032
Total business-type activities depreciation expense	\$ 124,032

(6) Claims and Judgments.

Risk Financing.

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

CARROLL COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

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.

(7) Capital Leases.

As Lessor:

On December 5, 2005, Carroll County entered into a capital lease agreement with the Anel Corporation for the lease of a building. The capital lease stipulated that the lessee would pay approximately \$49,913 per year in lease payments commencing March 2006 for the term of 20.25 years. At the end of the lease term, the Anel Corporation has the option to purchase the building for the final payment of \$19,924.

On June 26, 2012, Carroll County entered into a capital lease agreement with the Anel Corporation for the lease of a building. The capital lease stipulated that the lessee would pay approximately \$61,412 per year in lease payments commencing June 2012, for a term of 10 years. At the end of the lease term, the Anel Corporation has the option to purchase the building for the final payment of \$46,061.

The County leases the following property with varying terms and options as of September 30, 2021:

<u>Classes of Property</u>	<u>Amount</u>
Buildings	\$ <u>1,280,000</u>
Total	\$ <u><u>1,280,000</u></u>

The future minimum lease receivables and the present value of the net minimum lease receivables as of September 30, 2021, are as follows:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 86,077	4,854
2023	45,567	4,346
2024	46,953	2,960
2025	48,381	1,532
2026	<u>24,750</u>	<u>217</u>
Total	\$ <u><u>251,728</u></u>	<u><u>13,909</u></u>

CARROLL COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

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	\$	548,970
Less: Accumulated depreciation		<u>(180,074)</u>
Leased Property Under Capital Leases	\$	<u><u>368,896</u></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	\$ 97,990	3,900
2023	55,666	1,619
2024	25,671	537
2025	12,955	227
2026	<u>13,180</u>	<u>227</u>
Total	\$ <u><u>205,462</u></u>	<u><u>6,510</u></u>

(8) Long-term Debt.

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

CARROLL COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2021

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
Governmental Activities:			
A. General Obligation Bonds:			
Road & Bridge Bonds, Series 2012	\$ 915,000	2.30/3.25%	05/2027
Total General Obligation Bonds	\$ 915,000		
B. Capital Leases			
3-2010 Int 4300 Tanker Trucks	\$ 32,067	1.85%	11/2021
Viper phone system	55,458	3.39%	12/2023
Alamo Samurai cutter	727	3.17%	10/2021
JD 310 SL Backhoe	14,491	2.72%	02/2023
2020 Ford F150	23,814	1.81%	06/2024
Alamo Mower	15,295	2.58%	06/2024
2 2020 Dodge Ram 1500	63,610	1.70%	10/2025
Total Capital Leases	\$ 205,462		
C. Other Loans:			
CAP Loan - Anel Building	\$ 46,180	3.00%	02/2022
CAP Loan - Anel Building	208,314	3.00%	03/2026
Total Other Loans	\$ 254,494		

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	
	Principal	Interest
2022	\$ 140,000	21,045
2023	145,000	17,825
2024	150,000	14,490
2025	155,000	11,040
2026	160,000	7,475
2027	165,000	3,794
Total	\$ 915,000	75,669

CARROLL COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

<u>Year Ending September 30</u>	<u>Other Loans</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 90,926	6,094
2023	45,681	4,232
2024	47,070	2,843
2025	48,502	1,411
2026	<u>22,315</u>	<u>155</u>
Total	\$ <u>254,494</u>	<u>14,735</u>

Legal Debt Margin - The amount of debt, excluding specific exempted debt that can be incurred by the County is limited by state statute. Total outstanding debt during a year can be no greater than 15% of assessed value of the taxable property within the County, according to the then last completed assessment for taxation. However, the limitation is increased to 20% whenever a county issues bonds to repair or replace washed out or collapsed bridges on the public roads of the County. As of September 30, 2021, the amount of outstanding debt was equal to 1.02% of the latest property assessments.

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

	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>Amount due</u>
	<u>Oct. 1, 2020</u>			<u>Sept. 30, 2021</u>	<u>within one year</u>
Governmental Activities:					
General obligation bonds	\$ 1,050,000		135,000	915,000	140,000
Capital leases	337,267		131,805	205,462	97,990
Other loans	<u>356,033</u>		<u>101,539</u>	<u>254,494</u>	<u>90,926</u>
Total	\$ <u>1,743,300</u>		<u>368,344</u>	<u>1,374,956</u>	<u>328,916</u>

	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>Amount due within one year</u>
	<u>Oct. 1, 2020</u>			<u>Sept. 30, 2021</u>	
Business-type Activities:					
Compensated absences	\$ <u>14,329</u>	<u>1,308</u>		<u>15,637</u>	
Total	\$ <u>14,329</u>	<u>1,308</u>		<u>15,637</u>	

CARROLL COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

(9) Defined Benefit Pension Plan.

General Information about the Pension Plan

Plan Description. Carroll 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 Mississippi Code of 1972 Annotated Section 25-11-1 et seq. 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 \$692,108, \$636,958 and \$586,217 respectively, equal to the required contributions for each year.

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

At September 30, 2021, the County reported a liability of \$8,554,178 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. The County's proportionate share used to calculate the September 30, 2021 net pension

CARROLL COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

liability was .057875 percent, which was based on a measurement date of June 30, 2021. This was an increase of .002575 percent from its proportionate share used to calculate the September 30, 2020 net pension liability, which was based on a measurement date of June 30, 2020.

For the year ended September 30, 2021, the County recognized pension expense of \$396,644 in the governmental activities and \$190,073 in the business-type activities for a total pension expense of \$586,717. At September 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 134,760	
Net difference between projected and actual earnings on pension plan investments		2,581,949
Changes of assumptions	657,082	
Changes in the proportion and differences between the County's contributions and proportionate share of contributions	461,054	
County contributions subsequent to the measurement date	158,058	
Total	\$ 1,410,954	2,581,949

\$158,058 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending September 30	Amount
2022	\$ (115,721)
2023	(166,738)
2024	(278,915)
2025	(767,679)
Total	\$ (1,329,053)

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

Inflation	2.40 percent
Salary increases	2.65 – 17.90 percent, including inflation
Investment rate of return	7.55 percent, net of pension plan investment expense, including inflation

CARROLL COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

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 disability retirees were based on the PubG.H-2010 Disabled Table adjusted 134% for males and 121% for females. Mortality rates for Contingent Annuitants were based on the PubS.H-2010(B) Contingent Annuitant Table, adjusted 97% for males and 110% for females. Mortality rates will be projected generationally using the MP-2020 projection scale to account for future improvements in life expectancy.

The actuarial assumptions used for the purposes of determining the total pension liability were based on the results of an actuarial experience study for the 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>	

Discount Rate. The discount rate used to measure the total pension liability was 7.55 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00%) and that employer contributions will be made at the current contribution rate (17.40%). Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CARROLL COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

Sensitivity to the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.55 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.55 percent) or 1-percentage-point higher (8.55 percent) than the current rate:

	1% Decrease (6.55%)	Current Discount Rate (7.55%)	1% Increase (8.55%)
County's proportionate share of the net pension liability	\$ 12,114,721	8,554,178	5,620,007

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

(10) 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.

(11) Effect of Deferred Amounts on Net Position.

The governmental activities' unrestricted net position amount of (\$3,664,131) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflows of resources related to pensions in the amount of \$106,854 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 \$775,096 balance of the deferred outflows of resources related to pensions at September 30, 2021, will be recognized in pension expense over the next 3 years. The \$1,745,502 of deferred inflows of resources related to pensions at September 30, 2021, will be recognized as revenue and increase the unrestricted net position over the next 4 years.

The governmental activities' unrestricted net position amount of (\$3,664,131) includes the effect of deferring the recognition of revenue resulting from a capital lease receivable. The \$13,909 of deferred inflows of resources related to the capital lease receivable at September 30, 2021, will be recognized as revenue and will increase the unrestricted net position over the next five years.

CARROLL COUNTY

Notes to Financial Statements For the Year Ended September 30, 2021

The business-type activities' unrestricted net position amount of (\$2,019,249) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflows of resources related to pensions in the amount of \$51,204 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 \$477,800 balance of the deferred outflows of resources related to pensions at September 30, 2021, will be recognized in pension expense over the next 3 years. The \$836,447 of deferred inflows of resources related to pensions at September 30, 2021, will be recognized in revenue over the next 4 years.

(12) Jointly Governed Organizations.

The County participates in the following jointly governed organizations:

Holmes Community College operates in a district composed of the counties of Attala, Carroll, Choctaw, Grenada, Holmes, Madison, Montgomery, Webster and Yazoo. The Carroll County Board of Supervisors appoints two of the twenty two members of the College Board of Trustees. The County appropriated \$179,047 for the maintenance and support of the College in fiscal year 2021.

North Central Planning and Development District operates in a district comprised of the counties of Attala, Carroll, Grenada, Holmes, Leflore, Montgomery and Yalobusha. The Carroll County Board of Supervisors appoints four of the twenty eight members of the district board of directors. The County appropriated \$17,352 for support of the district in fiscal year 2021.

Region Six Mental Health/Mental Retardation Center Life Help operates in a district composed of the counties of Attala, Carroll, Grenada, Holmes, Humphreys, Leflore, Montgomery and Sunflower. The Carroll County Board of Supervisors appoints one of the eight members of the board of commissioners. The county appropriated \$25,000 for the support of the center in fiscal year 2021.

Yazoo-Mississippi Water Management District operates in a district composed of the counties of Bolivar, Carroll, Coahoma, Desoto, Holmes, Humphreys, Issaquena, Leflore, Panola, Quitman, Sharkey, Sunflower, Tallahatchie, Tate, Tunica, Washington and Yazoo. The Carroll County Board of Supervisors appoints one of the twenty one members of the district board of commissioners. The county appropriated \$5,952 for the support of the district in the fiscal year 2021.

Mississippi Regional Housing Authority IV operates in a district composed of the counties of Carroll, Choctaw, Clay, Grenada, Lowndes, Montgomery, Oktibbeha, Webster and Winston. The Carroll County Board of Supervisors appoints one of the nine members of the board of commissioners. The county did not appropriate for the support of the authority in fiscal year 2021.

(13) Tax Abatements.

For the year beginning October 1, 2016, the Governmental Accounting Standards Board (GASB) implemented Statement 77, Tax Abatement Disclosures. This statement requires governmental entities to disclose the reduction in tax revenues resulting from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the government or the citizens of those governments.

The Carroll County Board of Supervisors negotiates property tax abatements on an individual basis. All abatements are for 10 years and are for economic development purposes. The County had tax abatement agreements with one entity as of September 30, 2021.

CARROLL COUNTY

Notes to Financial Statements
For the Year Ended September 30, 2021

The county had one type of abatement which did not provide for the abatement of school or state tax levies.

Section 27-31-51, Miss. Code (Ann.)1972

All allowable property tax levies.

There is one entity that has a tax abatement under this statute. The exemption expires with fiscal year end within a ten-year time frame. For fiscal year 2021, \$26,083 in taxes was abated for this entity.

<u>Category</u>	<u>% of taxes Abated during the Fiscal Year</u>	<u>Amount of taxes Abated during the Fiscal Year</u>
Economic development projects	63.41%	\$26,083

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

(14) 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 Carroll County evaluated the activity of the County through February 14, 2023 and determined that the following subsequent event occurred requiring disclosure in the notes to the financial statements.

Subsequent to September 30,2021, the county issued the following debt obligation:

<u>Issue Date</u>	<u>Interest Rate</u>	<u>Issue Amount</u>	<u>Type of Financing</u>
2/16/2022	2.65%	\$181,900	Capital Lease

CARROLL COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

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

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 3,517,090	3,534,676	3,534,676	
Licenses, commissions and other revenue	82,780	130,140	130,140	
Fines and forfeitures	135,000	169,872	169,872	
Intergovernmental revenues	4,700	4,440	4,440	
Charges for services	353,022	504,721	504,721	
Interest income	6,000	8,577	8,577	
Miscellaneous revenues	6,800	24,387	24,387	
Total Revenues	<u>4,105,392</u>	<u>4,376,813</u>	<u>4,376,813</u>	
EXPENDITURES				
Current:				
General government	2,417,632	2,317,807	2,317,807	
Public safety	1,118,007	1,209,118	1,209,118	
Public works	20,390	20,123	20,123	
Health and welfare	85,000	81,614	81,614	
Culture and recreation	170,733	180,509	180,509	
Conservation of natural resources	88,434	82,890	82,890	
Economic development and assistance	17,352	98,355	98,355	
Total Expenditures	<u>3,917,548</u>	<u>3,990,416</u>	<u>3,990,416</u>	
Excess of Revenues over (under) Expenditures	<u>187,844</u>	<u>386,397</u>	<u>386,397</u>	
OTHER FINANCING SOURCES (USES)				
Other financing sources	131,000	966,044	966,044	
Other financing uses	(406,500)	(1,266,544)	(1,266,544)	
Total Other Financing Sources and Uses	<u>(275,500)</u>	<u>(300,500)</u>	<u>(300,500)</u>	
Net Change in Fund Balance	(87,656)	85,897	85,897	
Fund Balances - Beginning	<u>1,930,000</u>	<u>2,054,645</u>	<u>2,054,645</u>	
Fund Balances - Ending	<u>\$ 1,842,344</u>	<u>2,140,542</u>	<u>2,140,542</u>	

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

CARROLL COUNTY
 Budgetary Comparison Schedule -
 Budget and Actual (Non-GAAP Basis)
 American Rescue Fund
 For the Year Ended September 30, 2021
 UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental revenues	\$	966,044	966,044	
Interest income		556	556	
Total Revenues		966,600	966,600	
EXPENDITURES				
Current:				
Total Expenditures				
Excess of Revenues over (under) Expenditures		966,600	966,600	
OTHER FINANCING SOURCES (USES)				
Other financing sources				
Other financing uses				
Total Other Financing Sources and Uses				
Net Change in Fund Balance		966,600	966,600	
Fund Balances - Beginning				
Fund Balances - Ending	\$	966,600	966,600	

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

CARROLL COUNTY
 Budgetary Comparison Schedule -
 Budget and Actual (Non-GAAP Basis)
 ERBR-STP/BR 0008(13)B BT5 Fund
 For the Year Ended September 30, 2021
 UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental revenues	\$			
Total Revenues				
EXPENDITURES				
Current:				
Public works		1,391,154	1,391,154	
Total Expenditures		1,391,154	1,391,154	
Excess of Revenues over (under) Expenditures		(1,391,154)	(1,391,154)	
OTHER FINANCING SOURCES (USES)				
Other financing sources				
Other financing uses				
Total Other Financing Sources and Uses				
Net Change in Fund Balance		(1,391,154)	(1,391,154)	
Fund Balances - Beginning		2,045,891	2,045,891	
Fund Balances - Ending	\$	654,737	654,737	

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

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

	<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 (asset)	0.057875%	0.055300%	0.055397%	0.054071%	0.054601%	0.050528%	0.058139%
County's proportionate share of the net pension liability (asset)	\$ 8,554,178	10,705,438	9,745,425	8,993,614	9,076,540	9,025,563	8,987,142
Covered payroll	\$ 3,960,856	3,623,443	3,655,666	3,464,369	3,502,698	3,179,924	3,632,216
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	215.97%	295.45%	266.58%	259.60%	259.13%	283.83%	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 amounts presented for each fiscal year were determined as of the twelve months ended at the measurement date of June 30 of the fiscal year presented. This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement No. 68 was implemented for the fiscal year ended September 30, 2015, and, until a full 10 year trend is compiled, the County has only presented information for the years in which information is available.

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

CARROLL COUNTY
Schedule of County Contributions
Last 10 Fiscal Years*
For the Year Ended September 30, 2021
UNAUDITED

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 692,108	636,958	586,217	541,477	543,285	500,838	569,362
Contributions in relation to the contractually required contribution	<u>692,108</u>	<u>636,958</u>	<u>586,217</u>	<u>541,477</u>	<u>543,285</u>	<u>500,838</u>	<u>569,362</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered payroll	\$ 3,977,632	3,660,678	3,620,858	3,437,949	3,449,429	3,179,924	3,614,997
Contributions as a percentage of covered payroll	17.40%	17.40%	16.19%	15.75%	15.75%	15.75%	15.75%

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

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

CARROLL COUNTY

Notes to the Required Supplementary Information For the Year Ended September 30, 2021 UNAUDITED

A. Budgetary Information.

Statutory requirements dictate how and when the County's budget is to be prepared. Generally, in the month of August, prior to the ensuing fiscal year beginning each October 1, the Board of Supervisors of the County, using historical and anticipated fiscal data and proposed budgets submitted by the Sheriff and the Tax Assessor-Collector for his or her respective department, prepares an original budget for each of the Governmental Funds for said fiscal year. The completed budget for the fiscal year includes for each fund every source of 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 Fund	ERBR-STP/BR 0008(13)B BT5 Fund
Budget (Cash Basis)	\$ 85,897	966,600	(1,391,154)
Increase (Decrease)			
Net adjustments for revenue accruals	(107,845)	(966,044)	
Net adjustments for expenditure accruals	(28,495)		(194,139)
GAAP Basis	\$ (50,443)	556	(1,585,293)

CARROLL COUNTY

Notes to the Required Supplementary Information For the Year Ended September 30, 2021 UNAUDITED

Pension Schedules

A. Changes of assumptions.

2015

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

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

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

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

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

2016

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

2017

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

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

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

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

2019

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

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

For females, 85% of the female rates from ages 18 to 65 scaled up to 102% for ages 75 to 119.

Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.

The expectation of disabled mortality was changed to PubT.H-2010 Disabled Retiree Table for disabled retirees with the following adjustments:

For males, 137% of male rates at all ages.

For females, 115% of female rates at all ages.

Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.

CARROLL COUNTY

Notes to the Required Supplementary Information For the Year Ended September 30, 2021 UNAUDITED

The price inflation assumption was reduced from 3.00% to 2.75%.

The wage inflation assumption was reduced from 3.25% to 3.00%.

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

The percentage of active member disabilities assumed to be in the line of duty was increased from 7% to 9%.

2021

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

For males, 95% of male rates up to age 60, 110% for ages 61 to 75, and 101% for ages above 77.

For females, 84% of 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 the line of duty was decreased from 6% to 4%.

CARROLL COUNTY

Notes to the Required Supplementary Information
For the Year Ended September 30, 2021
UNAUDITED

B. Changes in benefit provisions.

2016

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

Method and assumptions used in calculations of actuarially determined contributions. The actuarially determined contribution rates in the schedule of employer contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported (June 30, 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

CARROLL COUNTY

SUPPLEMENTARY INFORMATION

CARROLL COUNTY
Reconciliation of Operating Costs of Solid Waste
For the Year Ended September 30, 2021

Operating Expenditures, Cash Basis:

Salaries	\$	42,680
Solid waste pickup and disposal fees		690,929
Utilities		1,477
Supplies		2,467
Postage		<u>10,086</u>

Solid Waste Cash Basis Operating Expenditures	747,639
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Full Cost Expenses:

Indirect administrative costs	4,001
Net effect of other accrued expenses	<u>5,494</u>

Solid Waste Full Cost Operating Expenses	<u><u>\$ 757,134</u></u>
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CARROLL COUNTY

OTHER INFORMATION

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

NAME	DEPARTMENT OR POSITION	AMOUNT OF BOND	BONDING COMPANY
James A. Neill, Jr.	Supervisor Beat 1	100,000	Western Surety Company
Josh Hurst	Supervisor Beat 2	100,000	Western Surety Company
Edward Dill Tucker	Supervisor Beat 3	100,000	Western Surety Company
Claude Fluker	Supervisor Beat 4	100,000	Western Surety Company
Rickie Corley	Supervisor Beat 5	100,000	Western Surety Company
Sherry Blaylock	Purchase Clerk	100,000	Western Surety Company
Casey Carpenter	Assistant Purchase Clerk	75,000	Western Surety Company
Durward Stanton	Inventory Clerk	75,000	Western Surety Company
Monica Jones	Receiving Clerk	75,000	Western Surety Company
Durward Stanton	Assistant Receiving Clerk	50,000	Western Surety Company
Johnny Burrell	Assistant Receiving Clerk	50,000	Western Surety Company
Debra Sproles	Assistant Receiving Clerk	50,000	Western Surety Company
Michael Haddon	Assistant Receiving Clerk	50,000	Western Surety Company
Mary Jane King	Assistant Receiving Clerk	50,000	Western Surety Company
Alan Jackson	Assistant Receiving Clerk	50,000	Western Surety Company
Stephen Everett	Assistant Receiving Clerk	50,000	Western Surety Company
James R. Woodson	Assistant Receiving Clerk	50,000	Western Surety Company
Connie C. Morgan	Assistant Receiving Clerk	50,000	Western Surety Company
Timothy D. Beasley	Assistant Receiving Clerk	50,000	Western Surety Company
Brenda M. Westmoreland	Assistant Receiving Clerk	50,000	Western Surety Company
Barbara W. Matthews	Assistant Receiving Clerk	50,000	Western Surety Company
Calvin Holmes	Assistant Receiving Clerk	50,000	Western Surety Company
Frances Y. Williams	Assistant Receiving Clerk	50,000	Western Surety Company
Casey Carpenter	Chancery Clerk	100,000	Western Surety Company
Durward Stanton	Circuit Clerk	100,000	Western Surety Company
Casey Carpenter	Deputy Circuit Clerk	50,000	Western Surety Company
Marlee Golden	Deputy Circuit Clerk	50,000	Western Surety Company
Frances C. Andrews	Deputy Circuit Clerk	50,000	Western Surety Company
Rogan Jackson	Deputy Circuit Clerk	50,000	Western Surety Company
Monica P. Jones	Deputy Circuit Clerk	50,000	Western Surety Company
Christy Noah	Deputy Circuit Clerk	50,000	Western Surety Company
Mary Lofton	Deputy Circuit Clerk	50,000	Western Surety Company
Clint H. Walker	Sheriff	100,000	Western Surety Company
Joe Hallman	Constable	50,000	Western Surety Company
Roshaun Daniels	Constable	50,000	Western Surety Company
Wilton A. Neal	Tax Assessor/Collector	100,000	Western Surety Company
Mary (Beth) McGee	Deputy Tax Collector	50,000	Western Surety Company
Mary (Beth) McGee	Deputy Tax Assessor	50,000	Western Surety Company
Debra Sproles	Deputy Tax Collector	50,000	Western Surety Company
Debra Sproles	Deputy Tax Assessor	10,000	Western Surety Company
Tammy Inmon	Deputy Tax Collector	50,000	Western Surety Company
Tammy Inmon	Deputy Tax Assessor	10,000	Western Surety Company
Alison Dowdle	Deputy Tax Collector	50,000	Western Surety Company
Alison Dowdle	Deputy Tax Assessor	10,000	Western Surety Company
Veronica S. Demming	Deputy Tax Collector	50,000	Western Surety Company
Veronica S. Demming	Deputy Tax Assessor	50,000	Western Surety Company
Andrea Trinkler	Deputy Tax Collector	50,000	Western Surety Company
Jimmy Avant	Justice Court Judge	50,000	Western Surety Company
Tinesha Erve-Earnest	Justice Court Judge	50,000	Western Surety Company
Mary Jane King	Justice Court Clerk	50,000	Western Surety Company
Michelle Heath	Justice Court Clerk	50,000	Western Surety Company
Frances Williams	Justice Court Clerk	50,000	Western Surety Company
Joy Parker	Deputy Justice Court Clerk	50,000	Western Surety Company
Miriam Dockery	Deputy Justice Court Clerk	50,000	Western Surety Company
Judy Mainelli	Deputy Justice Court Clerk	50,000	Western Surety Company

CARROLL COUNTY

SPECIAL REPORTS



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

Members of the Board of Supervisors
Carroll County, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Carroll County, Mississippi (the County), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated February 14, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Carroll County, Mississippi's internal control over financial reporting (internal control) as a basis for designing 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 Carroll 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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as 2021-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Carroll County, Mississippi's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit,

and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the management of Carroll County, Mississippi, in the Limited Internal Control and Compliance Review Management Report dated February 14, 2023, included within this document.

Carroll County's Response to the Finding

Carroll County's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. Carroll County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Bridgers, Goodman, Baird & Clarke, PLLC

Bridgers, Goodman, Baird & Clarke, PLLC
Certified Public Accountants
Vicksburg, Mississippi
February 14, 2023



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

Members of the Board of Supervisors
Carroll County, Mississippi

We have examined Carroll 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, *Mississippi Code of 1972 Annotated* and compliance with the purchasing requirements in accordance with bid requirements of Section 31-7-13, *Mississippi Code of 1972 Annotated* during the year ended September 30, 2021. The Board of Supervisors of Carroll County, Mississippi is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the County's compliance with specified requirements. The Board of Supervisors of Carroll 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.

In our opinion, Carroll 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, *Mississippi Code of 1972 Annotated*. The information contained on these schedules has been subjected to procedures performed in connection with our aforementioned examination and, in our opinion, is fairly presented in relation to that examination.

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

Bridgers, Goodman, Baird & Clarke, PLLC

Bridgers, Goodman, Baird & Clarke, PLLC
Certified Public Accountants
Vicksburg, Mississippi
February 14, 2023

CARROLL COUNTY

Schedule of Purchases From Other Than 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.

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

Schedule 2

<u>Date</u>	<u>Item Purchased</u>	<u>Amount</u>	<u>Vendor</u>	<u>Reason</u>
6/11/2021	1-72"x40'x16G	\$ 5,722	G&O Supply	Storm damage
6/14/2021	100 - 3x8x6, 76 - 3x8x20	\$ 6,772	Tri State	Storm damage
6/14/2021	13-6x12x16,26-6x12x20	\$ 6,115	Thomas Wood	Storm damage
6/14/2021	Clay and wash gravel	\$ 9,234	Ferguson Sand	Storm damage
6/15/2021	1-48"x40'x14G	\$ 2,831	G&O Supply	Storm damage
6/17/2021	1-36"x40'x14G	\$ 2,123	G&O Supply	Storm damage
6/22/2021	1-48"x50'x50G;1-60"x50'x15G	\$ 8,935	G&O Supply	Storm damage
6/23/2021	3-5'x20'	\$ 6,560	G&O Supply	Storm damage, flood
7/26/2021	4-lds-610 Rock	\$ 4,083	Dunbar	Storm damage, flood

CARROLL COUNTY

Schedule 3

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

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



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LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors
Carroll County, Mississippi

In planning and performing our audit of the financial statements of Carroll County, Mississippi for the year ended September 30, 2021, we considered Carroll 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 Carroll 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 February 14, 2023, on the financial statements of Carroll 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, *Mississippi Code of 1972 Annotated*, the Office of the State Auditor, when deemed necessary, may conduct additional procedures and tests of transactions for this or other fiscal years to ensure compliance with legal requirements.

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

Payroll Clerk

1.	<u>Employee File Documentation.</u>
Repeat Finding	Yes; 2020-#1
Criteria	The County is responsible for establishing and maintaining an effective system of internal controls pertaining to the documentation in employee files.
Condition	During the course of our test work, we noted the following: <ul style="list-style-type: none"> • Six (6) instances where the I-9 was incomplete or improperly completed • One (1) instance where the pay rate in the file did not match the pay rate in the system
Cause	The employee files are not being reviewed regularly to identify any files lacking proper documentation.

Effect	The County faces liability due to having improperly executed Form I-9s. Payroll could be miscalculated without correct pay rates.
Recommendation	The County should maintain a complete employee file system that would ensure that the County is in compliance with State and Federal employee documentation laws.
Response	In response to this finding, going forward the payroll/human resources clerk will be making monthly personnel file checks. These checks will include monitoring for complete paperwork and check to ensure all documentation is in place.

2.	<u>Public Officials Should Ensure Compliance with State Law over Rehiring PERS Retirees.</u>
Repeat Finding	Yes; 2019-#8, 2020-#2
Criteria	<p><i>Section 25-11-127, Mississippi Code Annotated (1972), states, "No person who is being paid a retirement allowance or a pension after retirement under this article shall be employed or paid for any service by the State of Mississippi, including services as an employee, contract worker, contractual employee or independent contractor, until the retired person has been retired for not less than ninety (90) consecutive days from his or her effective date of retirement. After the person has been retired for not less than ninety (90) consecutive days from his or her effective date of retirement or such later date as established by the board, he or she may be reemployed while being paid a retirement allowance under the terms and conditions provided in this section....</i></p> <p>4) The provisions of this section shall not be construed to prohibit any retiree, regardless of age, from being employed and drawing a retirement allowance either:</p> <p>(a) For a period of time not to exceed one-half ($\frac{1}{2}$) of the normal working days for the position in any fiscal year during which the retiree will receive no more than one-half ($\frac{1}{2}$) of the salary in effect for the position at the time of employment, or</p> <p>(b) For a period of time in any fiscal year sufficient in length to permit a retiree to earn not in excess of twenty-five percent (25%) of retiree's average compensation.</p> <p>To determine the normal working days for a position under paragraph (a) of this subsection, the employer shall determine the required number of working days for the position on a full-time basis and the equivalent number of hours representing the full-time position. The retiree then may work up to one-half ($\frac{1}{2}$) of the required number of working days or up to one-half ($\frac{1}{2}$) of the equivalent number of hours and receive up to one-half ($\frac{1}{2}$) of the salary for the position. In the case of employment with multiple employers, the limitation shall equal one-half ($\frac{1}{2}$) of the number of days or hours for a single full-time position.</p> <p>Notice shall be given in writing to the executive director, setting forth the facts upon which the employment is being made, and the notice shall be given within five (5) days from the date of employment and also from the date of termination of the employment. <i>[Note: This notice is provided on PERS Form 4B and must be executed annually and sent to PERS]</i></p> <p>(6) (a) A member may retire and continue in municipal or county elective office provided that the member has reached the age and/or service requirement that will not result in a prohibited in-service distribution as defined by the Internal Revenue Service, or a retiree may be elected to a municipal or county office, provided that the person:</p> <p>(i) Files annually, in writing, in the office of the employer and the office of the executive director of the system before the person takes office or as soon as possible after retirement, a waiver of all salary or compensation and elects to receive in lieu of that salary or compensation a retirement allowance as provided in this section, in which event no salary or compensation shall thereafter be due or payable for those services; however, any such officer or employee may receive, in addition to the retirement allowance, office expense allowance, mileage or travel expense authorized by any statute of the State of Mississippi; or</p>

(ii) Elects to receive compensation for that elective office in an amount not to exceed twenty-five percent (25%) of the retiree's average compensation. In order to receive compensation as allowed in this subparagraph, the retiree shall file annually, in writing, in the office of the employer and the office of the executive director of the system, an election to receive, in addition to a retirement allowance, compensation as allowed in this subparagraph. *[Note: This notice is provided on PERS Form 9C and must be executed annually and sent to PERS]*

(b) The municipality or county in which the retired person holds elective office shall pay to the board the amount of the employer's contributions on the full amount of the regular compensation for the elective office that the retired person holds.

Condition	During the course of our audit, we noted the following:
	<ul style="list-style-type: none"> • One (1) individual did not have an executed PERS Form 4B on file
Cause	The County did not comply with <i>Section 25-11-127, Mississippi Code Annotated (1972)</i> in that it failed to ensure proper notice to PERS, proper execution of required documents, and proper monitoring of wages to ensure the PERS cap was not exceeded.
Effect	The failure to comply with the reemployment conditions as reported on PERS Form 4B and 9C could jeopardize the provisions for reemployment and result in a penalty assessed by PERS against the County.
Recommendation	The County should timely and accurately file PERS Form 4Bs and 9Cs for all re-hired retirees and ensure that the statutory conditions for reemployment are met.
Response	In response, the payroll/human resources clerk will make sure that all retirees will have a form 4B or 9C filed in an accurate and timely manner.

Board of Supervisors

3. The Board of Supervisors should ensure compliance with state law over entering into an interlocal agreement with a local taxing entity for the collection of ad valorem taxes.

Repeat Finding	Yes; 2020-#3
Criteria	<i>§17-13-7(4), Mississippi Code Annotated (1972)</i> , provides that, "Any two (2) or more local governmental units may enter into written contractual agreements with one another for joint or cooperative action to provide services and facilities..." <i>§17-13-7(4)</i> supports <i>§27-41-2</i> , which allows inter-local agreements for collection by county of ad valorem taxes due to the municipality.
Condition	During the course of our audit, we observed that the Tax Collector has been collecting ad valorem taxes for the municipalities of Carrollton, North Carrollton, and Vaiden in the absence of any inter-local agreements. We do note, however, that the Tax Collector is not receiving compensation for said services.
Cause	An inter-local agreement has not been executed by the County and the local government entity for the collection of ad valorem taxes.
Effect	Failure to enter into adequate and appropriate contractual agreements could result in the loss or misappropriation of public funds.
Recommendation	The Board of Supervisors should enter into an inter-local agreement with the local government entity for the collection of ad valorem taxes.

Response	The Carroll County Board of Supervisors has approved a Board Order to enter into an interlocal agreement with all three towns allowing the Carroll County Tax Assessor/Collector to collect the city taxes for the three towns. The County is now awaiting signatures on those interlocal agreements from the Mayors.
4.	<u>Public Officials and Employees should ensure compliance with state law over surety bonding requirements.</u>
Repeat Finding	No.
Criteria	<i>Section 25-1-15, Mississippi Code Annotated (1972)</i> , states, "A new bond in an amount not less than that required by law shall be secured upon employment and coverage shall continue by the securing of a new bond every four (4) years concurrent with the normal election cycle of the Governor or with the normal election cycle of the local government applicable to the employee."
Condition	During the course of our testing we noted the following instances of non-compliance: <ul style="list-style-type: none"> • Unable to locate bonds showing coverage for the entire period for two (2) deputy tax collectors/deputy tax assessors • Unable to locate a bond showing coverage for the entire period for one (1) deputy justice court clerk
Cause	Public Officials and the Board of Supervisors have insufficient control over the requirements for bonding officials and employees.
Effect	Failure to have a bond in place for a specific term could limit the amount available for recovery if a loss occurred over multiple terms, as well as the current terms.
Recommendation	We recommend the Board of Supervisors implement procedures to ensure that County officials' and employees' bonds meet the requirements of State Laws.
Response	The employees who were listed in this finding were bonded effective 6-24-21 and 1-21-21. We will comply with state law in the future.

Carroll 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, is not intended to be, and should not be used by anyone other than these parties. However, this report is a matter of public record and its distribution is not limited.

Bridgers, Goodman, Baird & Clarke, PLLC

Bridgers, Goodman, Baird & Clarke, PLLC
Certified Public Accountants
Vicksburg, Mississippi
February 14, 2023

CARROLL COUNTY

SCHEDULE OF FINDINGS AND RESPONSES

CARROLL 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: | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weakness identified? | No |
| b. Significant deficiency identified? | Yes |
| 3. Noncompliance material to the financial statements noted? | No |

Section 2: Financial Statement Findings

The results of our tests disclosed the following finding related to the financial statements that is required to be reported by *Government Auditing Standards*.

Chancery Clerk

SIGNIFICANT DEFICIENCY

2021-001.	<u>The Chancery Clerk has Insufficient Separation of Duties.</u>
Repeat Finding	Yes; 2018-001, 2019-001, 2020-001
Criteria	An effective system of internal control includes adequate separation of duties.
Condition	As reported in the last twenty-seven years' audit reports, audit observations reveal adequate separation of duties does not exist in accounting functions.
Cause	The County's size interferes with the cost-benefit relationship in implementing separation of duties.
Effect	Failure to have adequate separation of duties could result in the loss of public funds due to the possibility of funds being mishandled.
Recommendation	The County should separate duties for the individuals involved in receipting and disbursing funds, recording transactions and reconciling accounts.
Response	In response to the finding of insufficient separation of duties, Carroll County has put some measures in place to alleviate this finding for future years. The staff in the Chancery Clerk's office will be separating the duties for the individuals involved in receipting and disbursing funds as well as recording and reconciling accounts. Going forward, each task will be performed by separate individuals. Also, the Chancery Clerk will be signing off on all bank reconciliations at the end of each month. These measures will alleviate any possibility that could result in loss of funds or mishandling of funds.